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# A Typology of Organisations in the Indian Social Sector

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## Abstract




The Indian social sector is one of the largest and growing social economies across the world. However, there is lack of understanding of the variety of organisations in this sector as the existing typologies of social sector organisations are not suitable to understand the Indian social sector. This is because of two main reasons: first, the literature has largely concentrated on typologies of social sector enterprises in the developed economies of the West especially North America and European Union. Second, the different demands of the social sector in developed economies have led to growth of social sector enterprises which are widely different in form and structure compared to the Indian social sector organisations. With a view to fill this gap in the existing research, first we provide an overview of the existing typologies of social sector enterprises. Second, we suggest a typology that considers different characteristics simultaneously to provide a hierarchical typology of social sector organisations in India. We conclude the discussion with identification of the factors to be considered for application of this typology.

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Version: 30-08-2022

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## Introduction

With 3.3 million non-profit institutions (NPIs) employing over 18.22 million people<sup>1</sup>, supported by contributions from funders, enabling organisations, the government, and businesses, the Indian development sector is one of the largest and most active social economies in the world. Despite this growing importance, the sector remains poorly understood, making it difficult to determine its capabilities or to attract attention to institutional and ecosystem challenges. Consequently, while the sector continues to address the modern-day crisis for a more just and safe space for humanity, there is increased ambiguity regarding the extent and scope of the sector, and its true nature that is manifested in the emerging organisational form and fabric (Salamon et al. 1993).

The first attempts to recognize and build appreciation for different types of organisations in the non-profit sector began in 1948 with the U.N. International Standard Industrial Classification System (ISIC) wherein organisations were classified based on their economic activity. The classification system recognized 17 different categories of organisations wherein, non-profits comprised 3 of the 17 categories identified. The classification system although failed to give sufficient prominence to non-governmental organisations (NGOs)/ SPOs but was a critical milestone towards formal recognition of non-profits in global classification systems of organisations and standards. Since then, many classification models have been introduced globally, regionally, and nationally to build an empirical understanding of nature and form of non-profit organisations in the social impact sector (Table 1). Most of these classification systems consider principal economic activity, function, membership/ client group, legal form or status, and operating model as key parameters for the design of organisation typology.

The analysis of literature on typology of nonprofit organisations, points to the Johns Hopkins Comparative Nonprofit Sector Project (CNP) as the first of its kind, systematic effort to analyse the scope, structure, financing, and role of the private nonprofit sector in countries around the world. Started in 1991, this project grew out of an increased need for basic information about SPOs towards undertaking a reappraisal of the respective roles of the market, state, and private, nonprofit organizations. It was during this time that the first attempt to formally develop a sector wide classification system for Indian nonprofit organisations was undertaken [Salamon et al. (1992); Salamon et al. (1993)]. While legal status or structure and philosophical or ideological affiliations can be identified as key factors based on which early classification systems of Indian SPOs were developed, papers studied under this literature review point to use of factors like economic activity, organisation function, legal form or status, size, membership, structure, sustainability, performance models between 1948 and 2022. Most scholars acknowledge the

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<sup>1</sup> The survey report in its definition of non-profit institutions include schools, hospitals, religious trusts and other charitable organisations. Central Statistical Organisation, Ministry of Statistics and Program Implementation, India. 2009. Measuring the Informal Economy in Developing Countries- A Survey on Non-Profit Institutions in India– Some Findings. Kathmandu, Nepal. Accessed May 2018. <http://www.iariw.org/papers/2009/9a%20CSO.pdf>

importance of a classification system for empirically engaging with and defining social sector organisations [Desai and Preston (2000); Salamon et al. (1993); Salamon et al. (1992)].

This paper attempts to bring together insights from secondary literature towards developing a typology of organisations relevant and appropriate to management research on Indian SPOs. Sections 2 and 3 of this paper present findings from a literature review exercise undertaken to analyze published models of nonprofit classification adopted in India and in other parts of the world. Section 4 presents the proposed typology using a functional or work orientation model that incorporates factors of governance philosophy and organisation maturity for the Indian Social sector. The paper ends with section 5 which includes a discussion on the challenges associated with the proposed typology and identifies need for further research towards empirically validating the merit of the said typology.

## **The need for a context-appropriate classification system**

The lack of attention to the non-profit sector and the study of organisations in the sector thereof has been due to a number of factors including the complexity within which social purpose organisations operate. To be able to perform with effectiveness and efficiency within such complexity and ambiguity requires social purpose organisations to remain agile, collaborative, and constantly responding to the embedded context [Pandey and Diwakar (2018); Tandon and David Brown (2013); Padaki (2000); Padaki (2002); Ackoff (1994); Ackoff (1999); Kofman and Senge (1993)]. While leaders in the social sector continue to engage and nurture a learning orientation within organisations, knowledge creation in management functions of non-profits calls for a fundamentally different way of viewing the organisation itself as an open system with porous boundaries predisposed to strengthening interfaces, synergistic performance at several levels and the ability to sense emerging shifts for enabling necessary pivots in its form and functions [Padaki (2002); Salamon and Anheier (1992)].

## ***Defining Social Purpose Organisations and SPOs:***

The paper defines social purpose organisations as statutorily constituted, non-government / private, non-profit distributing organisations with an explicitly defined core mandate of accomplishing the social purpose of equitable development for all. This definition was drawn from the study of existing literature on non-profits and arrived at through identification of key criteria that can be applied to the varied and complex institutional fabric of the Indian Social Sector. In particular, this definition allows for identification of clear boundaries that separate social purpose organisations from other types of social, economic, and political institutions. The definition also permits appropriate inclusion of emerging forms of hybrid organisations and social enterprises in the institutional fabric of the social sector. The term SPOs hence in the context of this paper includes emerging forms of social purpose organisations like social enterprises and ecosystem enablers offering dedicated consulting services to other non-profits.

## ***The challenge of classification:***

Identifying systematic similarities, difference, and creation of appropriate grouping of social purpose organisations is critical for creation of appropriate frameworks for the study of management practices in social sector. Benchmarking a highly diverse Indian social sector as one whole, runs the risk of incomplete and incorrect comparisons. While the definition of social purpose organisations enables identification of common characteristics that underline all forms of organisations in the sector, a robust typology framework facilitates understanding of differences between and within archetypes permitting analysis and causal explorations in knowledge creation (Salamon et al. 1993). Thus, identifying appropriate groupings on a systematic basis shall enable informed and robust research on non-profit organisations in the sector. The process of arriving at such effective typology, however, is fraught with challenges. Variables like organisation size may be sufficient for study of certain aspects but a nuanced understanding of management practices in the sectors commands a more complex classification that accounts for more than one central variable.

Salamon and Anheier (1992) further highlight the importance of identifying an appropriate unit of analysis in the process of creating a typology for social purpose organisations. One of the key characteristics of a unit of analysis is that it is homogenous in terms of the factor of interest that is being studied. While an organisation may be an appropriate unit of analysis when it comes to variables like size, other variables like function and work orientation may often require a programmatic unit within an organisation as the unit of analysis. This is particularly true in case of complex organisations that have developed more than one core offerings with different and / or overlapping work orientations. The next section captures various existing classification systems developed across countries and regions. A study of these existing classification systems highlights plausible basis for developing an appropriate typology of organisations in the Indian social sector.

## **Review of existing classification systems/models**

The literature review attempts to analyse the published literature on typology of organisations in the social sector. The review includes study of both content and methods of classification adopted in the identified literature. Findings for this study shall inform the development of an organisational typology for Indian social sector, particularly for the study of management practices in social purpose organisations.

## ***Methodology***

The key questions that the literature review engages with are, what are the existing classification systems for social purpose organisations? What are the central variables that inform the design and development of these classification systems?

The following keywords were used for 'title search' on the google scholar database – "Classification", "Typology", "Nonprofit organisation", "non-government organisation",

“Voluntary organisation”, “social sector”, “development sector”. A total of 10 search strings were developed using combinations of these keywords. These were:

1. “Typology” and “Nonprofit organisation”
2. “Typology” and “Non-government organisation”
3. “Typology” and “voluntary organisation”
4. “Typology” and “social sector”
5. “Typology” and “development sector”
6. “Classification” and “Nonprofit organisation”
7. “Classification” and “Non-government organisation”
8. “Classification” and “voluntary organisation”
9. “Classification” and “social sector”
10. “Classification” and “development sector”

The key database used for this literature review was Google scholar and Elsevier. A total of 87 search results were identified using various keyword combinations. Further reading of the search results led to identification of 10 relevant papers. To ensure all relevant literature was included in the review, a snowballing approach was used wherein bibliographies of all relevant papers were studied for identification of additional 23 publications on the subject. This review presents findings from a total of 33 publications including journal articles and books that capture different classifications systems for the social sector. This search was later complemented by a further search on Scopus for relevant papers using the same set of keywords and 7 recent papers were deemed relevant to be added to the review.

### ***Review of existing classification systems for non-profit organisations:***

The 33 classification systems presented in this section offer insights into a few common central variables like economic activity, function, operational level/ size, legal status as basis for the design and use of these classifications. It is important to note that while there exists certain common design principles in these classifications systems, each of these classification systems offers insights into the new dimensions of relevance that should draw attention. Most of the classification systems presented below also agree with a legal definition of SPOs in agreement with legal codes of respective countries.

#### **International Standard Industrial Classification System by U.N. (1948)**

The U.N. International Standard Industrial Classification System (ISIC) is a coherent and consistent classification structure of economic activities based on a set of internationally agreed concepts, definitions, principles, and classification rules. The original version of the ISIC classification system was first adopted in 1948 by the United Nations at an international level, based on the experience of US. Since its adoption by the UN, the principal goal of the ISIC system has been to provide a reference for classification of activities that can be used for collection and reporting of information on economic activities. The ISIC system is widely used across nations to collect and report economic data in a predetermined format designed for economic analysis, decision taking and policy making. In addition to its primary application in statistics and subsequent economic



analysis, where information needs to be provided for narrowly defined economic activities (also referred to as “industries”), ISIC is being increasingly used across nations for administrative purposes, such as in tax collection, issuing of business licenses etc.

ISIC covers economic activities within the production boundary of the System of National Accounts (SNA). It classifies organisations according to principal economic activity undertaken by an organisation. The economic activities are subdivided in a hierarchical, four-level structure of mutually exclusive categories for data collection and analysis. Categories at the highest level are called sections, which are alphabetically coded categories for facilitation of economic analysis. The ISIC categorizes organisations into 17 broad ‘sections’. These sections are further subdivided into broad groupings called ‘divisions’ and consequently organized into more detailed categories, which are numerically coded into two-digits, three-digits and four-digit classes. The ISIC has a total of 60 divisions and further divides each division into 9 groups.

The principal advantage of ISIC is its high degree of precision and organizing power cross-nationally (Salamon and Anheier 1994). Moreover, the application of ISIC to the nonprofit sector is economical as the classification exists in the economic data systems of several countries. Despite the precision and ease of application to the nonprofit sector, the ISIC system suffers from several drawbacks. First, the definition of nonprofit sector under the ISIC system excludes organisations that receive half or more of their income from fees or government support. Thus, the types of nonprofit organisations that are differentiated in ISIC are limited. Most of the organisations that fall under the nonprofit sector would be classified into one of the three broad classes identified under ISIC and relevant for SPOs: education; health and social work; other community, social and personal activities. Second, the ISIC system does offer a strong economic logic to organize industrial with rigour it lacks the organizing power particularly for SPOs, as it fails to provide sufficient prominence and appropriate groupings to social sector organisations. As the number of SPOs increase to become an increasingly significant part of the social sector, the failure of ISIC to accommodate and distinguish between different types of SPOs decreases its significance in defining a robust typology for the social sector.

### Theory of Voluntary Associations in the form of typology (Gordon and Babchuk 1959)

C. Wayne Gordon and Nicholas Bechuk in their paper titled “A Typology of Voluntary Associations” propose a membership-based articulation of a sociological classification of voluntary associations in the U.S. It also suggests criteria for ranking organisations, in the absence of a standardized organisational ranking system.

During the 1950s, most scholars inclined towards a member-based articulation of nonprofit typology used demographics characteristics, socio-economic background, ethnicity, class and race as the central variables (Lynd, Warner, Komarovsky, . While it has been established through the works of these scholars that there is a relationship between voluntary associations and demographic characteristics, such analysis offers little insight for interpretation of a systematic framework for study of voluntary associations. Gordon and Bechuk (1959), on the other hand,

use degree of accessibility of membership, status conferring capacity, and the function of the organisation as key variables that determine the nature and form of organisations.

**Degree of accessibility of the organisation-** Based on the degree of accessibility, voluntary associations are classified into two types. Highly accessible organisations include those which require few or no qualifications for membership and tend to consist of a large number of members. Examples of highly accessible organisations include the Young Men's Christian Association (YMCA). In contrast, organisations with low accessibility have minimum membership requirements for admission. Associations with low accessibility are further subdivided into two major types. First, it includes organisations whose membership is limited by the highly selective criteria of achievement or talent or both, for instance, the International Sociological Association (ISA). Second, organisations whose membership is qualified by formally ascriptive qualities limited through a device such as kinship such as the Daughters of American Revolution (DAR).

**Status conferring capacity-** "Status conferring capacity" refers to the capacity of an organization to bestow prestige or to be associated with prestige which accrues to its members. Based on the status conferring capacity, voluntary associations can be classified into high or low status conferring organisations. Organisations that engage in activities highly valued by the society confer high status to its members such as the American Medical Association, Eagle Scouts, or the Indian National Academy of Engineering. The other category includes organisations that do not confer prestige on their members through their activities such as the YMCA.

**Function-** Based on the principal function, voluntary associations are classified into three major categories: expressive, instrumental-expressive, instrumental organisations. Expressive organisations are those which perform a function primarily for the individual participants through activities confined and self-contained within the organisation itself. Examples of expressive organisations include senior citizens' clubs, sports associations, etc. Instrumental organisations include organisations whose major function and orientation are related to activities which take place outside the organisation. Examples of instrumental organisations include Americans for Democratic Action, the Young Republican Club, etc. Instrumental-expressive organisations incorporate both functions inside and outside the organisation simultaneously, such as vartaLeap Coalition.

This typology of voluntary associations as a classification scheme has been used in the analysis of relationships between membership characteristics (age, sex, nativity, education) and the organisation itself (status, accessibility, function). The membership criteria, the activities of the organisation and its state objectives relate to the functions of organisations and warrants further analysis. Such analysis enables comparative study of organisations beyond the study of demographic characteristics within and across organisations.



### Eurostat General Industrial Classification of Economics Activities by European Statistical Office (1970)

The General Industrial Classification of Economic Activities (NACE) was originally formulated by the European Statistical Office in 1970 (Salamon and Anheier 1992). It was developed to provide necessary improvements to the basic ISIC system. The NACE system added two major categories of organisations to ISIC, namely, “research and development” and “recreation and culture” (included as part of “other community services” under ISIC).

The main advantage of the NACE system is that the addition of two new categories to the ISIC usefully tightens the “Other Community, Social, and Personal Services” category and highlights the role of nonprofit research bodies. In spite of the advantages of the NACE additions to ISIC, the NACE suffers from many of the drawbacks that ISIC has as the NACE is based on the ISIC system. For example, similar to the ISIC, NACE fails to differentiate between types of “social work” and related social welfare activities. These activities are grouped under two broad categories of “social work” and “social homes”, limiting the potential for comparative analysis of organisations within and across these categories. Moreover, the NACE system does not overcome the definitional limitation of the ISIC system. NACE focuses only on “donative” SPOs and excludes organisations that receive significant income from the government or fees. The NACE system is narrower compared to the original ISIC system because it restricts the definition of SPOs to organisations providing “nonmarket” services. Therefore, NACE also excludes certain major types of nonprofit activities and organisations from the purview of the classification system. Like the ISIC, the NACE also fails to accommodate the growing category of NGOs in its definition of nonprofit organisations.

### Classification Based on Membership and Volunteer Participation (Hougland 1979)

Hougland (1979) introduced a typology of voluntary organisations based on membership and participation among volunteers in the paper titled “Toward A Participation-Based Typology of Voluntary Organizations”. This typology was developed on the basis of survey data gathered from 3115 respondents during 1973 in North Carolina, U.S.

Based on factor analyses of membership and participation, Houghland classifies voluntary organisations into ten categories: veterans (e.g., veterans of foreign wars), farms (e.g., Farm Bureau), fraternal and social (e.g., country clubs), business (e.g., Chamber of Commerce), service and civic (e.g., volunteer fire department), political (e.g., young Democrats), professional (e.g., American Medical Association), agency/ board (e.g., Red Cross), and labour unions. The survey results find that members in a variety of organisations differ from members in veteran organisations and labour unions.

Through his analysis, Houghland (1979) proposes that a typology using a combination of broad and narrow categories to study patterns of behaviour more accurately. The findings regarding members of participants in one type of organisation can be legitimately applied to the members or participants of several other types of organisations, except in case of categories (unions and veterans) that draw from different pools of potential participants than most other organisations.

