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Retention of Donors and other Stakeholders as A Key to Uplifting Ngo Social Work Services

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Abstract

In addressing social, economic, and developmental issues, non-governmental organizations (NGOs) have become crucial institutions. By addressing marginalized populations, offering necessary services, and promoting social justice, they expand the work of governmental and commercial institutions. Notwithstanding their significant significance, NGOs' viability and effectiveness mostly rely on the steady assistance of donors and other partners. Financial resources are contributed by donors, human capital is provided by volunteers, and authenticity and trust are contributed by stakeholders, including beneficiaries, community leaders, and legislators. Therefore, ensuring their retention is not only beneficial but also necessary for NGOs to continue to exist and expand in the long run. Building a foundation of trust and loyalty while retaining contributors and stakeholders reduces the expenses related to acquiring new supporters. Long-term commitment, as opposed to one-time donations, fosters stability and makes it possible for NGOs to more efficiently plan and carry out social projects. Retention, however, is a complicated process that calls for responsibility in the use of funds, transparency in operations, pertinent contact with supporters, and accurate social impact measurement. These procedures encourage donors to keep giving by reassuring them that their money is having an impact.

According to this study, one of the key elements in improving NGOs' social work services is the retention of donors and stakeholders. It looks at the literature that has already been written, determines the theoretical basis, and uses survey results to focus on contemporary practices. Smaller NGOs suffer because of administrative and budgetary limitations, according to the study, while larger NGOs with robust networks usually implement donor engagement techniques. The report ends with suggestions for how NGOs may institutionalize transparent processes, improve communication channels, and establish relationships based on trust. Organizational performance and the ability to contribute to sustainable social development can be enhanced by NGOs by concentrating on these aspects.

Keywords: Donor retention, Stakeholders, NGOs, Social work services, Sustainability, Accountability, Volunteer, CSR, NGO Management, NGO Administration, Social Welfare.

Introduction

Non-governmental organizations (NGOs) have become significant players in social change both in India and elsewhere. They cover topics including reducing poverty, empowering women, rural development, healthcare, education, and environmental preservation.

NGOs are motivated by social goals rather than financial gain, in contrast to for-profit companies. However, they are highly dependent on community stakeholders, corporate social responsibility (CSR) partnerships, volunteers, and financial donations in order to continue operating and providing their services.

NGOs' expansion has brought up both opportunities and difficulties. On the one hand, they offer creative answers to issues that arise at the local level. The rivalry for donors' attention and funds, however, has intensified. Many NGOs are successful at raising money in the beginning, but often have trouble keeping stakeholders and donors over time. Since maintaining current donor relationships takes less time and money than establishing new ones, retention is more economical than acquisition.

According to this study, maintaining donors and stakeholders is essential to the long-term provision of social services and is not merely a fundraising concern. Long-term donors become ambassadors for an organization's mission in addition to providing steady support. In a similar vein, active stakeholders like volunteers, recipients, and business partners support NGOs' expansion and legitimacy.

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Therefore, the goal of the study is to investigate the relationship between retention and the improvement of social work services.

In order to solve social concerns and provide services to communities, non-governmental organizations (NGOs) are essential. The ongoing assistance of donors, volunteers, and other stakeholders is essential to their ability to operate efficiently. Unfortunately, a lack of openness, poor communication techniques, and poor engagement methods make it difficult for many NGOs to keep these supporters. Building long-term trust and loyalty is challenging for smaller NGOs in particular because of administrative and financial limitations. NGOs run the risk of financial and resource instability if they are unable to retain donors and associates effectively, which will have a direct effect on their ability to continue and grow social work services.

Review of Literature:

According to Sergeant and Jay, in-line participation, communication, and trust are the foundations of donor loyalty. In the realm of non-profit management, the idea of donor retention has been extensively addressed. According to Drucker, managing relationships is just as important to nonprofits as earning money. He stresses that fostering long-lasting donor confidence requires clear disclosure of the mission and impact.

Not just financial donors, but all stakeholders' demands and expectations must be taken into account by organizations. Beneficiaries, governmental organizations, business partners, and the general public are all considered stakeholders for NGOs. Establishing enduring connections with these groups improves organizational performance and trustworthiness.

A new type of stakeholder partnership has emerged in India as a result of the Companies Act 2013, which required CSR for specific businesses. According to studies, NGOs that uphold accountability, openness, and quantifiable results have a higher chance of establishing long-lasting CSR collaborations.

Objectives of the Study

1. To analyse the importance of donor and stakeholder retention for NGOs.
2. To identify the factors that influence donor and stakeholder loyalty.
3. To explore how donor and stakeholder retention boost the quality and reach of NGO social work services.
4. To suggest practical strategies for NGOs to improve donor and stakeholder retention.

Discussion

1. **Importance of Retention for NGOs:** Retention of donors and stakeholders ensures that NGOs have stable resources to continue their activities. Unlike one-time donations, long-term relationships allow NGOs to plan projects on a sustainable basis. Retained donors also reduce the need for frequent fundraising campaigns, saving both time and cost.
2. **Factors Influencing Retention**
 - a. Transparency and Accountability Donors expect NGOs to use their funds responsibly. Publishing audited reports, financial statements, and impact stories increases trust. Lack of transparency is one of the main reasons donors discontinue support.
 - b. Communication and Engagement Regular communication through newsletters, events, and personal updates strengthens relationships. For example, Teach for India frequently updates its donors on the progress of fellows and students, keeping supporters emotionally connected.
 - c. Validation of Impact Donors want to see real results. NGOs that provide measurable outcomes, such as the number of children educated or households empowered, retain donors more effectively.
 - d. Governance and Leadership Well-governed NGOs with clear leadership inspire confidence. Stakeholders are more likely to stay when they see professional management and ethical conduct.
 - e. Stakeholder Involvement Stakeholders such as volunteers and beneficiaries must feel a sense of ownership. Participatory approaches increase loyalty and strengthen community bonds.

