

Amitkumar Vinod Dhage

Procurement Challenges in Volunteer Organizations and Possible Solutions

Master's thesis in Project Management
Supervisor: Tim Kristian Andreas Torvatn
June 2022



Norwegian University of
Science and Technology

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Amitkumar Dhage

Norwegian University of Science and Technology

Department of Industrial Economics and Technology Management (IØT)

Trondheim

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Preface

The purpose of this master's thesis is to investigate the challenges that volunteer organizations face in procuring products and services. Furthermore, the focus of this thesis is on finding solution strategies to overcome the challenges that have been discovered. Because they strive toward a mission under severe financial constraints, volunteer organizations must manage their spending with the maximum financial efficiency. Furthermore, these organizations have the potential to have a significant impact on the economy of the country. As a result, procurement becomes an important part of enhancing volunteer organizations' financial efficiency. The study of how to improve procurement procedures in volunteer organizations holds a lot of potential, and this thesis might be a useful addition to increasing financial efficiency in volunteer organizations' procurement operations.

This master's thesis in the discipline of Purchasing and Logistic Management was done at the Norwegian University of Science and Technology, Trondheim, in the Department of Industrial Economics and Technology Management (IØT). Professor Tim Kristian Andreas Torvatn, who served as my supervisor throughout the procedure, was really helpful.

I'm also grateful to the interviewees who shared valuable information based on their experience and expertise in the volunteer sector. Their desire to assist in the completion of this study and to contribute to the betterment of this sector is much appreciated.

I'd also want to thank the fellow students who took part in the conversation about the topic for their attention and feedback.

Amitkumar Dhage

Norwegian University of Science and Technology

Department of Industrial Economics and Technology Management (IØT)

Trondheim, 11th June 2022

Summary

The purpose of this study is to investigate at the challenges experienced by volunteer organizations during the procurement process, which has a direct and indirect influence on their capacity to successfully execute the projects and missions for which they are committed. Following the analysis of these obstacles, the next stage is to investigate the origin and nature of these challenges in greater depth, which will assist in the exploration of potential solutions to these problems. To achieve this goal, theoretical propositions were developed with the support of existing research and literature, and they were assessed using empirical data acquired to see how well the notions matched real-world behaviors.

Because there hasn't been much research done on procurement processes in the volunteer sector, a deductive, and inductive research approach were used, with the goal of first preparing the hypothetical model and testing it with the collected data, and then using the collected data to extend the findings in the prepared model. Lower Purchasing Power, Unethical Practices, Process, Poor Staff Retention, Law & Regulations, Risk, Conflicts, and Non-Strategic Nature were the eight types of procurement challenges uncovered in the volunteer sector by this study. The non-strategic nature of purchasing, as well as organizational culture, have a significant impact on the procurement function in volunteer organizations.

To understand the constraints of the volunteer sector in the field of procurement operations, a theoretical model has been introduced that illustrates the traits that make the procurement function in for-profit firms comparatively more efficient as compared to volunteer organizations.

This research has implications for practitioners in the volunteer sector, particularly for buyers, organizations, and leadership. Only on the buyer, organizational, or leadership levels, or a combination of two or all three, may solve the discovered challenges. Buyers should focus on building long-term, mutually beneficial partnerships with suppliers. Organizations should place a higher focus on developing a strong organizational culture and rules that allow each employee to understand why they are contributing their time and effort to the organization. The responsibility of the leadership should be to guarantee that the stated organizational policies are followed and that the knowledge and skills of the employees are improved.

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1. Introduction

This chapter briefly describes the background of the volunteer sector, its role in society and the economy, and the main issues that it faces. Moving further, the objective of this study has been explored, as well as the development of the research question and the presentation of the paper's framework.

1.1 Background of Volunteer Sector

Traditionally, various organizations have worked to better the lives of society's citizens in three sectors. There are three types of sectors: public, private, and volunteer. Each of these sectors makes a distinctive contribution to social progress. Organizations that offer essential public services such as civic infrastructure, education, security, and health make up the public sector. Income is generally created by taxation in this area, and it is subsequently spent on social welfare activities. The private sector is made up of businesses that generate goods and services with the primary objective of making money. Shops, manufacturers, and service providers are examples of such businesses. The profits earned by the company's operations are dispersed to the company's owners and shareholders. Many private-sector businesses contribute to social development by providing decent job opportunities and encouraging environmental stewardship via resource conservation.

The volunteer sector differs from the business and public sectors in that it is non-profit and not controlled by the government. It is also known as the third sector since it exists between the public and private sectors. Frumkin (2005) likes to refer to this sector as the "non-profit and volunteer sector" because of the numerous organizations that make it up. This sector has evolved to solve issues that the public sector cannot address it because of budget limits, and the private sector cannot address it due to non-profitability, where their primary goal is to generate the profits. Since some private sector firms are now offering services, such as cleaning and garbage management that were formerly provided by municipal governments, the lines between these sectors have grown blurry. Even public-sector organizations use volunteers rather than paid personnel. The term "volunteer sector" refers to organizations whose primary objective is to make a positive social effect rather than to make a profit, as for-profit businesses do. This sector encompasses operations that are not governed by governmental or commercial for-profit entities. Charities (the biggest category), community benefit societies and co-operatives, not-

for-profit community enterprises, community interest corporations (CICs), credit unions and small informal community groups, student organizations, and perhaps other similar kind of organizations are all included in the volunteer sector. These organizations are focused on accomplishing a certain societal objective or mission. These organizations strive to address a wide range of concerns, including social issues such as youth clubs and scientific issues such as specialty medical research. Most organizations work to address a specific issue, such as climate change or unaffordable housing, or to provide assistance and representation to a certain segment in society, such as women who are victims of domestic violence or students who are on tight budgets. According to the Charity Commission (2017) report, 31% of people said they had benefitted from or used charity services, compared to 19% in 2015.

To protect the interests of customers and the general public, the majority of organizations in all of these sectors are regulated. The volunteer sector is likewise heavily controlled, with government regulations requiring organizations to register if they are prone to corruption or fraudulent practices.

Volunteer and for-profit organizations have a lot in common when it comes to regulatory duties, business, and employment. This industry consists of several different groups and organizations, each having its own organizational structure, culture, membership, and goal. Some charities are large national charities with well-known identities and branding, while others are modest local organization. They have the ability to function on a global, national, or local level. These organizations must have an organizational structure in order to properly execute operations and activities. Typically, these organizations are governed by independent boards of directors that make crucial decisions and strategies to achieve their goals. The usual volunteer organization structure is depicted in Figure 1.1.1 below.

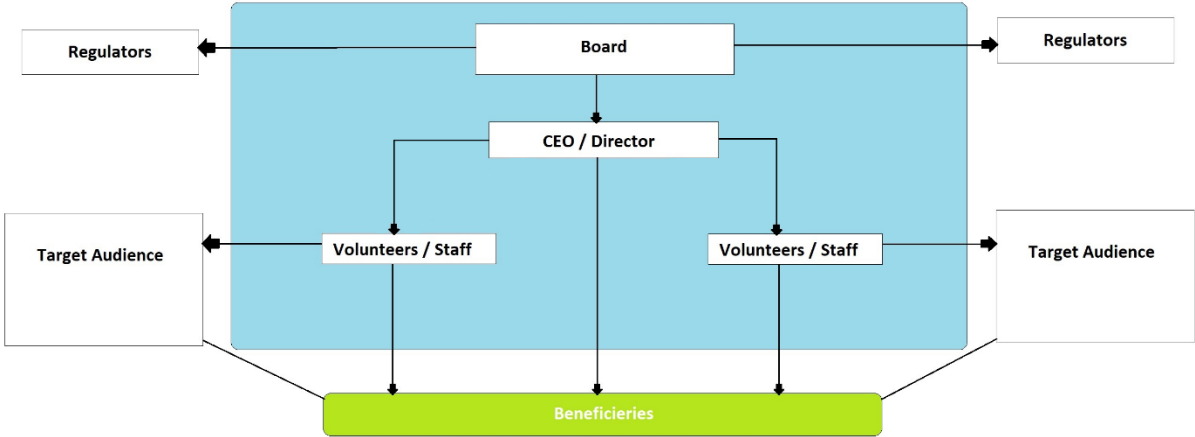


Figure 1.1.1. Typical Volunteer Organization Structure (The Open University, 2022)

1.2 Importance of Volunteer Sector

The volunteer sector is critical to the development of healthy communities. By offering key services, this sector helps towards economic stability and mobility. This sector has a significant economic impact that is difficult to quantify. This industry employs millions of people and contributes to the economy by providing volunteer opportunities, employment chances, and social development services. According to economists, a 'major' sector is defined as one that employs 5% of a country's workforce. According to the US Department of Labour, about 12.3 million non-profit jobs existed in the US in 2016, accounting for 10.2 percent of total private employment (Newhouse and Salamon, 2019). According to the Urban Institute, the non-profit sector contributed an estimated 905.9 billion dollars to the US economy and has assets worth more than 5.17 trillion dollars, and these figures are likely to expand. It's worth mentioning that the non-profit sector employs the third-largest workforce of any industry, following only the retail and food industries and outnumbering the manufacturing industry. In the United States, the volunteer sector contributed around 10% of GDP, with a large portion of donations going to private religious groups (Gunn, 2004). According to Statistics Norway (2022), the total number of full-time employees in Norway's non-profit sector was 89161 in 2018, accounting for 3.6 percent of GDP, and total production was 117844 million NOK, almost 2% of overall GDP. The Netherlands has the largest volunteer sector among Europe's 20 countries (Evers and Laville, 2004, p. 150). In 2018, Ireland raised 1.24 billion euros in voluntary funds, accounting for 0.38 % of the country's entire GDP (GivingIreland, 2020). In Sweden, the volunteer sector aids in the establishment of progressive economic, social, and cultural policies, which contribute to national social transformation (Muffels, 2001, p. 90). In Italy, volunteering is seen as a main source of employment (Antonelli and Liso, 2004, p. 228). Bell (1976, p. 147) predicted the dominance of the volunteer sector in society, and that appears to be the case presently in Europe.

The volunteer sector contributes to community development in a variety of ways, in addition to economics. This sector contributes to the public's personal development through fostering self-esteem, skill development, and career path advancement. Because of their intimate contacts with communities and significant local knowledge, volunteer organizations have the best grasp of community needs, which assists in the creation of economic infrastructure and accelerates progress.

Volunteer sector improves the quality of links between enterprises, government, and society, so boosting community cohesiveness and making it safer and stronger. Dhage (2021) explains

the flow of income and expenditure among households (beneficiaries), the government, corporate bodies, and non-profit organizations (voluntary organizations in this case) using a model (figure 1.2.1). Private (for-profit) firms sell goods and services to households, which earn profits and pay taxes to the government. Households, on the other hand, gain from greater salary and better working conditions provided by private firms. Although taxes are the government's principal source of income, it also delivers social benefits to households through public services like as welfare, infrastructure development, education, and health care, among other things. Volunteer organizations join the scene with the express purpose of giving social benefits to households, which private businesses and the government are unable to give due to profit and affordability problems, respectively. Volunteer organizations are helped by the government and private enterprises by making investments or offering financial assistance, helping them to realize their goals and providing additional social support to communities.

This circulation of money and spending among households, the government, commercial firms, and volunteer organizations demonstrates the significance of volunteer organizations in society in terms of providing social support to the public.

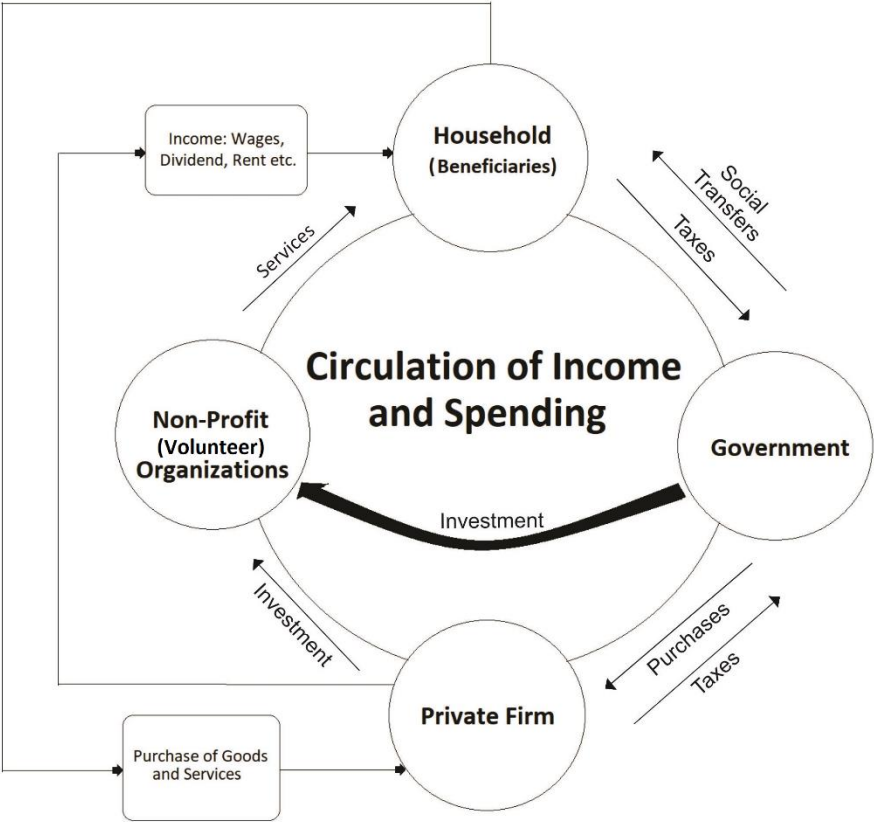


Figure 1.2.1. Impact of volunteer (non-profit) organizations on social support cycle. Adapted from (Dhage, 2021, P. 10)

1.3 General Challenges Faced by Volunteer Organizations

Among the challenges that volunteer organizations face include finding and keeping good volunteers, training them, income and financial sustainability, organizational change management, leadership and culture management, governance, operations management, and non-experienced staff. Financial sustainability is one of the most important challenges that volunteer organizations face since it has a direct impact on the organization's operational capacities, and failure in this area might lead to the organization's collapse. Even if the programs are excellent, such organizations have financial challenges. Volunteer organizations, unlike for-profit private organizations, rely on grants and donations to fund their operations. These organizations usually have less resources and fewer freedom. As a result, in order to fulfill organizational goals, volunteer organizations must plan their financial spending more carefully and make the most efficient use of available resources. Individuals, governments, and private organizations who provide grants or sponsorships expect their money and resources to be spent wisely and effectively, as the organization specifies.

To produce the maximum value, organizations must be more inventive and judicious with their spending. Budget restrictions also hinder the process of identifying and allocating resources for new projects. The operations are also slower since greater coordination and consensus among the participants is necessary.

Volunteer organizations must also cope with operational and recruitment concerns in addition to financial challenges. Volunteers make up the majority of the people who work for these organizations. These people work because they want to make a positive difference in the world. Because of a variety of variables, including lower pay, these firms typically struggle to attract highly qualified individuals whose skills match the job function, making the hiring process difficult. The organization's operational efficiency is also harmed by these talent mismatches. Individuals resign for a number of reasons, including changes in their principal jobs, a lack of excitement, a lack of understanding about their work function, burnout, and so on. The practice of recurring recruitment may take up more time and money as a result of these considerations.

As a result of the convergence of all of these challenges inside volunteer organizations, procurement concerns develop. Non-profit organizations have more procurement challenges than for-profit private companies. Procurement concerns have a direct impact on a non-profit organization's financial viability, resulting in inefficiency and eventually collapse, limiting the organization's ability to achieve its goals and fulfill its mission.

1.4 Purpose

Volunteer organizations must optimize the use of available resources to carry out activities and obligations as effectively as possible while preserving resources whenever and wherever feasible due to a lack of monetary and other resources. To put it another way, these companies must maximize their value while spending as little money as feasible. This may be achieved by implementing an efficient procurement system that allows these organizations to save money while increasing their output. However, in order to achieve financial efficiency, these organizations face a variety of difficulties in the procurement process that must be addressed, and solutions adopted. Until now, the procurement area within the volunteer sector has received limited attention, and only a few studies have been undertaken in this study field. As a result, the purpose of this study is to investigate the procurement challenges that volunteer organizations face and the solutions that may be employed to address them. The goal is to help these groups conserve valuable financial resources so that they can achieve financial sustainability and achieve their objectives.

The attention on procurement issues is justified since they are inextricably tied to financial viability, which has an influence on the organization's ability to achieve its goals and fulfill its mission.

This thesis explores various challenges that volunteer organizations confront in order to identify the impediments that affect procurement function. The main purpose, in addition to recognizing the challenges, is to offer viable solution strategies for resolving them. The purpose is to develop a theoretical framework based on a review of existing research, reports, and publications, which is discussed in detail in the methodology section (chapter 2). In order to better understand the major contrasts that explain why the procurement function in the for-profit sector is more efficient, this study includes a theoretical comparison of the procurement function in the for-profit and volunteer sector.

This is the starting step toward this study which leads to the following problem statement.

<p>Problem Statement: Inefficient procurement causes financial challenges for volunteer organizations, which has a negative impact on the effective completion of organizational initiatives and the attainment of goals.</p>
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1.5 Research Questions

The division of the problem statement into two pieces in this study has resulted in the following two research questions.

The volunteer sector is extremely important and has a huge influence on both social and economic elements of society. The volunteer sector aids society when the for-profit and governmental sectors are unable to do so, as detailed in section 1.2. Furthermore, by providing direct aid to persons living in poverty, such as educational assistance, homeless assistance, or free food, this sector has a direct impact on their quality of life. Indirect aid, such as giving jobs in this sector, is also accessible. With such expanding relevance, organizations working in this sector must take actions to increase efficiency and productivity in order to overcome the prevalent problems (as indicated in section 1.3), which function as bottlenecks to obtaining and accomplishing organizational goals. One of the most critical difficulties affecting firms in this industry is the acquisition and effective management of monetary resources. Failure to effectively manage resources can have serious implications, including a loss of public trust and the liquidation of an organization. Procurement management is one of the most important areas inside these organizations since it is where they spend their money to purchase the goods and services, they need to run their businesses properly. The issues that these businesses have in their procurement departments must be addressed as promptly as possible. As a result, the first research question examines the procurement challenges that volunteer organizations face. For this purpose, a literature review of both the procurement function and the volunteer sector was done. With the help of literature review, the propositions were developed, and a framework was built to arrange them in an intelligible manner. These assumptions were then evaluated (chapter 5) in the analytical step using empirical data acquired (chapter 4).

<p>Research Question 1: What are the procurement challenges faced by the volunteer organizations?</p>
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It's time to provide recommendations for how to overcome the most pressing procurement challenges after its identification. For this purpose, the answers to these questions were discovered utilizing literature and empirical data. The second research question tries to uncover strategies to address the procurement challenges faced by volunteer organizations using theoretical analysis and empirical data gathered through a qualitative approach.

Research Question 2: What are the possible solutions to overcome the discovered procurement challenges faced by the volunteer organizations?

In the for-profit sector, organizations attempt to give monetary benefits and profits to its stakeholders. They use incredibly efficient and productive practices across the board, including marketing, sales, finance, production, quality assurance, and so on, to achieve their goals. Procurement is one of these functions, and it focuses on obtaining the most value out of the goods and services purchased. Because for-profit firms are more concerned with monetary efficiency, they utilize a number of methods and processes that differ from those employed by public and third-sector organizations. As a result, it is necessary to discuss the differences between for-profit and volunteer procurement practices in order to gain a better understanding of why and how for-profits are more efficient in procurement management, as well as the constraints that the volunteer sector faces when using the same procedures. As a result, the third research question has been added to explore the disparities in procurement procedures between for-profit and volunteer organizations.

The third research question is to discover more about how and why for-profit organizations' procurement procedures are more efficient than volunteer organizations' procurement processes. A literature review and empirically acquired data were used to determine the disparities in procurement procedures.

Research Question 3: What are the significant differences between procurement process in for-profit and volunteer organizations?

1.6 Study Structure

Chapter 1: Introduction

The background of the volunteer sector, its relevance in society and the economy, and the broad issues that this sector faces are all briefly described in this chapter. Moving further, the objective of this study has been explored, as well as the development of the research question and the presentation of the paper's framework.

Chapter 2: Methodology and Method

This chapter explains the research technique used in this thesis. It also includes the data collecting and analysis process, as well as the credibility of the findings. The validity, and reliability of the study were also discussed as part of the research technique evaluation.

Chapter 3: Theoretical Study

The background research of the focused topic area, namely the volunteer sector and organizations, as well as the procurement function, is described in this chapter. This chapter includes a literature review, which served to build the foundation for structuring the prospective procurement challenges that led to the formulation of the propositions.

Chapter 4: Empirical Study

This chapter summarizes the findings and data gathered from the conducted interviews. The data was divided into eight categories based on the theoretical framework: purchasing power, ethics, process, staff retention, law & regulations, risk, conflicts, and procurement's non-strategic nature.

Chapter 5: Analysis and Discussion

The purpose of this chapter is to compare the actual data acquired with the theoretically formulated proposition. In this part, the solutions to the examined procurement challenges are also explored. This chapter also discusses additional findings that were uncovered as a result of the empirical evidence.

Chapter 6: Conclusion and Recommendations

This chapter contains a full overview of the study findings in relation to the research questions. Along with the study's shortcomings, there is a discussion on concrete advice for practitioners and implications for future research.

The below figure 1.6.1 illustrates the outline of study carried out in this paper in a structural way which contains the important elements of this thesis.

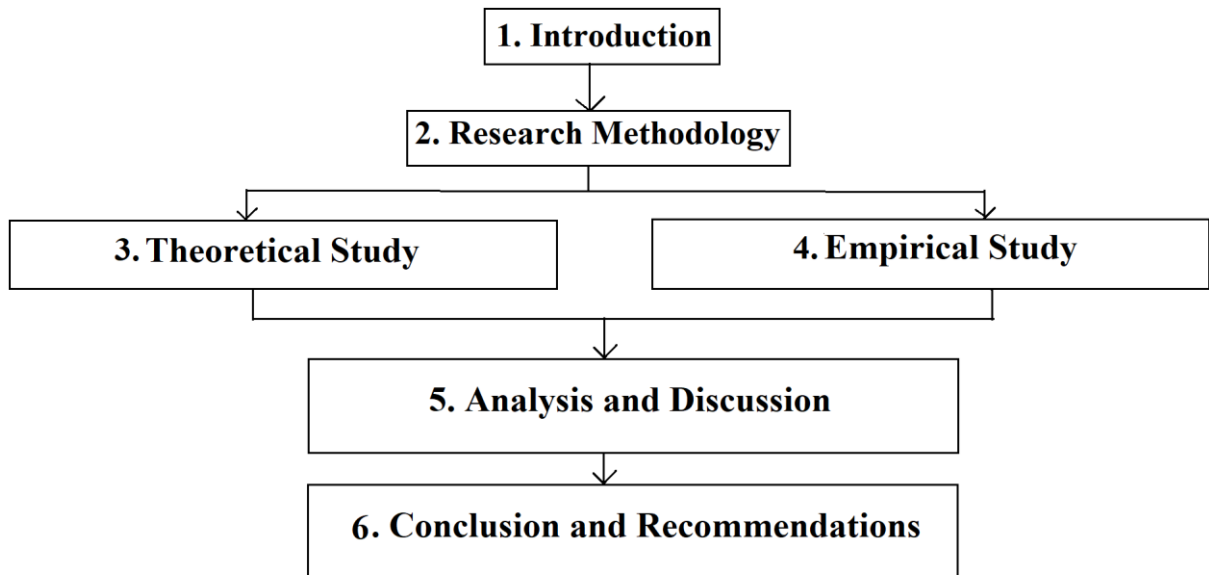


Figure 1.6.1 Outline of Study

2. Research Methodology and Method

This chapter discusses the research method used in this thesis, including the research philosophy, theory development, methodology, data collection strategy, time horizon, and techniques and procedures used for data collection and analysis. The validity and reliability of the study have been highlighted, as well as the credibility of the findings and evaluation of the research method.

2.1 Methodology

The research methodology is defined by Leedy and Ormrod (2001, p. 14) as “[the] general approach the researcher takes in carrying out the research project”. According to Saunders et al. (2009), “research methodology” refers to how the study should be done. The research methodology, according to Somekh and Lewin (2005), is the set of methodologies, concepts, ideas, and values that support the research. The selection of particular methods and techniques used to find, select, process, and analyze information regarding the research topic is known as research methodology. It entails a set of attitudes and philosophical assumptions that influence how research topics are perceived and research methodologies are selected. The methodology should match the research objectives (Yin, 2009). The reader will be able to examine the study’s overall validity and reliability in this chapter.

Except for following specific frameworks and adhering to set standards for creating the objective, processing the data, and communicating the findings, the research process is systematic (Williams, 2007). Researchers can utilize a framework and guidelines to get advice on what to include in their study, how to perform it, and what conclusions they can make from the collected data. Saunders et al. (2019) proposed the theoretical concept of “research onion” (Figure 2.1.1) as a means of creating research methodology. The research onion is a detailed description of the several layers or procedures that must be completed to produce a successful approach (Raithatha, 2017).

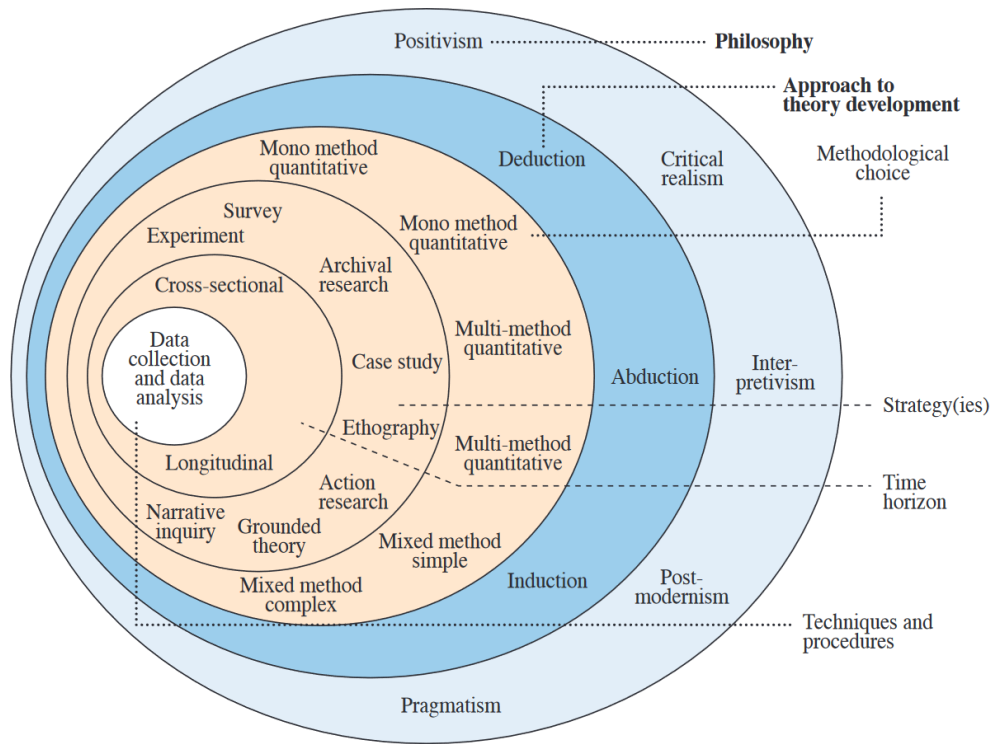


Figure 2.1.1 Reason Onion (Saunders et al., 2019, p. 130)

The research methodology starts with the definition of the fundamental philosophy, which is followed by the selection of approaches to theory development, methodological choice, data collection methods and strategies, and time horizons, all of which lead to the study design - the key techniques and processes for data collection and analysis (Figure 2.1.1). Table 2.1.1 shows an overview of the research methodologies used in this thesis.

Research Philosophy	Interpretivism
Approach to Theory Development	Deduction and Induction
Methodological Choice	Qualitative
Sampling Strategy	Narrative Inquiry
Time Horizon	Cross-sectional
Techniques and Procedures	Three semi-structured interviews

Table 2.1.1 An overview of chosen research methods

With the goal of answering the research questions, the research in this thesis has been divided into two sections: a literature review and an empirical inquiry. In the following sub-chapters, the research methods employed in this thesis have been described in further detail using the research onion framework. The literature review method (sub-chapter 2.2) was then explained, which included the literature search strategy, article selection, and literature review approach. Finally, the research methodology is assessed in order to determine the validity of the study.

2.1.1 Research Philosophy

The term philosophy describes the nature of knowledge, values, reason, and existence, as well as its progression toward a problem to be investigated and addressed (Saunders et al., 2009).