While the key findings present a classification of membership and participation in nonprofit organisations, they do not present inferences for classification of organisations themselves, thus limiting its scope and potential to develop/ design a typology of SPOs. Second, the relative complexity of patterns among females and low-income males suggests that such demographic categories need to be specifically looked into for future research. Houghland further emphasizes on the need to study such patterns of behaviour across organisational types to develop an empirically sound understanding of voluntary organisations.

### Taxonomy of Human Services by Infoline, Los Angeles (1983)

The AIRS/ INFOLINE taxonomy of human services was developed by the Infoline of Los Angeles and is used by information and referral programs throughout the country as well as state and government offices. This taxonomy of human services by Georgia Sales was first mentioned in the paper titled “A Taxonomy of Human Services” in Sales (1994). The principal aim of this taxonomy is to index and access community resources with the primary intention to help match individuals with needed services.

The taxonomy consists mainly of 10 major service categories, arranged alphabetically, then hierarchically from the most fundamental types of services required through the most general services provided; more than 5,000 separate classifications, include community groups and services as well as target populations.

While this taxonomy has the advantage of including a large and disparate group of activities, it also suffers from a number of limitations. First, it is very detailed and includes more than 5,000 separate classifications. Users may find it difficult to effectively implement the 5,000 separate categories. Second, the taxonomy covers organisations outside the nonprofit sector, including public programs and for-profit establishments such as restaurants. Third, it is hard to classify programs of philanthropic organisations, research institutes, advocacy, and civil right organisations. Fourth, the structure of the taxonomy does not reflect broad subdivisions within the nonprofit universe; for example, arts and culture are subsets of leisure activities.

### Classification of rural “local” organisations (Esman and Uphoff 1984)

M.J. Esman and N.T. Uphoff provide a classification of rural “local” organisations also addressed as community-based organisations.

The key parameters of the proposed classification framework include area/ region, economic resources, and membership. Based on these variables, rural “local” organisations are classified into three main types. First, local development associations are area-based (bring together people within a community or region to promote development by self-help) and multi-functional (undertake a wide variety of tasks). Second, local organisations include cooperatives which represent a wide range of organisations and are characterized by pooling of economic resources. Third, interest associations are formed by common features of membership and can be further classified into two types: categorical and functional. Categorical interest associations bring

together people of similar ethnic, religious or economic status while functional interest associations represent those who wish to make specific improvements in areas such as primary education, public health, or water management.

### DAWN Classification Scheme of NGOs (DAWN 1986)

The DAWN classification scheme was proposed by the Development Alternatives with Women for a New Era (DAWN) in 1986 and focused specifically on women's NGOs. It was one of the first published attempts towards developing a classification scheme for Indian nonprofit organisations. This system evaluates different categories of NGOs on the basis of how or whether it contributes to feminist ideals.

DAWN categorized NGOs into broad categories of "institutional location", "organisational composition" and "activity content". These broad categories are further subdivided into seven overlapping types according to how effectively the NGOs meet the goals of assisting women in accomplishing empowerment through organisations. The seven overlapping types of NGOs under the DAWN scheme are: "outside-initiated", "small grassroots", "worker-based", "affiliated with a political party", "service-oriented", "research type" and "coalitions". Each of these organisational types capture the functional orientation of organisations while offering an analysis of relationship between organisation, membership, and overall goals / objectives.

### National Taxonomy of Exempt Entities by National Center for Charitable Statistics (1987)

The National Taxonomy of Exempt Entities (NTEE) was developed by the National Center for Charitable Statistics (NCCS), a division of Independent Sector in the U.S. It was originally formulated to move ahead of the cumbersome classification system used by the Internal Revenue Service to classify charitable, nonprofit organisations in the U.S. The NTEE classification system was developed on the basis of purpose codes used by the Internal Revenue Service using the IRS forms 990 filed annually by charities. The classification systems enable a robust method to study organisations using programs, services, and activities with an appropriate level of detail.

The NTEE system classifies nonprofit organisations into 10 broad categories (Arts, culture and humanities; education; environment and animals; health; human services; international, foreign affairs; public, societal benefit; religion-related; mutual/ membership benefit; unknown, unclassified) which are arranged topically and further subdivided into 26 major groups. Each of the 26 major groups is then further divided into 17 "common activities" and up to 80 additional activities specific to the groups.

Compared to ISIC, the NTEE classification system is more appropriate for international usage and comparison. It has a substantial degree of combinatorial richness as it has a variety of distinctions for different kinds of activities undertaken by the nonprofit sector. However, the NTEE system also suffers from conceptual and practical limitations. From the conceptual point of view, certain types of organisations such as religious institutions in the U.S. which are not required to file a tax return are disproportionately represented in the survey for taxonomy as the taxonomy is entirely

based on the data from tax returns filed by the organisations. This classification scheme also faces a number of challenges. First, small charitable organisations are excluded from the sample as these organisations do not file tax returns. Second, Salamon et al. (1992) point out that the differentiation of organisational types is so fine that some codes are reserved for certain named organisations rather than for certain types of organisations and comes close to a listing of agencies as opposed to what a classification system should be. Third, there are systematic differences in the ease of applying purpose codes to organisations especially in highly institutionalized fields. Fourth, it is difficult to classify organisations with idiosyncratic and uninformative names especially in less institutionalized fields (Gronbjerg, 1994).

### Classification of NGOs based on 'work orientation' (Elliott 1987)

In the paper titled "Some aspects of relations between the north and south in the NGO sector", C. Elliott propose a classification scheme based on a "position" on what constitutes development or primary work orientation of the organisation.

While the paper offers three distinct categories into which SPOs can be classified, Elliott suggests that none of these categories are mutually exclusive in nature and there are likely to be overlaps given many organisations pursue two or more work orientations in the design of their interventions. The three main categories based on work orientations proposed by Elliott are: welfare orientation (organisations that deliver services or provision goods / products for specific groups or communities), developmental orientation (organisations that intervene through development projects with ultimate goal improvement in the capacity of a community to provide for its own basic needs) and empowerment orientation (organisations that "see poverty as the result of political processes and is therefore committed to enabling communities to become active participants in determination of development processes and pathways). The classification system thus revolves around the type of goals that an organisation aims to fulfil and may be reasonably applied to classification of SPOs. A challenge in application of this classification system is that such broad categorization may often lead to inability of research designs to bring out relationships between demographic and exogenous variables.

### Classification of NGOs based on client group [Korten (1987); Korten (1990)]

In the paper titled "Third Generation NGO Strategies: A Key to People-Centred Development" (1987) and book titled "Getting to the 21st Century" (1990), D. Korten discussed a generic two category classification system of SPOs based on client groups. These include:

**People's organisations-** People's organisations are "first party" or membership organisations.

**Third party or service organisations-** Third party or service organisations are further classified into voluntary organisations (SPOs that are "value driven" or intended to serve the real needs of the population), public service contractors (NGOs that are "market driven" or cater to the policy priorities of the public sector and donor budgets), government SPOs.

Korten further discusses the evolution of “development-oriented” SPOs and suggests a classification scheme for such organisations based on their levels of operation and work orientation.

### Classification based on levels of operation (Brown and Covey 1987)

Brown and Covey (1987) propose a generic classification system for SPOs based on the level of operation. This classification system took an evolutionary and macro-level view of SPOs and classified them into four major categories: people’s organisations (or members’ organisations which are community-based), developmental NGOs (which operate at the national level), international voluntary agencies and bridging organisations (which act as intermediary institutions and facilitate a range of functions including building associations, networking, partnership, and coalitions among organisations).

### Classification of third sector (VanTil 1988)

VanTil (1988) introduced a generic classification of tax-exempt organisations in the “third” sector in his paper titled “Mapping the Third Sector: Voluntarism in a Changing Social Economy”.

Tax-exempt organisations of the third sector are classified into four super groups which are further classified into sub-groups. The four super groups and their subcategories are:

**Human Services-** Human services include organisations that have the primary goal of providing direct benefits, products and services to individuals and their families. This group is further classified into human services, health services, education, and research.

**Public Services-** Public services include organisations that primarily provide benefits and services for the public good. This group is further classified into arts and culture, civic and social action.

**Membership Services-** Membership services consist of organisations that primarily provide benefits and services to its members in exchange for their membership. This group is further classified into membership benefit organisations, religious organisations.

**Organizational Services-** Organizational services include organisations whose primary function is to provide funds or services to other organisations. This group is further classified into philanthropic services and fundraising.

The classification system uses core functions of the organisations as a central organizing theme for design and identification of above categories. The sub-categories enable further groupings with an opportunity to study relationship between work orientation, nature of services, and membership.

### Classification of NGOs based on level of operation (Bratton 1989)

Bratton (1989) provided a classification of SPOs in Africa in the paper titled “The politics of government-NGO relations in Africa”. The variables used for classification of SPOs are levels of operation and client group. Based on the levels of operation, NGOs in Africa are classified into

- Community/ national NGOs (more commonly called indigenous NGOs) and,
- International NGOs.

On the basis of client groups, indigenous NGOs are further subdivided into membership organisations that help themselves and service organisations that help others.

### Nomenclature des domaines d'action associations (Salamon and Anheier 1992)

In the paper titled “In search of non-profit sector II: The problem of classification”, Salamon and Anheier (1992) discussed the Nomenclature des domaines d'action associations proposed by the French Statistical Office. The classification system consists of organisational groupings based on ten distinct domains of activity. These ten domains of activity are further categorized into 64 subdomains. The main drawback of this classification system is that much of this classification scheme is peculiar to French national circumstances such as the distinction between university-based sports activities and other sports clubs, or the inclusion of the “Transport and Communication” domain.

### Three-dimensional system for classification of voluntary sector organisations (Welch 1990)

In the book titled “Building the Shadow State” on the voluntary sector in the U.S., J. Welch proposed a three-dimensional framework for the classification of social sector organisations. The three main categories of voluntary organisations under this classification system are:

**Advocacy-direct service-** Whether an organisation is involved with providing services or seeking “to affect the outcomes of public or private decisions on issues that impact immediate clients or broader constituencies”, this category includes all such SPOs working in the sector.

**Commodified-non commodified-** SPOs providing cash payments for the goods or services provided.

**Participatory or elitist-** The extent to which the production of output by the SPO involves consumers or clients.

The above three categories developed by Welch (1990), underline functional dimensions of work orientation and membership engagement of key stakeholders.



### American Association of Fund-Raising Counsel (AAFRC) Classification System (Weber 1991)

In the 1991 version of the “Giving USA: The Annual Report on Philanthropy for The Year 1990” report, Nathan Weber proposed the AAFRC classification system of tax-exempt organisations.

Similar to the classification of the third sector by John Van Til (1988), the AAFRC classifies tax-exempt organisations into four super groups which are further classified into sub-groups. The four super groups and their sub-groups are:

**Human Services-** Human services include organisations that have the primary goal of providing direct benefits and services to individuals and their families. This group is further classified into human services, health, education.

**Public Services-** Public services include organisations that primarily provide benefits and services for the public good. This group is further classified into arts, culture, and humanities; public/society benefit.

**Membership Services-** Membership services consist of organisations that primarily provide benefits and services to its members in exchange for their membership. Religious organisations are included in this category.

**Organisational Services-** Organizational services include organisations whose primary function is to provide funds or services to other organisations. Foundations constitute organisational services under the AAFRC.

Smith (1992) points out the conceptual and practical challenges of the AAFRC classification system. From the conceptual point of view, tax-exempt organisations are too diverse to be clubbed into one sector and of little use for the development of either policy or theory. From a practical standpoint, AAFRC identifies organisations concerned with environmental and international issues at the major group level. The elevation of these substantive areas to the major group level is somewhat unnecessary. Alternatively, it would be more useful to include organisations concerned with environmental or international issues within the sub-category of “advocacy services”. However, the major challenge that continues to impede the utility of the AAFRC is that it does not include membership organisations whose focus is on charitable giving with no direct benefits accrued to the members themselves.

### Classification of voluntary development organisations by PRIA (1991)

In 1991, as part of the John Hopkins Comparative Nonprofit Sector project (CNP) the Society for Participatory Research in Asia introduced the classification framework for voluntary development organisations in India. This typology includes both registered and unregistered nonprofit institutions. The scope of the framework however excludes religious institutions, trusts set up by business houses, consultancy firms for profit and development research institutions or groups.

PRIA classifies SPOs on the basis of three parameters of inspiration, rationale and size. The different kinds of organisations under each of these parameters are discussed as follows:

**Inspiration-** One of the foremost grounds for classification of voluntary development organisations is the inspiration of the founder(s) of the organisation. Motivation of founders provides psychological perspective and analytical framework in viewing the social reality and becomes the basis of work undertaken by voluntary organisations. The three principal types of inspiration are *Gandhian school* (built on the experience of the freedom struggle, and Gandhi's call for constructive social work, to help the rural masses achieve their own economic, social and moral regeneration), *Socialist school* (influence can be seen in the waves of voluntary organisations which emerged out of political struggles, student movement, etc.), *Marxist and neo-Marxist* perspective (voluntary organisations set up to give meaning to this ideological standpoint).

**Rationale-** The second parameter for classification is the rationale for initiating voluntary action. Four major kinds of rationale exist for the formation of voluntary development organisations. The first rationale is based on the premise that people need help, that poor, down-trodden, weak need assistance and help. The second rationale constitutes a world view which could be called developmentalist. The third type is based on the theme of empowerment. The fourth rationale is the belief in the need for support and influence at different levels.

**Size-** Size is one of the main factors that differentiates voluntary development organisations wherein geographical coverage, number of personnel and annual budgets were used as determinants of size of organisations. Based on size, organisations are classified into small, medium, big and large size organisations. Small organisations work in a few villages within a block of a district or a few slums in a part of the city. Medium size organisations tend to cover a block or two in rural areas or several slums in a city and may cover larger canvas if organisations operate at levels other than grassroots. The third category of big organisations are those who employ between 25 and 50 full time employees at different levels and have a budget of INR 5-20 lakhs per annum. Large organisations have more than 100 employees with a budget of around INR 50 lakhs.

The typology concludes that the nature of challenges faced by Indian SPOs differ with their affiliation to above archetypes based on the three parameters of inspiration, rationale, and size.

### International Classification of Nonprofit Organisations (Salamon and Anheier 1992)

The International Classification of Nonprofit Organisations (ICNPO) system was developed by the John Hopkins Comparative Nonprofit Sector Project in 1992. This generic classification scheme took shape on the basis of the ISIC classification so that the existing national income data systems could be used to develop the information to document the scope of the organisations in the classification.

The ICNPO system classifies the nonprofit sector into 12 Major Activity Groups including a “Not Elsewhere Classified” group. These 12 major activity groups are further subdivided into 24 sub-groups. Each of these groups are in turn classified into a number of activities. This classification system does not attempt to achieve standardization at the level of activities because the activities pursued by the nonprofit sector are diverse in nature.

The foremost advantage of the ICNPO system is that the basic national income data systems can be used to generate the data needed for classification as the system is entirely based on the ISIC classification scheme. Second, the ICNPO system makes it possible to differentiate the specific types of nonprofit organisations such as environmental organisations, civil rights organisations, business associations, foundations, etc. whereas the ISIC system combines all these organisations in the category of other activities. Thereby, ICNPO makes it possible to group and regroup nonprofit organisations to account for significant dimensions of the nonprofit sector. Third, the ICNPO system accommodates two crucial distinctions among nonprofit organisations: to separate essentially partisan political organisations from those that are nonpartisan and to differentiate churches, synagogues, mosques, other religious congregations from all other organisations. This lends combinatorial richness to the ICNPO classification system.

Though the ICNPO system overcomes some of the limitations of the ISIC and NTEE system, it also suffers from certain challenges in practice. First, it is difficult to classify numerous environmental organisations principally engaged in advocacy activities under this classification system. Second, the nature of a particular type of organisation varies depending on the stage of political and economic development in a country. For instance, associations of doctors or lawyers that are treated as member-serving trade or professional associations in developed countries would be considered as promoters of free speech and human rights in developing societies. This difference across nations is ignored by ICNPO. Therefore, the rigor of the ICNPO system is less than what was aimed by the John Hopkins Project. Third, the ICNPO system is less economical compared to the ISIC system which contains fewer categories. Consequently, the ICNPO system is harder to use than the ISIC.

#### Classification based on application of Standard Industrial Classification (SIC) codes to private, non-market sector (Smith 1992)

Smith (1992) applied the Standard Industrial Classification (SIC) codes to classify non-profit, tax-exempt organisations in California, U.S. The application of SIC codes to nonprofit organisations is based on the definition of the “private, non-market sector” by the United Nations System of National Accounts (SNA).

The application of the SIC codes to non-profit, tax-exempt organisations leads to classification into four super groups which are further classified into sub-groups. The four super groups and their subcategories are:

**Human Services-** Human services include organisations that have the primary goal of providing direct benefits and services to individuals and their families. This group is further classified into social services, health services, educational services.

