

Manuscript ID:
TIJCMBLIR-2026-030264

Volume: 3

Issue: 2

Month: April

Year: 2026

E-ISSN: 3065-9191

Submitted: 19 Mar. 2026

Revised: 23 Mar. 2026

Accepted: 21 April 2026

Published: 30 April 2026

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DOI: 10.5281/zenodo.22339288

DOI Link:

<https://doi.org/10.5281/zenodo.22339288>



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A Literature Review on the Role of Administrative System of Charitable Trusts in Organisational Performance

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Abstract

The third sector, specifically charitable trusts, plays an important role in socio-profitable development by bridging the shortcomings in government public service provision and promoting well-acquainted conditioning. The efficacy and viability of such associations primarily rely on their executive systems, including governance mechanisms, fiscal operation methods, non-supervisory compliance, and operational processes. This research paper offers a thorough literature review on the role played by executive systems in influencing organisational effectiveness and efficiency. The review process rests upon secondary data sourced from scholarly books, peer-reviewed journals, statutory documents, and empirical studies. The review draws from existing knowledge to explore the contribution made by executive mechanisms towards organisational effectiveness, transparency, and sustainability. The review brings out several significant issues relating to governance and accountability, management of funds, stakeholder trust, and compliance with non-supervisory requirements as key factors affecting organisational effectiveness. According to the literature review, a well-developed executive system improves organisational effectiveness through effective application of financial resources, maintenance of operational transparency, and building of stakeholder credibility. Well-established executive mechanisms facilitate efficient decision-making and improve organisational effectiveness. Nevertheless, it is important to note that the research demonstrates another critical gap in the being studies, in particular, the low level of empiric researches related to the performance issues. Finally, this paper focuses on the necessity to conduct future unborn research to create common criteria and standards of performance indicators, as well as to consider the use of new digital technologies in non-profit organization management...

Keywords: Charitable Trusts, Administrative System, Governance, Transparency, Accountability, NGO, NPO.

Introduction

Charitable trusts are an important part of the nonprofit sector, especially in emerging economies such as India, where they serve as vital sources of social welfare, education, and healthcare. They function based on specific laws and regulations that govern their organizational setup, purpose, and activities. Administrative systems in charitable trusts refer to the guidelines, regulations, and management structures governing their operations. Administrative systems in charities include aspects such as decision-making, fund management, legal considerations, and stakeholder coordination. Administrative systems are very important in ensuring that nonprofit organizations achieve their missions and visions. As the sector grows in size and scope, the management of charitable trusts becomes increasingly complicated. Consequently, nonprofit organizations face greater challenges in managing the resources at their disposal efficiently. Lack of proper administrative systems could result in poor decision-making, misuse of resources, loss of trust from donors, and inability to fulfill organizational objectives. Researchers have documented the importance of administrative systems in nonprofits in various scholarly publications. The importance of proper governance, transparency, and accountability in nonprofits has been emphasized extensively. Despite the extensive coverage of the topic, there is a need for a systematic review of previous studies to highlight the importance of administrative systems in Organization.

The increasingly competitive world in which nonprofits operate has made it necessary for them to have performance-based administration systems. Apart from ensuring that their goals are achieved, nonprofit organisations are required to show results.

How to Cite this Article:

Ghule, S. S. (2026). A Literature Review on the Role of Administrative System of Charitable Trusts in Organisational Performance. *The International Journal of Commerce Management and Business Law in International Research*, 3(2), 341–344. <https://doi.org/10.5281/zenodo.22339288>

- Efficient administrative processes help charitable trusts to coordinate various efforts towards achieving the objectives set out in their vision and mission statements. Although the significance of the efficiency of administration as an important criterion of successful operation is increasingly acknowledged, there are insufficient works summarizing the influence of the issue on organisational performance in charitable trusts. Most researches deal with the problems of governance, finance, or accountability separately, neglecting the combined impact on organisational functioning made through administration. Therefore, a review of literature on the issue appears necessary for obtaining sufficient evidence on the topic.

Problem Statement

In spite of increasing relevance of charitable trusts in socio-economic development, some nonprofit organisations experience various problems with administrative systems. Inefficient governance, poor transparency, improper financial control, and failure to comply with regulation are some common issues faced by nonprofit organisations. Though there are numerous sources dedicated to nonprofit organisation management, most of them focus on general questions. The issue of interconnections between administrative systems and organisational performance in charitable trusts has not yet been researched thoroughly.

Also, due to differences in legal environments, structural differences, and the overall operating environment, generalization becomes a tough task when comparing results between different regions. Specifically, in the Indian setting, especially in states such as Maharashtra, the functioning of charitable trusts takes place within a very complicated legal environment, making administrative activities even more difficult.

As a result, it is important to carry out a critical review of the current literature with an aim to determine important aspects that affect administrative effectiveness and subsequently organizational effectiveness. The current study aims at addressing this gap by carrying out an extensive literature review.

Objectives

1. To conduct a comprehensive review of past literature related to administrative systems in charitable trusts.
2. To evaluate the link between administrative strategies and organisational performance.
3. To determine major factors that affect efficiency and effectiveness of non-profit organisations.
4. To evaluate governance, financing, and other issues related to performance.
5. To point out lacunae in the existing literature and indicate areas for further research.

Hypotheses

- 1) **H1:** An effective administrative system affects organisational performance of charitable trusts positively.

- 2) **H2:** Transparency and accountability have a significant impact on stakeholder confidence and organisational effectiveness.
- 3) **H3:** Effective financial management facilitates sustainable development of charitable trust.
- 4) **H4:** Compliance with regulations and legal requirements improves organisational performance.