While presenting research, it is vital to make the reader aware of the researcher's philosophical stance. The interpretivism viewpoint has been used in this thesis because the author feels there are distinctions between people as social actors. According to Williamson et al., (2002), there are disparities between the natural and social worlds because humans who create the social world interpret actions and words differently and generate perceptions, which lead to decisions. The persons that were interviewed (i.e., board members, functional leaders, and volunteers) are a key aspect of this study, and their interpretation of social roles is crucial. Individuals's interpretations, rather than natural rules, have dominated the volunteer sector and procurement, leading to the conclusion that there will always be a subjective element since people will view circumstances and occurrences differently, justifying the adoption of interpretivism.

2.1.2 Approach to Theory Development

The second layer of the research onion (figure 2.1.1), as synthesised in, looks at a variety of approaches to theory development. The approach used may be deductive or inductive, depending on the place of beginning for the study. The researcher constructs a hypothesis based on existing theory using a logical strategy, then collects and analyzes data to validate or deny the hypothesis using a deductive approach. The inductive method, on the other hand, starts with data analysis before developing a hypothesis based on the findings (Bryman and Bell, 2011). Because there is a scarcity of literature on the specific research topic of procurement challenges in the volunteer sector, this study employed a combination of deductive and inductive approaches. Propositions were first developed using the deductive approach before proceeding on to a theoretical framework with the help of existing literature on the study topic. Second, the collected data was compared to the propositions in order to establish how well the propositions were supported. The author of this study concurs with (Dubois and Gadde, 2002, p. 555), who stated that "*[theory] cannot be understood without empirical observation and vice versa.*" There have been instances where the author has overlapped between data gathering and analysis, a process referred to as 'matching' by Dubois and Gadde (2002). To prevent the author's prejudices, the data was not pushed to meet pre-convinced or pre-existing categories of challenges mentioned in the prepared framework. Instead, parallel development with the inductive technique was used.

Furthermore, throughout the study, the 'direction and redirection' process entails the use of numerous sources, which do not verify, but rather supply new dimensions and features of the research subject. Instead of directing the data collection process toward the search for specific data based on the generated framework, a semi-structured interview process was used, with the questions left open to gather more data, resulting in the framework being further developed and the search for theoretical concepts being broadened.

2.1.3 Methodological Choice

The researcher's methodological choice is addressed at the third layer of the research onion (figure 2.1.1). A research question about the phenomenon of interest has prompted this study. The most common methodological choices are quantitative, qualitative, and mixed methods research. According to Bryman and Bell (2011), when it comes to methodological challenges, researchers frequently discriminate between quantitative and qualitative research. Quantitative research entails gathering information, which is then quantified and statistically evaluated to provide final conclusions (Creswell, 1998). Qualitative data, unlike quantitative data, cannot be quantified in terms of amount or frequency, but it is utilized to investigate the deeper meanings and processes (Labuschagne, 2003). Relationship questions concerning variables in the study can be answered using the quantitative research approach. "*[Quantitative] researchers seek explanations and predictions that will generate to other persons and places. The intent is to establish, confirm, or validate relationships and to develop generalizations that contribute to theory*" (Leedy and Ormrod, 2001, p. 102). According to Bryman and Bell (2011), qualitative research emphasizes words over quantification, whereas quantitative research emphasizes numbers. According to Myers (2008), qualitative research is suitable for in-depth analysis of a specific issue, and it is particularly useful when there are few previously published articles on the subject at hand. "*[Overcoming] the limits of borrowed theories and quantitative empiricism is where qualitative research can play a determining role*" (Doz, 2011, p. 583). There hasn't been much research done on the procurement function in the volunteer sector up to this point. As a consequence, the qualitative research method is suited for this study and has been chosen. Because the study in this research topic is highly based on borrowed theory and its support with empirical data, it tends to use a qualitative technique to address the research problems posed.

The goal of the study is to look into the procurement challenges that volunteer organizations encounter and, through in-depth investigation, to discover strategies to overcome them.

In addition, while preparing theory and empirical data, it is necessary to depend more on qualitative sources. "*[Qualitative] research is uniquely suited to opening the black box of the*

organizational process" (Doz, 2011, p. 583). This had an impact on the author's decision to use a qualitative approach in the research methodology in this study.

2.1.4 Sampling Strategy

The sampling strategy is the fourth layer of the research onion (figure 2.1.1). This thesis was prepared with the use of a narrative inquiry approach. It was vital to have a comprehensive and thorough understanding of the issue because the purpose of this effort was to investigate causes and mechanisms rather than numbers. This was the fundamental motive for using a narrative inquiry technique instead of other approaches. The specific research questions are expressed as "what" throughout the thesis. The narrative inquiry approach used in this study gives the researcher access to deeper organizational realities that are gathered as whole tales rather than responses to pre-prepared fragmented questions. The method allows responders to elaborate on their stories while also collecting more data. It also allows the researcher to probe the respondent for further information.

2.1.5 Time Horizon

The fifth layer (figure 2.1.1) of the research onion is concerned with the passage of time (Saunders et al., 2019). Cross-sectional studies are snapshots in time in which the researcher looks at a single event at a certain time. This thesis is based on cross-sectional investigation. The information was collected within a three-to-four-month period, which is a fairly short amount of time.

2.1.6 Techniques and Procedures

The research onion's deepest layer (figure 2.1.1) is concerned with the details of data collecting and analysis (Saunders et al., 2019). As a result, the data collection and analysis approach is discussed in detail in the following sub-sections.

2.1.6.1 Semi-Structured Interviews

In qualitative research, the interview is a common data gathering tool. These interviews are used as a research approach to get information from interviewees about their perspectives, experiences, and beliefs in order to answer a specific research question (Lambert and Loiselle, 2007). In qualitative research, one-to-one interviews are the most prevalent data gathering technique (Sandelowski, 2002). If the right questions are asked during a one-on-one interview, the researcher can obtain accurate and useful data. Semi-structured interviews allow for a more flexible approach to the interview. Interviews using this style can be organized with pre-determined subjects, but the interviewer can utilize open-ended questions to allow unforeseen

replies and concerns to arise (Ryan et al., 2009). Respondents can freely speak and contribute new information during semi-structured interviews, which is useful for exploratory research (Saunders et al., 2009). In addition, semi-structured interviews enable for further questions to be asked in response to the respondents' responses, resulting in more clarity on the subject.

The author of this thesis believes that the interviewee should be in charge of the interview process and offer detailed information about the study issue. Instead of only answering the limited questions, the interviewee should be allowed to share his or her own tale. To address the research questions, one-to-one semi-structured interviews were used to acquire the essential qualitative data.

A 'spine' of themes is established by the interviewer to function as a framework to guide the interview process and represents the participant's own experiences concerning the specific issue in question in order to acquire deeper and more textured material from the interviewees (Ryan et al., 2009). Thus, before conducting the interviews, a questionnaire was designed to assist the respondents, which was based mostly on the proposed theoretical framework. The interviews began with asking basic questions about the interviewee's organization in order to develop a stronger relationship with them and make them feel at ease with the research topic. After then, the topic was narrowed down to the procurement process as a research topic. The completed questionnaire can be found in Appendix 2. All of the interview replies have been transcribed (sample mentioned in Appendix 3) so that the collected data may be properly analyzed and matched with the theoretical framework in order to answer the research questions.

2.1.6.2 Data Collection

Documentation, archival records, interviews, direct observation, participant observation, and physical artifacts are among the six sources of data and evidence defined by Yin (2009). Documentation, archival materials, and interviews are three of these sources that were used in this thesis.

In the form of government white papers and organizational reports, documentation is one of the most essential sources of data. Survey data from Statistic Norway and other archival sources were also utilised. Because both sources of data might be impacted by political or organizational goals. When feasible, numerous data sources have been used to reduce subjectivity.

Interviews are the most essential data source. The interviews were done face to face (or by video conference in some cases) so that the author could observe body language, facial expression, and eye contact in order to decipher nonverbal clues. The initial stage in the

interview preparation process is to plan and schedule the interviews. The interviews were only begun once the theoretical framework had been prepared, in order to avoid any situations in which the questions would be overlooked. In the event that the framework was extended during the study, follow-up interviews were undertaken. The order in which the questions are asked is also crucial in obtaining the information needed from semi-structured interviews. According to Trochim (2005), the more delicate questions should be answered after the interviewee has established rapport and trust and is at ease. In general, the question sequencing includes an early introduction to the research and consent verification, followed by non-threatening factual questions before the crucial interview questions, and finally, the more sensitive tough questions at the end of the question sequencing (Frances Ryan et al., 2009). The interview questions and guidance were written and sequenced in the manner recommended by Trochim (2005) and Ryan et al., (2009), with certain sensitive questions like ethics, conflicts, and regulatory compliance put after the middle section of the questionnaire. The guide begins by laying out the backdrop of the research topic, then moves on to the background of the organization and its procurement process, and lastly to the questions around the suggested framework. Appendix 2 contains the prepared interview guide. The interview guide gave recommendations for the dialogue throughout the interview process.

The empirical study began with a search of the websites of volunteer organizations in Norway and overseas for information on the organizations' motivations and aims, as well as their type, such as student organizations, political parties, and medical research. Respondents were chosen from three voluntary organizations: DNV Fuel Fighters (Norway), BUL I Nidaros (Norway), and Chanchalman (India) during the data gathering through interview method. In order to explore the impact of unique challenges in various types of companies, an attempt was made to recruit respondents from diverse types of organizations. The number of organizations from whom the data is to be obtained should be larger to provide greater research dependability, however owing to scheduling constraints, only three organizations were questioned. After determining the research fit, the next step was to send emails to the appropriate organizations and fill out an online form on their websites. In the event of a low response, the appropriate people have been contacted personally to schedule interviews. Permission to record the interview and to disclose the respondents' position and organization name in the thesis was obtained from the respondents before the interview began. Because some respondents requested on not having their identities associated with the data because some questions were sensitive and may affect the organization's image, only the organization's name was stated in the

overview, but coding was utilized in the empirical and analytic chapters. ORG1, ORG2, and ORG3 are the randomly allocated codes for the organizations that were questioned. Although an attempt was made to conduct the interviews entirely in English, the respondents were found to be more at ease in Norwegian and Hindi in certain circumstances. The following table 2.3.2.1 provides a summary of the interviewed organizations.

Date	Location	Organization	Interviewee's designation	Number of employees	Length of Interview
02-04-2022	Trondheim, Norway	DNV Fuel Fighters	Project Leader	50 - 70	55 mins
09-05-2022	Trondheim, Norway	BUL I Nidaros	Team Secretary	30 +	45 mins
05-05-2022	Pune, India	Chanchalman	Project Leader	150 +	65 mins

Table 2.3.2.1 An overview of interviews

In-depth interviews were conducted, according to the classification of interviews proposed by Yin (2009), in which respondents were asked about facts regarding their organization's procurement process as well as their thoughts about the entire process. To retain unbiasedness and prevent defensiveness from the respondent, Yin (2009) proposes that inquiries should be asked in the form of 'how' rather than 'why.' In circumstances when it was required to discover the cause of a certain phenomena, inquiries beginning with 'why' were also asked. In addition, the respondents were questioned in such a way that they were treated as information providers rather than response givers, which allowed for additional insight into the situation and the acquisition of evidence sources. According to Yin (2009), respondent responses might be prejudiced due to poor recollection and imprecise articulation. Because comments were solicited during the interviews, the process was weakened. However, questioning the interviewees' thoughts was a critical job for a better knowledge of their organization's procurement process, as it revealed features that could not be stated in other sources. As a result, the decision to solicit responses from respondents is justifiable.

Three concepts stated by Yin (2009) have been followed to sustain the advantages of the evidence: multiple sources of evidence, study database, and maintaining a chain of evidence.

Multiple sources of evidence - “any case finding, or conclusions is likely to be more convincing and accurate if it is based on several sources of information” Yin (2009, p. 116). The research has been linked with this assertion by the author. As a result, data triangulation and theory triangulation have been used in the manner suggested by (Patton, 2002). Data triangulation has

been constructed using several data sources such as documentation, archival documents, and interviews. In addition, when analyzing the papers, archival recordings, and interviews indicated below, the four essential questions given by Bryman and Bell (2011) were used to understand the subjectivity of the sources:

1. Who has produced the item (person or organization)?
2. What (or who) is the main focus of the item (political person, expert or organization)?
3. Who provides the alternative voices?
4. What is the context for the item (interview, release of the report or an event)?

Furthermore, theory triangulation was done by combining diverse theoretical data and frameworks to ensure that the research questions were addressed from multiple theoretical perspectives.

Study database – The study database was kept on a shared storage drive folder that included articles, papers, and interview recordings, as well as written reports. According to Yin (2009), the study is more trustworthy because the raw data is disclosed and available for independent scrutiny.

Maintaining the chain of evidence – With the design and use of research methodology, the chain of evidence has been sought to be maintained. An attempt has been made to allow an external observer to follow the derivation of evidence from the initial research question, literature review, to the final conclusion by detailing the applicable technique in detail.

2.1.6.3 Data Analysis

According to Lathlean (2006), the process of analyzing qualitative data is not a linear one, and it is impacted by the research's goal and methodological foundations. According to Flick (2014), data analysis is interpreting and classifying linguistic data in order to uncover claims about the dimensions and patterns of meaning production. According to Saunders et al., (2009), there is no standard procedure for analyzing qualitative data and that there are three approaches: summarizing (condensation), classification (grouping), and structuring (ordering) interpretations. Miles and Huberman (1994) also suggests similar activities involved in the data analysis with addition to the verification:

- 1- Data reduction: data is transcribed, simplified, and focused. This occurs throughout the data collection process.

- 2- Data display: data is presented in the form of graph to show the possible relationships or similarities.
- 3- Verification: possible conclusions and explanations from the data are made.

The data analysis was carried out concurrently with the data collection from all sources. The data has been categorized and concentrated so that it may be matched in such a manner that it can offer answers to various categories of questions and the capacity to discern similarities, differences, and links between responses, leading to the development of theory. According to Schreier (2014), qualitative content analysis may be used to systematically describe the meaning of data; hence, this method was used to analyze and categorize the data in this thesis. Steps carried out to conduct the qualitative content analysis are creation of conceptual framework by generating the category definitions and then segmentation of the data into the categories. In this research, the main categories created are according to the generated theoretical framework namely 'Purchasing Power', 'Unethical Practices', 'Process', 'Staff Retention', 'Law & Regulations', 'Risk', 'Conflicts', 'Non-Strategic Nature of Procurement'. A cross table was utilized to segment the data, which contained the information from the transcription, which was then sorted according to the categories. To review and alter the frame, the data analysis should be divided into two phases: a pilot and a major phase (Schreier, 2014). However, owing to a time restriction, conducting a pilot analysis and modifying the produced frame was not possible; as a result, the categories and segmentation were created alongside the analysis of the interviews as a whole.

2.2 Literature Study

The existing literature aids in the development of the research's importance (Bryman and Bell, 2011). All academic research efforts are built on the foundation of current knowledge and relate it to it (Snyder, 2019). As a result, it should be given top importance to do this task correctly. Literature review also aids in providing an overview of the areas where interdisciplinary research is being conducted. This thesis did a literature review of the current literatures in the fields of volunteer sector and procurement function in both the for-profit and non-profit sectors. The constructed theoretical framework must be tested with the acquired empirical data in order to answer the research questions, as indicated in the study approach. A complete literature search and review strategy is required for this purpose in order to produce the link between theories in various domains and organize it in order to conduct the systematic analysis described in the following sub-chapters.

2.2.1 Literature Search Strategy

The organized structure of key terms are utilized to search the database for relevant literatures. The distinction between keyword search and journal search is crucial when looking for relevant material (Bryman and Bell, 2011). This thesis focuses on the procurement function in volunteer organizations as a research theme. Because significant in-depth research in the particular study field had not been done, there was little chance of gathering the complete needed theory with all of the crucial terminology from a single book or journal. In this case, keyword search has been determined to be the most effective method of doing a literature search.

The systematic literature review approach can provide a dependable and rigorous search technique (Hochrein and Glock, 2012). The narrative review has no clearly defined methodological plan, and the study may be skewed by the author's prejudices (Ferrari, 2015). Although the narrative review technique may lower the research's dependability, it was chosen for this study since there is a lack of thorough research and current studies in the specific subject field of procurement function in volunteer organizations. As a result, it became important to search through a wide range of literatures in the hopes of finding a suitable theory in the focused research topic.

NTNU's online library, Oria, Google Scholar, ProQuest, and Research Gate were the key search engines for getting literature and books during the literature search procedure. The key terms procurement function, voluntary organizations, non-profit organizations, and for-profit private organizations were utilized when looking for relevant literatures. Since a large amount of research has already been done in this topic, the literature on procurement functions in for-profit organizations was readily available.

2.2.2 Literature Review Procedure

A literature review is a method of gathering and integrating prior research in a methodical manner (Baumeister and Leary, 1997). A solid basis for increasing knowledge and promoting theory building is laid by a well-conducted literature review (Webster and Watson, 2002). "By integrating findings and perspectives from many empirical findings, a literature review can address research questions with a power that no single study has" (Snyder, 2019). A literature review is also a good technique to illustrate the evidence on a meta-level and to discover the targeted study field, which is important for developing theoretical frameworks and conceptual models.

For conducting the literature review in this thesis, as suggested by Snyder (2019), the following steps has been implemented.

- 1- Designing the review
- 2- Conducting the review
- 3- Analysis
- 4- Structuring and writing up the review

The integrative literature review approach was chosen for the review planning stage because it is most matched to the numerous criteria outlined by Snyder (2019), such as purpose, research question, and search strategy, among others. An integrated review, in contrast to a semi-structured literature review, strives to access, evaluate, and synthesize the literatures on a research issue in such a manner that new theoretical frameworks and perspectives emerge (Torraco, 2005). The integrated literature review technique may be applied to both well-known and new and emerging subjects. The goal of this study is to provide an overview of the knowledge base, conduct a critical evaluation, and maybe reconceptualize and expand the theoretical foundation of the theory and framework produced in the specialization research project conducted by (Dhage, 2021). While reviewing the literature, an attempt was made to summarize prior research in the form of a theoretical framework in order to map and assess the research field and achieve justification for the research questions and hypothesis. The data analysis component of the integrative review technique is not well defined in terms of precise criteria (Snyder, 2019). Despite the lack of a rigorous standard, the main goal of a data analysis in an integrated review approach is to critically analyze and investigate the literatures. The search strategy, which was discussed in the previous sub-chapter 2.2.1, is an important aspect of the design stage.

The stage of doing the review and analysis was completed at the same time. In the pre-selection step for the literatures identified through the keyword search, the abstracts, introductions, and conclusions of the literatures were examined. Furthermore, those abstracts were analyzed to see if they were relevant to the thesis's research theme or if they were valuable in addressing the research questions. If the material is deemed to be irrelevant at this point, it is removed. The relevant literature has been classified and organized in accordance with the thesis's framework. In addition, information about the literatures, such as the author's name, title, name of journal/book/report, year of publication, and the intended use of data, has been tabulated in Appendix 1. Also, if any relevant literature was discovered directly through the literature's references, it was added to the database record so that the information contained within could

be used in the appropriate section. Aside from journals and books, data from reports and individual/company postings via private websites or blogs have also been captured and utilised in this study, depending on the usefulness and reliability. Similarly, the Appendix 1 contains a collection of reports and individual/company publications that have been organized in a methodical manner.

The restricted and only relevant theory has been mentioned in this thesis in the last phase of designing and writing the review so that the motives and necessity for the review may be clearly explained to the readers. Along with background material on the general procurement procedure, information on the volunteer sector and voluntary organizations has been added. An attempt has been made to particularly address the types of obstacles and challenges that voluntary organizations experience that may impact their procurement function, so that propositions may be created in light of this information and the existing framework can be expanded. The predicted outcomes of the literature review process have been explicitly provided in the form of hypothesis in the form of a theoretical framework that clearly explains the review's contribution. To conclude the hypothesis, sufficient background material has been presented to offer the reader proper transparency while keeping the review's quality.

2.4 Evaluation of methodology

To assess the quality of the research technique in this thesis, four phases recommended by Yin (2009) were used. In the following subchapters, the extent to which the applied test meets the proposed criteria is assessed.

2.4.1 Validity

2.4.1.1 Construct validity

The construct validity is defined as the amount to which the operational measures used genuinely represent the ideas we're looking at (Yin, 2009). There are three strategies that may be used to improve construct validity, and one of them was used in this thesis.

First and foremost, this research is based on a collection of operational processes that have been recognized as procurement issues through a theoretical study, an empirical investigation, and subsequent analysis. In the theoretical component of this work, an attempt was made to define the construct that was utilised. Various definitions exist in academics and in real life, however despite the difficulty of guaranteeing that operational metrics are identically defined by all players involved, consistency has been maintained in terms of definitions. Data triangulation and theoretical triangulation have been used to reduce subjective judgment.

Second, the research methodology aimed to provide a clear chain of evidence that would allow outside investigators to see how the applied measures represent the correct notions.

Finally, after summarizing the empirical data, the key responders were requested to examine it to corroborate the relevant facts and evidence.

2.4.1.2 Internal validity

Internal validity is concerned with the degree of differentiation between causal and spurious relationships (Yin, 2009).

The purpose of this study is to explain why certain conditions in the procurement process in volunteer organizations make it difficult for them to realize their objective. This study examines the causal relationships between prospective issues and empirical facts. An analytical approach of pattern matching was used to compare the empirically based pattern with the projected pattern based on the theoretical study in order to confirm the internal validity of the findings. However, because there are no explicit criteria for determining near match consideration, internal validity has been compromised.

2.4.1.3 External validity

The external validity of this study is defined by the extent and conditions to which its findings may be generalized (Yin, 2009). Concerns with this thesis include whether the findings can be applied to organizations other than those stated in the study, as well as organizations in countries other than Norway. Survey research methods can give larger statistical generalization, but owing to time constraints, this was not achievable in this thesis, hence the author relied on analytical generalization. As a result, the findings were extrapolated based on a larger framework of procurement processes in Volunteer organizations. As a result, laying a solid theoretical framework became critical.

2.4.2 Reliability

The term "reliability" refers to the consistency of outcomes obtained during the research process utilizing the same procedure (Bryman and Bell, 2011). The methods used in this investigation lowers the level of reliability.

To begin, the research technique has been extensively described, allowing the researchers to replicate it. The specified keywords are used in the literature search approach. As a result, replication is achievable as long as the journals and articles have not been withdrawn or new ones have not been added to the search database. Furthermore, the narrative approach used in

this study reveals personal bias, and the article selection procedure diminished the study's dependability.

Second, the empirical investigation was conducted once the theoretical study and framework preparation were completed. This aided in maintaining the integrity of the data collecting process. This procedure guarantees a more stringent data collecting method and makes replication easier. This has improved the research methodology's quality.

2.4.3 Total evaluation

The qualitative study is opaque, difficult to duplicate, and extremely subjective, as well as lacking the ability to generalize the findings to a broader population (Bryman and Bell, 2011). Through comprehensive documenting of the study design and data collection, an attempt has been made to promote transparency. However, because the interview data is conversational in nature, it is difficult for other researchers to replicate it. Multiple sources of data have been used whenever feasible to reduce subjectivity. An attempt was made to correlate the findings with the applicable theory in order to generalize the findings.

Finding actual causal linkages and establishing internal validity were also major challenges. Finally, a common research challenge in social challenge has come, with the goal of giving sense to the complexity of reality when observation of events in isolation is impossible. Keeping the intricacy in mind, the author tried not to jump to any conclusions too quickly. Also, readers are recommended not to leap to the conclusion of the thesis but to come to their own conclusions after reading the entire research.

Even with limited time and resources, the study's degree of validity and reliability has been attempted to be managed properly.

3. Theoretical Study

This chapter describes the background study for the focused topic, namely volunteer organizations, and procurement functions. A literature review is included in this chapter, which helped to lay the groundwork for organizing the potential procurement challenges that led to the formation of the propositions.

As shown in Figure 3.1, the theoretical study phase is divided into three sub-sections: background study, literature review, and development of propositions. The background research section includes a detailed discussion of volunteer organizations and procurement processes in general. In addition, the framework review was conducted with the goal of examining elements of procurement challenges in volunteer organizations. Finally, some procurement challenges have been proposed based on the overall analysis.

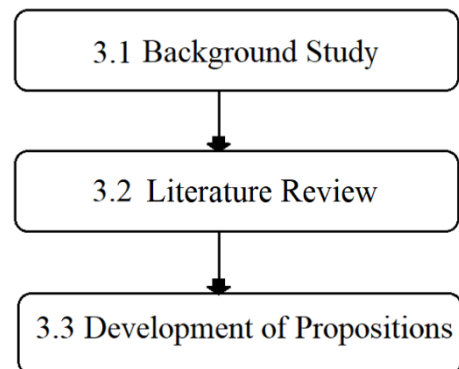


Figure 3.1 Theoretical study outline

3.1 Background Study

3.1.1 Voluntary Organizations

3.1.1.1 Background

Organizations that are neither statutory nor profit-maximizing have been referred to as voluntary, third-sector, non-profit, or, more recently, civil society sector organizations (Morris, 2000). Each of these names has a distinct meaning, with non-profit organizations being defined as organizations whose primary goal is to offer services to society rather than to maximize profits for its shareholders or owners (Anthony and Young, 1990). However, certain government organizations may have aims that are comparable to those of non-profit organizations in terms of providing services to society. Non-governmental (NGO) organizations, on the other hand, can operate as both a for-profit and a non-profit or voluntary organization. The term "volunteer" means that people can work for these organizations without being paid, allowing them to be free and independent of the government and the market. The term 'voluntary organization' also applies to non-profit, non-governmental organizations that

employ volunteers. Volunteer organizations, on the other hand, may employ paid personnel in addition to volunteers. The development of a volunteer organization occurs when private firms/markets or the government fail to offer the necessary support to society (Hansmann, 1987). Unlike traditional private enterprises, which exist just to make money, voluntary organizations exist to accomplish a mission or a specified goal. Although some non-profit organizations produce money via their services, this is not their primary purpose, and they do not distribute earnings to shareholders; instead, they utilize the proceeds to enhance service quality or expand. Volunteers, as well as paid employees who work extra willingly, are critical to the success of non-profit organizations. It demonstrates the critical role of human resources in volunteer organizations. When compared to commercial corporations, salaried personnel working for voluntary organizations frequently accept a pay that is up to 25% lower (Preston, 1990). Working for free or for a low wage might be motivated by a variety of factors, including the development of relationships, values, professional rewards, altruistic elements, the acquisition of skills and information, and so on. Thus, in order to fulfill organizational goals in the volunteer sector, human resource strategies should be given more emphasis.

3.1.1.2 Goals

The volunteer sector primarily consists of private organizations whose primary goal is not to generate profits and distribute them to shareholders, but rather to conduct social events, social services, political parties, environmental reasons, wildlife conservation, women empowerment, sports, or climate change charities, among other things. According to Weisbrod (1988), voluntary organizations produce public goods and services for the welfare of society. These organizations' strategic aims are to deliver services to a specific audience. Depending on the organization's goal, such as communicating a message in society, offering assistance, hosting social events, or pursuing a political agenda, the audience may be diverse. Thus, these organizations must assess the demands of the relevant audience and plan the activities to fill the stated needs. For example, a volunteer organization may recognize the need to provide high-quality education to homeless children; as a result, the homeless children are their target audience, and they must devise a strategy to meet that need. Overall, the major objective of these organizations is to serve society with a specific purpose and to improve the community's quality of life.

3.1.1.3 Economics

In general, voluntary groups lack revenue-generating resources and rely heavily on government financing, corporate sponsorship, and public donations, among other things. According to the

Statistics Norway (2022) report, the central government's share of total funding was 26.6 percent, local/municipal governments' share of total funding was 16.7%, households' share of total funding was 44.9 percent, and other sources of funding was 11.9 percent for non-profit organizations in Norway in 2018. To overcome their reliance on other entities, some voluntary organizations generate their own money streams, such as membership fees, income from events, investments, and earnings from sales of goods and services. Due to unjust tax reductions offered to voluntary organizations, they may encounter criticism from private for-profit enterprises operating in the area of offering identical goods and services in various circumstances. Because they must maintain track of sectoral performance, non-profit organizations lose their voluntary character if the government subsidizes the sector with public cash (Salamon, 1987).