**Public Services-** Public services include organisations that primarily provide benefits and services for the public good. This group is further classified into museums, art galleries and advocacy services.

**Membership Services-** Membership services consist of organisations that primarily provide benefits and services to its members in exchange for their membership. Membership and religious organisations are included in this category.

**Organizational Services-** Organizational services include organisations whose primary function is to provide funds or services to other organisations. The organizational services are further categorized into grant-making services and accounting, research, management.

One of the main challenges here is that SIC codes are applied to tax-exempt organisations in general. Tax-exempt organisations are too diverse to be lumped into one sector. To overcome this limitation, non-profit organisations may be classified into the above-mentioned super-groups. Moreover, this uses organisations as the unit of analysis. This forces classification of organisations which undertake different types of activities into one type only. This impoverishes the classification of organisations that are involved in different kinds of activities. Also, the use of the term “non-profit” often ignores large tax-exempt organisations that generate substantial profits.

### Structural/ Operational Classification of NPOs

As part of the international comparative research on the nonprofit sector, the Center for Civil Society Studies of the Johns Hopkins University developed a structural and operational definition of the nonprofit sector in India outlined by Salamon and Anheier (1992). Here, the nonprofit sector is defined as a set of five core structural or operational features that distinguish SPOs from other types of social institutions. Consequently, the nonprofit sector in India is defined as a set of organisations that are formally constituted, nongovernmental in structure, self-governing, non-profit distributing and voluntary in nature.

Based on structure and operations, the Indian social sector is classified into the following five categories:

**Formal or organized-** The formal or organized category includes those actors of the nonprofit sector which have a reasonable degree of institutional reality. Thus, it includes organisations that have acquired a legal identity or can demonstrate institutional structure in the form of internal organisational structure, relative persistence of goals, structure and activities and meaningful organisational boundaries. A significant feature of this criterion is that it allows for inclusion of business associations, professional associations, associations for the promotion of arts and

culture and fundamental religio-political organisations to be included under the nonprofit category. Examples of this category include religio-political institutions, institutions that have emerged from or nourished social movements, business associations, professional associations, association for the promotion of arts and culture.

**Private-** The essential feature of this category is that SPOs should be independent of the government apparatus. Most of the SPOs in India come under the purview of the private sector. Societies including organisations created by a government department or a Ministry at the national or provincial level and trusts are included in this category. Examples of this type include NGOs.

**Self-governing-** The self-governing nature of nonprofit organisations in India highlights the autonomous nature of nonprofit organisations. To eliminate the possibility of tight control of SPOs by government agencies or private businesses, SPOs must be self-governing. The nature of funding available to an entity assumes importance here because funding of a non-profit by a single entity often leads to control of the organisation by the funding entity. Cooperatives and trade unions are common examples of this category.

**Non-profit distributing-** The essential characteristic of SPOs is that they are not allowed to distribute profits. The profits earned from operations should be ploughed back to fulfil the mission and vision of the organisation. The profits must not be distributed to the organisations' owners, members, founders, or governing board. This does not exclude trade unions because they do not have the provision of payments to office-bearers. Examples of this category include community-based development organisations and nonprofit organisations.

**Voluntary-** Nonprofit organisations must be voluntary in nature i.e., members must be associated with self-choice or autonomous initiative as opposed to compulsory action or coercion to act. Examples of the voluntary category include traditional voluntary agencies, business organisations, associations for arts, culture and professions.

The structural or operational classification overcomes the limitation of the conceptual and legal definitions of the social sector in India. However, the structural classification system also suffers from both conceptual and application challenges. PRIA (2000) points out that the voluntary sector is very informal in India though the Government sees this sector as its partner in development initiatives and excludes bulk of voluntary action driven by a purpose which is either spiritually or ideologically constructed. Moreover, the structural or operational definition excludes social or political movements, political parties and voluntary action for spiritual or ideological purposes. One of the potential solutions could be for organisations to separate the state and political agendas from religion so as to be included under the purview of SPOs. However, major challenges remain unresolved till date. Cooperatives, trade unions, government organized NPOs and NPOs formed by the rich to get tax benefits cannot be classified under the structural/ operational definition of the sector and thereby remain borderline cases. PRIA (2000) also points out that the structural operational definition of the voluntary non-profit sector in

India excludes the criteria of purpose where the purpose should be legitimate irrespective of the differences in the definition of what is legitimate across stakeholders.

### Taxonomy of NGOs (Vakil 1997)

In the paper titled “Confronting the classification problem: Toward a taxonomy of NGOs”, A. Vakil introduced a generic taxonomy of NGOs. This generic taxonomy aims to address four principal issues: first, orientation, levels of operation, client group and degree of commodification are important descriptors of organizational types. Second, Salamon and Anheier (1992) focus on the sector of activity in the context of NPOs is an indication of the need to incorporate this notion into an overall classification of NGOs. Third, prior research refers to alternative modes of classification based on evaluative attributes such as accountability, values, transparency, participation. Fourth, most of the classification schemes ignore the diversity of activities within individual SPOs.

Based on essential and contingent descriptors, the proposed taxonomy of SPOs classifies organisations under the following categories:

#### **(a) Essential Descriptors:**

The classification problem revolves around the lack of consensus on the essential descriptors of SPOs. Essential descriptors represent those attributes which need to be addressed to delineate the broad parameters within which discussions about and within the social sector can take place. Essential descriptors include orientation and level of operation.

**Orientation-** Based on orientation, SPOs are classified into six different categories: welfare SPOs (those which deliver services to specific groups based on the charity model), development orientation SPOs (which have as their ultimate goal improvement in the capacity of a community to provide for its own basic needs), advocacy orientation SPOs (advocacy orientation refers to the intention of influencing policy- or decision-making related to particular issues and building social support both among like-minded organisations as well as in the wider population around these issues), development education SPOs (focus on educating citizens of industrialized countries in major development issues such as global inequality and debt), networking oriented SPOs (organisations operating at the national or regional level that channel information and provide technical and other assistance to lower-level NGOs and individuals), and research capacity (organisations with a specific focus on participatory research as a legitimate means of acquiring knowledge along with the pressing need for interventions based on sound information).

**Level of operation-** Based on the level of operation, NGOs are classified into four major types: international (based in industrialized countries), national (in Third World countries), community-based (based in local communities of the Third World) and regional NGOs (serves entire regions in the Third World).



**(b) Contingent Descriptors:**

Contingent or secondary descriptors are necessary to debates within the parameters of certain theoretical, disciplinary or policy perspectives but may not have applicability for all types of NGOs. Contingent descriptors include sectoral focus and evaluative attributes.

**Sectoral focus-** The type of intervention that a SPO provides influences its structure, operating procedures, resource requirements and management strategies. For instance, the ICNPO classification system classified SPO activities by sector. One of the limitations of ICNPO is that since the ICNPO is intended to apply to nonprofits, it includes categories not associated with development such as “philanthropic intermediaries” and “business and professional associations and unions” as well as cultural, recreation and religious activities.

**Evaluative attributes-** Seven categories of evaluative attributes are used to categorize NGOs: control over resources; organisational accountability; values (voluntary organisations, public service contractors, donor local organisations, induced people's organisations, indigenous community organisations); transparency (foreign, national NGOs); accountability (commodified, non-commodified); participation (participatory, elitist NGOs); congruence with aims of feminism (outside-initiated, small grassroots, worker-based, affiliated with a political party, service-oriented, research, coalitions) .

The proposed classification system, however, leaves out a few unanswered questions on organisational groupings, especially in circumstances where SPOs are attempting to manage two or more work orientations simultaneously. Further a robust understanding of which of the evaluative attributes apply or have been studied within the relevant group of SPOs having the similar essential attributes remains an area that commands further research.

**Classification of voluntary non-profit development sector (Tandon and Mohanty 2002)**

Tandon and Mohanty (2002) proposed a classification scheme of the social sector in India based on the types of functions pursued by SPOs. This classification comprises six different functions, namely: field program based (welfare, empowerment, and innovation), support (capacity building and information), umbrella or network (federations and associations), research and advocacy, philanthropy (grant-making) and foreign organisations.

The categorisations enable further study on the nature, form, and functions of social purpose organisations towards developing a more nuanced of the Indian social sector and its scope of impact.

**North American Industry Classification System (NAICS)**

The North American Industry Classification System (NAICS) is an industry classification system that groups organisations into industries based on their primary activities. The NAICS was jointly developed by the U.S. Economic Classification Policy Committee, Mexico's Instituto Nacional de Estadística, Geographica e Informatica, Statistics Canada to facilitate economic analysis of

organisations in U.S., Mexico and Canada. It replaced the Standard Industry Code System (SIC) in 1999 and is mainly used by federal government agencies.

The NAICS classifies organisations into 20 major economic sectors which are further subdivided into 108 sub-sectors representing 1,170 industries. This system consists of 6 digits codes and five levels of hierarchy, with the first two digits representing the major economic sector. The first five digits of the NAICS coding system are standardized among the three participating countries.

The NAICS is a common industry classification system and is not specific to the nonprofit sector. Most programs of human service organizations would be placed in the other services category. Environmental, animal, advocacy and societal benefit organizations do not easily fit into NAICS. Though NAICS is broken down into 20 economic sectors; 67% of nonprofit organisations fall into only 2 economic sectors. The NAICS was mainly aimed for usage of federal government agencies, but the IRS usage is currently restricted to only 23 of the total codes in the system.

### Classification of voluntary organisations (Mahajan 2000)

In the paper titled “Defining the Sector in India: Voluntary, Civil or Nonprofit”, Vijay Mahajan proposed a classification of voluntary organisations pursuing development goals and agenda in the Indian context.

Based on role or function, voluntary organisations are classified into five different types: public service contractor (engaged in service provision), collaborator (works with the government to generate the desired development outcomes), social innovator (incubates new ideas, models and practices that address a particular developmental problem), policy advocates and social critics (provides analysis of emerging social, political, economic and environmental issues as well as policies and practices of government and international agencies), civil society institutions (provides access, voice and representation to the excluded and marginalized citizens).

### Typology of Urban NGOs (Desai and Preston 2000)

Desai and Preston (2000) suggested a data-based typology of urban SPOs based on 1994 data-collection fieldwork on grassroots social sector working in the slum communities of Mumbai. With a sample of 60 SPOs, the study uses principal component analysis to categorize SPOs in Mumbai into two broad categories of service delivery and policy advocacy SPOs.

Eight characteristics were considered for the typology of urban NGOs in Mumbai, India, namely, staff, proportion of staff who are volunteers, funding, proportion of foreign funding, official share or major external funding sources, activities, networks, and agencies. Based on these parameters, the urban NGOs are classified into the following categories:

**Service Delivery NGOs-** Service delivery NGOs are classified into the following categories:

- (a) Small-scale Service Delivery NGOs-** Small-scale service delivery NGOs refer to small-scale narrow-scope NGOs which are typically involved in narrowly defined service provisions. They provide welfare services such as primary healthcare, night shelter for street children or legal aid to slum dwellers. These NGOs tend to provide services along 'identified' gaps in government services and work on safe localized issues. Problems faced by these NGOs include a low capacity to generate funding along with limited technical and managerial capacity. A common example of this type is the People's Participation Program.
- (b) Large-scale Service Delivery NGOs-** Large-scale service delivery NGOs work on fewer lines of activities but on a larger scale. They have large numbers of paid staff and good funders. Unlike small-scale delivery NGOs, a major portion of the funding comes from foreign sources. These NGOs have expanded the scope and scale of their operations. They are characterized by low buy geographically localized and thematically focused networking. An example of this category is the Doorstep School which received foreign funding from Canada, Germany, and Netherlands.
- (c) Officially funded Service Delivery NGOs-** The essential characteristic of officially funded service delivery NGOs is that these NGOs receive a major part of their funding from official domestic sources. The funding from official sources stem from the belief among donors that NGOs are more cost-effective service providers than government enterprises. These NGOs have higher than average networks. An example of this type is Swadhar, a group that aids women in crisis and their children.

**Policy Advocacy NGOs-** Policy advocacy NGOs are high-profile established NGOs from active campaigning backgrounds. This group is distinguished by the large number of activities undertaken by its members and their high degree of association with each other through NGO networks and with government through contact with official agencies. Examples of policy advocacy NGOs include Seva Niketan, Society for the Promotion of Area Resource Centres (SPARC), Youth for Unity and Voluntary Action (YUVA).

This typology is based on a principal component analysis of several characteristics on the basis of which classifications have been proposed in the prior literature. However, this typology suffers from major drawbacks in terms of scope. The typology here is based on data collected from SPOs in Mumbai. The interpretability and cogency of this taxonomy may have applicability outside Mumbai but applicability in other parts of India and the rest of the world needs to be empirically tested. However, this empirical testing is subject to the availability of data with equivalent depth for SPOs from other regions.

### Nonprofit Program Classification System (Lampkin et al. 2001)

Linda Lampkin, Sheryl Romeo and Emily Finnin proposed the Nonprofit Program Classification (NPC) system to classify the programs and beneficiaries of SPOs in the U.S. Based on the NTEE classification scheme, the NPC system aims to further enhance the classification system by incorporation of programmatic, generic and beneficiary codes.

The NPC system is broken down into 26 major groups as the NTEE system and then further divided into 1,000 program descriptors in those areas. The program descriptions are intended to represent discrete categories into which appropriate data can be placed, but not an exhaustive list of individual organisation activities.

The NPC system has limited applicability as it is specifically designed for nonprofit program-level classification. The IRS Form 990 data used for this classification suffers from certain limitations- all charities do not file Form 990 and among charities that do file Form 990, not all charities complete all parts of the Form. Also, the quality of program descriptors on Form 990 is uneven. Improvement in data quality is likely to help in improvement of classification. Electronic filing of the form and the self-selection of NPC codes from drop-down menus will help standardize the responses. However, the NPC system can only be used in tandem with the NTEE classification system as it is an added dimension to the NTEE system.

### Classification of Czech Republic Nonprofit Sector (Brhlikova 2004)

Peter Brhlikova analyzed the evolution and scope of the Czech nonprofit sector after 1995 and proposed a typology of nonprofit entities in Czech Republic based on legal form. The Czech law does not define the term 'nonprofit organisations'. The tax act, however, denotes organisations such as citizens' associations including trade unions, political parties, churches and religious communities, foundations, budgetary and subsidiary organizations as entities that are not established for business purposes.

Based on legal form, Brhlikova (2004) classifies nonprofit entities in Czech Republic into six major categories:

**Foundations and foundation funds-** Foundations use returns on their registered endowment and other property to serve their purposes. They are restricted from performing business activities except renting real estate, organizing cultural, educational and sports events. They can use modern investment tools and are allowed to buy bonds, certificates and other securities for their portfolio. Similar to other non-profit entities, foundations are exempted from paying taxes on certain types of income and fully exempted from paying taxes on income from registered endowments. In contrast, foundation funds can use all their assets for their publicly beneficial activities. They are prohibited from engaging in business activities except renting real estate, organizing cultural education and sports events.

**Citizens' associations-** The Czech law on associations of citizens relates to citizens' associations and trade unions excluding churches and political parties. These organizations are based on membership and are used to provide their members, clients of the general public with certain services or achieve their goals". Citizens' associations are allowed to engage in business activities.

**Public benefit organisations-** Public benefit organisations (PBOs) are private entities established to provide publicly beneficial services such as education and healthcare which represent their source of income. They finance their activities using deposits of founders, presents, bequests, funds of the PBO and subsidies from state and municipality budgets. Profits earned by PBOs can only be used to widen or improve the scope of services provided. PBOs are allowed to perform commercial activities under the condition that commercial activities ensure more effective use of PBO's properties and do not, at the same time, worsen quality and accessibility of publicly beneficial services.

**Churches and religious communities-** In Czech Republic, churches are not separated from the state providing financial support to churches. Churches and religious communities are allowed to provide education and other social services.

**Budgetary and subsidiary organisations-** Budgetary and subsidiary organisations represent a large group of nonprofit organisations. These entities receive funding from state and municipalities.

**Other nonprofit entities-** Nonprofit institutions are business entities that are established for other than business purposes for instance private schools. Some examples of nonprofit entities include Czech Academy of Sciences, the Czech Television and the State Fund of the Culture in the Czech Republic.

While the classification system was one of the few attempts that we came across in developing a typology of organisations for the country, such categorisation of the social sector based on legal form reduces the feasibility of international comparison. Further, Brhlikova (2004) shares, data limitations in the sector do not allow a more detailed economic analysis of the Czech nonprofit sector.

### NGO Typology Based on Beneficiary and Activities (Yaziji and Doh 2009)

In their 2009 book titled "NGOs and Corporations: Conflict and Collaboration", Michael Yaziji and Jonathan Doe discussed three typologies of NGOs in the U.S. based on the parameters of beneficiary and type of activity. The first two typologies are based on the two parameters respectively and the third parameter is constructed from a joint consideration of the two parameters.