Research Methodology

This study uses a mixed-method approach, with a particular emphasis on surveys to collect both qualitative and quantitative data. Secondary data from government reports, NGO annual reports, published literature, questionnaires, and CSR records from its foundation.

Sample:

- This research study's sample selection categories include micro samples, such as ten non-governmental organizations from various industries, including rural development, health, education, and the environment.

Data Collection:

- Surveys: Volunteers and NGOs received structured questions both in-person and online.
- Comprehensive Interviews: Semi-formal interviews with coordinators of volunteers and NGO management.

Survey Questions

Que. No	Question	Yes	No
1.	Does your NGO provide offline donation receipts to donors?	50%	50%
2.	Does your NGO provide online donation receipts, such as Form 10BE for tax exemption?	50%	50%
3.	Does your NGO send thank-you or appreciation messages to donors after their contribution?	20%	80%
4.	Does your NGO maintain donor personal details (such as date of birth) and send greeting/wish messages?	20%	80%
5.	Does your NGO share program updates and activity details with donors through email or other channels?	5%	95%
6.	Does your NGO organize donor interaction events (online/offline) to keep them engaged?	5%	95%
7.	Does your NGO have a website?	10%	90%
8.	Has your NGO published its audit reports on the website for public access?	20%	80%
9.	Does your NGO upload or produce annual reports and activity reports regularly?	20%	80%
10.	Does your NGO issue identity cards to volunteers?	20%	80%
11.	Does your NGO provide training or orientation sessions for volunteers?	5%	95%
12.	Does your NGO take feedback from beneficiaries, donors, and volunteers to improve services?	5%	95%
Average Result		19.16%	80.84%

Discussion and Analysis:

The results of the study provide a clear picture of how NGOs engage with their donors and stakeholders. There are fewer adherences to basic financial documentation, since half of NGOs (50%) offer offline gift receipts and a comparable percentage issue internet receipts, such as Form 10BE for tax exemption. But performance is quite poor when it comes to relationship-building tasks. Only 5% of NGOs communicate program updates or host donor interaction events, and only 20% write thank-you notes or retain donor information for greetings.

Transparency is also limited, with only 10% having a website, 20% publishing audit reports, and 20% producing annual reports regularly. Volunteer management appear a similar gap: only 20% issue ID cards, 5% provide training, and 5% collect feedback from stakeholders. Overall the study reveals that only 19.16% of best practices are followed, while 80.84% remain adapted, point out a serious gap in donor retention strategies.

Large-scale NGOs with wide-ranging networks frequently adhere to a number of donor engagement and transparency procedures. They are able to manage processes like providing receipts, publishing reports, and coordinating donor interactions because of their consistent flow of funds and availability to administrative staff. Smaller NGOs, on the other hand, find it challenging to continuously implement these practices due to a lack of funding and human resources. This discrepancy demonstrates how donor retention tactics are greatly impacted by operational size and resource availability.

Suggestions and Strategies

1. Digital Receipts :

All NGOs should adopt online donation receipts with Form 10BE to meet donor expectations and compliance requirements

2. Acknowledgment Messages

Donors must receive thank-you notes or appreciation messages immediately after contribution. This simple step can increase loyalty

3. Donor Personalization:

Recording donor birthdays and sending wishes builds emotional connections

4. Strengthen Transparency and Reporting

Publish audited financial reports and social impact assessments regularly. Use digital platforms for wider reach.

5. Develop Donor Relationship Management Systems

Adopt software or CRM tools to track donor history, preferences, and interactions.

6. Build Websites:

Every NGO should have at least a basic website with details of mission, projects, and reports.

7. Offer Recognition and Involvement

Recognize loyal donors publicly. Involve them in field visits and decision-making processes.

8. Enhance Professionalism in NGO Management

Train staff in fundraising, communication, and governance practices.

9. Leverage CSR and Government Partnerships

Strengthen relationships with corporate donors through CSR collaboration and compliance with reporting requirements.

10. Collect Feedback:

Structured feedback from donors, beneficiaries, and volunteers will help NGOs improve services

11. Leverage CSR Partnerships:

Collaborate with corporates by providing professional reports and aligning with Sustainable Development Goals (SDGs)

Conclusion:

Stakeholder and donor retention is essential to NGOs' success and survival; it is not a side project. NGOs can establish long-lasting confidence and trust by being open, accountable, and engaging in regular

communication. Retained stakeholders and donors provide credibility in addition to resources. The social work services provided by NGOs are then improved to effectively and sustainably serve the community.

In contrast to a short-term fundraising strategy, the research highlights that NGOs should view donor and stakeholder retention as a long-term investment. In order to achieve social development goals in a sustainable manner, NGOs can establish long-term partnerships with their supporters through efficient tactics.

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Conflicts of interest

I Swapnil Sunil Ghule declare that there are no conflicts of interest regarding the publication of this paper.

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