3.1.1.4 Decision makers and beneficiaries

Goals and objectives must be defined by decision makers in the management or board of directors for volunteer organizations to fulfill their declared mission. The employees (volunteer and/or paid) who work for these organizations are separated into two categories: those who support the organization in carrying out their daily operations and responsibilities, and those who serve in decision-making roles, such as board members. The personnel who serve on the board of directors or as decision makers set the policies and oversee the organization's governance (Reiss, 1990). These individuals apply their knowledge from many sectors such as management, finance, marketing, project operations, and so on to help the firm accomplish its objectives. Members of the board are also in charge of making financial choices for the organization and serving as fundraisers. Staff should have a clear grasp of their roles and duties in order to participate in the decision-making process (Edwards, 2008). When volunteers are given decision-making authority, they gain power that they must employ for the organization's benefit.

The voluntary organization can be classified into two groups in terms of decision-making. The beneficiaries govern the organization and entrust decision-making authority to the administrative person in the first category. The crucial point to highlight here is that, in terms of law and practice, this decision maker has greater autonomy than a for-profit private corporation. The administrators in the second group are in charge of the organization, which is needed by law in the interests of others.

3.1.2 Procurement

Procurement, also known as purchasing, is defined as "The management of the company's external resources in such a way that the supply of all the required goods, services, capabilities and knowledge which are necessary for running, maintaining and managing the company's primary and support activities is secured at the most favourable conditions" (Weele, 2005, p. 12). According to Stentoft and Freytag (2012), the term 'purchasing' is used in industry circles, whereas 'procurement' is used in government circles. Van Weele, on the other hand, claims that the term 'procurement' has a larger scope than his definition of purchasing. The two terms are used interchangeably in this thesis since there is no uniform use in academic literature. Whereas, apart from the definition, it is considered that purchasing or procurement activities can be performed by any organization and not limited only for the companies. A typical procurement process has been illustrated in the below figure 3.1.2.1.

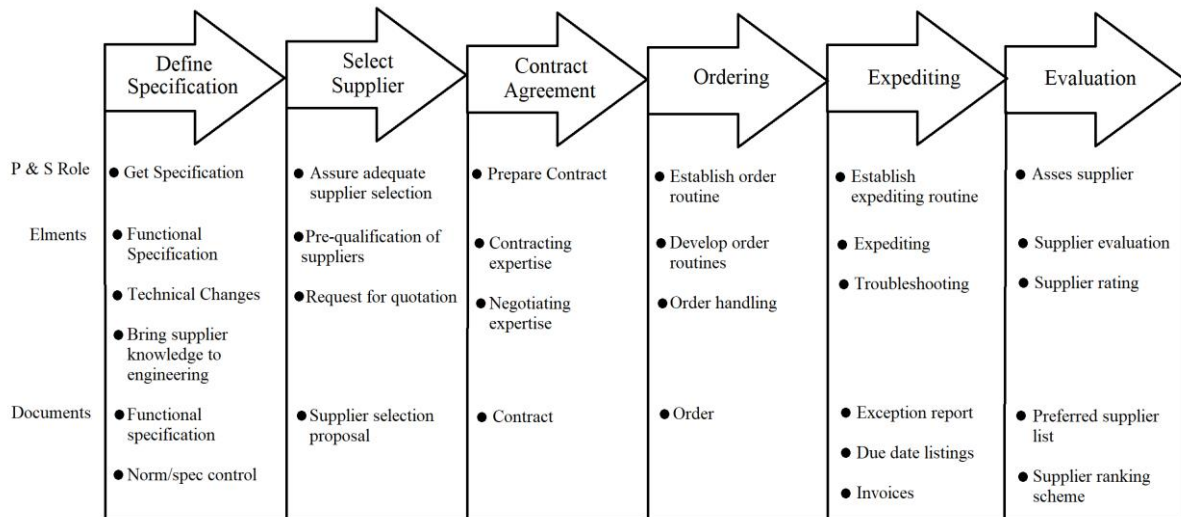


Figure 3.1.2.1 Typical procurement process. Adapted from (Weele, 2018)

3.1.2.1 Importance of procurement function in the organizations

Organizations, like individuals, must acquire products and services to meet their requirements and carry out day-to-day activities and operations. When it comes to purchasing by businesses, the cost of the order isn't the most essential factor; value generation and total cost of ownership are equally crucial. Cost of order, risk mitigation, contract compliance, cost savings, and continued supplier relationships, among other things, are all more important in such operations. The procurement process' design and implementation have an impact on a company's competitive performance (in the case of for-profit companies), efficiency, and attainment of organizational goals. Ronchi and Luzzini (2016) assert that expenditure reduction has a

favorable influence on the entire business performance of the firm based on 653 responses from a worldwide survey on the relevance of procurement function. According to Mol (2003), external resources are equally vital in achieving a competitive advantage, and the procurement function thus plays a strategic role in corporate success. According to Hartmann et al., 2012, the purchasing function may have a major impact on company performance, and procurement maturity has a beneficial impact on an organization's operational and financial performance. According to Toni and Nassimbeni (2000), including supplier growth and integration into purchasing methods can help a company's commercial success. This indicates the importance of procurement in organizational strategy, and when this function is classified as a "B-ranking" unit, it becomes a roadblock to organizational success.

3.1.2.2 Professionalization of Procurement function

Although the need for the procurement function to evolve has been predicted for many years, many businesses are still in the early stages of transforming tactical purchases into strategic buying management. This is remarkable because, regardless of the sector, area, or kind of organization, different research studies have shown that transforming the procurement process may enhance performance and lead to higher profitability. It has also been noticed that the procurement function of leading businesses is strategic in nature, having a considerable impact on the organization's strategy implementation. However, research into the growth of the procurement function in non-profit and volunteer organizations requires special attention. Whereas the expansion of procurement functions in for-profit enterprises focuses on greater revenue, the focus in non-profit organizations remains on enhanced financial efficiency. For diverse firms, Fudalinki (2014) proposes three reasons for not progressing beyond the fundamental supply function. The first reason is that organizations' management does not pay enough attention to the efficiency and effectiveness of their operations, making efficient procurement impossible. The second reason is that many organizations try to apply the finest professional practices on their own rather than establishing a complicated holistic procurement development in the long run with the goal of improving procurement competences. The third reason is that the organization's other functional departments fight against the procurement function's strategic position being accepted.

3.1.2.3 Consequences of inefficient procurement

Benefits of an efficient procurement function include decreased product costs, better efficiency, and increased profits/cost savings, among others. Whereas there might be several implications of the ineffective procurement function. Confusion, unnecessary spending, and misreading of

contracts and demands might be the result. All of these effects have an adverse effect on product quality and, as a result, on the organization's ability to offer goods and services. In the case of non-profits and volunteer organizations, poor procurement can lead to financial losses and excessive expenditure, which can harm the organization's reputation and result in unfavorable press.

3.1.2.4 Nature of Procurement in voluntary organizations

Unlike for-profit companies, which use procurement as a strategic function to increase profits for shareholders, volunteer organizations place a greater emphasis on cost reductions and providing higher-quality goods and services to their target audience. External stakeholders such as the government, the public, or money contributors frequently monitor and regulate voluntary organizations, thus they are unable to modify the purposes for which they are working. This has an impact on supplier selection incentives in volunteer organizations that are concerned with short-term cost savings. In terms of finances, non-profit organizations often create their annual budgets at a specified time of year, with little flexibility in adjusting their financial plans. It has a tendency to set the supply by budget procedure, which limits strategic flexibility, slows the procurement process, and reduces responsiveness. The procurement function in voluntary organizations is heavily reliant on governmental rules, which adds to the amount of uncertainty owing to the possibility of regulatory changes. Transparency and compliance requirements must also be met by the organizations.

There is an expectation that volunteer organizations' activities would be disputed and scrutinized, which limits the simpler decision-making process. As a result, these organizations' procurement decision-making processes are cautious and conservative. Furthermore, external stakeholders typically determine organizational processes in non-profits, which has a substantial impact on the procurement process. Open tenders are commonly used by these organizations, and they are advertised to a large number of possible vendors. As a result, extremely formal methods and lengthy conversations are required to avoid any collusion with suppliers. Long-term buyer-supplier relationships are discouraged as a result of highly competitive tenders.

Even if various individuals have varied motives to join voluntary organizations, many organizations find it challenging to attract viable applicants for posts in their organization owing to extremely minimal or no pay. This frequently leads to a lack of leadership, analytical thinking, innovation, change management, and investment strategy among the personnel in charge of procurement. Usually, from an ethical standpoint, voluntary organizations try to

engage suppliers with similar organizational goals for the betterment of society, and in such cases, these organizations must compromise their financials as well as the quality of goods and services.

3.2 Literature Review

Existing studies and frameworks to organize and structure purchasing, procurement, and volunteer organizations have been chosen, and these existing studies have been analyzed in this part based on their relevance to this thesis. The goal of this assessment is to create a framework for organizing prospective procurement challenges for volunteer organizations. It was decided to do study on procurement processes in voluntary/non-profit organizations. Individual studies on procurement processes and voluntary/non-profit organizations have been carried out to serve as a foundation for preparing propositions in the following sub-section due to the limited current research accessible in the focused study area. The following table 3.2.1 provides a summary of the chosen article, indicating whether it is connected to procurement or volunteer organization.

Articles	Voluntary Organization	Procurement
Pazirahdeh A. & Herlin H. (2012)	✓	✓
Vaughan S.K. & Strickland R.A. (2008)	✓	
Bernard Enjolras (2009)	✓	
Heather et al. (2017)	✓	
Gentri Mabelann White (2019)	✓	
Rodríguez et al. (2020)	✓	
Tadelis S. and Bajari P. (2006)		✓
Janusz Fudaliński (2014)	✓	✓

Table 3.2.1 Overview of selected articles

3.2.1 Pazirahdeh A. & Herlin H. (2012) Non-profit organizations shaping the market of supplies

According to Pazirandeh and Herlin (2012), the non-profit organizations are commonly considered as the weaker actors in the nonprofit-for-profit sector. In comparison, for-profit actors have gained more market power, which has resulted in increased pricing and supply problems. Various non-profit projects have demonstrated how non-profit organizations have been changing these relationships in recent years. They investigated the dominance dynamics, and the degree of impact non-profit organizations have on their supplier market in their quest

for greater availability, quality, affordability, and innovation of strategically important goods within the non-profit sector in their research.

Firstly, Pazirandeh and Herlin (2012) argue the unlikeliness of the buyer-supplier relationship in the supplier dominance are by the statement *“The former strategy, while usually placing the buyer government in the supplier dominance area, results in much higher prices and limitations in reaching agreements, and hence is unlikely.”*

Moreover, Pazirandeh and Herlin (2012) concludes that the bigger sized non-profit organizations get benefitted from their global reputation and brand takes the advantage of bulk purchase orders by aggregating the demand as well as the collaborative initiatives such as with their corporate suppliers can ensure the lower prices and better availability of the supplies. Thus, non-profit organization’s stakeholders must intervene in the supply markets in various possible ways to secure the supply of affordable goods and services and to increase the buying capacity of the organization.

Finally, Pazirandeh and Herlin (2012) argue that power distribution within a network is a complicated problem that cannot be fully described only by organizational strategy. Other market-shaping methods are required to have an impact on the market. More study is needed to look into the other elements that influence power distribution between buyers and sellers, such as demand circumstances and political environment.

Based on the above conclusion by Pazirandeh and Herlin (2012), they have established a model stating the distribution of power among the actors (buyer and supplier) in the supply chain as illustrated in the below figure 3.2.1.1.

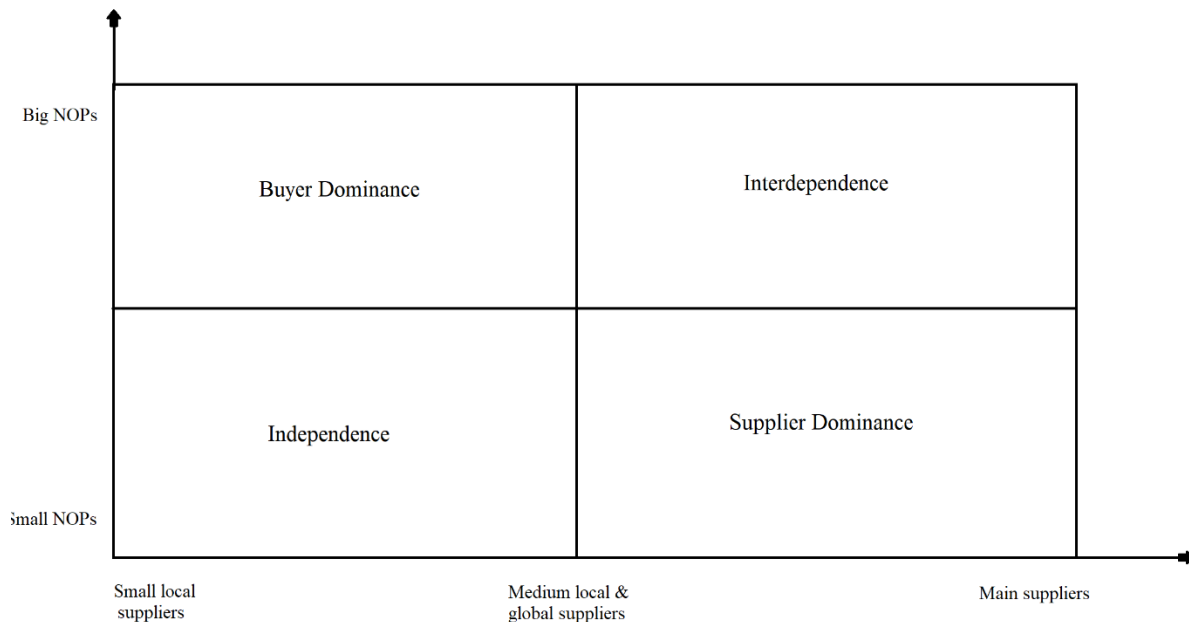


Figure 3.2.1.1 Distribution of power among the actors (buyer-supplier) in supply chain. Adapted from (Pazirandeh and Herlin, 2012)

3.2.2 Vaughan S.K. & Strickland R.A. (2008) The Hierarchy of Ethical Values in Nonprofit Organizations: A Framework for an Ethical, Self - Actualized Organizational Culture

Vaughan and Strickland (2008) utilized the Maslow's theory of human psychological development as a framework and created a model based on the hierarchy of values to describe how the non-profit organizations establish an ethical culture. They proposed five degrees of ethical behavior: financial competence, responsibility, reciprocity, respect, and integrity, which are reached one at a time and sequentially. They claim that the ethical values are a foundation for achieving integrity and did not define only as incorruptibility in the study but as a total commitment to the highest standards of behaviour. Also, the external controls help to achieve the ethical behaviour primarily at the lower levels, but internal controls must also be present to achieve the ethical organizational culture.

At first, Vaughan and Strickland (2008) suggest that just following the rules and law does not mean that the organization is ethical, but a scandal can happen without breaking any law also. Thus, external controls can help to develop only a part of ethical culture in the organization. The actions such as sexual misconduct by staff, excessive compensation packages provided to the executives, drift from the organizational mission, and questionable fundraising practices results in erosion of the public confidence in the non-profit sector. They also suggest that the internalization of ethics through the development of an ethical culture is necessary to ensure the integrity of the non-profit sector.

Further, Vaughan and Strickland (2008) suggest that the non-profit organizations, like any individual, usually does not exhibit the highest level of ethical behaviour at once at the starting stage but it evolves from the formation through growth to maturity. They have prepared the hierarchy of ethical values for non-profit organizations as illustrated in the below figure 3.2.2.1 according to which the non-profit organizations will move through the hierarchy of ethical values in a series of stages where the external controls are most relevant at the first two level of the hierarchy. Law, rules and regulations provide the useful structure and guidelines during the starting stage as the non-profit organizations form their culture. At the reciprocity level of transition, the external controls become less important than the internal controls in shaping the ethical behaviour of the organization. Whereas respect and integrity can be achieved only through an internalized ethical culture throughout the organization.

Finally, Vaughan and Strickland (2008) claim that the cost of engaging in unethical conduct far outweigh the benefits. Meeting the ethical values such as financial competency, accountability, reciprocity and respect empowers the non-profit organizations to achieve their organizational goals and retain the public trust and confidence. For the long-term success of voluntary sector, these organizations should internalize these values and become self-actualized.

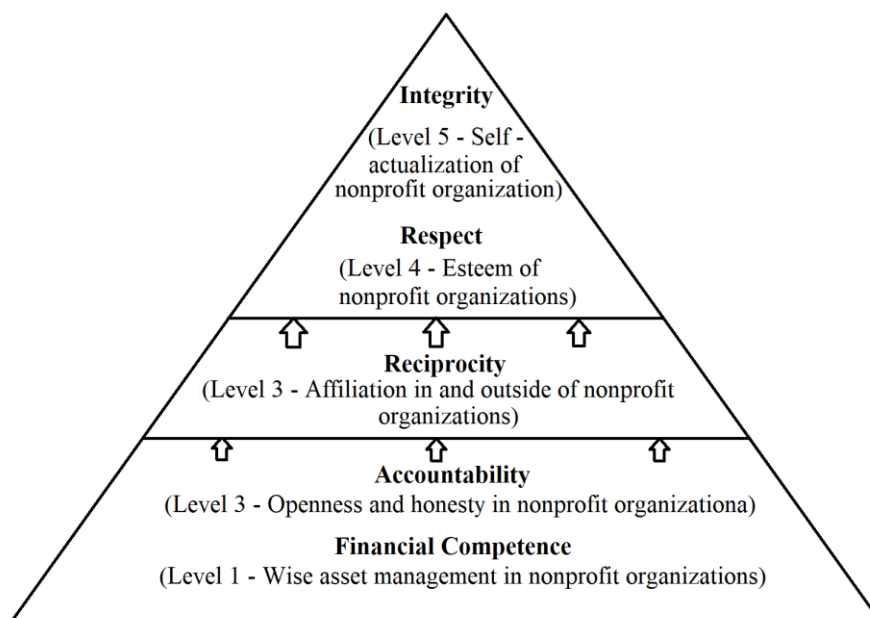


Figure 3.2.2.1 Hierarchy of ethical values for non-profit organizations. Adapted from Vaughan and Strickland (2008)

3.2.3 Bernard Enjolras (2009) A Governance-Structure Approach to Voluntary Organizations

Enjolras (2009) created a governance-structure theoretical framework for analyzing voluntary organizations. The governance structure of voluntary organizations is considered as being supported by reciprocity norms, allowing resources to be pooled based on the reciprocity principle. The governance structure of voluntary organizations presents specific features in terms of formal ends, ownership, residual claims, decision-making procedures, accountability, checks and balances, control procedures, and embedded incentives that facilitate collective action oriented toward public or mutual interest or advocacy. It is due to the compatibility of the voluntary governance structure with several types of coordination mechanisms, the voluntary organizations can operate in complex environments, mobilizing resources from market operations, government subsidies, or from volunteering and donations while pursuing democratic objectives. Coordination failure gets mitigated due to their governance structure and remain more efficient as compared to the other organizational forms. This ability of voluntary organizations gives them competitive advantage when providing certain goods in competition with for-profit and governmental organizations. Governance failure may also happens resulting undermine trustworthiness and efficiency.

Enjolras (2009) claims that the well-functioning governance enhances the trustworthiness and the organization's ability to mitigate the coordination failures, and its capacity to attract the market, reciprocal, and public resources. Even in the presence of tensions, the practice of governance embodied into the voluntary organizations' structure are the best guarantee for organizational efficiency and trustworthiness. The voluntary organization's governance may fail and the public trust in voluntary organizations may vanish in the situations of "scandals" within the volunteer sector. Increased awareness among the organization's staff including board members acts as the main determinant of the organization's gained trustworthiness and efficiency.

The ability to centralize the decision making characterizes that the organizations are collective actors. Voluntary organizations display this characteristic of being a centralized decision-making structure, but it differs from the for-profit and governmental organizations. Their governance structure is adapted to the requirements of collective action, allowing the pooling of resources and of providing trust goods and services. Enjolras (2009) has introduced the coordination mechanism involved in the voluntary organization which is illustrated in the below table 3.2.3.1.

Coordination Mechanism	Market	Collective Action	State-Centered
Coordination principle	Price	Mutual interest or norm of reciprocity	Law or coercion
Allocation mechanism	Market	Pooling	Redistribution
Coordination Failure	Market failure: - Externalities - Informational asymmetries - Public goods	Collective action failure: - Free riding - Negative reciprocity	Government failure: - Dissatisfaction of preferences

Table 3.2.3.1 Coordination Mechanism Involved in Voluntary Organizations (Enjolras, 2009)

Voluntary organizations are operated by the governance structure that fosters and sustains collective actions based on reciprocity and also, they operate as a “pooling mechanism”. Reciprocity represents the principle or generalized norm involved in pooling resources and the governance structure of these organizations has to be compatible with this norm. The below table 3.2.3.2 illustrates the governance structures and organizational forms.

	For-Profit	Governmental	Voluntary
Organizational ends	Profit Economic action	Public interest or good Economically oriented action	Public benefit Mutual benefit Political action Economically oriented action
Ownership	Private	Public	Collective ownership or trust
Residual claims Residual control (<i>ius abutendi</i>)	Owners or shareholders	State	Members, board, and trustees (with limited alienation rights)
Residual income (<i>ius fruendi</i>)	Owners or shareholders	State	No residual claims on income (nondistribution constraint)
Decision making	Board or general assembly of shareholders in proportion of the share of the capital	Members of the board appointed by public authorities	Members of the board co-opted or elected by the general assembly of members Trustees
Control and accountability mechanisms	Capitalistic	Democratic	Democratic and/or checks and balances
Embedded incentives	Extrinsic	Extrinsic and intrinsic	Extrinsic and intrinsic Reputational

Table 3.2.3.2 Governance Structures and Organizational Forms (Enjolras, 2009)

3.2.4 Heather et al. (2017) Exploring the Dynamics of Volunteer and Staff Interactions from Satisfaction to Conflict

Heather et al., (2017) created research to investigate volunteer and staff impressions of their interactions with one another. He contends that the quality of volunteer-paid staff relationships may have a substantial impact on the organizations that use volunteer programs to enhance service delivery. This research looked into the region of these interactions that can be prone to conflict.

According to Heather et al., (2017), volunteers are a valuable source of human capital for a variety of organizations, including those where paid staff works alongside volunteers. It takes time, effort, training, and financial resources to engage volunteers who will benefit both the organization and the volunteers. They looked at the dynamics of volunteer-staff contact based on two major themes: satisfaction and conflict. Poor and strained relationships affect the job satisfaction and ultimately it may lead to a large systemic problem that can generate serious human resource conflicts. They categorized the volunteer-staff conflict in four broad mechanisms leading to conflict in volunteer-staff relationships namely divergent expectation, communication issues, behavioural or emotional discord, and perceptions of job vulnerability.

Heather et al., (2017) concludes that the interpersonal relationship is a sensitive issue. Conflicts are likely to arise due to communication problems, attitudinal issues, lack of trust and workflow integration hurdles. But since challenges and problems in volunteer-staff relationships can be hidden, both the groups may be reluctant to express themselves. In such cases, the volunteer managers and the organization leaders need to be proactive in seeking the information from the staff as well as volunteers about their interactions. The solutions to avoid such tensions and promote the effective service delivery is providing the appropriate training and preparation to the staff members to interact successfully with volunteers.

3.2.5 Gentri Mabelann White (2019) Strategies for Employee Retention in Non Profit Organizations

According to White (2019), one of the key difficulties that negatively impacts non-profit organizations is low worker retention. She conducted a numerous case study to look at ways that non-profit sector managers might utilize to keep their staff. Following the loss of staff, companies must deal with a number of issues, including costs related with recruiting and training, which have a negative impact on the organization's budget. One of the most significant difficulties is that the tighter budgets and less financial flexibility that arise have a detrimental

impact on the organization's capacity to sustain the costs associated with lost productivity and performance as a result of the retention problem. Another challenge that the managers in non-profit sector is to meet the needs of employees while competing with the private sector which offer more consistent and higher salaries.

White (2019) argue that the retaining employees may have a significant impact upon the organization because key institutional knowledge may be lost with a departing employee. Losing the staff poses a significant business challenge to an organization and have to suffer from both the direct and indirect costs. Except monetary losses due to recruitment and training, the organizations have to overcome the cost of disruption to the work environment and customer and supplier relationships. Loosing highly experienced employee or volunteer means loss of institutional knowledge. The longer the staff works in the organization, the more experience and better relationships they have with internal and external stakeholders. Thus, losing the highly experience staff results in loss of productivity. Also, newly joined staff are more likely to make errors that may result in the need of co-workers to take an additional duty. Also, new staff may not provide the level of customer service seen by more experienced person. The organization's inability of retaining the staff may lead to a decrease in employee morale and may also impact the organization's reputation.

Further, White (2019) also suggests that the inability to retain the employees can be especially disadvantageous for the non-profit organizations due to the effect of organizational effectiveness associated with the loss of employees as the non-profits operates under the uncertain environment in terms of sourcing of funding and expected service level. Also, due to smaller size and more dependence on the labour, the organizations are highly vulnerable to lose the staff. Also, these organizations highly depend upon the services provided by the volunteers and employees willing to accept the small remuneration and when it is compared to the public and private sector employment, it shows negative response towards the satisfaction and intention to stay with an organization.

3.2.6 Rodríguez et al. (2020) Transparency as a Key Element in Accountability in Non-Profit Organizations: A Systematic Literature Review

Rodríguez et al., (2020) has developed a framework for understanding third-sector transparency. The study emphasized the significance of creating a comprehensive body of knowledge regarding the third-sector's transparency and voluntary information sharing status.

Rodríguez et al., (2020) argues that the non-profit organizations are facing the challenges of convincing the society that they efficiently manage the funds that they receive, and they are dedicated to achieving the missions of the organization for which they are created. Transparency is higher importance that needs to be made visible. The transparency in non-profit organizations rests on the two fundamental pillars. On first one, the public entities become one of the main stakeholders of the organization which requires the disclosure of the transparent financial information. On the second one, the inappropriate or fraudulent practices of non-profit organization cause severe damage in this sector.

Rodríguez et al., (2020) also argues that one of the most important reasons behind why non-profit sector should disclose the transparent information is due to the close relationship between the public and third sector. The public entities become the principal stakeholder of a non-profit organization which makes it necessary to disclose the transparent information to obtain the financial support from the government. The non-profit organizations have the greater responsibility in their actions and a necessary credibility that has to surround all their activities especially in the scenario of increasing complexity and the competitiveness between non-profit organizations over the resources required.

3.2.7 Tadelis S. and Bajari P. (2006) Incentives and Award Procedures: Competitive Tendering vs. Negotiation in Procurement

Bajari and Tadelis (2006) investigated whether a buyer of a customized item chooses a contractor through competitive bidding or negotiation. To get at their conclusion, the authors proposed a framework that first outlines the buyer's contract selection and then compares it to competitive tendering or negotiation. Their research identified a number of potential drawbacks to using competitive tendering, including the risk of poor performance when projects are complicated, contractual design is insufficient, and there are few bids available. Competitive tendering may also make it difficult for the buyer and supplier to communicate, limiting the buyer from exploiting the contractor's knowledge while constructing the project. Further, they discussed the implications of these results for procurement in the private and public sector.

Bajari and Tadelis (2006) concludes that the competitive tendering offers the widespread benefits to set a project's price for promoting competition and hampering the corruption. Whereas, they have also mentioned that in the private sector in construction industry in Northern California, there is a widespread use of negotiations as opposed to competitive tendering. They argue that if the contract is awarded using the competitive bidding, then a

contractor (supplier) can hide the possible flaws and submit the low bid and recoup the profits when the changes will be required. They also conclude that the public sector strongly favours the use of open competitive bidding whereas the private sector firms are more sensitive to the cost optimization and their behaviour is more responsive to optimal choices. The competitive bidding is perceived to select the lowest cost bidder preventing the corruption and favouritism that are opposed to efficiency and offers a clear yardstick with which to compare offers. The downside of the open competitive bidding can arise from lack of input by contractors (suppliers) at the initial stage to proceed quickly without the ability to complete detailed plans and specifications with the expectations of ex post haggling might occur when the changes are required.

3.2.8 Janusz Fudaliński (2014) The issues of shaping the procurement function in the sector of non-profit organizations – fiction or challenge and a real problem?

Fudalinki (2014) conducted research on the examination of development projects in the non-profit sector's organizations, focusing on the fact that management in this field has become more professionalized. The study also included a recommendation for a professional viewpoint of the procurement function, which, if adopted, might improve the management performance in this area.

Fudalinki (2014) has presented the idea of professionalization of the procurement function with the argument that numerous companies are remaining at an early stage of the transformation of tactical purchases into strategic purchasing management. Whereas multiple research projects have confirmed that the impact of transforming the procurement department could bring profits by means of improvement in effectiveness. Also, the procurement function in the leading organizations has a strategic nature which shows that it has significant effect on the implementation of the company's strategy. But lot of companies have not implemented it so far. Fudalinki (2014) also argues that the attention should be given to the development of the procurement function in the non-profit organizations. Like the private firms, non-profit organizations could also achieve the high profitability regarding the development of the procurement function.