The first parameter is concerned with whom the NGO is intended to benefit. NGOs have a wide range of stakeholders which are composed of different types of individuals or organisations. Based on targeted beneficiaries, NGOs are classified into the following two categories:

**Self-benefiting NGOs-** Self-benefiting NGOs aim to provide a benefit to their members, generally by pooling interests. The essential characteristic of this category is that the financial and labour contributors to the NGO are themselves members of the group of intended beneficiaries. Examples of this category include business association, church groups, etc.

**Other-benefiting NGOs-** The other-benefiting NGOs are organisations in which the capital and labour contributors are distinct from the primary intended beneficiaries. Thus, the supporters are not donating to gain excludable private goods for themselves or their self-identified group. Examples of this category include Amnesty International, Greenpeace and WWF.

The second parameter is the type of NGO activities. Based on the type of activities undertaken, NGOs can be classified into the following two categories:

**Advocacy NGOs-** Advocacy NGOs shape the social, economic, or political system to promote a given set of interests or ideology. These organisations give voice and provide access to institutions to promote social gain and/ or mitigate negative spillovers from other economic activity. These NGOs can be further sub-divided into: watchdog NGOs (less ideologically radical, relative to the communities in which they operate and are generally satisfied with the broader economic, legislative, political and social institutions) and social movement NGOs (which do not try to support the existing system but to change or undermine it- the more radical the social movement organisation, the more radical the change they are pursuing).

**Service NGOs-** Service-oriented NGOs provide goods and services to clients with unmet needs. These organisations serve societal needs where politically challenged, indebted or corrupt states are unable or unwilling to serve the social needs.

**Hybrid and evolving NGOs-** Although some NGOs focus primarily on advocacy or service delivery, some other NGOs pursue both kinds of activities simultaneously or switch from one type to the other.

Using the classifications based on the above parameters, the authors suggest four archetypes: the self-benefitting service NGOs, the other-benefiting service NGOs, the self-benefiting advocacy NGOs and the other-benefiting advocacy NGOs. However, the authors recognize that in reality a single NGO may occupy more than one archetype at any given time and may move between quadrants over time.

### **Typology of Social Enterprise (Diochon and Anderson 2009)**

Diochon and Anderson (2009) suggested a generic typology of social enterprises based on the two parameters of process and outcomes. The authors suggest the following two types of social enterprises:



**Differactuating enterprises-** Differactuating enterprises are based on the notion that adopting entrepreneurship as a strategy for dealing with poverty and marginalisation (or other social aims) is the need of the current environment. This configuration of process components represents an ideal type and reflects the fact that a novel solution is actively being sought.

**Mainstreaming enterprises-** The mainstreaming enterprises lie on the opposite end of the continuum compared to differactuating enterprises. The notion behind these enterprises reflects the fact that solutions to poverty and marginalization involve the reintegration of people into mainstream society. This implies that pursuing social aims involves mainstream society adopting particular practices or lifestyles.

However, many of the initiatives undertaken by social enterprises seem too ineffective, which seems to be systemic in nature. As program and service offerings are no longer fully funded by the government, the survival of some organisations is at stake. Often, accessing money from funders to operate "businesses with primarily social objectives" remains daunting and profitable business opportunities may be passed by the social enterprises if they do not meet the funder requirements. The social enterprises could benefit from having people with business background on their boards, but recruitment and retention of such people seems to be challenging.

### Quadros de Pessoal (Carvalho 2010)

Carvalho (2010) proposed a typology of the social sector in Portugal based on the legal status of organisations in the paper titled "Quantifying the Third Sector in Portugal: An Overview and Evolution from 1997 to 2007". This typology is based on Quadros de Pessoal (QP) which is a linked employer-employee database compiled by the Portuguese Ministry of Labor and Social Solidarity since 1982. It is based on an annual survey of all private sector entities in the country employing one or more people. Based on legal status, Quadros de Pessoal classifies organisations into 42 legal status categories, out of which 16 come under the purview of the third sector.

### System of National Accounts in India (2012)

In 2012, the Government of India proposed the System of National Accounts (SNA) for classification of nonprofit institutions in India. Under the SNA, different legal forms of nonprofit organisations established under Acts at different points of time were accumulated to create a classification based on legal status.

Based on legal forms, the nonprofit institutions in India can be classified into four major categories:

**A Society registered under the Societies Registration Act of 1860-** All societies registered under the Societies Registration Act of 1860 are considered as non-profit organisations in India. The Central Act of 1860 enabled literary, scientific, and charitable societies to be incorporated as societies. The main advantages of a society are its democratic organisational nature and flexibility in amending rules and regulations. Examples of societies include charitable societies, military

orphan funds or societies, societies established for promotion of science, literature, or fine arts, etc.

**A Trust registered under the Indian Trusts Act of 1882-** Trusts in India are mainly of two types: public and private. Public trusts are formed to serve purposes of the common public or the community at large and are governed by the Public Trust Act, 1950. Private trusts, on the other hand, are formed to benefit particular individuals and are governed by the Indian Trusts Act, 1882. Private trusts registered under the Indian Trusts Act of 1882 are considered nonprofit organisations in India.

#### **A Company under Section 25 (now Section 8) of the Companies Act of 1956-**

According to Section 25 (now section 8) of the Companies Act, 1956 an association can be registered as a company with limited liability if the Association is formed for promoting commerce, arts, science, religion, or any other useful object provided the profits or income is ploughed back for the mission of the company and not distributed to owners or members. Although the Companies Act 1956 was initially intended for profit making entities, companies can obtain nonprofit status under Section 8 of the Companies Act 1956. Companies need to fulfil certain pre-specified conditions to obtain nonprofit status under this Act. All companies incorporated under Section 8 of the Companies Act 1956 are considered nonprofit organisations in India.

**Religious Endowments and Wakfs-** Religious Endowments and Waqfs are a variant of trusts which are formed for specific religious purposes for instance providing support functions relating to the deity, charity, and religion. Religious endowments arise from dedication of property for religious purposes. Similar dedication by the Muslim communities lead to creation of Waqfs. Religious endowments and waqfs are governed by the Charitable and Religious Trust Act, 1920. While the system of national accounts (2012) recognizes only above four categories of non-profits, based on study of legal forms in India, two further categories can be identified which will be important for discussions in this paper. These are:

**A Cooperative under the Cooperative Societies Act of 1904-** Cooperatives under the Cooperative Societies Act of 1904 are considered as nonprofit organisations. Usually when ten people from different families make an application to form a cooperative. The principal disadvantage of cooperatives is that they are subject to excessive governmental control. Empowerment-oriented NPOs overcome the limitation of government interference to a certain extent.

**A Trade Union under the Trade Union Act of 1926-** Trade unions incorporated under the Trade Union Act of 1926 are included under the purview of nonprofit organisations in India. Under this Act, trade unions are defined as temporary or permanent institutions, formed with the aims of regulating the relations between workers and employees, between workers or between employers. The principal advantages of trade unions are their capacity for collective bargaining and possibility of recruiting employees. The main limitation of trade unions is that they can

receive foreign funds only in accordance with the provisions of Foreign Contributions Regulation Act.

### Typology of nonprofit organisations (Van Pletzen et al. 2014)

In order to avoid the inflexibility and rigidity of categorization, Van Pletzen et al. (2014) developed typologies of nonprofit organisations in South Africa based on the two principal parameters of resources held and type of activities undertaken by the organisation. Based on the resources held, NPOs were classified into three mutually exclusive categories: well-resourced, moderately resourced, and poorly resourced.

Based on the 'charity-development-empowerment' typology by Habib (2005), two categories of NPOs were suggested based on the type of activities: direct service (which included provision of psychological support and relieving poverty by providing access to resources) and developmental/ activist.

### NGO archetypes (Barnes and van Laerhoven 2015)

Barnes and van Laerhoven (2015) proposed a typology of NGO approaches to institutional change in the commons to avoid using the widely employed static typologies of NGOs that categorize NGOs with respect to characteristics such as size, location, funding body or stated objectives. This typology suggests the following four categories to be used as analytical tools for studying diversity in NGO approaches:

**Objective institutional design-** The NGO is the primary change agent that applies a generic approach and uses institutional arrangements that have proven effective elsewhere. The activities are focused on creating incentives through designing institutions.

**Subjective institutional design-** As opposed to the objective design, the target community is the primary change agent in this case. The NGO uses an approach which facilitates a reflective-dialogic process among resource users to design institutions which are locally appropriate.

**Objective institutional crafting-** The NGO is the primary change agent which uses inputs from local analyses to frame customized training modules to empower local communities.

**Subjective institutional crafting-** The target community is the primary change agent in this case. The NGO facilitates a reflective-dialogic process among resource users to empower local communities.

### Sustainability-based typology of nonprofit organisations (McDonald et al. 2015)

McDonald et al. (2015) proposed a sustainability-based typology for non-profit organisations in which non-profit entities are classified based on the strength or weakness of their financial

performance and relative value contributed to society. These four types of non-profit entities are as follows:

**Double Jeopardy-** Non-profit organisations in this category are at risk both because the social need that it addresses is not perceived significant enough to attract sufficient stakeholder support and it does not generate sufficient funds through operations and donations to ensure its long-term survival.

**So, What-** Non-profit organisations of this type are financially stable but face an eventual threat due to lack or perception of lack of legitimacy because it does not contribute sufficiently to society.

**Exemplary-** An organisation in the exemplary category is in the most desired position as it satisfies an important need and is financially sustainable.

**Shoestring-** This type of non-profit entities attempts to address an important social need but does not do it in a financially sustainable manner.

The authors suggest corresponding strategies to sustain the mission and financial objectives of the non-profit organisations, but these strategic options are not mutually exclusive and can be adopted simultaneously. However, the inter-related nature of the options, the resource endowments of the non-profits and the competitiveness of the sectors in which each operates, necessitate different strategy combinations and emphasis that are compatible and complementary.

### Typology of civil society organisations (Rainey et al. 2017)

From the perspective of the EU context, Rainey et al. (2017) suggested a typology of civil society organisations based on their participation in research. Based on a literature review of the projects and research on CSO participation in research, four types of CSO action are as follows:

**Common cause-** The focus of a common cause CSO is to contribute to the public good. Common cause CSOs are interested in how CSOs research can influence policy, engage in research that clearly promotes the public good, promote transparency in research and promote public engagement as expression of common interest.

**Shared voice-** The academic literature classifies discusses how CSOs are constituted to express or support a particular position. For shared voice CSOs, the action logic in research needs to benefit from the inclusion of this voice or, the voice needs to benefit from the research, are interested in specific research topics relevant to their mission, raise the visibility their mission, and steer towards specific questions and outcomes.

**Research-oriented-** For the research-oriented literature, the question is how CSOs participate in research. This strand of literature is interested in specific topics and CSO implications in research

itself, interested in open research opportunities, interested in and aware of research landscape, raises visibility of research and CSO involvement, promotes engagement as means of improving research and increasing legitimacy of findings.

**Commercially-oriented-** Commercially-oriented research on CSOs promote interest of companies or industries but are not themselves profit-making organisations. This category is interested in research that further the interest of the sector, demonstrates the social responsibility of the sector, seeks to extend specific networks, raises visibility of the sector, and includes research to support or achieve specific policy goals.

Boundary conditions here are contextual constraints upon interpretations and decision-making concerning CSO participation in research. The positions of academics, policymakers and researchers are likely to have different boundary conditions and normative anchor points, which structure the responses to information made by the modelled agent and consequently, a richer understanding of them will allow to make informed predictions about the modelled agents.

### Typology of Italian social enterprises (Borzaga et al. 2017)

Using the Italian context, Borzaga et al. (2017) classified social enterprises into the following four categories:

**Social cooperatives-** Recognized and regulated since 1991, social cooperatives aim to pursue the general interests of the community and the human promotion and social integration of citizens. Social cooperatives include three types of organisations- the first category performs activities aimed at the management of social, healthcare, and educational services. The second category performs activities with the aim of providing employment for disadvantaged people. The third type of social cooperatives perform both kinds of activities undertaken by the first and second category.

**Social enterprises under the form of associations-** Social enterprises in the form of associations are organisations constituted by groups of people to pursue a shared goal. Associations cover a vast and widely varied area within the nonprofit sector including both rudimentary and small-scale organisations.

**Social enterprises under the form of foundations or religious institutions-** Foundations are defined as assets dedicated to pursuing a specified objective. Foundations are classified into three categories: grant-making foundations (manage assets with the goal of distributing profits in the form of grants to individuals or to other organisations performing activities functional to the achievement of the foundation's objectives), operational foundations (instead of distributing revenues derived from assets, these foundations directly perform activities that are functional to the pursuit of their objectives), religious and charitable institutions (a type of operational foundations and conduct different charitable activities).

**Limited company social enterprises-** A limited company social enterprise has three essential characteristics: first, it is privately owned. Second, it must mainly perform business activities involving the production of goods or the provision of services. Third, it must act in the interest of the community on a non-profit basis. These social enterprises cannot be controlled by public agencies or for-profit companies.

The challenges faced differ across the different types of social enterprises and are also likely to be influenced by future public policies. The impact of social enterprises depends much on the resources that the public actors will provide to finance the supply of services and on the public policies that will be designed to support social enterprises especially policies aiming to encourage private demand. However, limited company social enterprises are not developing unlike the other types because social enterprises are primarily collective enterprises which are launched and operated by and for the people. Social enterprises will be able to self-finance and will continue to contribute to social justice despite the likely reduction in public funding only if social enterprises become more aware of their role and public policies facilitate their development.

### **Typology of Nonprofit Infrastructure Organisations (Prentice and Brudney 2018)**

Christopher R. Prentice and Jeffrey L. Brudney introduced a generic typology of nonprofit infrastructure organisations in 2018. Based on the focus of service, nonprofit infrastructure organisations are classified into three non-mutually exclusive categories:

**Organisations whose service focus is the nonprofit sector as a whole-** The first category refers to organisations that focus on strengthening the nonprofit sector as a whole. This category is further classified into sector support organisations (for instance, Independent Sector, Council on Foundations, North Carolina Center for SPOs, Association for Research on Nonprofit Organizations and Voluntary Action) and nonprofit academic centers (for instance, Arizona State University Lodestar Center for Philanthropy and Nonprofit Innovation).

**Organisations that serve SPOs and their staff-** The second type of infrastructure organisations build nonprofit capacity and provide professional development services including training, consultation services, management guidance, information dissemination, knowledge sharing and nonprofit management research. These are further classified into three sub-categories: management support organisations (for instance, BoardSource), intermediary organisations (for instance, United Way) and nonprofit academic centers.

**Nonprofit support organisations that serve the local community-** The third category consists of nonprofit support organisations that serve the community. These organisations build social capital and increase cross-sector collaboration by forming networks to connect actors and facilitate communication. This category is further classified into three sub-categories: community support organisations (for instance, Neighborhood Progress Inc. in the U.S.), civil society support organisations (Orangi Pilot Project in Pakistan), nonprofit academic centers.



### Spanish foundation typology (Rey-Garcia 2018)

Rey-Garcia (2018) proposed a typology of Spanish foundations based on their legal form or status. The key categories of foundations are as follows:

**Active public sector foundations-** Active public sector foundations have four essential characteristics- first, Second, the private foundations of public entities can pursue more particular interests as far as they somehow relate to public benefit areas of activity. Third, these foundations bridge the public sector with business donors and civil society partners, thereby attracting their contributions. Fourth, they facilitate earmarked donations to projects developed by public entities.

**Corporate foundations-** Corporate foundations position themselves as operating, which avoids pressure from grant-seekers, and allows for more flexible allocation of resources and reduced payouts. Further, it helps justify the number of employees and manager positions within the foundation. Most corporate foundations are funded through annual contributions from their related firms.

**Foundations created by legal persons-** Foundations created by legal persons refer to those promoted by third sector organisations such as the special entities, associations, or foundations themselves. The advantages of these foundations are in their facilitation of fundraising, collaboration with external stakeholders, or reaching beyond associations' membership base. The foundations have become an extraordinarily versatile institution in Spain. Though formalized under a homogeneous legal formula, the Spanish foundations constitute different types of organisations in terms of purposes, roles, disadvantages entailed for founders, beneficiaries, and society.

### Typology of NGO-R (Sunata and Tosun 2019)

Sunata and Tosun (2019) defined NGO-R as NGOs engaged in refugee and migrant-related issues. Using the Turkish context, the authors suggested the following four types of NGO-Rs:

**Type 1: NGO-Rs operated by migrants-** This category may consist of either internationally or locally funded organisations operated by migrants or refugees. The main spheres of activity are usually centered around the endeavours that migrants need in their receiving countries such as education services.

**Type 2: Local NGOs-** Local NGOs are the organisations whose orientation, sphere of influence and activities are local and whose funding is small-scale. These organisations are generally locally active and reach out to a limited number of people. They have the potential for supporting the refugees in need whom the NGOs with large capacities cannot or do not reach and have the capacity to have a close interaction with the local community.