Scope of the Study

This research seeks to provide an overview of literature dealing with the administration of charitable trusts and their effects on organizational performance. This project will cover:

Governance and administration within non-profit organizations

- Financial administration and resource management
- Regulatory environment surrounding charitable trusts
- Stakeholders' perception and trust
- Trends of growth and development within non-profit organizations

It should be noted that this research is focused on the Indian setting, although other international viewpoints may be incorporated when necessary. The research will only consider secondary sources such as books, journals, and law publications

Limitations of the Study

- It is based solely on secondary research and does not involve any primary data analysis.
- There is little literature available on the connection between administration and performance.
- Findings might not be universally applicable due to varying organizational and legal environments.
- The absence of performance measurement standards in nonprofits makes comparison difficult.

Data Collection

This study makes use of secondary data only. Information regarding the subject has been gathered from various sources including books, journals, legal provisions, and other relevant literature pertaining to non-profit organisations and charitable trusts. The collected literature mainly concerns issues pertaining to administration, governance, finances, and organisational efficiency of charitable institutions.

Research Methodology

This research has been conducted by following a qualitative methodology, which involves conducting a literature review.

Nature of Study

This study can be considered conceptual and analytical since its aim is to synthesize the current body of knowledge rather than gathering new information.

Sources of Data

This research is purely based on secondary sources, which include:

- Books on nonprofit management
- Journal articles

- Government publications and legal documents
- Research reports and case studies

Discussion

Some important elements of administrative systems that have been highlighted through literature include their direct and indirect influence on organisational performance in relation to the operations of charitable trusts. This particular aspect of the review of literature forms the basic building blocks of managing non-profit organizations and plays a crucial role in terms of ensuring their effectiveness and sustainability. Literature reveals that administrative systems play a very significant role in determining the manner in which the objectives of organizations can be achieved in the present scenario.

In terms of methodology, the primary goal of carrying out such a literature review is to consolidate knowledge about the relationship between administrative systems and organizational performance. In addition, it would help in identifying important aspects of the topic that require further study, including any research gaps identified. More importantly, it would allow the researcher to build up a theoretical framework regarding the relationship between the two variables.

Another important function of the literature review is that it provides a valuable framework for comparing and contrasting various scholarly views on governance, financial management, and accountability in charitable trusts. By conducting an assessment of several studies, the researcher will be able to gain a deeper insight into the development of managerial strategies and their growing importance in terms of improving organizational efficiency.

Governance and Administrative Structure:

Effective governance is seen as the basis of efficient administrative systems in charitable trusts. This is because an effective governance structure enables clarity in terms of responsibilities, authority, and role. Research shows that organizations which have a defined administrative hierarchy and process are better able to be efficient. Effective governance will ensure that an organization is able to plan strategically, formulate policies, and monitor its activities. As such, effective governance systems ensure that there is efficiency in the organization. Additionally, participative and transparent governance systems enhance coordination within the organizational setup.

Financial Management:

It is seen that effective financial management plays an important role in determining the performance of an organization. Literature points out that systematic budgeting, regular auditing, and proper accounting practices are crucial in ensuring effective use of finances. Financial management enables an organization to prevent misuse and wastage of resources. It also enables the organization to build credibility amongst the concerned stakeholders. Effective fund management helps the organization to utilize the funds effectively to maximize their impact.

Transparency and Accountability:

Transparency and accountability form essential elements that support stakeholder confidence in charitable trusts. Consistently, the literature stresses the importance of openness in organizational procedures and dealings as means of gaining public trust. Effective mechanisms that foster accountability through the use of internal control systems, reporting systems, and performance management systems enable organisations to conduct activities within the confines of their objectives. Communication and transparency with stakeholders, both donors and beneficiaries, lead to effective engagements and foster strong relations. Without transparency, even well-intentioned organizations may be exposed to credibility problems that could affect their performance and viability.

Regulatory Compliance:

The element of regulatory compliance forms an important feature in administrative systems that influence organisational legitimacy. There are different legal statutes that apply to the establishment, registration, financial reports, and operations of charitable trusts. These provisions ensure that organizations conduct themselves within legal and ethical frameworks. It is apparent from the literature that regulatory compliance not only prevents organizations from being involved in any legal trouble but also enhances their reputations and increases their credibility. Moreover, compliance requirements ensure better documentation procedures in organisations.

Organisational Performance:

The performance of the charitable trust organizations depends greatly on the efficiency of the administrative structure. With efficient administrative structure coordination, there would be increased efficiency of the organization, efficient resource management, and reduced organizational risk. According to the literature review, efficiency in the administrative processes of an organization would help the organization to function effectively in realizing its set objectives with no inconsistencies in the services provided. Efficiency in the administrative process also allows for proper monitoring and evaluation of the organization, which enables them to assess their effectiveness.

Conclusion

This study underscores the significance of administrative systems when it comes to determining the performance of charitable trusts. Governance, finances, transparency, and regulations are among those variables which can significantly affect performance and sustainability.

This study suggests that organizations with effective administrative systems would have the ability to meet their objectives and maintain their credibility. However, little research exists on the link between performance and administrative systems.

Further work needs to focus on developing performance measures and the role of information technology in improving administrative systems.

Acknowledgment

I would also like to acknowledge the contributions of researchers, academicians, administrators, and professionals in the field of nonprofit management and charitable organizations whose published articles, books, reports, and research studies formed the foundation of this review. Their scholarly work provided valuable insights into administrative systems, governance practices, and organizational performance in charitable trusts. My sincere appreciation is extended to the library staff and online research databases for facilitating access to relevant literature and reference materials essential for the successful completion of this study.

Financial support and sponsorship

Nil.

Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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