Fudalinki (2014) also claims that so many organizations have not evolved above the basic supply role due to the reason that the management of organizations does not pay attention to the efficiency and effectiveness of operation, efficient procurement is not possible. Another

reason is that the basic source of effectiveness of procurement and purchasing are holistic procurement competences, and it indicates that various companies try to implement the best professional practices individually rather than developing the plan of a complex holistic development of procurement in the long-term perspective.

The procurement function can be operated at the purely operational-administrative level or at the strategic level or may be somewhere in between these. The procurement function in the non-profit organizations may be operational on various levels. The level of development of the procurement function will determine how the procurement function will be able to manage the suppliers. The higher the level on which the procurement function is leaning towards a strategic function in the organization, the greater the orientation of the procurement function on strategic supplier.

3.2.9 Comparing the Literatures

The preceding frameworks and literatures have been offered to lay the groundwork for the creation of the propositions in Chapter 3.3. When comparing the literatures and frameworks, eight distinct categories were discovered in relation to various aspects of the literatures, as shown in below table 3.2.9.1. The categorization of procurement challenges also aided in the development of interview protocols for empirical data collection. The most significant categories, according to the author, were found through the literature and framework study.

Challenges Literatures	Purchasing Power	Ethics	Process	Staff Retention	Law & Regulations	Risk	Conflicts	Strategic Nature
Pazirahdeh A. & Herlin H. (2012)								
Market Dominance Dynamics	✓							
Organization's Reputation		✓						
Organizational Strategy								✓
Vaughan S.K. & Strickland R.A. (2008)								
Ethical Culture		✓					✓	
Reciprocity			✓			✓	✓	
Rules and Law					✓			
Public Trust								
Bernard Enjolras (2009)								
Governance Structure		✓	✓			✓		
Heather et al. (2017)								
Volunteer-Staff Relationship			✓	✓			✓	
Gentri Mabelann White (2019)								
Staff Retention				✓			✓	
Rodríguez et al. (2020)								
Transparency		✓			✓			
Accountability		✓						
Trust		✓						
Tadelis S. and Bajari P. (2006)								
Bidding Procedure		✓	✓		✓			✓
Pricing	✓							✓
Janusz Fudaliński (2014)								
Professionalization of Procurement Function			✓					✓
Organization's Management			✓					
Operational Efficiency			✓					

Table 3.2.9.1 Categorized procurement challenges faced by volunteer organizations

3.3 Development of Propositions

In the last section, eight categories of procurement challenges faced by the volunteer organizations has been identified. For sophisticated view, it has been illustrated in the below Figure 3.3.1. These are the expected categories which highly influence the performance of the procurement function in the volunteer organizations and an attempt has been made to uncover those challenges in this section.



Figure 3.3.1 Categories of procurement challenges faced by volunteer organizations

In the following sub sections, all the eight categories have been discussed by supplementing with the presented literatures in the section 3.2 and additional applicable theory. Based on this, a set of propositions has been developed further which has further been discussed in the analysis section in the chapter 5 by linking with the collected empirical data mentioned in chapter 4. All these eight categories are analysed independently in the below sub sections whereas it is assumed that they are mutually dependent on each other. Also, while answering the research question 2 (RQ2), the links between these categories has been discussed further. To reduce the complexity of the study, each proposition has been focused independently.

The proposition is made up of a variety of suppositions, with each category's suppositions being developed utilizing applicable theory and already explored frameworks. Individual suppositions are based on theory around the idea of individual category and how it is used in practice. In this approach, an attempt was made to see if the concept-based premise has practical ramifications in the volunteer organization setting, contributing to the problem that was then framed as a proposition.

3.3.1 Purchasing Power

“It is argued that no single organization has all the resources and functions necessary for its successful operations.” (Pazirandeh and Herlin, 2012, p. 413). Thus, these organizations have to enter into the exchange relationships with other organizations. In such transactions, firstly, the organizations become dependent on others and then secondly, the issue of uncertainty arises since these organizations can neither directly control nor perfectly predict the flow of resources coming from the exchange partner. This is considered to be highly unfavourable because it is usually assumed that the organizations prefer to be self-sufficient to any kind of cooperation. *“RDT predicts that all organizations strive to maximize their power, by either minimizing the organization’s dependence on other organizations or by increasing the dependence of other organizations on itself”* (Pazirandeh and Herlin, 2012, p. 413).

The situations where the buyer organization has very limited options of suppliers to purchase the needed resources, the supplier tends to use its power advantage to force the buyer into a cooperative relationship and thereby tends to reduce its own uncertainty. Also, whenever any actor in such relationship tries to exploit its power within the supply chain, there is a risk of suboptimal outcomes. *“The less powerful actor in an exchange relationship is always faced with higher uncertainty and undesirable exchange conditions”* (Casciaro and Piskorski, 2005, p. 172). In such situations, the actor with less power will try to change its position through constraint absorption operations such as long-term contracting, joint venturing or even merging itself with the powerful organization. Also, the powerless organizations can utilize the legal means to increase its influence. Pazirandeh and Herlin (2012) also mention that all the buyer-supplier relationships are based on the scarcity of the resources exchanged between them, and consequently on the relative power distribution.

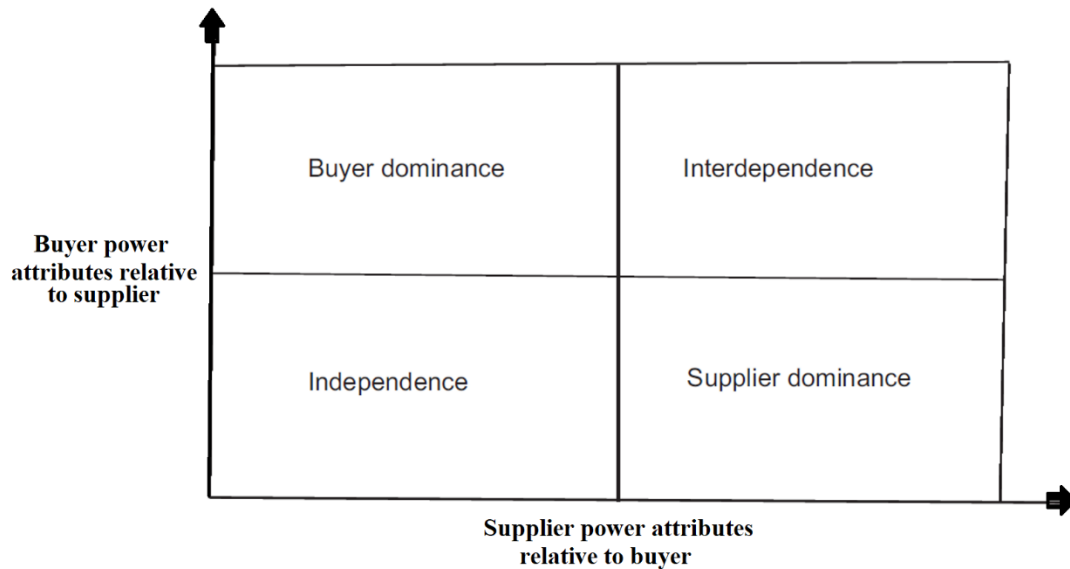


Figure 3.3.1.1 Buyer-Supplier Power Matrix. Adapted from (Pazirandeh and Herlin, 2012)

Supposition: Powerless organization in buyer-supplier relationship faces higher uncertainty and undesirable exchange conditions.

Pazirandeh and Herlin (2012) concludes that placing the buyer in the supplier dominance area results in higher prices and limitations in reaching the agreements and hence it is highly unlikely. Whereas the bigger non-profit organization enjoy the benefits from global reputation and brand resulting in taking the advantage of bulk purchase orders by aggregating demand as well as collaborative initiatives which may ensure the lower prices and better availability of the supplies. *“In the nonprofit – for profit domain the former organizations are usually seen as the weaker actors.”* (Pazirandeh and Herlin, 2012, P. 411).

Supposition: Smaller non-profit/volunteer organizations are usually seen as the weaker (powerless) actors.

Proposition 1: Lower Purchasing power is a Procurement Challenge for the voluntary organizations.

3.3.2 Ethics

Oulfarsi (2016) mentions that the Ethical supply management is a critical issue because of its strategic dimension in the purchasing function in the organization. Also, ethics is the most popular competence among the purchasers. The procurement function can be measured by the raised competitive sustainable advantage. They also mention that the procurement practices in companies are geared towards reducing the expenditure and costs. The buyer organization holds the responsibility of their suppliers, and they must ensure a conduct of those compliant with ethical standards. Jaideep et al., (1998) also concludes that the nature of the action of the manager and the ethical climate within a business is the cause of conduct contrary to the ethics but not only the absence of moral standards of the individual. Unethical behaviour can be seen as the consequence of the absence of company's policy addressing this issue. *"Ethics is a critical challenge in supply chain management and procurement function is certainly the most vulnerable function in unethical practices."* (Oulfarsi, 2016, P. 62).

Supposition: Unethical practices hamper the procurement function negatively causing increased expenditure and costs.

As mentioned in the section 3.2.2, The non-profit organizations usually do not exhibit the highest level of ethical behaviour at once at the starting stage whereas, it evolves from the formation through growth to maturity. Vaughan and Strickland (2008) has also provided a framework illustrating the hierarchy if ethical values for non-profit organizations where the organizations move through the hierarchy of ethical values in a series. To achieve the desired ethical values, the external controls such as law, rules and regulations are most relevant at the first two level. Once the level of reciprocity gets reached, internal controls become more significant as compared to external controls in shaping the ethical behaviour of the organization. Finally, the level of respect and integrity can be achieved through internalized ethical culture. Meeting the ethical values such as financial competency, accountability, reciprocity, and respect helps the organizations to achieve the organizational mission and gain the public trust and confidence. For the long-term success of the volunteer sector, the organizations working within this sector must internalize these values and become self-actualized. In short, the non-profit organizations must achieve the highest level of ethical values to achieve their goals and accomplish the mission effectively.

Supposition: The non-profit/voluntary organizations are prone to ethical challenges especially at the starting stage.

Proposition 2: Unethical practices is a procurement challenge for the voluntary organizations.

3.3.3 Process

Lee and Miller (2001) has carried out the study arguing that a well-designed decision-making process will have the positive impact on the company's financial performance with the condition that it should be carried out by a capable, motivated, and dedicated workforce. They discussed about one of the central dimensions of the decision-making process named collaboration. Where, the term collaboration refers to the degree to which people consult and interact with one another in making decisions. It is the function of number of individuals and departments involved in making decisions. Some of the studies suggests that the collaboration allows managers to creatively integrate diverse perspectives resulting in more informed and more pertinent decisions.

But on contrary part, some scholars also suggests that the collaborative activity can slow down the things, especially in the situations where board involvement from the functional units with conflicting perspectives are involved. Mutual interactions over the decision making may also bring the warring parties together, allowing their political agendas to take precedence over the organizational needs. Also, in some cases, emphasis on mutual consultation may result in no one feeling accountable for any decision.

Supposition: Collaborative activities can slow down the decision-making process and also results in lack of accountability for the decisions made.

As mentioned in the section 3.2.3, Leedy and Ormrod (2001) has introduced the governance-structure of the volunteer organizations where it is seen to be reinforced as the norms of reciprocity. Collective actions are facilitated in these organizations in terms of formal ends, ownership, decision-making procedures, accountability, checks and balances, control procedures and embedded incentives. The advantage with the reciprocity principle is the mitigation of coordination failure and competitive advantage when providing certain goods in competition with for-profit and governmental organizations. Even in the presence of tensions, the collaborative governance best guarantee for the organizational efficiency and trustworthiness.

Supposition: Voluntary organization's governance structure is based on the norms of reciprocity principle and the decision-making procedure is based on collective actions.

Proposition 3: Slower decision-making process is the procurement challenge for the voluntary organizations.

3.3.4 Staff Retention

As mentioned in the section 3.2.5, White (2019) suggests that the organizations must tackle with several problems after losing the staff members which may include cost associated with the recruitment and training. All these problems negatively affect the organizational budgets. The organization's ability to sustain the expenses associated with loss of productivity and performance due to staff retention issue gets negatively affected. With intellectual resource perspective, losing the staff means loss of institutional knowledge. The employees earn work experience in their roles and build quality relationships with internal and external stakeholders as they work for longer terms and in case of leaving the firm, the organizations have to bear these losses. Overall, the organization's inability to retain the staff leads to a decreased morale and organizational reputation.

Supposition: Organization's inability to retain the staff results in several losses to the organization making it difficult to achieve their goals.

White (2019) argues that the low staff retention is one of the main challenges that the non-profit organizations face. She also argues that the non-profit organizations are prone to damage due to low employee retention since it has higher negative impacts on the organizational effectiveness as these organizations operate under the uncertain environment in terms of sourcing of funding and expected service level. These organizations depend highly on the volunteers and employees who are willing to accept the smaller salaries as compared to public and private firms which shows negative response towards the satisfaction and intention to stay with an organization.

Supposition: Non-profit/Voluntary organizations are more prone to the staff retention issues.

Proposition 4: Poor staff retention is a procurement challenge for the voluntary organizations.

3.3.5 Law & Regulations

(Department for Business, 2020) has published the research report on the challenges faced by the businesses when complying with regulations. Regulation was seen as a process that needed to be followed and in case of medium and large sized organizations, this is very much a part of day-to-day running of the business. The processes assumed by the business to comply with regulations varied widely and depends upon the type of regulation and individual business. This research has shown the wide variety of activities carried out by the businesses of different sectors to comply with regulations. The most important negative impacts of regulation were financial cost and time whereas, it tends to be more burdensome during the first year of compliance due to the need to amend systems and processes and purchase additional equipment. Also, the research revealed that there are different factors that influence the journey of implementing regulations which varies depending upon the regulation, business sector, and size.

The research suggests that there are various factors which influence the level of burden that individual regulations posed on the businesses such as the complexity of the regulation, the reach of the regulation within the business, the perceived risks associated with non-compliance, The existing level of regulation within the business sector and the size of the business.

Supposition: Regulations results in burden on the organizations especially in terms of time and cost.

As mentioned in the section 3.2.3, Rodríguez et al., 2020 has presented the idea to understand the transparency in the third sector where they have mentioned the importance of developing a systematic body of knowledge about the situation of transparency and voluntary information disclosure in the third sector. The organizations including voluntary organizations working in this sector faces the challenges to convince the society that they manage the funds efficiently and they are dedicated to achieving the missions of the organization for which they are operating. One of the important reasons to maintain the transparency is to stop the inappropriate and fraudulent practices which may cause severe damage in this sector. Also, the public entities become the principal stakeholder of a non-profit organization, thus it is necessary to disclose the transparency information to obtain the financial support from the government.

Supposition: It is necessary for the voluntary organizations to maintain the transparency and follow the laws and regulations.

Proposition 5: Law and Regulations are a procurement challenge for the voluntary organizations.

3.3.6 Risk

Young (2009) has presented the study to identify the kinds of decisions where non-profit organizations need to manage their risks in a strategic fashion. For proper functioning of any organization, effective management of risk is fundamental. Perfect prediction of outcomes of the decision when risk is involved in a changing or uncertain environment is not possible. Non-profits have not taken a sufficiently robust view of risk management due to various reasons. For these organizations, risk is encountered in various ways such as financial, personnel, program, and capital expenditure due to interactions with changing and complex environment. In such cases, the outcomes cannot be determined precisely. Risk management becomes very important for the non-profits because they need to protect themselves against the disastrous outcomes that could make their survival difficult. Non-profit decisions are made by the volunteer trustees or paid executives, but these decisions impact the societal groups served by these organizations. This makes it complicated for accounting the risk in strategic non-profit decision making. The confusion on who would bear the risk impacts directly on non-profit decision making.

Supposition: For non-profit organizations, the risk management is important practice to protect themselves against the disastrous outcomes that could make their survival difficult.

Young (2009) also describes about the non-profit governance where the responsibility relies on board level for decision involving the prudent deployment of resources to achieve the organization's purposes. Enjolras (2009) also describes that the governance structure in the voluntary organizations follows the norms of reciprocity principle. The features in terms of decision-making procedures, accountability, checks and balances, control procedures, and embedded incentives facilitates the collective actions oriented towards public or mutual interests. The voluntary organization's governance structure has compatibility with several types of coordination mechanism which also helps these organizations to operate under complex environments. The author also mentioned about the difference between corporate

governance model and philanthropic model where the former being more sympathetic to strategic risk taking and the latter is more inclined towards “asset preservation”. He also mentions about the several other articles having emphasis on reducing risk rather than trading it against potential gains in case on non-profit organizations.

Supposition: Non-profit/Voluntary organizations depends highly on reciprocity principle where the decision-making process become slower due to involvement of various board members and they emphasis on reducing the risk rather than focusing on grabbing the opportunities.

Proposition 6: Risk management is a procurement challenge for the voluntary organizations.

3.3.7 Conflicts

Hotepo et al., (2010) has carried out the study to investigate the effects of organizational conflicts on the organizational performance. Conflict is unpleasant in any organization where people compete for jobs, resources, power, recognition, and security. The disputes occurring when interests, goals or values of different individuals or groups are incompatible with each other are regarded as organizational conflicts. Conflicts may happen between individuals, groups and between both. “*Conflict can be negative when it creates resistance to change, establishes turmoil in organization or interpersonal relations, fosters distrust, builds a feeling of defeat, or widens the chasm of misunderstanding.*” (Hotepo et al., 2010, p. 1). If these conflicts are not resolved properly, then it may hamper the organization adversely in terms of poor performance, lack of cooperation, wastage of resources and productivity.

Supposition: Organizational conflicts leads to poor performance of the organization, lack of cooperation among the staff, wastage of resources and productivity.

As mentioned in the section 3.2.4, Rimes Heather et al., (2017) claims that the quality of relationship between volunteers and the paid staff can have significant consequences on the organizations utilizing the volunteer programs to support service delivery. They also mention that the volunteers are the key source of human capital for many organizations including those where paid staff also work in conjunction with the volunteers. The authors have investigated the dynamics of volunteer-staff interaction and found that the poor and strained relationships affect the job satisfaction resulting in serious human resource conflicts. The conflicts may arise

due to various issues such as communication problems, attitudinal issues, or lack of trust but since these problems can be hidden, both the groups in voluntary organization i.e., paid staff and volunteer staff may be reluctant to express themselves.

Supposition: Voluntary organization faces the conflicts between paid staff and the volunteers.

Proposition 7: Conflicts is a procurement challenge for the voluntary organizations.

3.3.8 Strategic Nature

As mentioned in the section 3.2.8, Fudalinki (2014) has mentioned that the evolution of the procurement function was foreseen early in 1983 but even after 25 years later, number of companies are remaining at an early stage of the transformation of tactical purchases into strategic purchasing management. Various research projects have confirmed that the impact of such transformation of the procurement department could bring profits by means of an improvement in effectiveness, regardless of the industry and the region. Also, the leading organizations employees the procurement function in the strategic nature which significantly affects the implementation of the company's strategy.

Supposition: Implementation of the procurement function as a strategic nature brings improvement in effectiveness and generation of more profits to the organization.

Fudalinki (2014) also argues that there is a need of attention on research on the development of the procurement function in the non-profit organizations so that these organizations could also achieve the high profitability regarding the development of the procurement function. He also claims that numerous organizations have not evolved above the basic supply role as the management does not pay attention to the efficiency and effectiveness of the operation which results in under-efficient procurement. The procurement function can be operated on various levels such as operational-administrative, the strategic or somewhere in between these. The higher the level leaning towards strategic level, the organizations could achieve more efficient procurement function.

Supposition: Non-profit organizations have not evolved their procurement function to reach the strategic level.

Proposition 8: Non-strategic nature is a procurement challenge for the voluntary organizations.

3.4 Overview of Procurement Challenges in Voluntary Organizations

The theory section explained the background understanding about the volunteer organizations and procurement function where the focus was kept on providing the deep understanding about the concept. In the further subsection, a literature review has been executed to describe the various aspects of the voluntary organizations. Based on all these, eight different categories have been discovered with the help of which, eight procurement challenges have been proposed which is required to be examined closer. The propositions are as follows:

P1: Lower Purchasing power is a Procurement Challenge for the voluntary organizations.

P2: Unethical practices is a procurement challenge for the voluntary organizations.

P3: Slower decision-making process is the procurement challenge for the voluntary organizations.

P4: Poor staff retention is a procurement challenge for the voluntary organizations.

P5: Laws and Regulations are a procurement challenge for the voluntary organizations.

P6: Risk management is a procurement challenge for the voluntary organizations.

P7: Conflicts is a procurement challenge for the voluntary organizations.

P8: Non-strategic nature is a procurement challenge for the voluntary organizations.

The below figure 3.4.1 illustrates the propositions according to the categories discovered in the subsection 3.2.9. These propositions have been further discussed in the section 5 where the analysis of empirical data (section 4) has been carried out.

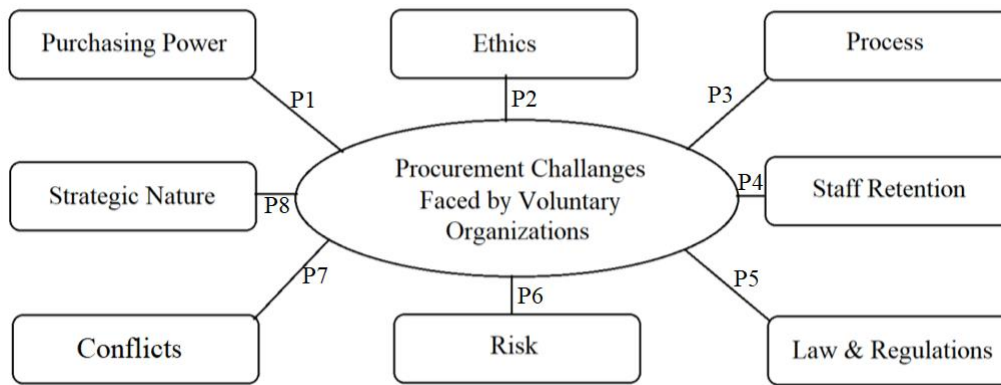


Figure 3.4.1. Categories of proposed procurement challenge for the voluntary organizations.

3.5 Procurement function differences in for-profit and volunteer organizations

During the theoretical study and analysis part of the study, the challenges faced by the volunteer organizations in procurement process has been emphasised. While differentiating between the for-profit and non-profit organizations, for-profits can be seen at the position of higher efficiency and productivity with respect to various types of operations and functions. Procurement is also one of the important functions in the organizations which directly affects the financials and supply of required goods and services. Intelligent procurement practices are vital to any organization's success since it drives operational efficiencies and ensuring the spend accountability further helping to reduce the overall costs. Fudalinki (2014) has also mentioned that number of research has confirmed that the transformation of tactical purchasing to strategic purchasing management has helped the companies to bring more profits by the means of improved effectiveness. Various leading companies has included the procurement function in their company's strategy whereas various organizations have not done it so far. He also emphasised on the implementation of strategic procurement function in the non-profit organizations. The comparison of procurement function in for-profit and non-profit organizations become important to analyse how the for-profits manage to maintain the higher effectiveness and productivity. Also, this comparison spots the light on the limitations of the volunteer organizations affecting the procurement process.

The below sub-sections describe the functional differences with respect to procurement processes between the for-profits and volunteer/non-profit organizations.

3.5.1 Type of Workers

When comparing the procurement functions of for-profit and non-profit organizations, the type of workers in the organizations has a substantial impact on the procurement function. Almost all workers in for-profit organizations are salaried employees who are compensated for their contributions to the organization's work and efforts. It's also worth noting that for-profit organizations tend to attract more brilliant individuals due to larger salary packages and opportunities for advancement. Volunteer organizations, on the other hand, rely heavily on volunteers who are prepared to work for no pay in order to help the organization achieve its goals. It is also important to note that the volunteer organizations also possess paid employees but since these organizations are not profit making, they usually pay lower remuneration as compared to their for-profit counter parts which makes this sector less attractive for the talented people. The situation where the paid and unpaid workers work together is termed as '*co-production*' by Brudney and England (1983). In such organization where the volunteer and paid employees work together, the organizations need to develop a strategy on the distribution of jobs and responsibilities among both the type of workers. These strategies have high significance since the lack of clarity on responsibilities may result in tension among the workers of both the type (Bittschi et al., 2015). Also, the Volunteers' roles are more diverse and not necessarily distinct from paid workers' roles (Netting et al., 2004). Connelly and Gallagher (2004) suggest that the volunteer organizations must separate the type of roles and responsibilities among the paid and un-paid staff or integrate the standard and non-standard work to avoid the situation of lower moral of paid workers where they feel threat to their job. When compared to the for-profit companies, Catano et al., (2001) with the survey of 212 volunteer workers suggests that the volunteer leaders are more psychologically involved and committed to their organization. In for-profits, the leadership roles possess greater autonomy, power, status, and remuneration. Whereas in volunteer organizations, the leaders do not enjoy the similar benefits, especially in terms of monetary benefits. Moreover, the volunteers usually experience more workload which may make it more difficult for them to perform better in their paid job roles in their carrier (Pearce, 1980).

While discussing about the type of workers, monetary rewards have higher significance. The non-profit organizations don't aim towards making the profits and thus fail to provide higher monetary rewards which makes them less attractive for the talents. At the same time, the volunteer organizations have paid as well as unpaid employees and being non-profit in nature, they struggle to secure the top candidates while recruiting for the procurement or other functions

(Hansen et al., 2003). In such situation, these organizations focus on providing the training to the existing and newly hired workers rather than focusing on recruiting highly skilled and trained people. In terms on for-profits, being profit earning in nature, they focus in recruiting the experts and highly skilled people to increase their profit and productivity further. In doing so, they spend more on remuneration attracting the top talents.

Non-profit leaders are more concerned with law, governance, and cost control when it comes to leadership. They tend to become more effective with the present set of procedures, resulting in a resistance to delivering procurement innovation. In contrast to volunteer organizations, for-profit executives place a greater emphasis on analytical thinking, creativity, and invention, resulting in procurement innovations that improve efficiency and effectiveness.

3.5.2 Goals and Motivation

Contrary to the for-profit organizations where their goal is to generate the profits for the organization and stakeholders, the volunteer organizations work towards a specific mission for the improvement of the targeted group of people. Weisbrod (1988) suggests that the volunteer organizations produce the public type goods and services for the society. These organization fulfils the public demands where the for-profit and public sector fails to do so. Thus, they have greater focus on adding the value to the society according to their mission. Whereas it is important to note that the volunteer organizations are usually bound by the external stakeholders such as government and individual donors who may define and monitor those restrictions on changing the goals of the organization which results in restricting the changes to be made with respect to their mission and goals.

For-profit organizations can re-define their goals in response to changing external conditions and demand. It gets simpler for them to do so due to the lack of external inspection. The decision-making authority is normally in the hands of the company's shareholders and management, whose purpose is to increase profits despite working toward a pre-determined goal. These companies are also financially oriented, with the ultimate goal of enhancing profitability and competitiveness in order to raise shareholder value.

For-profits are also bound to be socially responsible with various legislation requirement but at far minimum level as compared to the volunteer organizations. Whereas the volunteer organizations operate with the goal of achieving the maximum level of social responsibility and bound with the higher legislative requirements.

In terms of the procurement function within these types of businesses, the aims and motivation of these organizations have a significant impact on the approach to supplier selection. According to Carlson (2021), social values have a significant impact on public and volunteer procurement decisions. In this circumstance, these firms are more likely to choose suppliers who share their corporate aims. Furthermore, these companies make an effort to prioritize suppliers that are non-profit in nature and work to improve social values.

In terms of goals and motivation, the for-profits aims to save the monetary resources through the selection of most optimum supplier and enhance their financial performance. Whereas volunteer organizations aim to select the suppliers based on their organizational goals and motivations usually having no influence to primarily focus on monetary values.

3.5.3 Financials

Volunteer organizations produce various annual budgets in which resources are allocated to specific initiatives in order to achieve the organization's objectives. Several non-profits, according to Malki (2013), operate without a budget or with a very restricted version of one for the purpose of fundraising. The amount of freedom available in terms of budget allocation is really limited. On the other hand, for-profit businesses may readily reallocate capital based on external demand and existing conditions within the organization. Here, the budgets are targeted to achieve the expected results as per the situation and if in case the organization feels that there is a requirement to make changes in the budget, they reallocate the funds to tackle the situation. The volunteer organizations try to achieve the maximum benefits from the minimum expenditure. Monetary resources drive the organization's mission and financial mismanagement can damage and even destroy the organizations (Weikart et al., 2013). Furthermore, they must maintain greater financial transparency since external stakeholders such as the government or individual contributors may monitor expenditure, putting pressure on them to spend wisely and avoid waste. For-profit organizations are more concerned with project success than with cost reductions. Budget approval is mostly delegated to management levels, who make choices in accordance with project requirements, making the budgeting and approval process more efficient owing to time limitations and pre-defined operational processes.