**Type 3: International NGO-Rs-** International NGO-Rs are large-scale funded organisations working in various countries across different fields. They actively get involved in activities aimed to help refugees in their country of origin and in other countries. Though their primary work does not focus on refugee-related issues, they can adapt their work to ease the hardships derived from the humanitarian crisis going on in a particular country.

**Type 4: Professional NGO-Rs with local activities-** Professional NGO-Rs have exclusively trained and skilled people to operate on a professional basis in terms of effectiveness and organisations for only local activities. They continue to operate at the local level irrespective of the level of funding and consequently can maintain quality or monitor impact on the community that they are helping.

However, the shortcoming is that all NGO-Rs are uneasy and sensitive in their relation to the government in current circumstances because of the closure and repression of a huge number of NGOs.

### Typology of voluntary sector organisations (Newbigging et al. 2020)

Newbigging et al. (2020) identified five different types of VSOs that contribute to mental healthcare crisis support. While the different types of VSOs may overlap, this distinction can be used to map the different types of VSOs and their contribution to mental-health crisis support. These five types of VSOs are as follows:

**Type 1:** The first category consists of VSOs which are set up to provide crisis support and promote access to support in a crisis for people experiencing mental distress. Type 1 VSO consist of CSOs involved in providing accommodation; VSOs providing a safe space, listening and social activities and VSOs providing telephone helplines for people in mental-health crisis.

**Type 2:** The second category of VSOs are active in general mental healthcare and provide a wide range of services for people experiencing mental health problems including support during a crisis.

**Type 3:** The third category of VSOs are set up to support a specific population that may be vulnerable to mental health crisis. These organisations are knowledgeable about the issues a particular group of people are facing and cover a wide range of health and welfare issues.

**Type 4:** The fourth type of VSOs provide a response to a psychosocial or contextual crisis, which means they are likely to encounter people experiencing a mental health crisis.

**Type 5:** The fifth category of VSOs consist of community and social organisations used by the whole population or particular groups.

The categories described above are not mutually exclusive, but one VSO might belong to more than one types. While type 5 is more general and consists of community and social organisations,

type 4 is a subset of type 5, type 3 is a subset of type 4, type 2 is a subset of type 3 and type 1 is a subset of type 2.

### Typology to classify secular NGOs and faith-based organisations (Frame 2020)

Based on the typology offered in Sider and Unruh (2004), Frame (2020) suggested a typology of faith-based and secular organisations informed by a case study of 13 Christian faith-based organisations and NGOs in Cambodia. These categories of faith-based and secular organisations are as follows:

**Faith-centred organisations-** Faith-centered organisations include an explicit reference to faith. They provide a development, care-related or other service by faith group and for faith purpose. Faith commitment is typically a pre-requisite in such organisations.

**Faith-affiliated organisations-** In faith-affiliated organisations, faith references may be either explicit or implicit. These organisations provide a development, care-related or other service by faith group and for faith purpose. In such organisations, the management usually share the organisation's faith orientation, but explicit faith criteria may be considered irrelevant or improper.

**Faith-background organisations-** Faith-background may have implicit references to faith. They provide development, care-related or other services. These organisations may have historic ties to a faith group or purpose, but that connection is no longer strong. Moreover, faith criteria is considered irrelevant or improper for the management.

**Faith-secular partnership-** In faith-secular partnerships, there is no reference to faith in mission of the partnership and they provide development, care-related or other services. Faith partners are founded by faith group or for faith purposes. Moreover, there is no reference to faith identity of founders of the secular partner and founders of the partnership may or may not be religious. The management of these partnerships are required to respect but not necessarily share faith of the faith partners.

**Faith-accommodating NGOs-** Faith-accommodating NGOs have no faith content but references to values are often present. These NGOs provide development, care-related or other services. In these organisations, there might be references to faith identity or spiritual views of founders or organizers. The belief or non-belief of the management is respected.

**Secular NGOs-** Secular NGOs have no faith content, but references to values are often present. They provide development, care-related or other services. There is no reference to faith identity or spiritual views of founders or organizers. The faith criteria for leaders is considered irrelevant or improper.

However, this typology is subject to certain limitations. For instance, some faith-based organisations have stronger faith integration than others and this classification scheme does not consider the degree of faith integration. Besides, there is no differentiation based on

operationalization of faith. Two organisations may be classified the same but may operationalize faith somewhat differently within their organisations, with one integrating faith more or less than the other. While future typologies could incorporate scales or levels of classification, this would be subject to the caveat of the typology becoming too complex in nature.

### Typology of social enterprises based on performance (Salavou et al. 2021)

Using insights from a sample of Greek social enterprises, Salavou et al. (2021) suggest a typology of social enterprises based on performance. The two categories of social enterprises under this typology are as follows:

**Impact Maximisers-** The impact maximizing enterprises achieve the maximum benefits in social, environmental, and economic aspects. They satisfy the optimum conditions where the generation of commercial revenue allows for the creation of social and environmental value. The impact maximisers respond to the ongoing sustainability challenges of their own existence, especially to balance the money-mission dilemma along with environmental stewardship.

**Social Missionaries-** The social missionaries lag behind the impact maximisers as they only serve the social mission. These organisations strive for social justice without fully considering the fact that social needs should be satisfied in a financially sustainable manner. They prioritise their purpose to serve the society, which is to provide goods and services that generate direct benefits for the entire community of specific groups of disadvantaged people.

This classification scheme of social enterprises is one of the few typologies based on performance of social sector organisations. However, this typology is subject to the limitation that the measurement of performance is not multi-dimensional in nature. A multi-dimensional conceptualization of performance

### Prototypes of NGO roles in participatory processes (Greenspan et al. 2022)

Based on a review of public participation literature and NGO capacities, Greenspan et al. (2022) suggested the following four prototypes of NGO roles based on two axes (orientation axis and nature of involvement axis):

**Entrepreneur (proactive involvement and government-oriented)-** In the entrepreneur prototype, NGOs initiate or lead participatory processes oriented towards policy change. The NGOs have professional capacities that establish their legitimacy to proactively represent either a marginalized issue or a neglected community in the policy process. They are likely to employ paid professional staff, use advocacy tools and lobbying strategies, be embedded in social or professional networks along with decision-makers, and hold advantageous organizational social capital.

**Service provider (reactive involvement and government-oriented)-** In this role prototype, NGOs work closely with the government to implement formal public participation programs at the

community level. Service-providing NGOs serve as sub-contractors of the bureaucracy, soliciting public input into government-led public participation initiatives. As service providers, they offer unique professional capacity and expert skills to understand community complexities.

**Enabler (proactive involvement and community oriented)-** Enablers are NGOs that act within the community to empower residents in the participatory process, prioritizing community influence over policy change. These NGOs often initiate the participatory process in the name of the community within which they operate and work towards ensuring that this initiative is accomplished with full collaboration and leadership of the community. These NGOs support the community participatory process in financial, organizational, political, and professional ways.

**Partner (reactive involvement and community-oriented)-** Partners are NGOs which join communities in support of bottom-up environmental efforts. Partnering NGOs orient themselves with the community and help to facilitate or join political grassroots mobilization in light of government or corporate pressure and un-consulted decisions. The legitimacy of these NGOs stems from the capacity of being part of, rather than representing the community.

### Goal-boundary typology of nonprofit organisations (Jammulamadaka 2022)

Jammulamadaka (2022) suggested a goal-boundary typology of nonprofit organisations based on two kinds of goals (service delivery and social transformation) and three levels in boundaries on the informal-formal boundary continuum, which are as follows:

**Type 1: Service delivery nonprofits with coinciding membership sets-** This type of nonprofit organisations has clearly defined formal and informal boundaries with the constituted membership sets coinciding. These are legally constituted and formal boundaries in the form of membership criteria are explicitly specified. Further, well-specified shared ideologies of the organization ensure that informal boundaries are also clear. For example: cooperatives, user associations and clubs.

**Type 2: Service delivery nonprofits with distinct membership sets-** This type of nonprofit has both formal and informal boundaries. It is legally constituted, and membership is clearly defined. However, the informal boundaries do not necessarily coincide with the formal boundaries. The primary goal of this type of nonprofits is the delivery of services. For examples: voluntary NGOs who work with communities and provide health, education, income generation and other kinds of services.

**Type 3: Service delivery nonprofits with single membership set-** This category of organisations delivers services, but they are characterized by the presence of only informal boundaries. For example: the typical ad hoc nonprofits that usually emerge for providing relief during disasters.

**Type 4: Social transformation nonprofits with coinciding membership sets-** This category of organisations work for social transformation and their goal is to change social structures. They

are characterized by clear and coincident formal and informal boundaries. For example: trade unions.

**Type 5: Social transformation nonprofits with distinct membership sets-** Similar to service delivery nonprofits with distinct membership sets, this category of organisations has non-coincident formal and informal boundaries, but they differ in pursuing a social transformation goal. For example: advocacy groups.

**Type 6: Social transformation nonprofits with single membership set-** Similar to service delivery nonprofits with single membership set, these nonprofits have only informal, operational boundaries and work towards transforming society. For example: social movements.

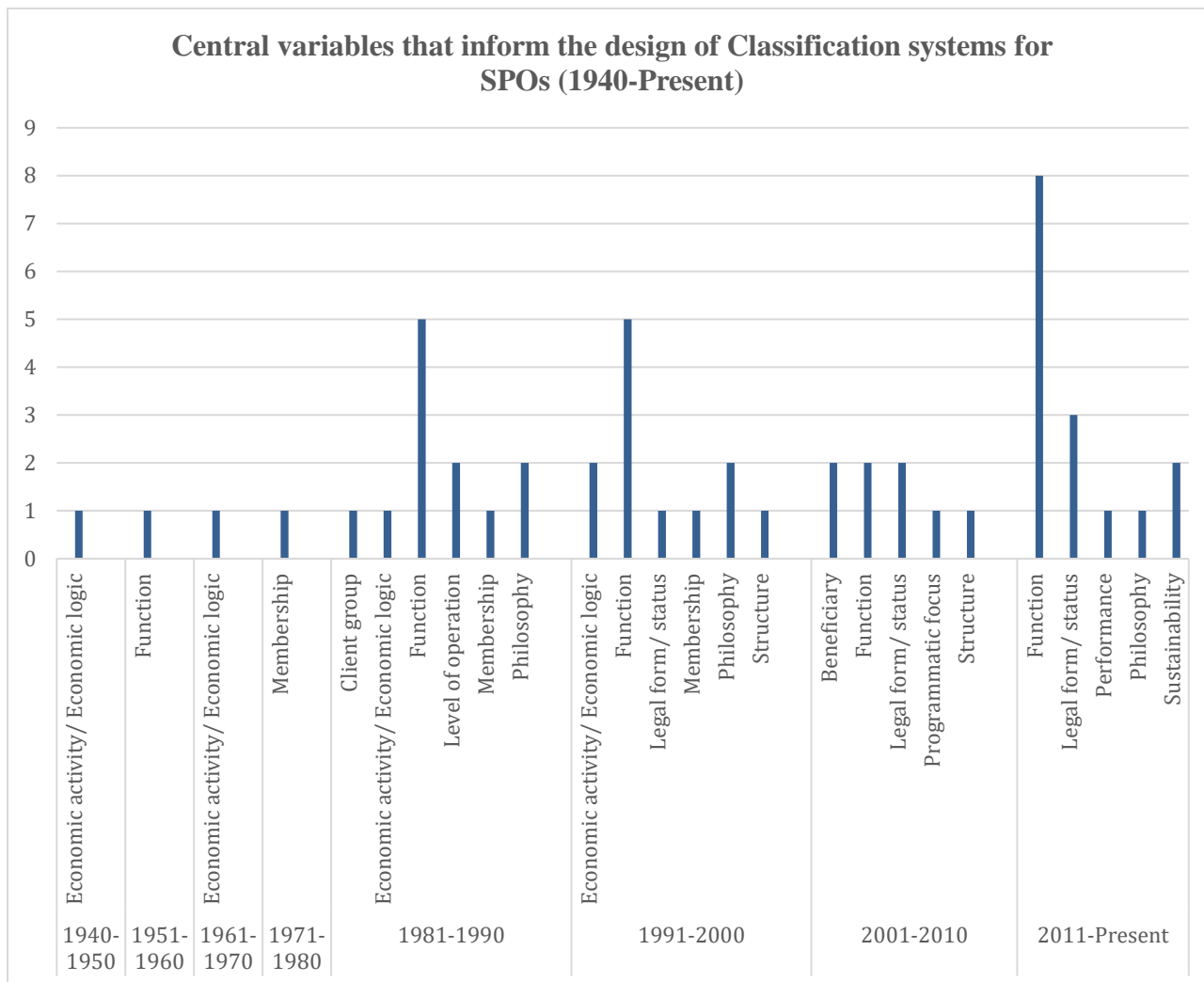
As an ideal classification scheme, these six types of nonprofit organisations should not be seen as mutually exclusive compartments but rather as categories with sufficiently distinguishable characteristics across types between which nonprofit organisations might shift. However, an organisation that simultaneously belongs to more than one type would be rather unstable due to the inherent contradictions in the requirements of each type.

### ***Identifying patterns in classification systems for Social Purpose Organisations:***

The importance and relevance of a classification system is determined by its ability to offer insights into the study of various dimensions of a sector. The choice of adoption or design of classification systems, hence, have to be made based on an objective set of criteria capable to evaluate and compare various systems. A significant insight from the study of above literature is the importance of an appropriate level of grouping that allows for identification of similarities across organisations but also supports empirical endeavours to outline dissimilarities or significance of distinctions within and across organisational categories. This combinational richness and explanatory power supported by the rigour and relevance of the classification exercise has been identified by most authors as the key to development of a successful and context appropriate classification system for social purpose organisations [Deutsch (1963); Salamon and Anheier (1992); Salamon et al. (1992); Padaki (2002); Desai and Preston (2000)].

A total of 8 variables were identified from the literature that were used as foundation for design of 30 different classification systems studied under this literature review.





*Figure 1: Decadal mapping of classification systems and the central variables used (1940-Present)*

The classification systems discussed in the preceding section can be presented using the central variables as key theme for study of organisational typology. As shown in figure 1, organisational function, economic activity/ logic, membership, client group, levels of operation, philosophy, legal form/ status, and programmatic focus / orientation emerge as key variables used by classification systems to design organisational groupings. A number of classification systems employ more than one variable to design two step classifications that allows for identification of broad categories that allow for identification of similarities, and identification of sub-categories or sub-groups for empirical exercises that seek to establish significance of distinctions within and across categories.

Below is a brief description of each of these 8 variables identified to interpret the organisational classification systems.

- **Client group**- Client groups key stakeholder that the organisations serves/ works with. A key variable that gets discussed in the classification system proposed by Korten (1990)

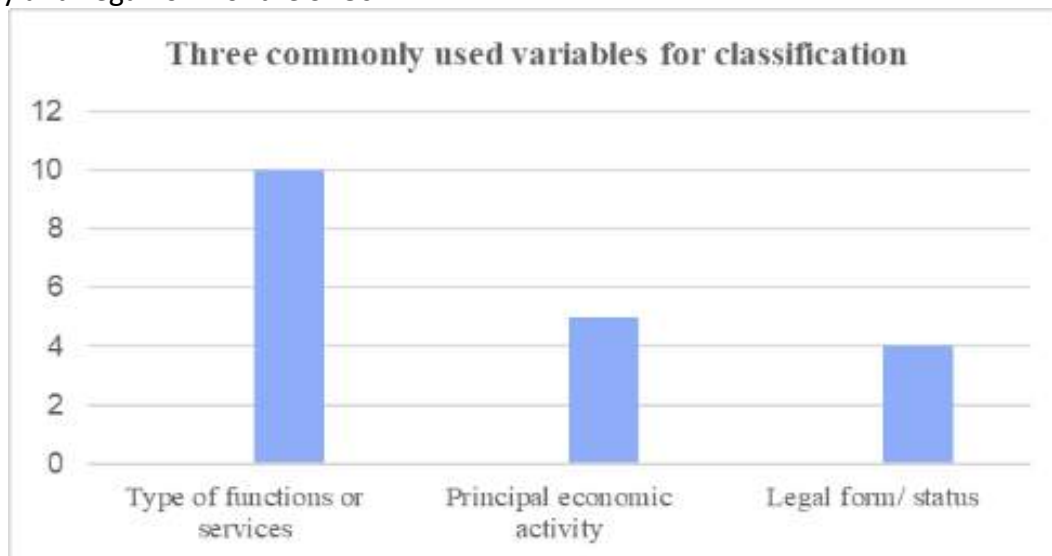
and Vakil (1997), client groups offers insights into the nature of services, products, interventions SPOs design to address the need of specific communities.