With respect to the procurement function, the supply opportunities are fixed in the volunteer organizations due to fixed yearly budgets. Due to wider external scrutiny and reciprocal decision-making process, the overall procurement function gets slowed down. In for-profits, the budgeting process is flexible, and the spending patterns can be changed as per the

requirement of the situation which makes the overall process faster. The for-profits focus on overall value that can be achieved through the procurement process such as strategic benefits and long-term supplier relationships, but the volunteer organizations focus more on the present situation of transactions and the cost involved.

3.5.4 Regulations

Government rules have a significant impact on the operations of volunteer organizations, and these restrictions are subject to change as the government's policies change, which can have a significant impact on the procurement process. According to Carlson (2021), the procurement function in volunteer organizations is required to be more transparent and is regulated by law. The issue for volunteer organizations is persuading society and sponsors that they handle finances efficiently and are totally committed to completing their objective (Rodrguez et al., 2020). It becomes necessary for these organizations to maintain the records of the financial transactions involved in any purchasing activity. The burden of individual regulation results in financial cost and time also (Department for Business, 2020). Whereas the for-profits must comply with comparatively minimum set of regulations for carrying out their business activities which results in the minimum constraints towards the procurement function. Also, the financial transparency towards the external audience has very limited necessity and the supplier selection procedure and the spending has no obligations to be disclosed outside the organization.

3.5.5 Risks

External stakeholders, such as the government or private funders, frequently scrutinize volunteer organizations. Of addition, the governance structure in these companies is reciprocal in nature, with board members or decision-making authorities making choices together. Transparency in the process is another key aspect of these organizations, as it informs all stakeholders, including the general public, that they are working ethically toward their goals. It also confirms their brand value and reputation in the society. Due to all these factors, the volunteer organizations usually hesitate to take the risky decision where if the decision tends to go against the organizations, then it may hamper it negatively. Young (2009) mentions that the non-profits have not taken the sufficient robust view of risk management due to several reasons. Most of the volunteer organizations pre-defines the procedure to practice the risky decisions. With respect to the procurement practices, these organizations are highly cautious and conservative due to expectation of the external scrutiny on the risky decisions.

In for-profit sector, the extent of risk-taking ability depends upon company to company. The organizations in these sectors examine their risk-taking ability against the opportunities and benefits such as entering new markets or launching the new product. While making risky decisions towards the procurement function, these organizations do not have to face the same level of external scrutiny as faced by the volunteer organizations. Although, the decisions taken in the private companies can be scrutinized by the shareholders or owners of the firms.

3.5.6 Processes

The operational processes in the volunteer organizations are usually set and scrutinised by the external stakeholders such as government, private sponsors granting donations and/or individual donors and by the internal stakeholders such as board members and functional leaders. Leedy and Ormrod (2001) mentions that the decision-making process in volunteer organization follows the collaborative mechanism. Collaborative decision-making procedures results in slowing down the pace of the operations (Lee and Miller, 2001). Among these processes, the procurement process is also designed firmly to be abided by the designated procedures and regulations. Carlson (2021) suggests that the procurement function is highly transparent in the volunteer organizations, and it highly affects the entire process. The effects such as openness of the tenders and its availability to the bigger audience where the higher number of supplier participation is facilitated.

In for-profit organizations, procurement processes are often determined by internal stakeholders such as management and leadership. These procedures are frequently adaptable to the nature of the transaction. Transparency is also restricted and only essential within the organization. Several criteria may be required for suppliers to participate in the procurement process in these companies, resulting in limited exposure for the provider.

Volunteer organizations must keep accurate records of all financial transactions (including procurement operations) that may be audited by an external entity, such as the government. To avoid a disagreement with the supplier, volunteer organizations must embrace the properly specified methods and conduct the negotiations. In for-profit organizations, only internal stakeholders such as the chief financial officer (CFO) are allowed to evaluate procurement operations and transactions in order to maintain work standards. These companies encourage long-term buyer-supplier partnerships, which are especially important in supply chains where supplier availability is restricted.

3.5.7 Ethics

All the responsible organizations within all the sectors (for-profit, public, and volunteer) are ethical in their approach. Due to the nature of organization's social purpose, the volunteer organizations seem to be more ethical. The volunteer organization's internalized ethical culture helps them to achieve the respect and integrity to showcase the highest level of ethical environment (Vaughan and Strickland, 2008). The nature of a volunteer organization's mission has a big impact on the suppliers they choose. Suppliers who operate in a comparable domain or for a similar social cause are frequently enlisted by these organizations. Whereas for-profits want to collaborate with suppliers who can provide more value and financial rewards regardless of their field of expertise. This ethical element may have a significant impact on the procurement process inside the volunteer organization, as they may acquire products and services with a lower value owing to a supplier selection based on their social mission, giving less weight to the value produced via the purchase.

Depending upon all the mentioned characteristics which makes the procurement function different in for-profit as compared to volunteer organizations, a framework has been illustrated below in table 3.5.1 mentioning the important differences.

	For-Profit Organizations	Volunteer Organizations	Literatures
Type of workers	<ul style="list-style-type: none"> • Attracts the top talents • Leadership focus on innovation • Clarity on responsibilities 	<ul style="list-style-type: none"> • Fails to attract the top talents and focus on training newly hired people • Leadership focus on current system of processes • Lack of clarity on responsibilities 	<ul style="list-style-type: none"> • Brudney and England (1983) • Bittschi et al., (2015) • Netting et al., (2004) • Connelly and Gallagher (2004) • Catano et al., (2001) • Pearce (1980) • Hansen et al., (2003)
Goals and motivation	<ul style="list-style-type: none"> • The organizational goals do not affect the selection of suppliers • Flexibility to redefine the organizational goals as per requirement 	<ul style="list-style-type: none"> • The organizational goals affect the selection of suppliers • Redefining the organizational goals is not possible due to external stakeholder's interests 	<ul style="list-style-type: none"> • Weisbrod, (1988)
Financials	<ul style="list-style-type: none"> • Flexible budgets • Wider supply opportunities 	<ul style="list-style-type: none"> • Nonflexible budgets • Limited supply opportunities 	<ul style="list-style-type: none"> • Malki, (2013) • Weikart et al., (2013)
Regulations	<ul style="list-style-type: none"> • Subject to limited regulations • Needs limited transparency towards external stakeholders 	<ul style="list-style-type: none"> • Subject to higher regulations • Need higher transparency towards external stakeholders 	<ul style="list-style-type: none"> • Rodríguez et al., (2020) • Department for Business, (2020)
Risk	<ul style="list-style-type: none"> • Higher risk-taking ability 	<ul style="list-style-type: none"> • Lower risk-taking ability 	<ul style="list-style-type: none"> • Young, (2009)
Process	<ul style="list-style-type: none"> • Only internal stakeholders have influence on operational processes • The selective tendering process promotes limited visibility to the supplier • Promotes the long-term buyer-supplier relationships 	<ul style="list-style-type: none"> • External stakeholders can also have influence on operational processes • Openness of tendering process promotes wider supplier participation • Restricts the long-term buyer-supplier relationships 	<ul style="list-style-type: none"> • Lee and Miller, (2001) • Leedy and Ormrod, (2001)
Ethics	<ul style="list-style-type: none"> • Supplier's organizational goals does not affect the supplier selection process 	<ul style="list-style-type: none"> • Supplier's organizational goals may affect the supplier selection process 	<ul style="list-style-type: none"> • Vaughan and Strickland, (2008)

Table 3.5.1. Comparison between procurement practices between for-profit and volunteer organizations

4. Empirical Study

This chapter summarizes the findings and data gathered from the conducted interviews.

Purchasing power, ethics, process, staff retention, law & regulations, risk, organizational culture, and strategic nature of procurement were all divided into eight categories based on the theoretical framework.

An attempt has been made to interview the experts from the different types of voluntary organization so that data variation can be considered while analysing the data. In this study, interview has been conducted with a permanent student organization named DNV Fuel Fighters (Norway) where the entire staff gets changed year on year, a cultural organization named BUL I Nidaros (Norway) which is a permanent organization and an NGO named Chanchalman (India) aiming to provide education to the students coming from families living below the poverty line. The data has been collected by interviewing the leaders and board members of the organization.

The interview guide with consent form was used to keep the interviews on track while they were being conducted for data collection. According to the interview guide, the questionnaire began with questions aimed at gathering background information about the firm, including its objective, number of workers, external stakeholders and their influence, organizational structure, decision-makers, and financials. Following that, a discussion on theoretically prepared propositions, as indicated in chapter 3.4, was held to acquire particular information about the procurement function inside the organization. Along with the challenges, an attempt has been made to collect the information regarding the solution strategies that the interviewees can propose with their experience and expertise within their role and the sector. Also, as mentioned in the section 2.1.6.2, the code names ORG1, ORG2, and ORG3 are used to mention the organizations.

4.1 Purchasing Power

Before communicating about the purchasing power in the procurement practices, the interviewer has collected the background information about the size of organization and the turnover involved in the overall purchase of goods and services to analyse the organization's situation within the buyer-supplier relationship. The interviewees from all the three interviewed

organizations have agreed that the purchasing power plays a significant role during entire procurement process. They agreed that the quality and pricing of goods and services intended to be purchased highly depends upon the volunteer organization's size, reputation, and the age of the organization in the market. The highly reputed and bigger organizations dominate the buyer-supplier relationship. The smaller and newly established organizations receive lower priority from the suppliers regarding the quality of goods and services. The trust of supplier over the buyer also plays a significant role which is mentioned in the comment from ORG3 *"I think it would go to the supplier as they are bigger company, and they have more power over you. It's not only the size but also the journey where you are. If you are a start-up then the supplier may not trust you"*.

Apart from size and reputation, the volume of purchase order also highly impacts the quality and pricing of goods and services. With lower purchase volume, the suppliers become dominant with respect to prices as well as quality of supply. The purchase volume plays the important role over the dominance in buyer-supplier relationship. If the purchase volume is higher, then the supplier offers the better price for the goods and services. Interviewee from ORG1 has commented *"If our purchase volume is low, the prices of goods and services increases. But it usually does not affect the quality of the goods. But in case, the purchase volume is higher, we get the discounts"*. Another interview from ORG3 also confirms it with the comment *"I think it does. These are some buyers, the contract that they created for us which is more than a year. I think the bigger the organization, the buyer is more interested to maintain the sustainable relationship. The buyer thinks that this organization is big, and they will purchase every year from us. So, the size of the organization matters"*. Whereas ORG2 has commented that the situation depends upon the needs and requirements of the supplies.

One of the biggest problems that the volunteer organizations face is delayed delivery and quality of goods and services which hampers their operations when they gets dominated by the supplier. It has been confirmed with the comment from ORG3 *"I think yes. I also think that if you are the big volunteer organization, then the supplier would be more keen or open and will give you more importance and if they make a mistake then they would correct it free of cost. But if you are a smaller organization then would give that kind of service. It also depends upon the relationship with the supplier"*.

Service contracts also plays an important role in the procurement activities. The cases where the supplier is dominant, the service contracts tend to lean towards the supplier side. The smaller volunteer organizations often face difficulties while negotiating the contracts due to supplier

domination in the relationship. An interviewee from the ORG1 has commented while advising the solution to overcome these challenges *“In such cases, even the purchase order is smaller, we can sign a long-term contract of repeated order. Here we can easily dominate the buyer-supplier relationship where due to higher volume and regular purchase, the suppliers provide the goods cheaper as well as with good quality. Also, the upfront payments may help in securing the discounts. But in cases of credit, securing the discount is very difficult”*. ORG3 has also proposed the solution to overcome this challenge with the help of long-term contracts and maintaining the good relationship with the suppliers to sustain the quality of goods and services throughout the period of contract.

4.2 Ethics

Ethics and the ethical culture within the organization is a shady topic to be discuss within the interview. Whereas overall it has been revealed that ethical challenges vary from organization to organization. Some responses suggests that the organization may face ethical challenges in procurement activities such as favouritism or bribe where the size of organization is bigger, and the procurement function is managed by the separate department with autonomy. It has been confirmed by the comment from ORG3 *“I think in any organization whether it is a voluntary or not, ethics is a huge challenge. For an example, one company who is sponsor of one organization but doesn't allow that organization to have a sponsorship from the company in similar industry. In these cases, the organization lose money. Favouritism and corruption may be possible. But in student organization it is not possible. But in bigger organizations, it is possible to have such ethical challenges in procurement process”*.

The interviewees revealed about their organization that since their organizations are smaller in size, the ethical challenges become negligible due to higher transparency and decision making in reciprocal action where all the decision are taken collectively. Also, with the smaller or very new organizations, there is a lower possibility to advertise the supply requirement to a wider audience of suppliers and in such cases the buyer organization may choose the favourite supplier. In such cases also, they make sure that the quality and pricing of the goods and services should not be compromised. ORG1 has also suggested that ethics can be a challenge in this sector with the comment *“Ethics should not be a very big problem. The situation may come where we choose the favourite supplier but still, we focus on best price and quality. And ethics is obviously there. Till now we have not faced this issue as of now since we are a smaller organization. But there is good chance that ethics can be a big problem in this sector”*.

ORG3 has suggested the solution over this challenge that recruiting the right people is one of the best ways. Also, the people working for the organization should be made aware that they cannot be involved in such activities to help the organization to reach its mission. Organizational culture is also playing a key role in overcoming the ethical challenges. ORG3 commented that *“Yes, that’s why the mission and vision is very important. It should be conveyed to each member in the team. You can’t just expect everyone to be on the same page where you came in. Everybody should know why and what we are doing and what we are not going to participate in”*. ORG1 also commented the similar solution with the comment *“The first thing is to setup the organizational culture where the mission of the organization should be the first priority for each individual working within the organization. This culture setting will definitely solve this problem”*.

4.3 Process

The interviewees from all the volunteer organizations have explained that their decision-making process follows the reciprocity norms. The important decisions are made with consultation of all the board members. ORG2 has commented on this *“We hold regular board meetings. All questions and complaints will get there and resolved as soon as possible”*. ORG3 has also confirmed with the comment *“Yes, because we are a volunteer organization, we come in mostly because we want to. We do not get any financial remuneration for working. So, there is a responsibility to share the decision-making power to everyone”*. For the smaller purchase volume, the approval can only be dependent on the finance or project leaders whereas if the complexity in the case is higher, then the final approval is made by the collective board decision. In case of critical decision making with respect to financial matters and purchasing, especially with the larger volume, the decisions are taken collectively with the consultation of all the board members. The interviewees have agreed that such situations slow down the decision process. ORG3 has commented *“Honestly, it is little bit slower because you have to include everybody on board. So, it is slower, not only in purchasing but in all the operations”*. ORG1 has also commented that *“The decision-making process speed depends upon the planning and budgeting of the organization. If something comes up which is not planned but we have to purchase instantly. We cannot just go and purchase it. We have to call a board meeting then we have to discuss it and collectively gain the agreement on it and go ahead. Obviously, the collective decision-making process hampers the pace of the process and make it slow. But it is the safest way to go ahead in volunteer organizations”*.

The most difficult situation came out to be the situation of conflict within the board where equal agreement and disagreement happens. In such situations, the approval procedure takes far longer timespan or in worst case scenario, the entire purchasing process have to be started again from initial stage to achieve the agreement among all the members involved in decision making.

The overall result in this section shows that the volunteer organizations have to face the slower pace of decision-making process which result in delay of entire project. Also, the change of market situation during the timespan of decision-making results in loss of opportunities in some cases which affects the entire procurement process adversely.

4.4 Staff Retention

The interviewee from all the interviewed organization has revealed that they face the staff retention problems. They agreed that the situations such as lower or no monetary benefits, higher work burdens in the volunteer's mainstream career jobs, and changes in their location may result in volunteers leaving the organization. The problem related to staff retention happens in one more different way where if the volunteer is a paid employee, then they may leave it in the search of better career opportunity or better pay. In these cases, the resignation of the volunteer from their roles hampers the intellectual knowledge that they have gained while working within the organization. ORG1 has confirmed this with the comment *"It is a huge challenge. Non-profit sector is not a high paying sector. Obviously, the skill base is comparingly less aligned to the non-profit sector"*. ORG3 has also confirmed this with the comment *"Yes, it is a challenge. It is hard to keep the people within the team without any monetary benefits. The motivation can be lost in the middle of the project"*. The cost associated with the recruitment of another person and training them is another problem that arises in such situations.

Also, with respect to procurement, all the interviewed organizations have agreed that the volunteers leaving the organization also takes away the personal relationships they have with the suppliers. Along with the personal rapport, the institutional knowledge and the experience in the specific role also vanishes where they have to recruit a new person and start the training from the fresh start. ORG1 has commented *"Also, if the person having good relationship with the vendor leaves, it may impact the prices of goods and services"*. ORG2 has commented that the difficulty depends upon the transition of knowledge. Also described the difficulty with one

example *“For example, the personal having some personal relations with the sponsor and the person leave the team then the sudden difference may happen”*.

To solve these challenges, ORG1 as suggested that the volunteer organizations should focus on developing the volunteers with the skills and knowledge since the volunteers doesn't get paid, but they can receive the new skills and knowledge that they can use in their mainstream career. ORG3 suggested to carry out the periodical appraisals to discuss the workload and the feedback to improve the working inside the organization. Also, the volunteer organization should establish a good rapport with the supplier as an overall organization but not only as a person. In this way, the supplier will always be in contact and would feel that they are the part of a team.

4.5 Law & Regulations

The interviewed organization, ORG3, have revealed that they have no or very limited necessity to comply with the regulations imposed by the government but must comply with the regulations imposed by the university within which they are operating. But they agree that the law and regulations may make the operations slower with the comment *“Definitely, the law and regulations make it slower. Just with leaders and board member, taking decisions become slower and then entry of someone else will again make it slower”*.

Whereas the volunteer organization ORG1 has agreed that they must comply with the laws and regulations imposed by the government. They especially stressed on the difficulty that they sometimes face due to regulations during the financial operations. The financial operations include inward domestic and international donations and purchasing transactions. They commented *“Producing the bills for the purchases is one of the problems. We need to manage the record of each and every purchase. The scrutiny is very high. Keeping all the records and transparency helps to manage the ethical issues and comply with the regulations. Also, the costs are associated with the legal consulting. It makes the overall process slower”*. These organizations also have to spend good amount on legal consulting services.

With respect to procurement, these organizations have to maintain the transparency levels within entire procurement process starting from specification of requirements till the expedition. Supplier selection and financial transaction is one of the important steps to comply with the regulation as described the ORG1. In such situation, the purchasing process gets elongated and impacts the long-term buyer-supplier relationships.

They also proposed the solution that maintaining the long-term relationship with the vendor can be a best possible solution to establish regular operating procedures. Keeping the vendors in place and getting the best prices and quality would be helpful. In such situations, the price is not the only problem, but the time and efforts have higher importance.

4.6 Risk Management

Risk management is the sensitive issue in all the type of organizations. The interviewees also described that the risky decisions are made with higher level of caution since it may hamper their organization in various negative ways such as financial losses, distraction from their mission, conflicts, and loss of reputation. All the three organizations have agreed that the risky decisions are made with the consultation of all the board members. Where ORG2 has commented *“All decisions are made collectively, no individual decisions”*. They try to make the overall organization accountable for risks they are taking. Whereas the other interviewees have also agreed that they tend to stay away from the situations where higher risk is involved. ORG1 has commented *“It depends upon the type of risk such as ethical-nonethical, legal or ambitious. As an organization we try to stay away from risks associated with ethics”*. Whereas ORG3 has commented that they take the risky decision till a certain level beyond which it is not possible for them also. They commented *“So, I would not try to be away from the risky decision. But yes, if it’s extremely risky like 50k NOK is a mistake then I can’t ask to pay it but if its only 200kr then I can make the decision”*. With respect to procurement activities, all the organizations try to be on the safer side and follow the organization’s rules to reduce the risk. In such cases, sometimes they loss the opportunities.

To overcome this challenge, ORG3 and ORG1 has proposed similar solution where they suggested that there can be certain situation of making risky decisions which cannot be avoided. It can be solved on the policy level. Board members and leaders cannot handle every risk involved. An organization should have a specific policy according to which the decisions can be made. Also, the risks should be properly documented with the actions taken, so that it can be easily understood while scrutinizing and its results can be utilized in future.

4.7 Conflicts

Various types of conflicts can be observed within the volunteer organizations. The interviewees have agreed that various conflicting situations may arises between the individuals. The conflict may happen upon the group level also. There can be various reasons behind the conflicting

situation such as different personality, political agendas, dominative nature of a person etc. The collected data suggests that the conflicting situations may have an adverse effect on the organization such as loss of productivity and efficiency of operations. The organization ORG1 suggested that it is not necessarily that the conflicts happen always as nobody works there for earning the money. Whereas ORG2 has accepted that the conflict may happen and commented *“If this happens, the matter goes to a board meeting or council meeting as soon as possible”*. The conflicting situation can be managed at leadership and board level. With respect to the procurement function, the conflicting situation may hamper the important decision making and operational procedures.

4.8 Strategic Nature

The overall collected data suggests that the volunteer organizations still operate the procurement on the tactical level where they keep the focus more towards the present situation of purchase especially on the cost of goods and services. The organization ORG1 has confirmed this with the comment *“Majority of vendors are in place, so we manage the recurring purchases with the basic transactions”*. The interviewed organization also does not have any specific person or department assigned for the procurement activities. ORG3 has commented *“Head of finance mostly handles the purchasing operations. For direct buying, the group leaders do it. At the end of day, the care about obtaining the item and the head of finance who handles all the activities”*. These organizations have not implemented the procurement function as a part of their organizational strategy. Interestingly, none of the interviewed organization has confirmed that they have implemented a long-term buyer-supplier relationship or contract which could be beneficial for them in future. In terms of procurement, usually the for-profits makes the strategy for longer term where they enjoy the benefits of non-obstructed supply of goods and services in favourable conditions reducing the future uncertainties. Whereas the voluntary organizations focus more towards purchasing the goods and services at lower cost neglecting the impact of future uncertainty that they may face in future.

5. Analysis and Discussion

The purpose of this chapter is to analyse the acquired empirical data against theoretically defined propositions. In this part, the solutions to the discovered procurement challenges are also explored. This chapter also discusses additional findings that were uncovered as a result of the empirical findings.

In this chapter, the acquired empirical data was analyzed against the eight developed propositions indicated in section 3.3. Table 5.9.1, which is described in section 5.9, provides a summary of the overall analysis. The acquired empirical data from the three different types of volunteer organizations was compared with the theory linked to the propositions throughout the analysis, and the justification for the proposition was expressed in the form of a graphical representation. The graphical representation suggests the extent to which the different type of voluntary organizations agreed with the propositions.

In the following sub-chapters, we will go through each of the eight propositions and see if they hold the research question 1 (RQ1). Also, an attempt has been made to understand the procurement challenges better so that the solutions can be proposed to manage them (RQ2). For proposing the solutions to address the procurement challenges, the collected empirical data has also been utilized.

5.1 Lower Purchasing Power as a Procurement Challenge

In the theoretical chapter 3.3.1, the following proposition has been formulated:

Proposition 1: Lower Purchasing power is a Procurement Challenge for the voluntary organizations.

Following the literature (Pazirandeh and Herlin, 2012), the buyer-supplier power matrix has been elaborated in section 3.2.1. The organizations have to undergo the exchange relationship with another organization to secure the necessary resources for its successful operations. In such situations, when one organization becomes dependent on the other, the issue of uncertainty arises where the organizations can neither directly control nor perfectly predict the flow of resources coming from the exchange partner. Here, the organizations try to become self-sufficient to reduce the uncertainty. In doing so, the organizations in such relationships strive to maximize their power. It can be done by either minimizing its dependence on the other

organization or by increasing the other organization's dependence on itself. Especially in the supplier dominated markets, the suppliers try to use its power advantage to force the buyer into the exchange relationship in order to reduce its own uncertainty. The organizations with lower power in such relationships faces the higher uncertainty and undesirable exchange conditions. Also, the bigger sized non-profit organizations get benefitted from their global reputation and brand value. Whereas these organizations also take the advantage of bulk purchase orders by aggregating the demand and collaborative initiatives to ensure the lower prices and better availability of supplies. Pazirandeh and Herlin (2012) also mentions that in the nonprofit-for profit domain, the non-profit organizations are seen as the weaker actors where they may face higher prices and limitation in reaching the agreement which is unlikely.

It was clear from the data as mentioned in the chapter 4.1 that the purchasing power of volunteer organization plays a significant role in the procurement process. The organization's size and reputation affect the dominance of buyer in buyer-supplier relationship, further affecting the quality and price of purchased goods and services. The suppliers show the willingness and interest to do business with bigger and reputed non-profit organizations with the intentions of getting benefitted through the buyer's reputation in the market and securing the long-term business. The data also reveals that the age of the non-profit organization also has significant importance in the buyer-supplier relationship. The newly started organizations have to face trust issues from the suppliers where the supplier may speculate that the organization is in the early start-up phase and may fail to operate for longer term. The situations where the buyer volunteer organizations are new, smaller, and are not highly reputed, the suppliers may give lower priority to the buyer fearing that their efforts could fail to give them long term expected benefits in their business relationship. Along with the reputation and organization's journey, the purchase volume highly affects the buyer's position in the buyer-supplier relationship. With higher purchase volume, a supplier may offer lower prices for goods and services, and better supply availability due to various reasons such as reduced production cost and higher unit economic profits. But with lower purchase volume, the supplier become dominant within the exchange relationship due to the reasons such as to reduce the uncertainty, to recover the higher production cost, and to give priority to its more valuable customers. Thus, the size, reputation, age, and purchase volume are the factors that affects the purchasing power of the volunteer organization. In situations of getting placed at the weaker position in buyer-supplier relationship, the volunteer organizations often face the difficulties with pricing, quality, and supply conditions of goods and services. It may also result in poor delivery conditions where

the required supplies get delayed significantly, usually due to lower priority. Lower purchasing power also affects reaching the agreement, where the service contracts lean towards the supplier's side in a supplier dominated relationships.

To overcome this challenge, as mentioned in chapter 3.3.1, the actor with less power in the buyer-supplier relationship can change its position through constraint absorption operations such as long-term contracting, joint ventures or merging itself with the powerful organizations. Also, Pazirandeh and Herlin (2012) suggests that the bigger non-profits enjoy the benefits from bulk purchase orders by aggregating the demand as well as collaborative initiatives which usually ensures the lower prices and better availability of the supplies. The non-profits should intervene in the supply market in various possible ways with the intention to increase its buying capacity.

As mentioned in the chapter 4.1 of empirical study, the interviewees also suggested the similar solution of signing the long-term procurement contracts. With this strategy, the volunteer organizations can overcome the trust issues from the supplier's side where the supplier would feel secured about the higher purchase volume and reduced uncertainty. Also, the long-term contracts signifying the repeated purchase increases the purchase volume over longer period enabling the suppliers to offer bulk purchase discounts. The data also suggested that the suppliers may degrade the quality of supplies after longer spans. To overcome this issue, maintaining the harmonious relationship with the suppliers is required to sustain the quality of goods and services throughout the period of contract where supplier should feel responsible and accountable for the quality of services they are providing. All these strategies would help to balance the buyer-supplier relationship to obtain the best possible benefits such as lower prices, better quality, and better delivery conditions.

With the deep analysis of lower purchasing power as a procurement challenge, it has been found that buyer organization's reputation, size, and age affect that suppliers' intentions to achieve additional benefit along with profits such as being unaccountable for mistakes. Whereas the age of organization affects the trust from supplier's side. Purchase volume is found to be the most significant deciding factor with respect to the dominance in the buyer-supplier relationship. To mitigate the negative effects of these factors, long-term procurement contracts is found to be the best possible strategy where it becomes possible for the buyer to win the supplier's trust with respect to long term mutual benefits. The management of harmonious relationship with the supplier is the supplementary strategy needed to maintain the desired quality and delivery conditions of supplies over the longer period. Thus, the long-term procurement contracts and

management of harmonious buyer-supplier relationship has been found to be the suitable strategies to balance the exchange relationships.

The below graph illustrates the extent to which the interviewed organizations agrees that lower purchasing power is a procurement challenge for the volunteer organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 93%. ORG2 agrees that this challenge has affected them but to a lower extent since they are already having the long-term business relationships with their suppliers. In this case, they have not experienced a huge setback due to lower purchasing power. But at the same time, they agree that the lower purchasing power is a challenge as per their experience with any new supplier involved for new and low required volume commodity. The other two organizations (ORG1 and ORG3) clearly agrees that the purchasing power highly impacted the prices, quality and delivery conditions of goods and services that they are purchasing.

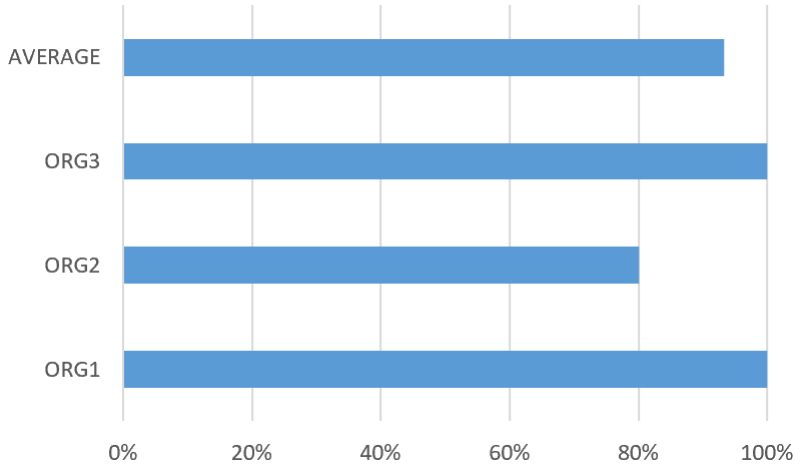


Figure 5.1.1. Extent of agreement of empirical data with proposition 1

5.2 Unethical Practices as a Procurement Challenge

In the theoretical chapter 3.3.2, the following proposition has been formulated:

Proposition 2: Unethical practices is a procurement challenge for the voluntary organizations.

Following the literature (Oulfarsi, 2016), the ethical supply management is the critical issue due to its strategic importance in the purchasing function in the organization. Competitive

sustainable advantage ensures the success of procurement function. The aim of the procurement function is to reduce the expenditure on the required goods and services by the organization. Compliance of ethical standards becomes significant since the buyer organization holds the responsibility of their suppliers. Jaideep et al. (1998) suggests that the ethical climate within the organization also plays an important role as a cause of conduct contrary to the ethics but not only the moral standards of the individual. As mentioned in the chapter 3.2.2, Vaughan and Strickland (2008) suggests that the compliance with all the laws and regulations does not ensure the ethics, but a scandal can happen without breaking any law. Thus, the external control has limitations to maintain the ethical culture within organization and there is a need of development of ethical culture to ensure the organizational integrity. Non-profits usually do not exhibit the highest level of ethical behaviour at the early stage whereas it evolves from the formation through growth to maturity. Meeting the ethical values helps the non-profits to achieve their goals and retain the public trust and confidence.

The collected empirical data mentioned in chapter 4.2 shows the variation with respect to ethical challenges faced by them. ORG3 has responded that whether it is for-profit or non-profit, all the organizations get affected by the ethical issues. The organizations may face the ethical challenges linked to procurement activities, but it depends upon the size of organization and type of activities they are involved in. The ethical issues such as monetary corruption and favouritism may also be possible. The bigger organizations with significantly higher number of employees and having the separate procurement department with autonomy may face significantly higher level of ethical challenges. Within smaller organizations, higher transparency and reciprocal nature of decision making restricts the unethical behaviour to a great extent. The smaller organizations such as student organizations has very low chances of facing such challenges due to lower amount of financial transactions and smaller size. But in the bigger organizations such as nationwide NGOs, the autonomy for taking decisions within different departments and locations opens the window for practicing unethical activities especially related to financial aspects. ORG1 has also responded with the similar response that since their organization is smaller, they have not faced bigger challenges related to ethics due to higher transparency. They also mentioned that since their organization is at early stage, they don't get an opportunity to select the suppliers from multiple options. In such situations, they select the supplier by the personal choice of the decision makers. But they ensure that the affordability and quality of the goods and services should not be compromised. They agree that ethics can be a big problem in the volunteer sector where the people working for the

organization can easily make unethical decisions going in their favour. ORG2 has not faced ethical challenges within the organization but they also agreed that it can be a challenge to great extent within the sector and there is a need of ethical organizational environment and culture.

Regarding the solution to overcome this challenge, Oulfarsi (2016) suggests that the unethical behaviour is the consequence of the absence of company's policy addressing such issues. Vaughan and Strickland (2008) suggested that the ethical values are the foundation for achieving the integrity. Thus, the organizations operating in this sector must internalize the values and become self-actualized.

The collected data suggests that the organizational policy and culture would play a key role to overcome the ethical challenges. ORG3 has suggested that recruiting the right people is one of the best ways to tackle this challenge where all the members in the organization should know that why and what they are doing and focus more on the organizational mission. Recruiting the right is under the control of organizations. It would help to choose the people who would understand the importance of the organization's mission towards the society. In this way, the staff works for the achievement of organizational mission with their internal motivation mitigating the factor influencing them towards unethical practices such as greed. ORG1 has emphasised more on setting up the organizational culture and policy in such a manner that each individual contributing towards the organization must give first priority to the organizational mission. The culture and policies should result in creation of such an environment where everybody gets motivated by themselves towards organizational mission.

With the deep analysis of ethical challenges, it has been found that only the external control such as laws, regulations and rules cannot ensure ethical behaviour of individuals contributing towards the volunteer organizations. The factors such as bigger size of organizations where transparency becomes difficult, and autonomy of decision making may result in unethical behaviour. To mitigate these negative factors, the best possible solution found is to create the organizational culture and policies that promotes the ethical behaviour on organizational level where each contributing individual should personally understand the importance of the organizational mission and become self-motivated towards it.

Summarizing, the response from the interviews agrees the theoretical proposition that unethical practices are the procurement challenge in the volunteer sector. This challenge may result in higher expenditure and extra cost to the organization which may disrupt the organization to reach its mission. The best possible way to overcome these issues is setting the organizational

culture and policies where every individual working within the organization should only focus on working towards fulfilling the organizational mission.

The below graph illustrates the extent to which the interviewed organizations agrees that ethical challenges is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 87%. With respect to ethical challenges, all the interviewed organizations have accepted that it is a challenge for the overall sector but graphically, the data variation can be observed since all the three organizations are smaller in size and they have not faced higher extent of difficulties related to ethical challenges within their organizations. Also, the data variation can be observed because of difference in size and type of the organizations. Here, ORG3 agrees the proposition to the greatest extent since they have faced some situations where unethical practices within the sector became a challenge for them. Whereas ORG1 and ORG2 agrees the proposition but comparatively lesser than ORG3 since they have not faced ethical challenges within their organization but observed it happening and its potential in the volunteer sector.

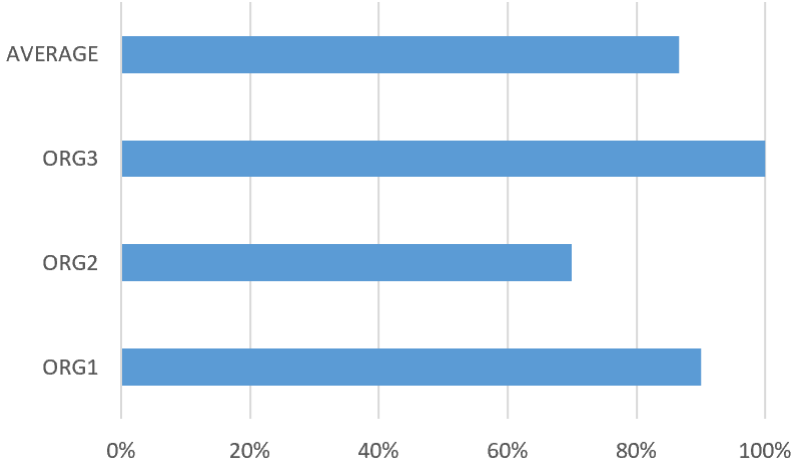


Figure 5.2.1. Extent of agreement of empirical data with proposition 2

5.3 Organizational Processes as a Procurement Challenge

In the theoretical chapter 3.3.3, the following proposition has been formulated:

Proposition 3: Slower decision-making process is the procurement challenge for the voluntary organizations.

Lee and Miller (2001) suggests that the well-designed decision-making process have positive impact on the company's financial performance. When it comes to voluntary organization, financial performance in terms of reducing the expenditure and costs associated with the required goods and services plays an important role. They have discussed about the term collaboration which refers to the degree to which people consult and interact with one another while making the decisions. As mentioned in the chapter 3.3.3, the governance structure in the volunteer organization usually follows the norms of reciprocity. In terms of ownership, decision-making, accountability, checks and balances, control procedures and embedded incentives, the collective actions are facilitated. The positive side of the collaborative decision making is that it allows the managers to creatively integrate the diverse perspectives resulting in more informed and more pertinent decisions. Whereas some scholars suggests that the collaborative decision making can slow down the entire decision-making process.

The collected empirical data mentioned in chapter 4.3 shows that all the interviewed organizations has responded that the decision-making process in their organization is collaborative and follows the reciprocity principle. ORG3 has mentioned that the volunteers join the organization because of their individual motivation without expecting the remuneration in return. Thus, it is significant to share the decision-making powers and responsibilities to other members of the organization. It also helps to generate the integrative ideas while making critical decisions. But it also makes the entire process slower since they have to include everybody on board. They also mentioned that their organization gives autonomy to the responsible person such as finance leaders while making financial decisions regarding purchasing. But these individuals can only take the decision on their own when the situation is as per the already planned budget. If some unique situation happens or unplanned things comes up, then the decisions are made by collective measures only. ORG1 has mentioned another reason to follow the collective decision-making process. Due to greater level of external scrutiny, to sustain the public trust, and manage the risk effectively, they ensure firm and transparent decision-making process. They mentioned that the collective decision-making process significantly reduce the

speed of decision-making, but it is the safest way for volunteer organizations. ORG2 also responded with the similar decision-making process where they hold regular board meeting to take collective decisions especially in uncertain and unplanned situations.

The effect of collaborative decision-making process has been confirmed by all the interviewed organizations. The collaborative decision-making process slows down the entire process of procurement where the decisions degrading entire procurement process including requirement specification, supplier selection, contracting conditions, and pricing are made collectively. Whereas the interviewees have commented that it not only slows down the decision-making process related to purchasing but also affects the other dependent operations in the organization. ORG1 has also commented that even though the collaborative decision-making hampers the pace of the process, but it is the safest way to go ahead in volunteer organizations. It agrees with the Leedy and Ormrod (2001)'s statement that the collaborative governance best guarantee the organizational efficiency and trustworthiness.

With deep analysis of the challenge, it has been found that the volunteer organizations rely on the collective decision making to ensure the trustworthiness. Thus, to overcome the negative effects of collective decision-making procedures in the volunteer organizations, it is necessary to design the procedure where the individuals can take the decision on their levels in most of the possible situations. The data suggests that the accurate planning and budgeting considering the uncertainties and reducing the risk can surely help to speed up the decision-making process. With the accurate yearly budgets and plans, the individuals can take the decisions within their available budgets and decision-making powers which reduces the necessity of collaborative decision-making in most of the situations.

Summarizing, the collaborative decision-making process with respect to procurement is a challenge for voluntary organizations. The empirical data agrees the mentioned proposition. This challenge may result in loss of opportunities and higher expenditure in some cases due to delay in decision-making process. The possible solution to overcome this challenge is preparation of more accurate yearly budget and planning by considering the possible uncertainties and risks involved. In this way, the decision can be made on individual levels within their available powers which can reduce the necessity of collaboration and speeds up the process.

The below graph illustrates the extent to which the interviewed organizations agrees that the slower decision-making process is the procurement challenge for the volunteer organizations.

It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 100%. All the interviewed organizations fully agree that collaborative decision procedure, which is a necessity for the volunteer organizations, negatively affects the procurement function due to its slower pace.

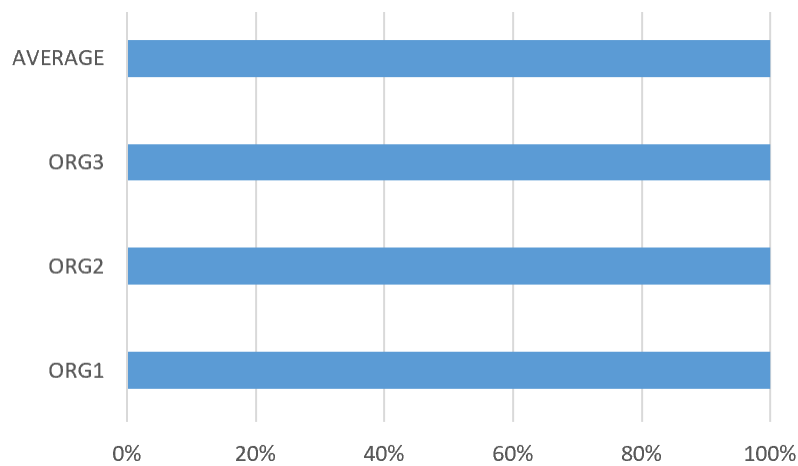


Figure 5.3.1. Extent of agreement of empirical data with proposition 3

5.4 Staff Retention as a Procurement Challenge

In the theoretical chapter 3.3.4, the following proposition has been formulated:

Proposition 4: Poor staff retention is a procurement challenge for the voluntary organizations.

Following the literature (White, 2019) as mentioned in the chapter 3.3.4, the organizations face several problems when the staff members leave the organization such as cost associated with the recruitment and training. It affects the organization’s budgets negatively. Moreover, it also contributes to loss of productivity and institutional knowledge that the employees/volunteers gained through the training and experience. Decreased moral of the individual members and organizational reputation are also associated with the poor staff retention. White (2019) mentions that the non-profit organizations are prone to such damage due to staff retention issues where the organizations are highly dependent upon the volunteers who usually works with smaller salaries or with no salaries.

With respect to procurement function, the poor employee retention results in the loss of experience and key institutional knowledge gained by the individual in the field of procurement

function. The most significant impact is loss of personal relationship with the internal and external stakeholders including the suppliers. For newly joined staff, the organizations have to invest the resources to again build up the harmonious relationship with the supplier.

The collected empirical data mentioned in chapter 4.4 suggests that all the interviewed voluntary organizations agree that the staff retention is a big issue for them. Several reasons trigger the employee or volunteer resignations which includes lower or no monetary benefits, loss of motivation, higher work burden in their mainstream career and relocation. The data agrees that the poor staff retention results in the loss of key institutional knowledge and it highly impacts the relationship with the suppliers. It also affects the day-to-day operations of the organization. ORG1 has mentioned that losing the individual having good personal relationship with supplier may negatively affect the prices and quality of goods and services. Whereas, ORG3 has mentioned the difficulties to retain the volunteer staff without monetary benefits. They also mentioned that the extent of this particular challenge depends upon the transition of knowledge from former to new staff. They specifically faced this procurement challenge where one of their staff member had some close relations with their supplier, but as the member left the organization, they faced significant setback with respect to quality of service provided by the supplier.

To overcome this challenge, White (2019) has suggested that the leaders in non-profit sector should spend time and money learning about their employees' needs, motivations, and how to engage them. Their findings also show that it is critical to foster a positive working culture that stresses mutual respect. To implement this, White (2019) has provided two recommendations. First, the organizations should design a mechanism for including personnel in feedback and providing input on all elements of their activity, as well as how they view their role within the organization. Second, to provide the training to the leaders to develop the managerial capacity and knowledge. It would also help them to improve the accountability and organizational effectiveness.

With deep analysis of the staff retention challenges with respect to procurement function, it has been observed that the important reason for staff leaving the organization is losing the motivation for their role due to two main factors. First, low or lack of monetary benefits. Second, difficulties faced during working in the role. Thus, it becomes necessary to overcome these issues to address this procurement challenge. As per collected data, ORG3 has suggested the similar strategy as suggested by (White, 2019). ORG3 has suggested the periodical appraisals with the discussion on difficulties, workload, and how the organization can help to

overcome it should be executed. This would help to reduce the churn rate of volunteers. Also, to preserve the relationship with the suppliers, the voluntary organizations should establish the rapport with the supplier on organizational level where the suppliers feel that they are a part of organization but not only connected through the individual link. It would make the suppliers to feel that they are also the part of the organization and feel motivated regarding the quality of supplies they are providing. ORG1 has suggested that the voluntary organizations should focus on developing the skills and knowledge of the volunteers which may help them to enhance their skills and knowledge that can help them to grow in their mainstream career. Since the volunteers and the employees in this sector are unpaid or work with very low pay, these benefits would motivate them to stay in the organization. Whereas ORG 2 has emphasized more on the leadership skills of the leaders. They mentioned that the leadership should be highly knowledgeable and experienced to manage the staff retention issues.

Summarizing, poor staff retention is a procurement challenge for the volunteer organization which negatively affects relationship of the supplier with the organization further affecting the prices and quality of goods and services. It also affects the delivery conditions of the required goods and services having negative impacts on the organizational mission. To overcome this challenge, the important actions that the volunteer organization can practice is, firstly, to develop the leadership skills among their leaders by providing adequate training so that they can motivate and encourage their subordinates effectively, secondly, to gain the feedback of staff to understand the difficulties they are facing regarding the work and its effects of personal life, thirdly, to provide the possible non-monetary benefits to the staff such as skill and personality development programs, and fourthly, to engage the supplier not only on individual level but on organizational level also.

The below graph illustrates the extent to which the interviewed organizations agree that the staff retention is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 93%. The statistical illustration shows that the ORG3 and ORG1 fully agree with the proposition. Both these organizations have faced the situations where their relationship with the suppliers got hampered due to staff retention issue. Whereas, ORG2 has agreed with the proposition to significantly lower extent. They agreed that staff retention can be a procurement challenge in the volunteer sector. But in their organization, they have not faced this issue till now. They mentioned the reason behind mitigating this difficulty

is their highly experienced leadership where they constantly invest on employee’s skill development, organizational culture, and clear communication management.

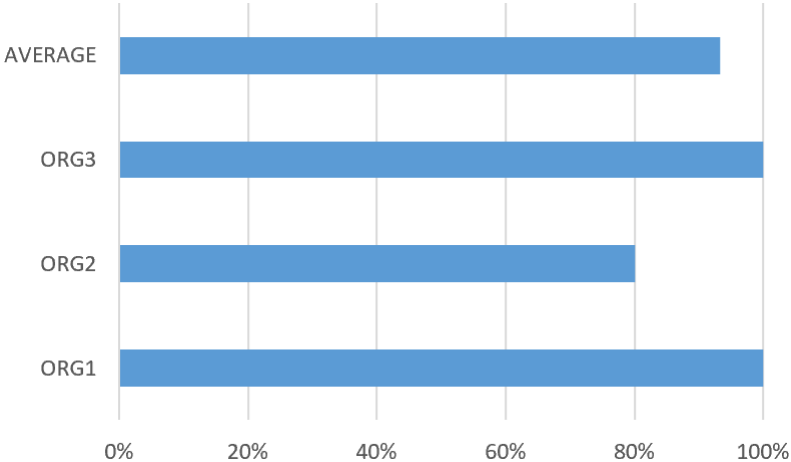


Figure 5.4.1. Extent of agreement of empirical data with proposition 4

5.5 Law & Regulations as a Procurement Challenge

In the theoretical chapter 3.3.5, the following proposition has been formulated:

Proposition 5: Laws and Regulations are a procurement challenge for the voluntary organizations.

As mentioned in the chapter 3.3.5, Complying with the regulations affects the organization’s financial cost and time. Especially in the early stage, it tends to be more burdensome due to the need of amending systems, processes, and purchase of additional equipment. Depending upon the regulations and business sectors, there are different factors that influence the journey of implementing the regulations. The level of burden upon the organization also depends upon complexity of regulations, the perceived risk with non-compliance and the existing level of regulation within the business sector. Rodríguez et al. (2020) mentions the idea of maintaining the transparency and voluntary information disclosure in the third sector. The voluntary organization has to convince the society that they are managing the funds efficiently and they are dedicated to fulfilling the organizational mission. Law & regulations also helps in stopping the inappropriate and fraudulent practices which may cause severe damage to the organizations reputation and the overall sector. The voluntary organizations where the public entities become the principal stakeholder, it becomes necessary to strictly comply with the regulations and disclose the transparency information to obtain the financial support from the government.

In terms of procurement activities within the organization, it involves number of financial transactions and steps taken to select the supplier. This is one of the organizational functions which is prone to the fraudulent activities with respect to selection of suppliers and agreement on financials. Thus, the organization must maintain the level of documentations regarding the procurement activities and comply as per the law and regulations imposed by the governments. Here maintaining the transparency within the procurement process also play an important role to gain the public trust over the volunteer organization.

The collected empirical data as mentioned in the chapter 4.5 suggested that the level of effects of law and regulations on the organization depends on several factors such as type of organization, their purpose, their sponsors, and the country and region where they are operating. Whereas all the interviewees agreed that the regulations make certain organizational processes slower. ORG3 has mentioned that they have limited necessity to comply with the regulations imposed by the government due to the type of their organization. But they also agree that certain procedure related to compliance with the regulations results in expenditure of resources and delay in processes. At the same time, maintaining the documented records also demands time and necessary equipment's which is additional costs. ORG1 has agreed that they have to strictly comply with the regulations especially related to financial operations such as inward international and domestic donations and purchasing transactions. They also mentioned that they have to strictly maintain the documentation for each and every purchase due to high scrutiny by the government. All these compliance activities result in loss of time and money.

The deep analysis of the procurement challenges related to law and regulations suggests that the expenditure of resources on documentation and the operational procedures is the important hurdle which needs to be mitigated. The data suggested that maintaining the long-term relationship with the vendors and service providers may help the organizations to work as per already established process for longer term. This eliminates the need and cost associated with implementation of new system and documentation procedures to be followed repeatedly. In this way the time and efforts along with money can be saved.

Summarizing, the empirical data agrees the proposition that law & regulations is a procurement challenge for the voluntary organizations where they have to face loss of time, efforts and money. But its impact depends upon the type, mission, sponsors, and geographical location (country) of the organization. The possible solution is to setup the regular operational procedures related to finance, documentation, and procurement by maintaining the long-term

relationships with the suppliers which would help them to save the time and cost of setting up new operational procedure for the documentation.

The below graph illustrates the extent to which the interviewed organizations agrees that law & regulations is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 83%. The significant data variation can be observed with the statistical illustration since the data has been collected from different types of organization situated in different countries. The third sector organizations in developing countries faces more difficulties with respect to compliance with regulations. Also, ORG3 has emphasized the effect of this challenge to lowest since they have already set procurement procedures from longer period and have not observed the modifications in their operational procedures in near past. Whereas ORG2 comes in the type of organization where the effects of regulation are significantly lower.

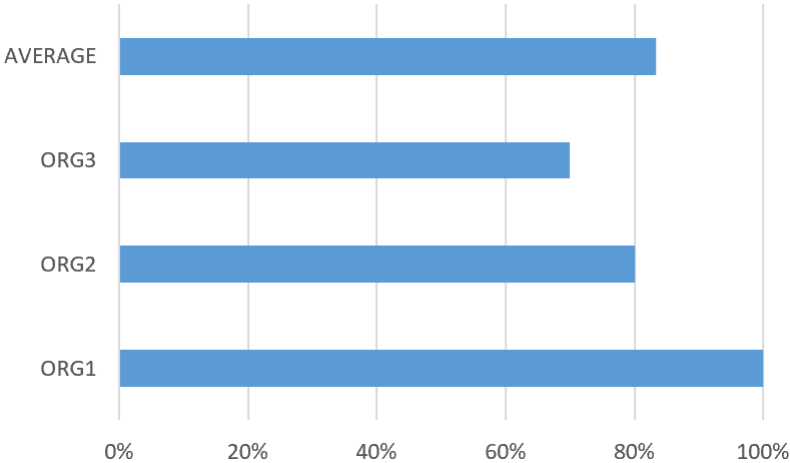


Figure 5.5.1. Extent of agreement of empirical data with proposition 5

5.6 Risk Management as a Procurement Challenge

In the theoretical chapter 3.3.6, the following proposition has been formulated:

Proposition 6: Risk management is a procurement challenge for the voluntary organizations.

Following the literature (Young, 2009), Effective risk management is fundamental for the proper functioning of any organization. It is also a fact that the perfect prediction of outcomes of the risky decisions in the highly uncertain environment is not possible. With respect to non-

profit organizations, the risk comes in various ways such as financial, personnel, and capital expenditure under complex and uncertain environment. Thus, risk management becomes significantly important to avoid the disastrous outcomes that could make their survival difficult. Usually, the decisions are taken by the volunteers in the voluntary organizations in the confusing environment of accountability, which directly affects the decision-making. The decision-making process follows the reciprocity norms within the volunteer organizations to deploy the resources to achieve the organization's purpose. Enjolras (2009) mentions that the for-profits are inclined towards strategic risk taking in order to grab the opportunity to secure more profits. Whereas the non-profits are more inclined towards preserving the resources. Such situations result in slowing down the decision-making process and losing the potential gains against the associated risks.

According to the collected empirical data mentioned in the chapter 4.6, all the interviewed organizations mentioned that the risky decisions are made collectively at the board level since these decisions may hamper the organization in various ways such as financial losses, distraction from the mission, conflicts, loss of organization's reputation. ORG2 has also mentioned that they take all the risky decisions collectively only, which results in loss of time, and delay in operations. ORG1 has mentioned that the extent of risk depends upon its type such as ethical risk, legal risk, or opportunistic risk. In case of opportunistic risks, it is possible for them to take the risk up to higher extent, but they try to stay away from the risks associated with the ethics and legal situations. Whereas ORG3 also responded in a similar way where they take the risky decisions until certain level beyond which they also tend to stay away from it. With respect to procurement activities, the organizations try to be on the safe side with the lowest possible risk and follow the organization's policies which may sometimes results in loss of opportunities. It results in situations where the organizations may lose the benefits such as lower prices of products from the new supplier in market, but due to lower risk-taking ability, they lose the opportunities.

With the deep analysis of this procurement challenge, it has been found that confusion due to lack of accountability, need of collective decision-making, and asset preservation attitude are the important hurdles which results in loss of opportunities and delayed operations with respect to procurement processes. To overcome this issue, the data suggests the preparation of firm organizational policies and procedures which act as a guidebook to tackle the risky situation in the safest way. With this strategy, the individuals working within the organization would know the accountability clearly. Also, it would mitigate the need of collective decision-making where

the individuals would clearly know the decision-making powers they have. All the risky decisions and actions should be properly documented so that it can help to tackle the similar situations in the future. With the availability of data about the risky situations tackled in past, it would become possible to again replicate the similar decisions again to grab the opportunity against risk.

Summarizing, the empirical data agrees the formulated proposition which states that the risk management is a procurement challenge for the voluntary organization. The voluntary organizations have a tendency to work towards preserving the assets and resources rather than taking the risk to grab the opportunity and gain more profitable outcomes. Such tendency results in loss of competitive advantage and collaborative processes slows down the complex decision-making procedure. To tackle such situations, a firm organizational policy plays significant role. In this way, the board and individuals know very well about their role, responsibilities and powers within the organization and the extent to which they can bear the risk.

The below graph illustrates the extent to which the interviewed organizations agrees that risk management is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 97%. The variation in statistical data of ORG1 as compared to ORG3 and ORG2 is due to the significant cultural difference which provide them with higher risk-taking ability. Except ethical and legal risks, ORG1 mentions that they are able to take the risk for competitive advantage. Whereas ORG2 and ORG3 tends to be fully preservative in terms of risky decisions.

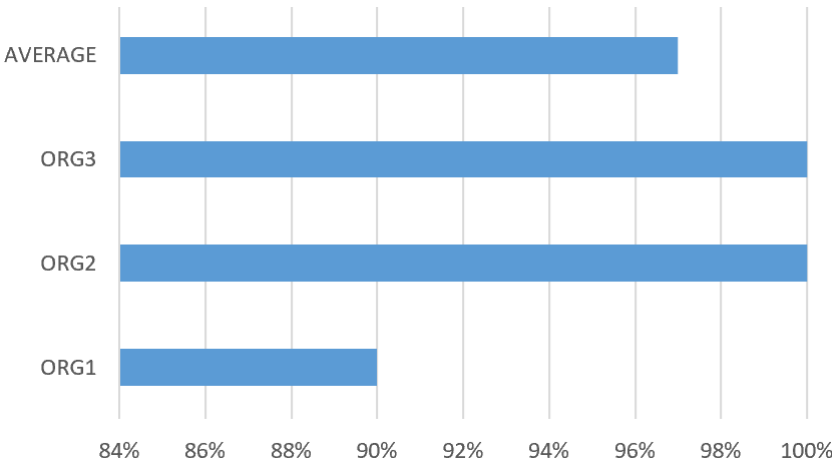


Figure 5.6.1. Extent of agreement of empirical data with proposition 6

5.7 Conflicts as a Procurement Challenge

In the theoretical chapter 3.3.7, the following proposition has been formulated:

Proposition 7: Conflicts is a procurement challenge for the voluntary organizations.