- **Economic activity/ economic logic-** The principal economic activity undertaken i.e., the types of goods and services provided have been used by several major classification systems of for-profit and nonprofit organisations. According to Salamon et al. (1992), the appropriate unit of analysis is the individual establishment and the appropriate basis for classification for assessing the economic character of the sector is the economic activity that the establishment carries out, which is the product or service it generates. Principal economic activity was first used by the U.N. International Standard Industrial Classification System (ISIC) in 1948 to classify all kinds of establishments in any national economy. This was later used in the specific context of nonprofit organisations by the International Classification of Nonprofit Organisations (ICNPO) classification system proposed by (Salamon et al. 1992). Simultaneously, the parameter of economic activity was used by Smith (1992) to classify nonprofit, tax-exempt organisations into four super-groups.
- **Function-** The function of an organisation is the most widely used parameter for classification of nonprofit organisations. However, it has several different interpretations for its use. Gordon and Babchuk (1959) was the earliest typology of voluntary associations using the three criteria of accessibility of membership, status defining capacity and functions for participants. Other classifications based on the function of the organisation such as the taxonomy of human services in 1983 followed by similar classification systems such as the NGO typology which classifies NGOs based on their activities (Yaziji and Doh 2009); the typology of NPOs which classifies healthcare-focused nonprofits based on their activities (Van Pletzen et al. 2014); the NGO archetypes which classify NGOs based on their role in changing forest community institutions (Barnes and van Laerhoven 2015); the typology of civil society organisations that classifies civil society organisations based on participation in research (Rainey et al. 2017); the typology of nonprofit infrastructure organisations by Prentice and Brudney (2018) who utilize the focus of services as the parameter for classification; the typology of voluntary sector organisations (Newbigging et al. 2020) that classifies voluntary sector organisations based on function, characteristics, and form. Two recent typologies based on function are- first, the prototypes of NGO roles in participatory processes (Greenspan et al. 2022) which classifies NGOs involved in participatory processes based on orientation and nature of involvement. The second is the goal-boundary typology of nonprofit organisations (Jammulamadaka 2022) who utilize goals and boundaries to classify nonprofit organisations into six different categories. In essence, function as a base for classification implies categorization on the basis of the type of principal activity. While most of these studies use the type of services as the principal basis for classifying, Welch (1990) used the type of operations and degree of commodification simultaneously to form a typology of nonprofit organisations.

- **Legal form/ status-** The legal status or form of an organisation has been used across countries to classify nonprofit organisations. Legal status implies the form in which the organisation is registered under the local laws. Most of the nonprofit typologies are concentrated in India with classifications based on the form in which the organisation is registered under Indian laws. Brhlikova (2004) suggested a similar classification in Czech Republic. The only exception is the Quadros de Pessoa discussed in Carvalho (2010) which used legal status to classify SPOs in Portugal but using the Economic Activity Classification system as the parent classification system thereby discussing 16 different forms of nonprofit organisations. Years later, Borzaga et al. (2017) proposed a typology of Italian social enterprises based on legal form to classify social enterprises in Italy into different kinds based on legal status. Using the Spanish context, Rey-Garcia (2018) proposed a typology of Spanish foundations that are instrumental of organisations into three different categories.
- **Level of operation-** Using a macro-level view of the nonprofit sector, organisations are often classified on the basis of their level of operation. The level of operations implies distinction based on whether nonprofit organisations work at local/ regional/ national/ international level. Recently, the level of operations has not been used by researchers to define nonprofit typologies, Brown and Covey (1987) followed by Bratton (1989) have been the most widely used typologies based on level of operation.
- **Membership-** The criteria of membership to a nonprofit organisation has been frequently used to suggest nonprofit classifications. The first typology based on membership was the classification of nonprofit organisations by Hougland (1979) using membership and participation. This was followed by Esman and Uphoff (1984) who suggested typology of NGOs based on the three criteria of area, economic resources, and membership. More recently, Desai and Preston (2000) used several other parameters along with membership to conclude a typology of urban NGOs. Unlike the other parameters utilized in nonprofit classification, membership is often used in conjunction with other criteria to determine the types of nonprofit organisations.
- **Philosophy-** Philosophy was often used as a parameter for classification during the 1980s and 1990s. It refers to the underlying values and principles of the goals for which the organisations operate. The earliest classification of nonprofit organisations based on philosophy was the DAWN Classification Scheme of NGOs in 1985 proposed by the Development Alternatives with Women for a New Era. SPRIA (1991) discussed philosophy-based classification in the Indian context to classify voluntary development organisations using the three parameters of inspiration, rationale, and size. Few years later, Vakil (1997) used essential and contingent descriptors to create a taxonomy of NGOs. More recently, Frame (2020) suggested a typology to classify secular NGOs and faith-based organisations based on the faith content of the programs undertaken by NGOs.

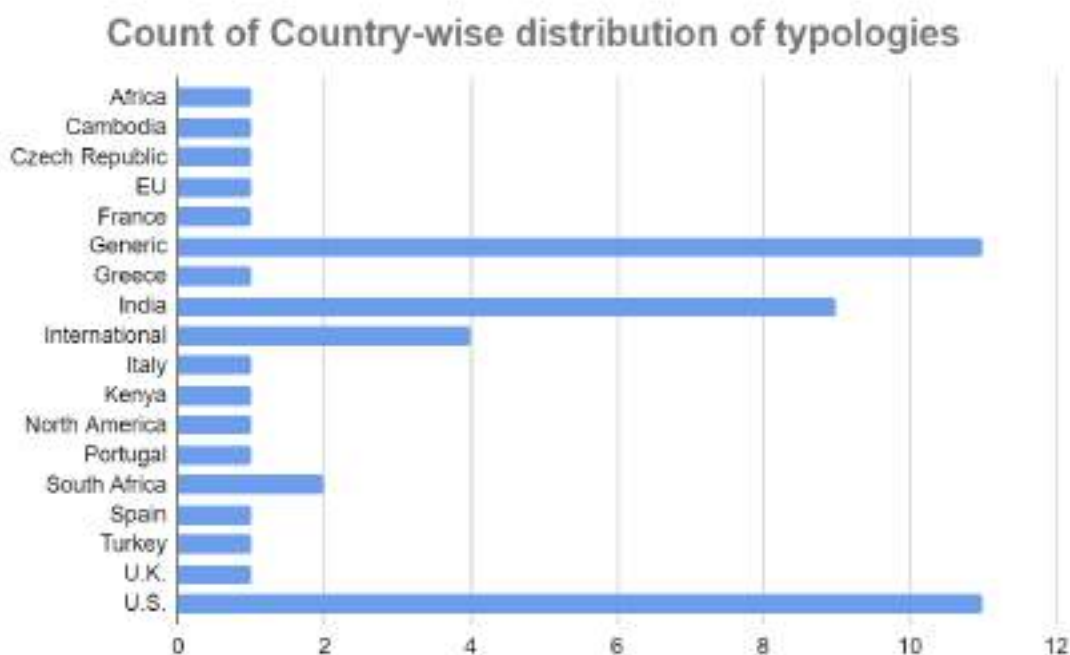
- **Programmatic focus-** The only classification system till date to use programmatic focus as the basis for classification is the Nonprofit Program Classification System suggested by Lampkin et al. (2001) and based on the NTEE Classification System. This system was used to classify programs, services, activities of public charities in the U.S. However, programmatic focus-based classifications have not been discussed in the subsequent literature to apply this classification system either outside the U.S. or to nonprofit organisations except public charities.
- **Structure-** Salamon et al. (1993) suggested the structural/ operational classification of NGOs in India based on structure and operations. The typology can be applied to any organisations in the nonprofit sector. Structure is used in conjunction with operations to determine the exact nature of nonprofit organisations. The five key criteria used for classification are formal, private, self-governing, non-profit-distributing and voluntary. The structural typology has not received any contextual modifications for application outside the Indian context. Later, Diochon and Anderson (2009) suggested a classification of social enterprises into differactuating, and mainstreaming enterprises based on processes and outcomes.
- **Sustainability-** Van Pletzen et al. (2014) suggested the typology of NPOs based on the level of resources held. Based on the level of resources (staffing, remuneration of staff, funding sources, monitoring and evaluation structures), the typology classified NPOs in three major categories namely- well-resourced, moderately resourced, and poorly resourced. While the authors do not explicitly discuss the issue of sustainability, the classification based on resources do point towards the focus on sustainability. Soon after, McDonald et al. (2015) suggested the sustainability-based typology of nonprofit organisations which classified nonprofit organisations in the U.S. into four categories based on strength or weakness of financial performance and the relative value contributed to society.
- **Performance-** Salavou et al. (2021) suggested the typology of social enterprises based on performance which classifies social enterprises in Greece into impact maximisers and social missionaries based on the social, economic, and environmental impact of the enterprise.
- **Type of beneficiaries-** Yaziji and Doh (2009) suggested a NGO typology based on the type of beneficiaries served. Under this classification NGOs in the U.S. are classified into self-benefiting NGOs and other-benefiting NGOs. In addition to this, the book also discussed a typology based on function. Consequently, the authors suggested a typology based on type of beneficiary and function which classified NGOs into four distinct categories.

The three most commonly used central variables for design of classification systems for SPOs are Function or type of services offered by organisations, principle economic activity and Legal form of the SPOs.



*Figure 2: Most commonly used central variables that appear in the literature*

It is important to note that while most recorded classifications were initiated from the study of non-profits in the United States of America, a few countries like France, Czech Republic, Portugal, Mexico, Kenya, and Canada have also invested scholarship in development of organisational classification systems. India records at least six classification systems that have been designed so far for study and management of Indian social purpose organisations. Many of the proposed frameworks cited in the literature review above highlight that the acceptance of adoption of international systems of classification of organisations was almost in all cases informed by national experiences, although dominated by the USA. What was refreshing to record was the presence of generic frameworks in the literature from disciplines like sociology and organisation studies. These generic frameworks in almost all cases attempt to capture qualitative endogenous variables of organisations, such as participation, membership, philosophy and so on to define the key groupings of organisations.



*Figure 3: Number of recorded classification systems for SPOs (n=50)*

Table 1 below presents a summary of all models studied in this paper and discussed in this section. A careful analysis of these central variables and their applicability to study of management functions in SPOs is critical to the design of an evolving framework for typology of organisations in the Indian Social Sector. The subsequent sections present empirical insights emerging from the adoption and testing of a working typology of organisations adopted for the study of talent management in Indian Social Sector.



**Table 1: Analytical framework for typology of organisations**

Central variable or parameter	Name of the classification system	Year of publication of the classification system	Key variables or parameters of classification	Application in what region/ country?	Parent classification framework referenced	Nature of organisations	Key categories of the classification (with a small brief/ definition of each category)	Challenges in the classification system (conceptual)
Beneficiary	NGO typology based on beneficiary	2009	Beneficiary of the NGO	U.S		Nongovernmental organisations	Self-benefiting NGOs (membership associations designed primarily to provide a benefit to their members generally as a result of pooling interests), other-benefiting NGOs (organizations in which the capital and labor contributors are not themselves members of the primary intended beneficiary group)	
Beneficiary and function	NGO archetypes based on type of function and activities	2009	Type of beneficiary and NGO activities	U.S.	NGO classification based on type of beneficiary and function described in the same paper	Nongovernmental organisations	Service NGOs benefitting self (e.g., alcoholics, chess clubs), service NGOs benefitting others (e.g., salvation army, CARE), advocacy NGOs benefitting self (labour unions, trade associations), advocacy NGOs benefitting others (WWF, Amnesty International)	
Client group	Classification of NGOs based on client group	1987	Client group	Generic		Non-governmental organisations	People's organisations which are 'first party' or membership organisations; third-party or service organisations (voluntary organisation, public service contractors, government-organised non-governmental NGOs)	
Economic Activity/ Economic logic	U.N. International Standard Industrial Classification System (ISIC)	1948	Principal economic activity	International	Standard industry classification system developed in the United States	Establishments in any national economy	17 categories of economic activities	Excludes nonprofit sector organisations that receive half or more of their income from fees or government support

Central variable or parameter	Name of the classification system	Year of publication of the classification system	Key variables or parameters of classification	Application in what region/ country?	Parent classification framework referenced	Nature of organisations	Key categories of the classification (with a small brief/ definition of each category)	Challenges in the classification system (conceptual)
	Eurostat General Industrial Classification of Economic Activities (NACE)	1970	Principal economic activity	International	International Standard Industrial Classification System (ISIC)	Establishments in any national economy	19 categories of economic activities	Fails to differentiate the many types of "social work" and related social welfare activities grouping these under two rather broad categories- "social work" and "social homes"
	International Classification of Nonprofit Organisations (ICNPO)	1992	Economic activity i.e., the types of goods or services provided	International	Employment surveys in the U.S., ISIC, NACE, NTEE	Non-profit organisations	12 major activity groups (Culture and recreation; education and research; health; social services; environment; development and housing; law, advocacy and politics; philanthropic intermediaries and voluntarism promotion; international activities; religion; business, professional associations and unions; not elsewhere classified) further divided into 24 sub-groups	The ICNPO system does not consider the fact that the nature of a particular type of organisation may vary depending on the stage of political and economic development in a country
	Standard Industrial Classification (SIC) Codes	1992	Economic activity i.e., the types of goods or services provided	California, U.S.	United Nations System of National Accounts (SNA)	Non-profit, tax-exempt organisations	Four super-groups (Human services, Public services, Membership services, Organisational services) to be further divided into sub-groups	Classification of tax-exempt organisations- tax-exempt organisations are too diverse to be lumped into one sector
Function	Theory of voluntary associations in the form of typology	1959	Accessibility of membership, capacity to bestow prestige, function of organisational members	U.S.		Voluntary associations	High/ low accessibility (whether membership is easily accessible), high/ low status (whether organisations promote highly valued or less valued activities), instrumental/ instrumental-expressive/ expressive (based on stated objectives)	
	Taxonomy of Human Services	1983	Types of services provided	U.S.		Human services organisations	10 major service categories, arranged alphabetically, then hierarchically from the most fundamental types of services required through the most general services provided; more than 5,000 separate classifications, include community groups and services as well as target populations	Taxonomy covers services outside the nonprofit sector, including public programs and for-profit establishments such as restaurants

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	DAWN Classification Scheme of NGOs	1985	How effectively the NGOs meet the goals of feminism, defined as assisting women in achieving empowerment through organisation	Generic		Women's non-governmental organisations	Broad categories of institutional location, organisational composition, activity content further subdivided into seven overlapping types: outside-initiated, small grassroots, worker-based, affiliated with a political party, service-orientated, research type, coalitions	
	National Taxonomy of Exempt Entities (NTEE)	1987	Primary purpose or function of the organisation	U.S.	Purpose codes of Internal Revenue Service (IRS)	Non-profit organisations	10 broad categories (Arts, culture and humanities; education; environment and animals; health; human services; international, foreign affairs; public, societal benefit; religion-related; mutual/ membership benefit; unknown, unclassified), arranged tropically, further disaggregated into 26 major groups comprising 450 categories	Certain types of organisations such as religious institutions in the U.S. which are not required to file a tax return are disproportionately represented in the survey for taxonomy
	Classification of third sector	1988	Types of services	Generic		Tax-exempt organisations	Four super-groups further divided into sub-groups: Human Services (human service, health service, education, and research); public services (arts and culture, civic and social action); membership services (membership benefit associations, religious organisations); organisational services (philanthropic and fundraising)	
	Nomenclature des domaines d'action associations	1990	General domains of activity	France		Tax-exempt organisations	Ten general domains of activity sub-divided into 64 sub-domains	

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	Three-dimensional system for classification of voluntary sector organisations	1990	Type of operations, degree of commodification	U.S.		Voluntary sector organisations	Advocacy-direct service' or whether an organisation is involved with providing services or seeking 'to affect the outcomes of public or private decisions on issues that impact immediate clients or broader constituencies'; 'commodified-noncommodified' or whether there are cash payments for the goods or services provided; 'participatory/ elitist' or the extent to which the production of output involves consumers or clients	
	AAFRC	1991	Types of services	Generic		Tax-exempt organisations	Four super-groups with further sub-classifications: Human services (Human services, health, education), Public services (arts, culture and humanities; public/ society benefit), Membership services (Religion), Organisational services (Foundations, undesignated, environment/ wildlife, international affairs)	Tax-exempt organisations are too diverse to be clubbed into one sector and unhelpful for the development of either policy or theory (Smith, 1992)
	Classification of NPOs based on orientation	1993	Project orientation	India	Elliot (1987) framework	Nonprofit organisations	NPOs with a welfare orientation which provide famine or flood relief, child sponsorship, etc.; NPOs with a modernization or developmental orientation which support development projects that enable the poor to provide for their own basic needs; NPOs with an empowerment or conscientisation orientation which see poverty as the result of political process and are committed to train communities to enter these processes to bring about social change	

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	Classification of voluntary non-profit development sector	1999	Types of functions	India		Voluntary non-profit development sector	Field program-based (welfare, empowerment, and innovation), support (capacity building and information), umbrella or network (federations and associations), research and advocacy, philanthropic (grant-making), foreign organisations	
	North American Industry Classification System (NAICS)	1999	Primary economic activities	Canada, Mexico, U.S.		Any kind of establishment	20 major economic sectors, divided into 108 subsectors representing 1,170 industries	Most programs of human service organizations would be placed in the other services category. Environmental, animals, advocacy and societal benefit organizations do not easily fit into NAICS
	Classification of voluntary organisations	2000	Types of roles or function	India		Voluntary organisations pursuing development goals and agenda	Public service contractor (engaged in service provision), collaborator (works with the government to generate the desired development outcomes), social innovator (incubates new ideas, models and practices that address a particular developmental problem), policy advocates and social critics (provides analysis of emerging social, political, economic and environmental issues as well as policies and practices of government and international agencies), civil society institutions (provides access, voice and representation to the excluded and marginalised citizens)	

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	NGO typology based on type of activities	2009	Types of NGO activities	U.S.		Nongovernment al organisations	Advocacy NGOs (organisations that work to shape the social, economic, or political system to promote a given set of interests or ideology), service NGOs (organisations that provide goods and services to clients with unmet needs), hybrid and evolving NGOs (organisations that pursue both advocacy and service activities simultaneously or evolve from one to another)	
	Typology of NPOs	2014	Organisations' activities, the setting where activities take place, adaptation of the 'charity-development-empowerment' typology described by Habib (2005)	South Africa	"Charity-development-empowerment" typology described by Habib (2005)	Nonprofit organisations with a self-identified focus on health-related community-based care	Direct service (which include providing psychosocial support and relieving poverty through providing access to resources), developmental, activist	
	Nongovernmental organisations (NGO) archetypes	2015	Role in changing forest community institutions	India		NGOs that influence forest community institutions	Objective institutional design (institutions are endogenous to the NGO and the potential for institutional change is predominantly determined by structure), subjective institutional design (institutions are exogenous to the NGO and the potential for institutional change is predominantly determined by structure). NGO and the potential for institutional change is predominantly determined by agent)	



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	Typology of civil society organisations	2017	Definition, mission, properties, legal status, area of activity, areas of interest, action logic in research	European Union		Civil society organisations	Common cause (focus is to contribute to the public good), shared voice (constitution of CSOs to express or support a particular position), research-oriented (how CSOs participate in research), commercially oriented (promotes interest of companies or industries but are not themselves profit-making organisations)	Boundary conditions are contextual constraints upon interpretations and decision-making concerning CSO participation in research
	Typology of nonprofit infrastructure organisations	2018	Focus of service	Generic		Nonprofit infrastructure organisations	Nonprofit sector (sector support organisations, nonprofit academic centres); nonprofit organisations and their staff (management support organisations, intermediary organisations, nonprofit academic centres); nonprofit support organisations that serve the community (community support organisations, civil society support organisations, nonprofit academic centres)	
	Typology of NGO-R	2019	Field of activity, funding, activation, sphere of influence, background of volunteers	Turkey		Non-governmental organisations active refugee and	Type 1 NGO-R operated by migrants, type 2 local NGO-R, type 3 international NGO-R, type 4 professional NGO-R with local activities	

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	Typology of voluntary sector organisations	2020	Function, characteristics, form	U.K.		Voluntary sector organisations providing mental health crisis care support	VSOs, specifically set up to provide crisis support, VSOs in general mental health also providing crisis support, VSOs providing general support to a specific population encompassing mental health and crisis support, VSOs providing support for particular social issues or life events which can be associated with a mental health crisis, community and social organisations	
	Goal-boundary typology of nonprofit organisations	2022	Goals, boundaries	Generic		Nonprofit organisations	Service delivery nonprofits with coinciding membership sets, service delivery nonprofits with distinct membership sets, service delivery nonprofit with single membership set, social transformation nonprofits with coinciding membership sets, social transformation nonprofits with distinct membership sets, social transformation nonprofits with single membership sets	
	Prototypes of NGO roles in participatory processes	2022	Orientation, nature of involvement	International		Non-governmental organisations involved in participatory processes	Entrepreneur (proactive involvement and government-oriented NGOs), service provider (reactive involvement and government-oriented) NGOs, enabler (proactive involvement and community-oriented) NGOs, partner (reactive involvement and community-oriented) NGOs	
Legal form/ status	Legal classification of NPOs in India	1993		India	Legal definition under Indian Acts	Non-profit organisations	Society, trust, cooperative, trade union, company under Section 25 of the Companies Act 1956	

Central variable or parameter	Name of the classification system	Year of publication of the classification system	Key variables or parameters of classification	Application in what region/ country?	Parent classification framework referenced	Nature of organisations	Key categories of the classification (with a small brief/ definition of each category)	Challenges in the classification system (conceptual)
	Classification of Czech Republic nonprofit sector	2004	Legal form	Czech Republic		Nonprofit entities	Foundations and foundation funds, citizens' associations, public benefit organisations, churches and religious communities, budgetary and subsidiary organisations, other nonprofit entities	Low data accessibility and quality have negative impact on the nonprofit sector's trustworthiness
	Quadros de Pessoal	2010	Legal status	Portugal	Economic activity classification (CAE) system	Third sector	16 legal forms (Charity and Humanitarian Association; Culture, Recreation and Sport Association; Political Association; Employer or Trade-union Association; Nonunion Professional Association; People's House; Other Associations; Complementary Group of Enterprises; European Group of Economic Interest- Civil; Foreign Association; Foreign Civil Enterprise; Mutual Aid Association; National Foundation; Foreign Foundation; Cooperative Society; Religious Collective Person)	
	System of National Accounts in India	2012	Legal status	India	Legal definition under Indian Acts	Non-profit institutions	Society, trust, religious endowments and waqfs, private limited non-profit companies under Section 25 of Indian Companies Act, 1965	
	Typology of Italian social enterprises	2017	Legal form or status	Italy		Social enterprise	Social cooperatives (as regulated by Law No. 381/ 1991), social enterprises under the form of associations, social enterprises under the form of foundations or religious institutions, limited company social enterprises (complying with Legislative Decree No. 155 of 2006)	The challenges that the social enterprises will face are not only different across the types of SEs but will also depend on future public policies as the legal environment has progressively improved

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	Spanish foundation typology	2018	Legal form or status	Spain		Foundations that are instrumental of organisations	Active public sector foundations, corporate foundations, foundations created by legal persons	
Level of operation	Classification based on level of operation	1987	Inspiration, rationale, size	Generic		Non-governmental organisations	People's (or membership) organisations which are community-based; developmental NGOs which operate at the national level; international voluntary agencies; bridging organisations	
	Classification of NGOs based on level of operation	1989	Level of operation; client group	Africa		Non-governmental organisations	Indigenous NGOs (classified into community-based and national NGOs further distinguished on the basis of client group between "membership organisations that help themselves and service organisations that help others") and international NGOs	
Membership	Classification based on membership and volunteer participation	1979	Membership, participation	North Carolina, U.S.	Classification based on membership and participation	Voluntary organisations	Veterans, farms, fraternal and social, business, service and civic, political, professional, agency/ board, labour unions, churches	Uncertainty prevails as to how broad or narrow categories should be and the extent to which results obtained in a particular type of organisation can legitimately be generalized to other types
	Typology of urban NGOs	2000	Staff, voluntary share, funding, foreign share, official share, activities, networks, agencies	Mumbai, India		Urban NGOs	Service-delivery NGOs (small-scale service delivery, large-scale service delivery, officially funded service delivery), policy advocacy NGOs	The interpretability and cogency of the taxonomy may have applicability outside Mumbai but applicability in other parts of India and the rest of the world needs to be empirically tested

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	Classification of rural "local" organisations	1984	Area, economic resource, membership	Generic		Non-governmental organisations	Local development associations, cooperatives, interest associations	
Performance	Typology of social enterprises based on performance	2021	Social, economic and environmental impact	Greece		Social enterprises	Impact maximisers (satisfy the optimum conditions where the generation of commercial revenue allows the creation of social and environmental values), social missionaries (strive for social justice without fully understanding that social needs should be satisfied in a financially sustainable manner)	The accomplishments of social enterprises need to be understood from a multi-dimensional perspective
Philosophy	Classification of NGOs based on 'orientation'	1987	"Position" on what constitutes development or what is called "orientation"	Generic		Non-governmental organisations	Welfare (one that delivers services to specific groups), developmental (the support of development projects which have as their ultimate goal improvement in the capacity of a community to provide for its own basic needs), empowerment (one that sees poverty as the result of political processes and is therefore committed to enabling or training communities to enter those processes)	
	Classification of voluntary development organisations	1991	Inspiration, rationale, size	India		Development-oriented voluntary organisations	Inspiration (Gandhian school, socialist school, Marxist, and neo-Marxist perspective); rationale (rationale that people need help, developmentalist, theme of empowerment, need for support and influence at different levels); size (small, medium, big, large)	

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	Taxonomy of NGOs	1997	Essential descriptors (orientation, level of operation); contingent descriptors (sectoral focus, evaluative factors)	Generic		Non-governmental organisations	(i) Essential descriptors [Orientation (Welfare NGOs, development orientation NGOs, advocacy orientation NGOs, development education NGOs, networking-oriented NGOs, research capacity); level of operation (international, national, community-based, regional NGOs)], (ii) contingent descriptors [Sectoral focus (ICNPO); collections of evaluative attributes- control over resources; organisational accountability; values (voluntary organisations, public service contractors, donor local organisations, induced people's organisations, indigenous community organisations); transparency (foreign, national NGOs); accountability (commodified, noncommodified); participation (participatory, elitist NGOs); congruence with aims of feminism (outside-initiated, small grassroots, worker-based, affiliated with a political party, service-oriented, research, coalitions)]	



Central variable or parameter	Name of the classification system	Year of publication of the classification system	Key variables or parameters of classification	Application in what region/ country?	Parent classification framework referenced	Nature of organisations	Key categories of the classification (with a small brief/ definition of each category)	Challenges in the classification system (conceptual)
	Typology to classify secular NGOs and faith-based organisations	2020	Faith content of program	Cambodia	Typology by Sider and Unruh (2004)	Faith-based organisations, NGOs	Faith-centered organisations (includes an explicit reference to faith), faith-affiliated organisations (faith references may be either explicit or implicit), faith background organisations (may have implicit references to faith), faith-secular partnership organisations (no reference to faith in mission of the partnership), secular faith accommodating NGO (no faith content, but references to values are often present), secular NGOs (no faith content but references to values are present)	The typology being an instrument that classifies organisations more widely, only allows for a faith-based organisation to be classified within a general classification
Programmatic focus	Nonprofit Program Classification System	2001	Program codes, generic codes, beneficiary codes	U.S.	NTEE Classification system	Non-profit organisations	Program codes are divided into the same 26 major groups as the NTEE, consisting of 1,000 individual categories	Created specifically for nonprofit program-level classification
Structure	Structural/ operational classification of NPOs	1993	Structure, operations	India	Anheier framework	Non-profit sector	Formal or organised (religio-political institutions, institutions that have emerged from or nourished social movements, business associations, professional associations, association for the promotion of arts and culture), private (NGOs), self-governing (cooperatives, trade unions), non-profit-distributing (community-based development organisations, non-profit organisations), voluntary (traditional voluntary agencies, business organisations, associations for arts, culture and professions)	The voluntary sector is very informal in India though the Government sees this sector as its partner in development initiatives; excludes bulk of voluntary action driven by a purpose which is either spiritually or ideologically constructed (PRIA, 2000)

Central variable or parameter	Name of the classification system	Year of publication of the classification system	Key variables or parameters of classification	Application in what region/ country?	Parent classification framework referenced	Nature of organisations	Key categories of the classification (with a small brief/ definition of each category)	Challenges in the classification system (conceptual)
	Typology of social enterprises	2009	Process, outcome	Generic		Social enterprise	Differactuating (accepting the notion of adopting entrepreneurship as a strategy for dealing with poverty and marginalisation or other social aims is what the current environment requires), mainstreaming (reflects the fact that solutions to poverty and marginalisation involve the reintegration of people into mainstream society which involves mainstream society adopting particular practices or lifestyles)	With program and service offerings no longer fully funded by the government, the very survival of some organisations is at stake. For others, their ability to capitalise on existing core competencies in service delivery is being jeopardised
Resources held	Typology of NPOs	2014	Level of resources (staffing, remuneration of staff, funding sources, whether they are international, national, provincial or local, monitoring and evaluation structures)	South Africa		Nonprofit organisations with a self-identified focus on health-related community-based care	Well-resourced, moderately resourced, poorly resourced	
Sustainability	Sustainability-based typology of nonprofit organisations	2015	Strength or weakness of financial performance, relative value contributed to society	U.S.		Nonprofit organisations	Double jeopardy (the social need it is addressing is not perceived as being significant enough to attract sufficient stakeholder support and does not generate sufficient funds to ensure its long-term survival), so what (financially stable but faces an eventual threat due to a lack or perception of a lack of legitimacy because it does not contribute sufficiently to society), exemplary (is in the most desired position as it satisfies an important need and manages to sustain itself financially), shoe string (attempts to address an important social need but is not doing so in a way that it cannot sustain itself financially)	The inter-related nature of the strategic options incorporated in the typology demands that managers ensure that the strategies adopted are compatible and complementary

## A classification model to study management of social purpose organizations

The classification systems discussed above have attempted classification of social purpose organisations on the basis of key variables such as principal economic activity/ logic including programmatic focus, function, philosophy, membership, structure or legal form, client group and level of operation. However, all these classification systems suffer from three principal limitations: first, none of these classification systems is suitable for all purpose for which a typology may be required. Second, many of these classification systems are focused on specific parameters (used as base variables) and do not have possibilities of multiple slicing using a combination of variables as the base variables. Third, the problem of classification rests in the lack of a robust framework which can classify organisations in mutually exclusive categories and is true for sectoral categories like environment, education, health, skill development, etc as well as work orientation categories like welfare, development, and empowerment.

In view of these limitations, we propose the classification system described below, which enables the use of multiple variables to identify organisational typology based on specific purposes of the use of the classification system. For instance, the working typology uses work orientations as a key differentiator for classifying the category of archetypes located in NGOs and social enterprises. While some of these classification variables are exogenous to the organisations, for example- geography, statutory form, etc.; there are endogenous variables like orientation of work, structural form, and nature of services, that further enrich the classification system.

The present typology of organisations has been approached as working archetypes for this study. The paper presents the working typology from two dimensions. The first level of classification in this paper considers work orientations; nature and form of the organisation as important axes to study social purpose organisations. The second classification level offers insights into variables of organisation complexity and maturity.

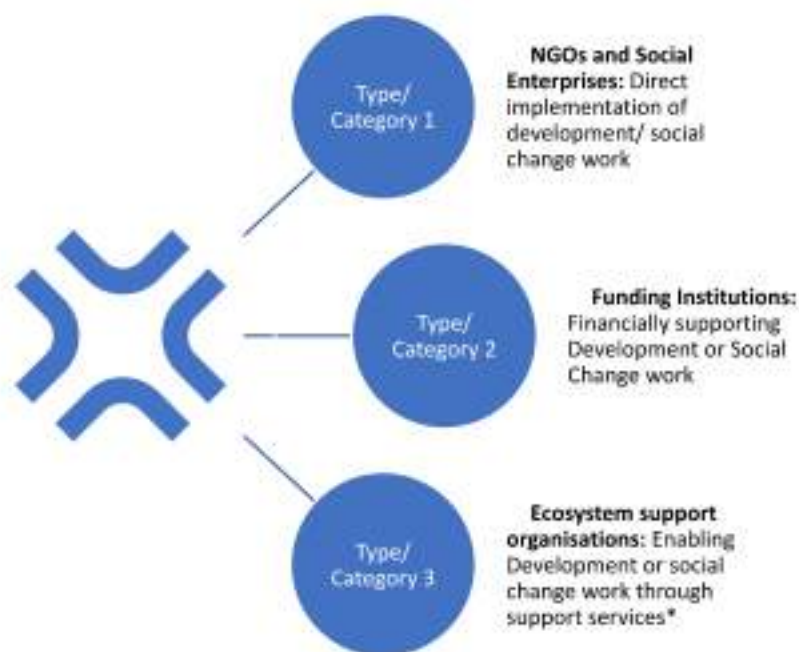
Each archetype in the typology of organisations embodies a certain level of complexity and maturity within its management systems and often is accompanied with specific nature of structures, processes, systems, and the resulting work culture in the organisation. This organisational work culture has strong influences on talent practices in an organisation.