Following the literature (Hotepo et al., 2010), Conflicts are unpleasant in any type of organization where individuals compete for the resources, power, recognition, and security. Organizational conflicts are those where the dispute occurs when the interest, goals or values of different individuals or groups doesn't match with each other. As mentioned in the chapter 3.3.7, Heather et al., (2017) suggests the quality of relationship between the volunteers and the paid staff within the volunteer organization significantly affects the organizations' ability to fulfil its mission successfully. Poor and strained relationships among the staff may result in serious human conflicts. Organizational conflicts may have negative impacts on the organization such as resistance to change, establish turmoil in interpersonal relationships, distrust, feeling of defeat, and misunderstandings. In such situations, the conflict may result in poor performance, lack of cooperation, wastage of resources and productivity. In terms of procurement activities, the conflicts adversely affect the collaborative decision-making process where the individuals or group involved in conflicting situation may try to fulfil their agenda disregarding the organizational purpose.

According to the collected empirical data mentioned in the chapter 4.7, the interviewees has mentioned that the various conflicting situations arises between the individuals, groups, or both. The data confirms that such situations affect the organization negatively in terms of productivity and efficiency of operations. ORG1 has mentioned that the conflicting situation sometimes results in serious issues where the organizational operations get severely affected. These situations cause wastage of time which is one of the most important resource for the organization. Conflicts also results in poor coordination between the staff which makes the situations unproductive. ORG2 mentioned that they have faced some conflicting situations between the volunteer and paid employees which results in misunderstandings. They resolve such conflicting situation by discussing it in board meetings as soon as possible so that the situation can be saved from being worse.

With the deep analysis of conflicts as a procurement challenge, it has been found that strained relationships, fear of losing the job in paid employees, and misunderstanding due to several possible reason are the factors leading to conflicts in volunteer organization. The best possible

solution to overcome such situation is training and development of the leadership position holders within the organization. Leadership can play an important role in understanding the personal situation of the individuals and examining the strained relationships within the group. Especially the situations where the conflicts happen due to misunderstanding and miscommunication, the leadership can act as a link to fill the communication gap and manage the situation efficiently.

Summarizing, the different type of interviewed organizations agrees to different extent that how the conflicts within the organization can impact the procurement process. Main factors leading to conflicts are misunderstanding, communication gap, strained personal relationships among the individual. All these factors lead to procurement operational failure, especially collaborative decision-making. This leads to harm the efficiency and productivity of the organization. The most possible solution to overcome such issues is the development of leadership skills among the leaders so that they become capable of avoiding and resolving the conflicting situations.

The below graph describes the extent to which the interviewed organizations agrees that conflicts is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 90%. Higher level of data variation can be observed from the statistical illustration. ORG2 completely agrees the proposition since they have faced the conflicting situation between the volunteers and paid employees. Whereas the ORG1 and ORG3 has observed the conflicting situations to significantly lower extent in their organizations, since they have only volunteers working for them or they hire freelancers for required paid work.

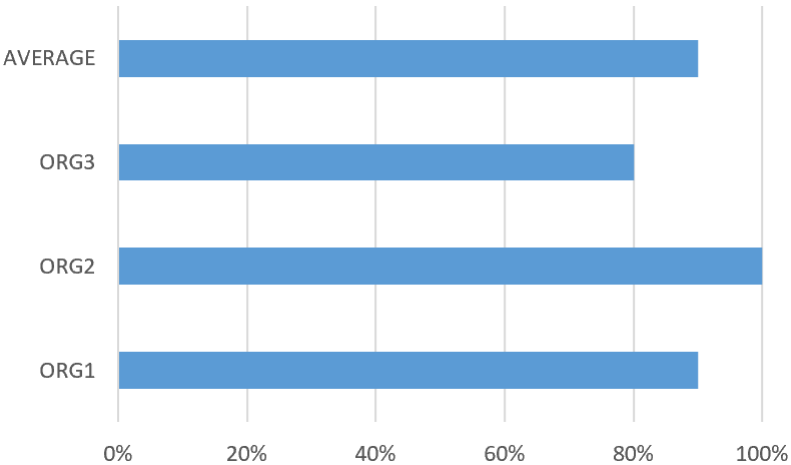


Figure 5.7.1. Extent of agreement of empirical data with proposition 7

5.8 Non-Strategic Nature as a Procurement Challenge

In the theoretical chapter 3.3.8, the following proposition has been formulated:

Proposition 8: Non-strategic nature is a procurement challenge for the voluntary organizations.

Following the literature as mentioned in the chapter 3.3.8, Fudalinki (2014) has mentioned that various research projects has confirmed that the transformation of purchasing nature from tactical to strategic could bring profits by the means of improvement in effectiveness. He also mentioned that the leading organizations has employed the procurement function in the strategic nature which significantly affects the implementation of the company's strategy. With respect to non-profits, there is a need of attention on the research on the development of the procurement as a strategic function within the organization. Since, various voluntary organizations did not evolve their purchasing practices above the basic supply role, it resulted in under-efficient procurement. He also argues that the non-profit organization can implement purchasing at various levels within the range between operational-administrative and strategic. He claims that higher the level leaning towards strategic level, more efficient the procurement function would be.

With respect to the empirical study mentioned in the chapter 4.8, the data confirms that all the interviewed organizations operate the procurement on the tactical level only. Here, the organizations keep their focus on saving the cost of goods and services in short-term disregarding the advantages that they can achieve with operating the procurement function at strategic level. Due to non-strategic nature of the purchasing function, the voluntary organizations lose the benefits that they could achieve in the long-term by reducing the uncertainties related to supply of goods and service which they required to perform their operations. All the interviewed organizations have confirmed that they do not have any specific department or individual for performing the procurement operations, but they rely on board members, project leaders or the functional leaders. These organizations emphasized more on focusing on reducing the cost while making the purchase rather than securing the long-term contracts to reduce the future uncertainty related to supply of goods and services.

With deep analysis on non-strategic nature as a procurement challenge, it has been found that the volunteer organizations give very low priority to procurement as an organizational strategy,

procurement is being practiced at tactical level only, and the organizations fail to focus on the long-term benefits related to efficient procurement. To overcome this challenge, the voluntary organizations should include the procurement function within their organizational strategy. In this way, while preparing the yearly plan for the organization, they can plan the procurement in a strategic way and achieve more benefits from it rather than only saving the short-term expenditure. Also, the organizations should have a separate functional department for procurement where their main focus should be kept only on executing and examining each step in the procurement process to save the expenditure as well as reduce the future uncertainty related to supply.

Summarizing, the empirical data agrees the proposition that non-strategic nature is the procurement challenge for the voluntary organizations where they face the under-efficient procurement function. The negative impacts also include the higher supply uncertainty, loss of long-term benefits, and weak relationship between the buyer and supplier. The most suitable way to overcome this challenge is to employ the procurement as a strategic function where the organization includes it as an important functional department. Also, the volunteer organizations should include functional department for procurement purpose and give it similar importance as given to other departments.

The below graph describes the extent to which the interviewed organizations agree that non-strategic nature is the procurement challenge for the voluntary organizations. It can be observed from the statistical analysis that on an average, the formulated proposition is justified by the empirical data with an extent of 100%. The statistical illustration shows that all the interviewed organizations agree that non-strategic nature is a procurement challenge within volunteer sector. There is no data variation which signifies that this procurement challenge is applicable to all the types of volunteer organization such as NGO, student organizations, or cultural organizations. It is also applicable to the organizations situated in different geographical locations.

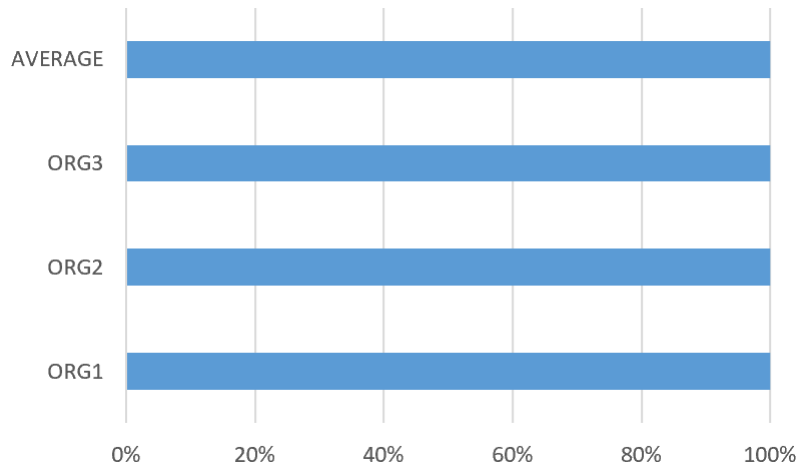


Figure 5.8.1. Extent of agreement of empirical data with proposition 8

5.9 Overall Analysis

The below figure 5.9.1 illustrates that all the theoretically formulated propositions justify the empirically collected data to a very high extent. Due to difference in type of organizations, their missions, regulations depending upon geographical locations, organizational size, and culture, variation in the extent up to which the formulated propositions justify with empirical data can be observed. As per statistical illustration, the overall average of 92% of extent of justification of proposition has been observed. It is important to note that the propositions P3, P6 and P8 should be prioritised while mitigating the factors leading to procurement challenges in volunteer sector since it highly affects the organizations in this sector. Whereas P2 (ethical challenges) can be given lower priority due to its lower impact as compared to others. There is a need of prioritizing the explored challenges since the implementation of mitigating strategies demands resources. In the situations of limited availability of resources, this analysis would help to plan the expenditure of resources.

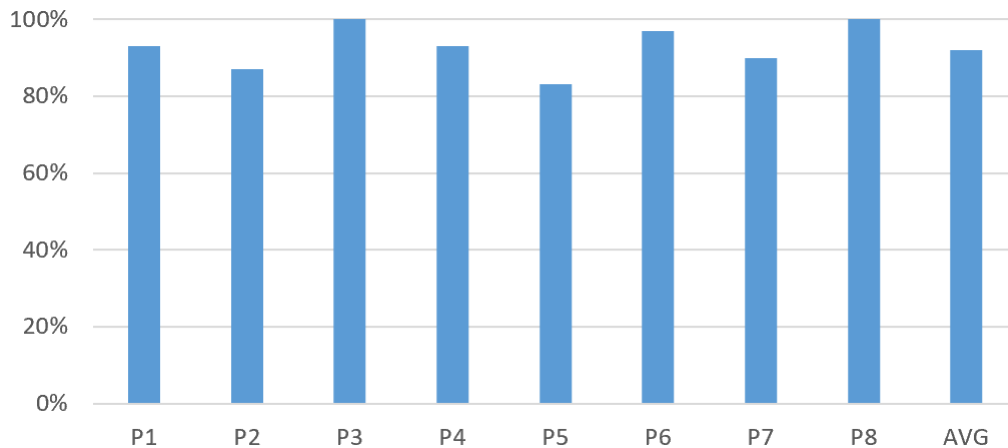


Figure 5.9.1. Overall analysis on extent of agreement of empirical data with propositions

While analysing the propositions against the empirical findings, several factors affecting the procurement function in the volunteer organizations has been observed. The interesting fact about these explored factors is that it may have positive effect with respect to one proposed procurement challenge category but at the same time, it may have negative effect on other(s). For example, the bigger sized volunteer organizations may gain the advantage with respect to purchasing power, but it is disadvantage with respect to ethical challenges. Among all, the factors having highest significance and affecting the procurement function with respect to multiple defined proposition categories are listed below,

- Organizational size
- Collective decision-making procedure
- Unclear understanding of role and responsibilities
- Asset preservation attitude

Thus, it becomes significant to give more importance to these factors and implement the strategies to mitigate its negative effects on the procurement function.

To mitigate the negative effects of explored factors for each proposition category, several strategies has been explored with the deep analysis of factors affecting the procurement function negatively. While executing overall analysis on mitigation strategies, it has been observed that few strategies hold significant position as it has ability to mitigate several negatively affecting factors within different proposed procurement challenge categories. These strategies are listed below,

- Long-term procurement contracts
- Harmonious buyer-supplier relationship
- Organizational culture and policies should focus towards its mission
- Firm organizational procedure design
- Training and skill development of leadership position holders

These explored mitigation strategies have special importance since these strategies not only focus on one problem, but it helps to overcome several issues.

The below table 5.9.1 illustrates the summary of analysis and discussion of all the eight propositions against the empirical findings.

Proposition Categories	Factors Affecting Procurement Function	Mitigation Strategies
Lower Purchasing Power as a Procurement Challenge	<ul style="list-style-type: none"> • Lower purchase volume • Organizational size • Organization's age • Organization's reputation 	<ul style="list-style-type: none"> • Long-term procurement contracts • Harmonious buyer-supplier relationship
Unethical Practices as a Procurement Challenge	<ul style="list-style-type: none"> • Organizational size • Distribution of individual decision-making powers 	<ul style="list-style-type: none"> • Organizational culture and policies promoting ethical behaviour • Efficient recruitment selecting right people as per organizational mission
Organizational Processes as a Procurement Challenge	<ul style="list-style-type: none"> • Collective decision-making process 	<ul style="list-style-type: none"> • Accurate planning and budgeting • Firm organizational procedure design defining powers and accountability of each individual
Staff Retention as a Procurement Challenge	<ul style="list-style-type: none"> • Losing the motivation • Unclear understanding of role and responsibilities • Difficulties in personal life and mainstream career • Individual personnel link between buyer and supplier 	<ul style="list-style-type: none"> • Periodic feedback on difficulties and workload • Establishment of rapport with suppliers on organizational level • Skill development programs for volunteers • Training programs for leaders
Law & Regulations as a Procurement Challenge	<ul style="list-style-type: none"> • Expenditure on documentation and legal consultation • Complex operational procedures 	<ul style="list-style-type: none"> • Long-term relationship with suppliers promoting already established operational procedures
Risk Management as a Procurement Challenge	<ul style="list-style-type: none"> • Confusion due to lack of accountability • Need of collective decision-making • Asset preservation attitude 	<ul style="list-style-type: none"> • Firm organizational procedures and policies • Documentation of risky decisions and its outcomes
Conflicts as a Procurement Challenge	<ul style="list-style-type: none"> • Strained interpersonal relationships • Miscommunication and misunderstandings • Feeling of job insecurity among paid employees 	<ul style="list-style-type: none"> • Training and development of leadership position holders
Non-Strategic Nature as a Procurement Challenge	<ul style="list-style-type: none"> • Low priority to the procurement function • Non implementation of procurement in organizational strategy • Management of procurement at tactical level • Focus on short-term cost savings 	<ul style="list-style-type: none"> • Implementation of procurement in organizational strategy • Establishment of separate procurement department

Table 5.9.1 Summary of analysis of propositions against empirical data

5.10 Analysis on difference between procurement practices in for-profits and volunteer organizations

With reference to the chapter 3.5, the factors namely, type of workers, goals and motivation, financials, regulations, risk, process, and ethics, has been explored which differentiate the procurement practices in for-profits and volunteer organizations. Following, the characteristics with respect to the mentioned factors has been discussed which gives advantage to the for-profits in relation to procurement function against volunteer organizations.

Regarding type of workers, for-profits attracts the top talents with help of higher monetary and career growth benefits. Here, the leadership focus more on innovation towards making the system more efficient and productive. The individual contributors possess more clarity on their responsibilities. As mentioned in the chapter 4.4, the data also agrees that these characteristics makes the for-profits superior as compared to volunteer organization where they fail to attract the talented workforce due to lack of monetary benefits. Also, the leadership focus more on making the current system firmer rather than innovating. The workers also fail to receive the clarity on their role and responsibility. All these characteristics makes procurement function more efficient and productive in for-profits as compared to volunteer organizations.

Regarding goals and motivation, for-profits possess flexibility to redefine their goals as per the demand of situation due to negligible expectation from any external stakeholders. Also, their goals do not influence the supplier selection where they tend to choose the most beneficial suppliers. The collected data reflects that volunteer organizations have to stick to their defined mission due to expectations of their sponsors. These organizations cannot modify their goals to achieve the best benefits according to the demand of situation and market conditions which restricts them to achieve the maximum benefits from procurement processes.

Regarding financials, for-profit's mission is to generate profits and to secure it, they exercise flexible budgets as per market demands which results in wider supply opportunities. As mentioned in the chapter 4.3, the data shows that the volunteer organizations take the decisions according to their yearly budgets which has negligible possibilities of flexibility due to limited available funding against their planned expenditure. In such cases, these organization lose the better supply opportunities as their budgets does not allow them for it.

Regarding regulations, the for-profits raises the fundings mostly from their organization's internal stakeholders where they become accountable towards their organization itself. Whereas the volunteer organizations receive the significant grants from external stakeholders such as

corporates, governments, and individual sponsors and these organizations become accountable to them. As mentioned in the chapter 4.5, the data agrees that the volunteer organizations are subjected to higher regulations, and they need to maintain the transparency with the help of documentations and legal procedures. These factors, makes the procurement function more difficult for these organizations due to investment of time and resources to comply with the regulations strictly.

Regarding risk, for profits exhibit higher risk-taking abilities against grabbing the available opportunity. This gives them competitive advantage with respect to procurement function. As mentioned in chapter 4.6, the data reveals that the volunteer organizations tend to stay away from heavy risk. These organizations work according to asset preservation principle where their goal is to save the resources rather than spending higher with the expectation of better results. This results in losing the supply opportunities.

Regarding process, the for-profit's operational processes are influenced by the internal stakeholders only. This helps them to accelerate their decision-making process which saves their significant amount of time. Also, due to limited requirement of transparency, the supplier selection process can be exercised confidentially as per the supply opportunity promoting long-term buyer-supplier relationships. As mentioned in chapter 4.3, the data shows that the decision-making processes in the volunteer organizations works on collaborative mechanism which makes it significantly slow losing the supply opportunities and market benefits in some cases. Also, they maintain the higher transparency levels during the entire procurement process which affects their supplier selection process restricting the long-term relationships with the suppliers.

Regarding ethics, the for-profits as well as non-profits follows the ethical norms. But in case of for-profits, they do not consider the supplier's organization goals while selecting the supplier. As mentioned in the chapter 4.2, the data shows that the volunteer organizations give more weightage to the ethics as their works towards the mission for society. These organizations consider the supplier's organizational goals if they are also matching with their goals and contributing towards the society. In such cases, the volunteer organizations lose the better purchasing opportunity.

5.11 Additional Findings

During the collection of empirical data, additional procurement challenges in the voluntary organizations has been discovered as mentioned and discussed below.

- Recruitment of best available talents
- Selection of best suited supplier
- Selection of best contracting conditions
- Political challenges

5.11.1 Recruitment of Best Available Talents

For-profits operates with the motive to generate the profit for its stakeholders. These organizations try to grow their profits for which they utilize the available monetary and other resources. Best talents get attracted towards these organization due to higher remuneration and career growth opportunities. In such situations, these organizations easily recruit the highly skilled and experience candidates within the field of procurement. White (2019) mentions that the non-profits have higher dependence on the volunteers and/or staff receiving low remuneration when it is compared to public and private sector employment which negatively affects the satisfaction and intentions of people to stay in the organization. The data from chapter 4.4 also confirms this where the organizations have responded that the non-profit sector is not highly paid which results in less alignment of skill base towards this sector. Thus, the voluntary organizations often face challenge of recruiting the best available talents in the market. These organizations work towards a mission such as environmental, medical, educational etc. In order to fulfil its mission, these organizations gather the funds through various means and manage the organizational operations with the available budgets. In doing so, these organizations spends very less or no monetary resources on the human resources. In such situation, the best talents feel less attraction towards working for such organizations. This ends up recruiting the low or semi-skilled workers with very less or no prior work experience in procurement operations.

5.11.2 Selection of Best Suited Supplier

The voluntary organization especially very young and at the start-up stage often faces the difficulty to find the best available supplier in the market. Data from chapter 4.1 also shows that the suppliers are more interested to do business with well-established and bigger volunteer

organizations. Whereas they show less attraction towards new and smaller organizations due to various reasons such as low trust and smaller business opportunity. Pazirandeh and Herlin (2012) mentions that when the weaker actor in buyer-supplier relationship is placed in supplier dominated market, it becomes difficult to reach the favourable agreements for buyer. At the very starting stage, the organizations face difficulty to attract the reputed suppliers due to smaller purchase orders and non-reliability of long-term business. In such situations, these organizations end up signing the contracts with the suppliers with less experience and lower reliability where in some cases they receive the undervalued goods and service with poor supply conditions.

5.11.3 Reaching the Favourable Contracting Conditions

In continuation to the section 5.11.2, the organizations also face the issues with the contracts. Due to very young age and lower purchase volume, the suppliers dominate the buyer-supplier relationship (Pazirandeh and Herlin, 2012). In such cases, the suppliers try to sign the contracts leaning towards their side and the voluntary organizations end up signing the contracts where most of the conditions goes in the favour of supplier. During the interview while collecting the data, ORG3 has mentioned that if the supplier is dominating in the relationship, the former organization has lesser possibilities to keep the supplier accountable for the mistakes they made. Whereas, in balanced buyer-supplier relationship, the suppliers also accept their accountability for their actions safeguarding the interest of both sides.

5.11.4 Political Challenges

While collecting the data, an interesting dimension came into the light named political challenges. For ORG3, corporate companies are their major sponsors and fund donors. They have mentioned that they have faced a situation where the corporates try to bully them in certain situations. These bigger companies try to become the sponsors of the voluntary organization but at the same time, they ask to remove the name of their competitors from their list of sponsors. In such situations, the voluntary organizations end up losing the money that their organization really needs to reach its goals.

6. Conclusion and Recommendation

In this chapter, the findings have been concluded by returning to the three research questions stated in the chapter 1. Furthermore, the implications for further research in the field of procurement in volunteer sector has been mentioned. Lastly, the concrete recommendations have been discussed that can be used by the practitioners.

6.1 RQ1: What are the procurement challenges faced by the Voluntary Organizations?

Eight procurement challenges faced by the voluntary organizations has been formulated through the theoretical review namely lower purchasing power, unethical practices, processes, staff retention, law and regulations, risk, conflicts, and non-strategic nature of procurement function. Through the empirical data collection with interview process and subsequent analysis, an evaluation has been executed to find the extent up to which the organizations face these challenges. The conclusion is that all the theoretically formulated procurement challenges affect the voluntary organizations negatively. But some of the categorized challenges affects with different extent depending upon the type of organization and its location.

Lower purchasing power has been found to be the most significant procurement challenge for the voluntary organizations. The data signifies that this procurement challenge has been agreed by all the interviewed organizations. This procurement challenge mostly affects the quality and pricing of required goods and services. Since, the voluntary organizations operates with the principle of preservation of resources, they give higher importance to achieve the best with minimum expenditure. And this challenge directly hampers their principle of operation affecting their budgets.

Ethical challenges affect the procurement function negatively. The collected empirical data shows the variation while justifying with the theoretically formulated proposition. The variation depends upon the type and size of voluntary organization as well as the country where the organization is located. The bigger organizations with autonomy of procurement powers to a specific department or individual may face this challenge to a higher extent. The consequence of this challenge includes higher expenditure for acquisition of required goods and services which may disrupt the organization to reach its goals.

Organization's operational processes highly affect the procurement function. All the interviewed organizations agreed that the voluntary organizations practice the reciprocal decision-making process which involved the collaboration of various individuals and groups. The empirical data shows that the slower decision-making process with respect to procurement have significant negative impacts upon not only the procurement process but on overall organization's operations. It may result in purchasing delays due to which the dependent functions have to stop working. It also results in loss of profitable purchasing opportunities ending up with excess expenditure.

Staff retention is another very important challenge which should be addressed. The collected data suggests that all the interviewed organizations face this issue to a greater extent due to various reasons out of which the most common reason is lower or no remuneration in voluntary sector. Along with other operations, the volunteer or staff resignations highly affects the procurement process resulting in loss of institutional knowledge and disturbed relationship with the suppliers. All these circumstances may result in higher prices and lowered quality of supply.

Compliance of law & regulations has been observed as a procurement challenge for voluntary organization. The empirical data suggest that the extent of this challenge highly depends upon the type, size, and purpose of the organization. It also depends upon the country where the organization is located. When the data collected from different countries has been compared, it has been found that the laws and regulations differ from country to country such as level of scrutiny and monetary support. The negative impacts of complying with the regulations were found to be loss of time, efforts, and money.

The findings suggests that the risk management within voluntary organization is a procurement challenge. The empirical findings agree the formulated proposition where the interviewees agreed that since it is a voluntary organization, their main goal is to preserve the resources rather than grabbing the risky opportunities for generating more profits. Also, it has been found that the organizations are answerable to the sponsors and donors and in such situation if the risk results in losses, then the organization may lose its credibility. This challenge may result in loss of competitive advantage and slows down the decision-making process making it more complex.

Regarding conflicts as a procurement challenge for voluntary organization, it has been investigated that this challenge highly depends upon the type of organization such as if the organization employees only volunteers or volunteer and paid employees. The organization

consisting only volunteers were found to be affected by this challenge at very low extent. But it should be added that, in such organizations also, the conflicts may result in serious consequences. Whereas the organizations consisting of volunteers as well as paid employees, the impact of this challenge is higher. In conflicting situations, the organizations may face delayed procurement operations and in worst case scenario, the cancellation of entire project.

Non-strategic nature of procurement is another most important procurement challenge faced by the voluntary organizations. The empirical data suggests that all the interviewed voluntary organizations are managing the purchasing at the tactical level where they focus on reducing the cost of goods and services at present time only. This challenge results in higher supply uncertainty, weak relationship between the buyers and the suppliers, higher pricing, and poor contracting conditions.

6.2 RQ2: What are the possible solutions to overcome the procurement challenges face by the voluntary organizations?

To answer this research question, the deep understanding of the procurement challenges becomes important which describes the factors that affects the procurement function in detail and implies certain actions. Whereas the description of the challenges also depicts certain complexity. Thus, an attempt has been made to answer this research question with the help of literature, empirical data, and analysis of both.

While investigating the solutions to overcome the discovered procurement challenges, it has been found that some of the challenges are inter-related where one solution strategy can be utilized to mitigate the multiple challenges falling in one group. This would also help to reduce the resources needed for implementing the solution strategies and its prioritization. The below table 7.2.1 depicts the grouped procurement challenges categories and the strategies to overcome it through combined solution strategy.

Grouped Challenge Categories	Solutions Strategies
<ul style="list-style-type: none"> • Lower Purchasing Power as a Procurement Challenge • Non-Strategic Nature as a Procurement Challenge 	<ul style="list-style-type: none"> • Implementation of procurement in organizational strategy • Long-term procurement contracts • Management of harmonious relationship with the suppliers.
<ul style="list-style-type: none"> • Unethical Practices as a Procurement Challenge • Risk Management as a Procurement Challenge • Process as a Procurement Challenge 	<ul style="list-style-type: none"> • Implementing organizational culture and policies focused on their mission • Preparation of firm organizational procedures
<ul style="list-style-type: none"> • Staff Retention as a Procurement Challenge • Conflicts as a Procurement Challenge 	<ul style="list-style-type: none"> • Training and development programs for leadership position holders • Skill development program for volunteers and staff
<ul style="list-style-type: none"> • Law and Regulations as a Procurement Challenge 	<ul style="list-style-type: none"> • Long-term relationship with the suppliers promoting already established operational procedures

Table 7.2.1. Procurement challenges solution groups

The first group consisting of the challenges named lower purchasing power and non-strategic nature of procurement are interlinked since both the challenges signifies the strategy of the organization. To tackle the lower purchasing power and non-strategic nature of purchasing, the organizations needs the strategies such as long-term contracts with the suppliers to intensify the purchase volume in a periodic manner which may help to reduce the pricing of the goods and services, management of healthy long-term relationship with the suppliers to reduce the uncertainty and secure the quality of supply, and merging with the other voluntary organization to place the similar purchasing orders to increase the purchase volume and secure higher discounts. And to execute these solutions, the most important thing is to employ the procurement as a strategic function within the organization where it should receive the same importance as other functional departments.

Another group consists of the challenges named ethics, process, and risk management. These three challenges are interlinked to each other with respect to leadership and organizational culture. Setting up the organizational culture and policies would help to speed up the decision-making process and manage the risky situations where everyone has very clear idea about role and responsibilities as well as they would be more aware about the purpose for which they are working within the organization.

The third group consisting of staff retention and conflicts within the organization which are inter-related with respect to the leadership within organization. To sustain the staff and avoid the conflicting situation, it is very important for the leadership to help the individuals develop their knowledge and skills within their functional area and manage the harmonious relationship among the members by clarifying the misunderstandings and miscommunication. In this way, the individuals would not only consider the monetary gains, but they would be motivated towards enhancing their knowledge and skills as well as would respect the other members within the organization.

The last group consist of only one challenge named law & regulations. This is a unique challenge related to operational procedures within the organization and the country's regulations where they are located. To overcome this challenge, it is important to setup the regular financial and procurement operational procedures by maintaining the long-term relationship with the specific suppliers. In this way, the need of additional systems and irregular documentation could be eliminated which would result in saving the time and money.

6.3 RQ3: What are the significant differences between procurement process in for-profit and voluntary organizations?

There are seven categories identified namely type of workers, goals and motivation, financials, regulations, risk, process, and ethics, which significantly differentiated the procurement process practiced by the for-profits and voluntary organizations. All these categories are linked to lower efficiency of the procurement function within volunteer sector as compared to the for-profit sector.

Type of workers plays an important role towards the success of any organization. Every organization wants to attract the top talents who can contribute with their skills and personal characteristics. Since the volunteer sectors employees the individuals with no remuneration or comparatively lower monetary benefits, they fail to attract the top talents which gives comparatively more advantage to the for-profit sector.

With regards to goals & motivation, the for-profits works for earning the profits for its stakeholders whereas the voluntary organizations work for a specific mission and purpose. In this situation, the voluntary organizations cannot distract themselves from their goals as per the demand of the situation whereas the for-profits are flexible in this approach where they can

change their goals as per demand of the situation and act accordingly. This factor affects the selection of supplier where the voluntary organizations prefer those suppliers who matches their goals disregarding the competitive advantage which in some situation results in higher expenditure and poor quality of supply.

With respect to budget, the voluntary organization are not flexible regarding their budgets. They set a budget for a specific period and stick to it in almost every situation. Whereas the for-profits practice more flexible approach as per the situation and gain the competitive advantage. Due to this factor, the supply opportunities become comparatively limited for the volunteer sector.

Regulations highly affect the organizations operating in the volunteer sector due to various reasons such as accepting grants from the government and individual or group donors where they become answerable to them. In such situations, the external stakeholders possess influence over these organizations and restricts them to execute various practices which could be beneficial for the organization. Whereas the for-profits has to face comparatively lower regulations which gives them more flexibility to operate under non transparent environment.

For-profits usually possess the higher risk-taking ability to grab the available opportunities and gain the competitive advantage. Whereas the voluntary organizations try to stay away from risky situations since their sponsors have expectations from them to successfully fulfil their mission and the risky decisions may result in failure to do so.

Regarding the process, in volunteer sector, the external stakeholders have higher influence on the operational processes due to which the already slower processes get more delayed. Also, these organizations employee more openness towards tendering process which promotes wider supplier participation which may have negative impact on the long-term buyer-supplier relationships. Whereas the for-profits has the influence of only internal stakeholders which makes the process faster and the tendering process can be selective as per their criteria and limited visibility. This promotes the long-term buyer-supplier relationships.

In terms of ethics, the for-profits focus more on competitive advantage through the selection of suppliers. In such cases, they select the supplier disregarding the supplier's organizational goals and their contribution towards the society. Whereas for the voluntary organizations, the goals and purpose of the suppliers has higher importance. The voluntary organization's supplier selection method gets highly influence on the factor that how the supplier's goals are working towards the betterment of the society.

6.4 Implications for Research

This master's thesis reveals the early face of the research and is focused on the procurement challenges faced by the voluntary organizations and possible solutions to overcome it. The same study can be conducted in different contexts. For example, in smaller, medium, and the bigger voluntary organizations from different countries operating for fulfilling the different types of missions to approve or extend the results. Future research can also reveal another side of the voluntary organization which is donors and sponsors of these organizations and investigating their expectations from these organizations. The individuals working voluntarily with the organizations and their expectations and challenges can be surveyed as well. Further, the formulated categories of procurement challenges can also be extended with the help of existing studies and collection of on-field data. The proposed model in this thesis can be tested (approved, modified or denied) for specific type of organizations.

6.5 Implications for Practitioners

In the following, implications for the buyer organizations have been discussed which is based on the solutions found with respect to each procurement challenge category as mentioned in the chapter 5.

6.5.1 Implications for buyers

For the buyers who are leading the procurement functions should focus on the long-term harmonious relationship with the supplier to secure the better prices and quality supply. Also, they should make the supplier feel that they are not only having the healthy relationship with the individual but also with the entire organization. In this case, the supplier would feel that they are also a part of the organization and always strive to do better as far as possible.

6.5.2 Implications for the organizations

The organizations should focus more towards setting up the organizational culture where each member of the organization should realize that why they are contributing their efforts for the organization and what is the actual mission for which they are working. This would promote the higher ethical standards within the organization. Setting up the precise organizational policies is also necessary. In this way if any unusual situation happens then leaders and individuals should know that in what way they should work to tackle the difficulties. This would promote the processes to become faster which would help to reduce the situations of losing the opportunities and save the time.

6.5.3 Implications for leadership

The leadership should focus more on development of knowledge and skills of the staff members so that they should not feel that they are not gaining anything while contributing with their efforts. Also, the leadership should maintain the harmony among the individuals within the organization by promoting the team working environment and promotion of healthy personal relationships.

6.6 Limitations of Research

The voluntary organizations chosen to collect the data are small to medium sized. The feasibility of the prepared theoretical model has not been tested with the bigger and multinational voluntary organization. Therefore, the organization size can be a limitation of transferability as the purchasing power, compliance of regulations, and strategic nature purchasing can differ significantly. An attempt has been made to reduce the interviewer bias by avoiding the leading questions which could anticipate the answers. The participants can also be biased, for example, while answering the questions related to organizational ethics, risky decision-making, and compliance with the regulations & law. In such situation, it is not possible to distinguish if the interviewee stated his/her belief or they tried to hide the organization's actual situation.

The language of interviews is also a limitation where the interviews has been executed in the English language which is neither the mother tongue of the interviewer nor the interviewees. In the cases where the interviewee felt to speak in their mother tongue, the interviewer gathered the response in Hindi and Norwegian language and translated it into English. To minimize the observer bias, the data has been analysed collectively. The location of the interviewed organization plays in important role. Two out of three interviewees have been conducted in Norway which is a developed country where the law & regulation with respect to monetary transaction differs significantly as compared to the developing county such as India from where one interview has been executed. The feasibility of the theoretical model can be increased with the further collection of data from different locations with respect to different dimensions such as developed-developing countries and socialist-capitalist countries.

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Appendices

Appendix 1 – Literature Review

Appendix 1.1 - Journals

Author	Year	Title	Journal Name	Important points	Planned Use
Volunteer Organizations					
Salamon, L. M.	1987	Of market failure, voluntary failure, and third-party government: Toward a theory of government-non-profit relations in the modern welfare state	Journal of Voluntary Action Research, 16	Publicly funded volunteer organizations	Economics of volunteer sector
Reiss, A.H.	1990	Bottom line: A working board of directors	Management Review 79(5)	Decision makers on voluntary organizations	Decision makers and Beneficiaries in the voluntary organizations
Edwards, H.C.	2008	Volunteers in leadership roles: Successfully engaging advisory councils	International Journal of Volunteer Administration 25(2)	Clarity of role and powers within voluntary organizations	Decision makers and Beneficiaries in the voluntary organizations
Pazirandeh, Heidi Herlin and Ala	2012	Non-profit organizations shaping the market of supplies	International Journal of Production Economics (139)	Buyer-supplier purchasing power relationship	Literature review
Vaughan, Ruth Ann Strickland & Shannon K.	2008	The Hierarchy of Ethical Values in Non-profit Organizations: A Framework for an Ethical, Self-Actualized Organizational Culture	Public Integrity Vol. 10, Issue 3	Ethical culture in volunteer organization	Literature review
Enjolras, Bernard	2009	A Governance-Structure Approach to Voluntary Organizations	Non-profit and Voluntary Sector Quarterly, Vol. 38, Number 5	Decision making procedures in volunteer organizations	Literature review
Rimes Heather, Rebecca	2017	Exploring the dynamics of volunteer and staff	Non-profit Management and	Staff-volunteer relationship	Literature review

Nesbit, Robert K. Christensen, and Jeffrey L. Brudney		interactions: From satisfaction to conflict	Leadership 28(2)		
Ortega-Rodríguez, Cristina, Ana Licerán-Gutiérrez, and Antonio L. Moreno-Albarracín	2020	Transparency as a Key Element in Accountability in Non-Profit Organizations: A Systematic Literature Review	Sustainability 12, no. 14: 5834	Transparency in volunteer organizations	Literature review
Casciaro, T. and Piskorski, M. J.	2005	Power imbalance, mutual dependence, and constraint absorption: a closer look at resource dependence theory	Administrative Science Quarterly 50	Purchasing power in exchange relationship	Proposition preparation

Procurement Function					
Ronchi, Davide Luzzini & Stefano	2016	Cinderella purchasing transformation: linking purchasing status to purchasing practices and business performance	Production Planning & Control, Vol. 27, No. 10	Importance of procurement function in an organization	Importance of procurement function in an organization
Mol, M.	2003	Purchasing's Strategic Relevance	Journal of Purchasing and Supply Management, vol. 9	Competitive advantage through procurement function	Importance of procurement function in an organization
Hartmann, E., D. Kerkfeld, and M. Henke	2012	Top and Bottom-Line Relevance of Purchasing and Supply Management	Journal of Purchasing and Supply Management, Vol 18	Impact of procurement function on business performance	Importance of procurement function in an organization
De Toni, A., and G. Nassimbeni	2000	Just-in-time Purchasing: An Empirical Study of Operational Practices, Supplier Development and Performance	Omega 28 (6)	Early supplier involvement	Importance of procurement function in an organization
Oulfarsi, Salah	2016	Literature Review on Responsible Procurement Practices	Management Strategies Journal, Constantin Brancoveanu	Ethical supply management	Proposition preparation

			u University, vol. 32(2)		
Jaideep, M., Ashok, K. et Subair, M.	1998	Ethical Behaviour of Indian Purchasing Managers	Logistics and Transportati on Review, Vol. 34, no. 2	Management of ethical standards in supply management	Proposition preparation
Organizational Process Management					
Lee, Danny Miller and Jangwoo	2001	The People Make the Process: Commitment to Employees, Decision Making, and Performance	Journal of Managemen t 27	Decision making process within the organization	Proposition preparation
Organizational Conflicts					
O M Hotepo, A S S Asokere, I A Abdul-Azeez and S S A Ajemunigboh un	2010	Empirical Study of the Effect of Conflict on Organizational Performance in Nigeria	Business and Economics Journal, Volume: BEJ-15	Effects of organizational conflicts	Proposition preparation

Appendix 1.2 - Books

Author	Year	Book Title	Important points	Planned Use
Volunteer Sector				
Peter Frumkin	2005	On being non-profit: A conceptual and policy primer (1 ed.)	Defining the volunteer sector	Introduction
Christopher Eaton Gunn	2004	Third-sector Development: Making Up for the Market	Contribution of volunteer sector to GDP	Importance of volunteer sector with respect to gross domestic product
Evers, A. and Laville, J.	2004	The Third Sector in Europe	Comparing the volunteer sector's size globally	Importance of volunteer sector
Antonelli, G. and De Liso, N.	2004	European Economic Integration and Italian Labour Policies	Importance of volunteer sector with respect to employment	Importance of volunteer sector

Bell, D.	1976	The Coming of Post-Industrial Society: a venture in social forecasting	Dominance of volunteer sector in society	Importance of volunteer sector
Hansmann, H.	1987	Economic Theories of Non-profit In: Powell	Need of volunteer sector	Background information about the volunteer organizations
Anthony, R. & Young, D.	1990	Characteristics of Non-profit Organizations	Defining the non-profit organizations	Background information about the volunteer organizations
Weisbrod, B. A.	1988	The Non-profit Economy	Role of volunteer organizations in society	Goals of volunteer organizations

Procurement Function				
Van Weele, A. J.	2005	Purchasing and supply chain management: Analysis, strategy, planning and practice (4th ed. ed.)	General procurement procedures	Background of procurement process
Fudalinki, Janusz	2014	Management Science in Transition Period in Moldova and Poland	Reasons for not considering strategic nature of procurement function	Importance of professionalization of procurement function
Fudalinki, Janusz	2014	Management Science in Transition Period in Moldova and Poland	Transformation of procurement function from tactical to strategic nature	Literature Review
Risk Management				
Young, Dennis R.	2009	Paid and Unpaid Labour in the Social Economy - An International Perspective	Decisions for risk management in non-profit organizations	Proposition preparation

Appendix 1.3 – Reports

Author	Report Title	Publisher	Year	Planned Use
The Charity Commission	Trust and confidence in the Charity Commission	Populus	2017	For background description of volunteer sector
Chelsea L. Newhouse and Lester M. Salamon	The 2019 Non-profit Employment Report, Non-profit Economic Data Bulletin no. 47	Johns Hopkins Centre for Civil Society Studies	2019	Importance of volunteer sector with respect to employment
GivingIreland	Growth in Giving Accelerates for the Irish Not-for-Profit Sector in 2018 – Giving Ireland 2020 Report Launched	GivingIreland	2020	Importance of volunteer sector with respect to gross domestic product
Muffels, J.	Solidarity in Health and Social Care in Europe	Kluwer Academic Publishers	2001	Social importance of volunteer sector
White, Gentry Mabelann	Strategies for Employee Retention in Non-Profit Organizations	Walden University	2019	Literature review
Bajari, Steven Tadelis and Patrick	Incentives and Award Procedures: Competitive Tendering vs. Negotiation in Procurement	Cambridge University Press	2006	Literature review
Department for Business, Energy & Industrial Strategy	Challenges businesses face when complying with regulation	The National Archives	2020	Business challenges due to regulations

Appendix 2 – Consent Form and Questionnaire

TITLE OF STUDY

Master's Thesis – Procurement Challenges in Volunteer Organizations and Possible Solutions

PRINCIPAL INVESTIGATOR

Amitkumar Vinod Dhage
Department of Industrial Economics and Technology Management (IØT)
Norwegian University of Science and Technology
Trondheim
+47-91272012
amitkumd@stud.ntnu.no

End Date of the Project – 11th June 2022

PURPOSE OF STUDY

The purpose of this master's thesis is to investigate the challenges that the volunteer organizations face while executing the procurement processes. Also, this thesis is focused on how these investigated challenges can be overcome. Since the volunteer organizations works towards a mission with the presence of heavy financial pressure, they need to manage their spending with highest financial efficiency. Also, these organizations can have a significant impact on country's economic condition. Thus, procurement becomes an important aspect for strengthening the financial efficiency of the volunteer organizations. The study on improvement in procurement processes in the volunteer organizations has a great potential and this thesis can prove to be a good contribution to extend the financial efficiency within the volunteer organizations with respect to procurement processes.

The aim of this master's thesis is to investigate the procurement challenges faced by the voluntary organizations and suggest the possible solutions to help these organizations achieve the organizational mission with increased productivity and operational & financial efficiency.

STUDY PROCEDURES

For this study, the participant will be asked the following mentioned questions and the response will be used to justify the theoretically prepared framework.

The amount of time required of participant is expected to be 1 hour.

Audio recording is required to be carried out during the interview session and recorded audio will be only used to transcribe the answers against the questionnaire which will be deleted at the end of the project.

Questionnaire		
About the Organization		
Only Board Members	1	What is the mission of your organization?
	2	What is the type of organization? (Temporary Project, Permanent organization, Student Organization etc.)

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Participant's Initials: _____

	4	What is the purpose of your organization? (Social Events, Social Work, Environmental, Wildlife, Innovation in Science and Technology, Public Welfare etc.)
	5	Does your sponsors have any control over your organization's spending?
	6	Does your organization have only volunteers, only paid employees or mixture of both? If, mixture, then what is the ratio?
Board and/or Finance Members	7	Who are the main sponsors or financial assistant providers for your organization? (Household individuals, Government, Schools or Universities, Students, Corporates etc.)
	8	Who is responsible for acquisition of sponsorships and crucial financial decision making? (Finance Team, Board Members, Project Leader etc.)
About Procurement in the Organization		
Any Responsible Person	9	What kind of purchasing does your organization need? (One time purchasing for specific period of time, Continuous supply, For specific event etc)
Any Responsible Person	10	Who is responsible for purchasing decision making? Do you have purchasing / procurement team for it?
Any Responsible Person	11	What is the approval structure for the finalization of purchasing decision? (Purchasing team - Finance Team - Board Members - Sponsor etc.)
Any Responsible Person	12	Who is responsible for finance approval regarding the purchasing?
Specific to Framework		
Purchaser	13	Does the size of volunteer organization affect the buyer-supplier relationship dominance? How it can be managed in case of adverse condition?
Purchaser	14	Is ethics a big challenge in procurement activities (such as favouritism or monetary corruption)? How it can be tackled?
Purchaser	15	Does critical decision-making process in voluntary organizations is highly mutually dependent? How does it affect the speed of decision making with respect to purchasing (slow or fast)?
Purchaser	16	Is volunteer or staff retention a big challenge to preserve the institutional knowledge, experience and external relationship management with suppliers? How this challenge can be managed?
Purchaser	17	What are the effects of regulations (especially for transparency in financial transactions) and supplier selection on the procurement process? Does it make the process slower? And how this situation can be managed?
Purchaser	18	Do decision makers in voluntary organizations tries to stay away from taking risky decision due to external scrutiny? How this challenge can be overcome?
Any Responsible Person (Only for Staff-volunteer organizations)	19	Does conflicts between the volunteers and the paid staff affects the organization's operations? How these issues can be managed?
Summary		
All	20	What do you think are the biggest challenges to the procurement process in voluntary organizations?

Participant's Initials: _____

COLLECTION OF PERSONAL DATA

The personal data that will be collected during the interview process is only AUDIO RECORDING. This audio recording will be deleted at the end of the research project.

BENEFITS

The intention of this study is to benefit the volunteer sector by investigating the procurement challenges faced by the voluntary organizations and suggest the possible solutions in order to help these organizations achieve the organizational mission with increased productivity and operational & financial efficiency.

CONFIDENTIALITY

Your responses to this interview will be anonymous. Please do not mention any identifying information in your interview OR for the purposes of this research study, your comments will not be anonymous. Every effort will be made by the researcher to preserve your confidentiality including the following:

Participant data will be kept confidential except in cases where the researcher is legally obligated to report specific incidents.

CONTACT INFORMATION

If you have questions at any time about this study, or you experience adverse effects as the result of participating in this study, you may contact the researcher whose contact information is provided on the first page.

RIGHTS

The participants have the right to request access to and correction or deletion of their personal data, request that processing is restricted, and request a copy of their personal data.

Also, the participant has the right to send a complaint to The Norwegian Data Protection Authority (Datatilsynet).

VOLUNTARY PARTICIPATION

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.



Participant’s Initials: _____

CONSENT

I have read, and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature _____ Date _____

Investigator's signature _____ Date _____

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Participant's Initials: _____

Appendix 3 – Sample Interview Transcription

Before starting the interview, the consent form has been sent to the interviewee. Also, while starting the interview, again the information within the consent form (aim, benefits, procedure, data collection method, project end date and consent) has been explained verbally.

Interviewer: Can you please introduce your organization?

Interviewee: We are nine co-founders of XXXXX foundation and all of us are working with one more organization named XXXXX XXXXXX where we collect the left-over food from the events and distribute it to the needy people in the vicinity. We have started in 2016 and within one year we have realized that it is not a long-term support for the needy children and consulted with their parents about the situation and got to know about the actual problem that they need support with their education. Since government schools doesn't have the capacity to provide the quality education to these needy and the families living below poverty line. I have been a teacher from 6 years, and we have other co-founders from teaching background along with IT professionals also. We have realized that the students need to know the English language very well to continue the further education after high school in India. But due to having schooling in regional languages, these needy children face problems regarding their higher education and due to unavailability of monetary resources they cannot afford schooling at private institutions.

To solve this problem, we have registered our organization named XXXXXX where we teach English to the needy children. All the board members in this organization are volunteers and we do not have any paid employees.

Interviewer: How many people are there in your organization including all the volunteer and employees?

Interviewee: Everything is on voluntary basis. Some people work only on weekends whereas some people work only for specific events. Including all these, we have around 150 people in our organization.

Interviewer: Thank you for introducing the organization and its mission. Actually, it is the information I was looking in the first question for which you have already answered. I am curious to know what type of organization it is, for example, is it a temporary project, permanent organization, or student organization etc.?

Interviewee: I will give a two-part answer to this. The first part is this is a youth-centric organization. More than 90% of people are below the age of 30. We have realized that most of the organizations in this field are temporary. Like the organizations usually donate books, stationary, school uniforms etc. but it doesn't create the long-term positive impact on them. We have realized that the problem cannot be solved with the one-time event. But this project XXXXX is a long-term permanent project. Here, we take the admission test for the students as per their age and we have 6 levels where we have a primer section consisting of senior KG and Junior KG and 4 higher levels after that. After level 4, the students' English level becomes proficient which is needed for further education.

Interviewer: What is the actual purpose of your organization? Is it only helping the students who belong to the families living below the poverty line or is it for all?

Interviewee: We are helping the students whose parent income is below the poverty line and who are incapable to send their children to English language schools due to higher tuition fees. But in case if we find the students coming from economically capable families but still are interested in our study program, we accept those students also.

Interviewer: If I speak about the sponsors which is a very important thing about any volunteer organization. What do you think who are your major sponsors? Such as government, corporates or individuals.

Interviewee: A major part of our donation comes through the individual donations i.e. crowd funding. We also have major fundraisers also. We do have a couple of CSR which happened in last one year but those are considerable smaller ones than expectation.

Interviewer: Does your organization have paid employees also with the volunteers?

Interviewee: It is an entirely volunteer organization. We don't have paid employees but in case of requirement of any skilled services we hire freelancers for social media, contents or graphics etc.

Interviewer: What is your role in the organization?

Interviewee: I am one of the co-founders and also, I am a secretary of the organization and project manager for the project XXXXXXXXX.

Interviewer: Are you the decision maker for financial decision?

Interviewee: In case of any specific event, the person responsible for the event takes the final decisions. But in general, I take the final decisions.

Interviewer: Does your individual donors has any control over your organization? Such as in decision making or scrutiny.

Interviewee: As it is the registered organization, government does the scrutiny. We do have all the yearly financial reports which we need to submit to the income tax department of India and also to the charity commissioner of the specific district (Thane). The donors do not have direct influence on the organization but they have expectations from us to fulfil the mission.

Interviewer: Who is responsible for the acquisition of the sponsorship?

Interviewee: We have a major fundraiser throughout the year which happens usually in December to march. We have one of our co-founders who is responsible for it. And it is not only done by one person but all of us contribute our efforts and raise the funding on individual level. Also, we use an online crowd funding platform Ketto which is a leading crowd funding platform where we raise the funding for the organization.

Interviewer: What kind of purchasing does your organization do?

Interviewee: We do purchase of services and products. The major pay-out happens for the books. We are purchasing from the Cambridge publications where the books are quite expensive. We purchase the books every year. We have vendors from the Cambridge

publications. In case of stationery, we get it in the form of donations as well along with the monetary donations. We get pen, pencils, drawing books etc. which we collect and use it whenever required. The expense of stationery is comparatively low. We are also planning for including the digital learning process in the upcoming June which also be a major expense which will happen in the coming academic year. During Covid situation, we did expenses on online teaching systems such as video conferencing, devices, and internet services for the students since they were not capable to afford it as they were the daily wage earners. In terms of services, we needed different types of writeups such as press notes and annual reports for which we needed the experts which is the chargeable service. For social media handling and projects, we call experts in these cases also.

Interviewer: Is it recurring purchases?

Interviewee: Yes, it's a continuous process.

Interviewer: Do you have any department or personnel for the procurement function?

Interviewee: No, we don't have a specific department, but we make the list of requirements on monthly and weekly basis and depending on that we have one designated person who looks for the logistics of the entire organization. Majority of vendors are in place, so we manage the recurring purchases with the basic transactions.

Interviewer: What is the approval structure for taking the final decisions?

Interviewee: For the project XXXXXX, if there is a need of any goods and services. I will get the list of requirements from the team, and I will approve it and send it across. We have general body meetings where we pass the bills. So, the payments to be executed has to be approved in the board meeting. All the board members take the collective decisions. But in case the amount is very small then I can approve it on individual level. In case of bigger amounts, the decision has to be made by the board collectively.

Interviewer: Does your organization's size, reputation and age affect the buyer-supplier relationship?

Interviewee: It depends on the specific situation. If our purchase volume is low, the prices of goods and services increases. But it usually does not affect the quality of the goods. But in case, the purchase volume is higher, we get the discounts.

Interviewer: In such adverse cases of lower purchasing power, how can you overcome this challenge?

Interviewee: In such cases, even the purchase order is smaller, we can sign a long-term contract of repeated order. Here we can easily dominate the buyer-supplier relationship where due to higher volume and regular purchase, the suppliers provide the goods cheaper as well as with good quality. Also, the upfront payments may help in securing the discounts. But in cases of credit, securing the discount is very difficult.

Interviewer: Is ethics a big challenge with respect to procurement in volunteer sector?

Interviewee: Ethics should not be a very big problem. The situation may come where we choose the favourite supplier but still, we focus on best price and quality. And ethics is obviously there. Till now we have not faced this issue as of now since we are a smaller organization. But there is good chance that ethics can be a big problem in this sector.

Interviewer: What could be the best solution to tackle this situation?

Interviewee: The first thing is to setup the organizational culture where the mission of the organization should be the first priority for each individual working within the organization. This culture setting will definitely solve this problem.

Interviewer: How does the reciprocal decision-making process affects the procurement process?

Interviewee: Lot of organizations has been banned by the government due to poor record maintenance. The scrutiny is happening at great level and aggressively. Thus, the decision-making processes has to be firm and risk management is the priority here. The decision-making process speed depends upon the planning and budgeting of the organization. If something comes up which is not planned but we have to purchase instantly. We cannot just go and purchase it. We have to call a board meeting then we have to discuss it and collectively gain the agreement on it and go ahead. But if we have the specific yearly budget for the organization and the new purchase is getting a fit inside that budget then I can easily justify it in front of board as a project manager. Obviously, the collective decision-making process hampers the pace of the process and make it slow. But it is the safest way to go ahead in volunteer organizations. In uncertain situation, we need to reduce the risk since we have donors who wants to know where the money is going and is it getting used for the organizational mission achievement.

Interviewer: What are the effects of the laws & regulations and transparency on the procurement process?

Interviewee: Producing the bills for the purchases is one of the problems. We need to manage the record of each and every purchase. The scrutiny is very high. Keeping all the records and transparency helps to manage the ethical issues and comply with the regulations. Also, the costs are associated with the legal consulting. It makes the overall process slower.

Interviewer: Do you have any solution to overcome this challenge?

Interviewee: In such situations, the long-term relationship with the best vendor is the best possible solution. Here keeping the vendors in place and getting the best price and quality would be the most helpful. Not only the price, but time and efforts are the important things.

Interviewer: Do you think that staff retention is a big challenge?

Interviewee: It is a huge challenge. Non-profit sector is not a high paying sector. Obviously, the skill base is comparatively less aligned to the non-profit sector. If the people leave and new joiners come, the knowledge, skills and experience gain and especially relationship with the vendors also gets impacted. Also, if the person having good relationship with the vendor leaves, it may impact the prices of goods and services.

Interviewer: Do you have any suggestion to solve this problem?

Interviewee: As a voluntary organization, we should focus on developing the volunteers with respect to skills and knowledge. In such case, the volunteers will not leave the organization only because of career opportunities but they will be sustained within the organization for acquiring the skills and knowledge.

Interviewer: Does the decision makers tries to stay away from the risky decision?

Interviewee: It depends upon the type of risk such as ethical-nonethical, legal or ambitious. As an organization we try to stay away from risks associated with ethics.

Interviewer: How this challenge can be overcome?

Interviewee: It can be solved on the policy level. Because we board members cannot handle this in every situation. There should be an organizational policy in such situation, and we must comply accordingly.

Interviewer: Since the freelancer act as a paid employee for you, does conflicts happens between them and the volunteers?

Interviewee: Not always necessarily since we are only a volunteer organization, and nobody works here for earning the money.

Interviewer: Are there any other bigger procurement challenges you face in your sector?

Interviewee: Selection of best suited vendor and best contract conditions are some challenges that we face.