### ***Level one classification:***

The level one classification is guided by the key classification variable of ‘dominant scope of work’ wherein dominant scope of work refers to key mandate fulfilled by the organisation in the context of their existence and contribution to the social sector ecosystem. These broad categories of scope of work are:

- NGOs and social enterprises

- Funding organisations
- Ecosystem support organisations



\*Support services include functional/ technical services, Legal, Advisory /incubation, org capacity enhancement, knowledge consulting, research and education, Accounting and Finance, Outreach, and funding support

## Category 1: NGOs and social enterprises

**Classification Variable:** Dominant scope of work

This category includes organisations that directly work with grassroots communities. The category includes NGOs and Social Enterprises, which typically operate independently of government to serve a defined set of social purpose through various approaches. These approaches could primarily range from acting as a service provider, capacity builder, incubator, institution builder, and/or defining the norms and standards of working with social issues in specific domains. For this study, we broadly identify three orientations of work within the NGOs and social enterprises category on their 'theory of change' and common themes emerging from their engagement with key constituencies for the organisation (Sen, 1998). These are:

- Welfare: goods and service-delivery directly to communities
- Development: training, skill development
- Empowerment: advocacy, capacity enhancement, institution building

- Welfare Orientation**- These organisations deliver various products and services to meet societal needs, such as access to education, health, famine or flood relief materials, child

sponsorship, etc. Such organisations typically design, implement and execute the delivery of various welfare-related goods and services wherein the outputs of their activities are easily identified in tangible terms within short periods.

- ii. **Development Orientation-** These organisations support developmental projects which increase the productive capacity of the beneficiary/ participating group. They do so by supporting, capacity building or resourcing self-help projects that enable the targeted group to provide for their own basic needs. Such organisations usually work as mediators of the development process for communities.
- iii. **Empowerment Orientation-** These NGOs empower communities by mobilising and building the agency of communities to enter the economic and political processes that bring about social change. These NGOs achieve their project objectives by organising the communities to voice their concerns on issues that are likely to adversely affect them, lobbying for these communities at various levels and raising awareness about the rights and causes that affect these communities for appropriate action. Organisations with empowerment orientation include those with radical or not so radical approaches to working in the sector. The centrality of the empowerment theme is located in building the overall sustainability of change initiatives (long after the NGO has exited) with communities. This archetype includes membership-based organisations like SHGs, Co-operatives, Unions and Producer companies.

## Category 2: Funding institutions

**Qualifying Variable:** 3 or more step distance from grassroots communities; Fund support for Development Work

### Category details basis structural variations considered

#### Grant-making organisations

- Foreign institutional donors with liaison offices in India
- Domestic Corporate Foundations & CSR arms of companies
- Family foundations registered in India

#### Impact investment

- Impact investment organisations

We define ‘funding institutions’ as organisations that fund the social sector. This category includes organisations that fund SPOs through grants or impact investment models. The category does not include pure government bodies like state departments of ministries that onboard NGOs and Social Enterprises for active support in the fulfilment of their mandates. The category, however, shall include quasi-government funding organisations which are managed professionally. For example - BRLF, CAPART, etc.

1. **Grant-making Funding Institutions-** These institutions fund through a grant-based model that involves disbursing structured funding amounts to organisations based on a mutually agreed set of project deliverables, timelines, and monitoring mechanisms. The funders providing grants do not require any financial returns on their investments.
  - a. **Family Foundations registered in India-** The family primarily endows these Foundations. The family plays a governance role and provides the founding vision to the organisation guiding its grant-making activities. These Foundations could either be grant-making foundations or a combination of both grant-making and operating foundations. Examples of such organisations include Nilekani Philanthropies, Azeem Premji Foundation.
  - b. **Corporate Foundations and CSR Arms of Corporates (Domestic)** - Corporates with Rs. 5 crores net profit/ Rs. 1000 crore turnover or Rs. 500 Crore net worth is required to spend 2 per cent of their average net profit of the last three years on their CSR activities. In order to be compliant under Section 135 of the CSR Act, companies in India have set up CSR teams within their organisations that directly allocate the required CSR expenditure to developmental program-based initiatives in line with their CSR strategy. Some corporate entities have also set up foundations to comply with their CSR requirements and make the necessary CSR expenses through the Corporate Foundation. Corporate Foundations typically have a more diverse and evolved portfolio of CSR spending than the CSR arms/teams set up by Corporates. The archetype shall look at corporate foundations and CSR arms of companies that do grant-making in the Indian social sector.
  - c. **Foreign Institutional Donors with liaison offices in India:** Foreign institutional donors have contributed to the growth and development of the Indian social sector for many decades now. These organisations fund development work in India by way of their liaison offices in India. The liaison offices may or may not have complete autonomy over the governance of funds invested in the social sector. They are, however, guided by the governance rules of the international entity. Examples of such entities include Misericord, Christian Aid, Agha Khan Foundation, etc.
2. **Impact Investment organisations** - These organisations make investments in other organisations intending to generate measurable social and environmental impact alongside financial and social returns.

**Government Funding institutions-** This category includes Government funding to various social impact organisations. These typically include the various Government Ministries/ bodies that regularly interact with the social sector and provide financial aid to NGOs. Examples include the Ministry of Women and Child Welfare, Ministry of Social Justice and Empowerment, Ministry of Human Resource Development, Bharat Rural Livelihoods Foundation, CAPART, etc.

High Net-worth Individuals (HNIs) have also not been included in this typology of organisations. They do not qualify as SPOs / institutions/ companies/ foundations and may not be registered as non-profit organisational entities.



## Category 3: Ecosystem Support organisations

**Qualifying variable:** 2 or more step distance from grassroots communities

Category details basis the nature of services offered by organisations

- Functional Support Services
- Core organisational support services
- Ecosystem Advancement Support Services
- Education, Research and Advocacy organisations
- Media Houses

Support Ecosystem organisations provide a range of supporting services to the social sector to make the sector more effective, sustainable, and strategic in its work. These support solutions or services may include functional/ technical services, Legal, Advisory /incubation, organisation capacity enhancement, knowledge consulting, research and education, policy engagement at the ecosystem level, accounting and finance, outreach and funding support. These types of organisations can be broadly classified into three segments:

1. Functional Support Services- Organisations in this category provide functional support services to their target clients in the social sector. These support services include fundraising, financial, tax and audit services, HR & talent management, M & M&E, communication services, etc. Examples of such organisations in the Indian Social Sector are Sambodhi Research and Consulting, Third sector partners.
2. Core Organisational Support Services- Organisations in this category provide services that support the organisations' core aspects, such as program/grant/strategic advisory services, organisational capacity building, and grant management and implementation support services. Examples of such organisations in the Indian Social sector include Sattva consulting, Dasra.
3. Ecosystem Advancement Support Services- Organisations in this category provide sector advancement services that build credibility, capability, capacity, and connection of the sector. These support service providers typically provide services that have an impact at the sectoral level. Examples of these services are credibility & accreditation services, philanthropic support organisations, etc. (trade associations)
4. Education, Research and Advocacy organisations – Organisations in this category provide critical inputs into new pathways for the sector. These support institutions are typically the site of co-creation and design of future possibilities through knowledge creation, curation, and collation. Examples of such organisations in the sector include CPR, ISDM, CSIP, Dhan Foundation.

There is one more segment identified in this category. However, the role of these organisations is yet to evolve in the Indian Social sector both in terms of function and impact.

*Media houses* - Entities like IDR, Medium, CG Net, Better India, Swarajya, etc. shape the public opinion on core development issues in the sector. Most of these platforms are also used to convey to the public the complexity and chaos that accompany the nature of work in the sector. While such platforms of social media and popular reading have emerged in the past few years, they continue to serve as bridges between the professional and technical space of development work and the social reality of the masses.



*Diagrammatic representation of level 1 classification of the (working) typology of organisations*

Organisations in the above three categories are further divided into 14 archetypes using the level 2 classification variable of 'Organisation Maturity'.

Organisation maturity, in this case, is determined by a combination of two variables, namely, 'organisation complexity' drawn from the size and scope of engagement of the organisation and Governance Philosophy. In other words, variables considered to define organisation complexity in the context of this study are – 1) the number of employees (including any contracts that involves sustained/ repeat financial exchange between the personnel and organisation), 2) Size of the financial portfolio of the organisation defined through annual budget, and 3) scope of services both in terms of the theme of engagement or geography.

## Level two classification:

The level two classification further considers variables of organisation complexity and maturity. While organisation complexity is defined using variables of size and scope of services, organisation maturity refers to governance philosophies and nature of engagement of the organisation within and in the ecosystem within which it operates. Below is a capture of key archetypes that emerge within the three categories considering variables of organisation complexity and maturity.

NGOs and Social Enterprises	
<b>Organisation complexity</b>	Defined in terms of 1) size - no. of employees, and 2) scope - geographical scope of operations (dispersed, localised) - the 2 by 2 matrix of these two variables define the simple and complex classification of organisations under organisation complexity.
	<b>Simple and Complex:</b> Below are the descriptors of two variables that define the simple and complex.
	a) <u>Number of Personnel</u> in the organisation who are drawing any financial payments in lieu of their services. Any organisation with personnel numbers less than 50 qualifies for simple. Any organisation with personnel numbers over or equal to 50 qualifies for 'complex'.
	b) <u>Scope of operations</u> of the organisation in terms of geographical categories they service. The scope of operations is currently derived from question number A9. Choice of any one category, rural or urban qualifies the organisation for simple. Choice of more than 1 or both urban and rural by an organisation qualifies them for complex.
<b>Governance Philosophy</b>	Defined in terms of either the organisation is 1) founder driven/with no distinctly articulated HR practices (Ad hoc) or 2) professionally managed with clearly articulated HR structures and processes.
	a) <u>Ad hoc/ Founder Driven</u> is defined by the presence of one or more factors/ practices, namely, 1) founder in key operations role, 2) informalized/loosely defines governance structures, 3) lack of defined HR structures, 4) inactive/inert board
	b) <u>Professionally Managed</u> is defined by the presence of 3 or more factors/practices, namely, 1) led by professionals recruited from the market/ecosystem, 2) active board, 3) defined governance and decision-making processes, 4) formal

Organisation Complexity		
Scope	Urban/ Rural	Urban and Rural (Both)
Size		
X<50	Small and localised <b>SIMPLE</b>	Small and dispersed <b>COMPLEX</b>

<b>X&lt;=50</b>	Large and localised <b>COMPLEX</b>	Large and dispersed <b>COMPLEX</b>
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### Key archetypes of the NGO and SE category:

<b>Organisation Complexity</b>		
<b>Governance Philosophy</b>	Simple Ad hoc	Complex Ad hoc
	Simple Professionally Managed	Complex Professionally managed

When the simple-complex and ad hoc-professionally managed are combined, the framework lends itself to four key archetypes which are as follows:

- Simple- ad hoc
- Complex- ad hoc
- Simple- professionally managed
- Complex- professionally managed

<b>Funding Organisations</b>	
<b>Organisation complexity</b>	Defined in terms of 1) size - financial portfolio, and 2) scope of services (focused/varied) - the 2 by 2 matrix of these two variables define the simple and complex classification of organisations under 'organisation complexity'.
	<b>Simple and Complex:</b> Below are the descriptors of two variables that define the simple and complex.
	a) Financial Portfolio is defined as the overall portfolio of disbursements of funds by the organisation. If the portfolio of funding is below 20 crores, the organisation qualifies for simple. If the funding portfolio is equal to or above 20 crores, the organisation qualifies for the complex.
	b) Scope of services refer to the kind of services offered by the organisation. If the organisation is offering only grant-making or investments as services, the organisation qualifies for simple as the nature of services is focused. However, if the organisation offers more services like capacity building, strategic support and mentoring, enabling further partnerships, etc., the organisation qualifies for complex as the offered services are varied.
<b>Governance Philosophy</b>	Defined in terms of either the organisation is 1) founder driven/with no distinctly articulated HR practices (ad hoc) or 2) professionally managed with clearly articulated HR structures and processes.
	a) <i>Ad hoc/Founder Driven</i> is defined by the presence of one or more factors/practices, namely, 1) founder in key operations role, 2) Informalised/loosely defines governance structures, 3) lack of defined HR structures, 4) Inactive/Inert Board

	b) <i>Professionally Managed</i> is defined by the presence of 3 or more factors/practices, namely, 1) led by professionals recruited from the market/ecosystem, 2) active board, 3) defined governance and decision-making processes, 4) formal
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Scope of services offered		
<b>Disbursement portfolio</b> (X> 20 crores or X< 20 crores)	Simple Small and focused	Complex Small and varied
	Complex Large and focused	Complex Large and varied

When the simple-complex and ad hoc-professionally managed are combined, the framework lends itself to four key archetypes which are as follows:

- Simple- ad hoc
- Complex- ad hoc
- Simple- professionally managed
- Complex- professionally managed

Organisation Complexity		
<b>Governance Philosophy</b>	Simple Ad hoc	Complex Ad hoc
	Simple Professionally Managed	Complex Professionally managed

Ecosystem Support Organisations	
<b>Organisation complexity</b>	Defined in terms of 1) size - no. of employees, and 2) scope - geographical scope of operations (dispersed, localised) - the 2 by 2 matrix of these two variables define the simple and complex classification of organisations under organisation complexity
	<b>Simple and Complex:</b> Below are the descriptors of two variables that define the simple and complex.
	a) <i>Number of Personnel</i> in the organisation who are drawing any financial payments in lieu of their services. In the survey this is captured through question number A10. Any organisation with Personnel numbers less than 50 qualifies for simple. Any organisation with Personnel numbers over or equal to 50 qualifies for Complex.
	b) <i>Scope of operations</i> of the organisation in terms of geographical categories they service. A choice of any one category, rural or urban, qualifies the organisation for simple. Choice of more than 1 or both urban and rural by an organisation qualifies them for complex.

<b>Type of Services</b>	Defined in terms of the dominant nature of services provided by the organisation. Dominant in this case is determined by what kind of services utilize most of the organisation resources (people, money, and time). There are three kinds of services typically identified for this category of organisations. These include a) regulatory support services, b) organisation specific support services, c) ecosystem-level support services
	<i>a) Regulatory support services</i> include services in the domain of Finance, Auditing, Legal support solutions/services with high compliance (externally imposed with punitive measures) requirements
	<i>b) Organisation, specific support services</i> , include services in Advisory/strategic, OD M&E, change management, HR solutions/services to organisations with low compliance (externally imposed with punitive measures) requirements
	<i>c) Ecosystem level support services</i> include services in Ecosystem advocacy, Education and Research support solutions/services towards ecosystem shaping with low compliance (externally imposed with punitive measures) requirements

When the types of services and organisation complexity are combined, the following six archetypes emerge in the current classification system:

<b>Organisation Complexity</b>		
<b>Type of Services</b>	Simple Regulatory	Complex Regulatory
	Simple Organisation specific	Complex Organisation specific
	Simple Ecosystem Level services	Complex Ecosystem Level services

## Challenges to design an appropriate classification system for SPOs

The typology proposed above discusses a hierarchical classification system for social sector organisations which consider multiple organisation-level characteristics simultaneously to arrive at a classification scheme. However, this typology is not the first to suggest a hierarchical typology. The existing literature discussed above reveals that the other typologies [Yaziji and Doh (2009); Greenspan et al. (2022)] also consider several characteristics simultaneously. Our typology adds to these existing hierarchical classifications as it involves a three-level classification scheme whereby the principal economic activity undertaken constitutes the first degree of classification into three principal categories (NGOs and SEs, funding organisations, ecosystem support organisations). Further, each of these principal categories are further sub-divided based on two characteristics which are selected based on the principal sub-category. We do not claim that our typology supersedes the existing typologies or that it gives a better understanding of the



social sector. Rather, we suggest that since the typology selects the second and third-level classification factors based on the principal sub-category, this typology is more accommodating to be applied to social sector organisations in different types of economies.

However, our typology is not without limitations and suffers from certain caveats. First, this typology is too granular in the sense that certain categories of organisations are relatively fewer than other categories and therefore do not allow for further classification. For instance, the funding organisations are few compared to NGOs and SEs and the funding portfolios are often too diversified to categorize the funding organisations into any particular category.

Second, similar to other typologies, the categories described above are not mutually exclusive in nature. Therefore, organisations might belong to more than one category during the same period. The typology suggested above is based on the 'principal economic activity' of the organisation. So, if the organisation undertakes two types of activities, only the principal category is considered for the classification scheme. For instance, if an organisation primarily works as an ecosystem service organisation but also funds other initiatives occasionally, this organisation is classified as ecosystem service organisation and not as a funding organisation. Therefore, in order to apply this typology, researchers and practitioners must bear in mind that the categories are not mutually exclusive.

Third, the boundaries between the different sub-categories are often thin. For example, let us consider the size factor in the case of NGOs and SEs. When the number of employees in an organisation is less 50, it is considered to be simple else the organisation is classified as complex. However, the issue at hand here is the number of employees might fluctuate and it may fall below 50 or go above 50 at any point in time. If the typology is applied in its strictest sense, then a particular organisation is likely to move across sub-categories continuously and might seem unstable, but this should not be the case. A small change in the number of employees of an organisation hardly leads to a change in the principal organisational characteristics. This highlights the need for flexibility in order to ensure an effective application of any typology of social sector enterprises.

Nevertheless, our typology attempts at proposing a three-level classification scheme which should have the capacity to accommodate the diverse kinds of organisations existing in the Indian social sector. Future research can examine how a particular typology can accommodate changes in an organisation over short-term periods so that small changes in organisation-level characteristics do not lead to re-classification of the organisation typology in the classification scheme.



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