〔特集論文〕

Excellent NPO Standards: Building Assessment Tool for NPOs in Japan

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This paper aims to explain the design process and systematic structure of the evaluation criteria for an "Excellent NPO," as well as to discuss how the evaluation of a nonprofit organization (NPO) should be conducted as a measure for problem-solving. The evaluation criteria were established by the practitioners and researchers, who sensed a crisis in the current situation of the NPO sector in Japan. First, the current situation was analyzed based on the data collected, and the desirable image of an NPO was defined. Subsequently, the three problems of "citizenship," "social innovation," and "organization stability," which were determined to be the most important, were extracted and defined as the basic conditions. Based on these basic conditions, the systematic structure and design process of the evaluation criteria were defined and discussions were made according to the process, thereby resulting in 33 evaluation criteria. Therefore, these evaluation criteria can help derive possible solutions for the problems faced in the NPO sector. However, in order for the evaluation to act as a problem-solving measure, the evaluation itself should be considered as a project; moreover, continuous review of the evaluation criteria, such as continuous analysis of the current situation and feedback from users, are necessary.

Key words: evaluation as problem-solving, excellent NPO, citizenship, social innovation, organization stability

1. Introduction

Evaluation criteria for Excellent NPO are comprised of 33 evaluation criteria created by a group of practitioners and researchers who sensed a crisis in the current situation of Japan's NPO sector. Returning to the grass roots of nonprofit organizations, these evaluation criteria were established based on "citizenship", "social innovation" and "organizational stability" which were defined as the basic conditions. In this sense, the criteria were designed to deal with the NPO sector's problems.

As the evaluation is expected to provide constructive lessons and advice, its problem-finding function is highlighted in many cases. However, another aspect for the evaluation exists that it mainly provides a direction and a prescription for problem-solving. In this regard, this paper reviews a history and progress of the dissemination of nonprofit organizations and refers to diversity of evaluation of nonprofit organizations. Then, the paper explains the evaluation focusing on problem-finding, as well as that on problem-solving.

This paper explains that the criteria for Excellent NPO are designed for evaluation for problem-solving, and subsequently clarify positioning of the criteria.

In addition, key concept and creating-process of the evaluation criteria for Excellent NPO are explained. First, the current situation and problems in the NPO sector are dis-

cussed. Furthermore, the design process and systematic structure of the evaluation criteria are described.

Lastly, how evaluation is utilized for problem-solving are discussed.

2. Evaluation of nonprofit organization

First, the history and progress of dissemination of nonprofit organizations in United States that has the long history in evaluation of nonprofit organizations are reviewed. During the course of dissemination, the evaluation approaches for nonprofit organizations have become diversified and complex in United States; these evaluation approaches are divided and summarized into three categories.

2.1. History of nonprofit organization evaluation

It is generally considered that a history of the evaluation of nonprofit organizations started in United States. The policy assessment in United States is said to start with the program evaluation of education and social welfare under the "Great Society" policy. The large-scale foundations in United States kept pace with the policy and made a significant amount of grants to development in poverty areas. Subsequently, they gradually realized the necessity to review the effects of their grants. From 1970s, they earnestly commenced evaluation activities. For example, Manpower

Demonstration Research Cooperation, a US evaluation organization, which was founded by contributions of the Ford Foundation and others in late 1970s, conducted evaluations of the grant programs by governments and foundations (Tanaka 2005).

Large-sized grant making foundations and community foundations conducted evaluations, which affected granted organizations. Subsequently, evaluation was disseminated to general nonprofit organizations.

Under these circumstances, research on evaluation for nonprofit organizations and developments of evaluation methodology took place. Both in 1995 and 1998, the Aspen Institute, a US nonprofit think-tank, organized a study group comprising stakeholders from nonprofit organizations and evaluation researchers. The group announced "New Approaches to Evaluation Community Initiatives" (volume 1 published in 1995 and volume 2 in 1998) in order to discuss appropriate evaluation methods for nonprofit organizations. Independent Sector (1998), a nonprofit organization specialized in policy advice and a US forum organization, published "Evaluation with Power", in which evaluation methods and procedures for nonprofit organizations are explained in detail.

In 1993 and 1999, the Peter Drucker Foundation for Nonprofit Management published a "Self-Assessment Tool for Nonprofit Management," which has been disseminated as a management assessment tool for nonprofit organizations not only in United States but also in many other countries.

The W. K. Kellogg Foundation is a foundation that makes grants to US community activities and foreign NGOs. The foundation requires the granted groups to conduct evaluation on their activities and separately covers expenses associated with such evaluation activities. In addition, trainings for evaluation activities and related information have been provided to those eligible for grants. As a part of the activities, the foundation published "Evaluation Handbook" in 1998, widely utilized by those eligible for grants and by those in the NPO sector and researchers.

In 21st century, evaluation has become a part of regular activities for the US nonprofit organizations. Carman and Fredericks (2008) conducted a survey on nonprofit organizations in the State of Indiana and analyzed the status of evaluation activities.[1] The answers for implementation of evaluations are "sometimes evaluating" (26%), "evaluating

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[1] Number of the samples was 189, which was a limited number. However, the sample was well balanced in the scale of organizations and fields of activities.

Table 1 Management, audit and evaluation activities N=189

Reporting activities	Creation of reports to a board	94%
	Creation of an annual business report	75%
	Reports to granting agencies	71%
	Accountings report to granting agencies	70%
Activities related to legal matters	Accounting audit	86%
	Business audit	71%
	Qualification acquisition (Approval of business operation)	35%
	Undergoing of certification review	31%
Monitoring	Reviews of achievement results and evaluation on staff members	80%
	Inspection of programs	77%
	Monitoring of program execution	69%
	On-site inspection by granting agencies and governmental agencies	55%
Management Strategy	Check of consistency between purposes/targets and programs	67%
	Establishment of achievement targets	57%
	Decision of strategic plans as formal items	47%
	Use of Balanced Scorecard	5%
Evaluation and achievement assessment	Execution of program evaluation	55%
	Execution of achievement measurement	46%
	Creation of a logic model	23%

Source: Carman and Fredericks (2008: 57)

with consideration of balance" (46%), and "evaluating all programs" (18%). Based on the subject results, 90% of respondents conducted evaluations. Only 10% of respondents did not evaluate, comprising "not evaluating at all" (5%), and "hardly evaluating" (5%).

Table 1 shows the responses on the questions that ask about implementation of various evaluation-related activities. From a wide perspective of the review of organization management, in addition to the program evaluation, publication of annual reports and submission of reports to a board and granting agencies were included in scope of the survey. In case of the evaluation for nonprofit organizations, when evaluation of nonprofit organizations is discussed, it is understood from Table 1 that evaluations on projects and programs as well as monitoring and management assessment are included in the scope of evaluation.

2.2. Diversified aspects of the evaluation for nonprofit organizations

As shown in Table 1, for nonprofit organizations, evaluation means wide-ranging concept that includes not only the evaluation of programs and projects but also assessment of

Table 2 Types of evaluations for nonprofit organizations

Program and project evaluation	Buildup and support for management power	Code of conduct
"Process evaluation" Program theory, program theory, etc. • "Log frame (PCM)" • "Cost benefit" cost-benefit analysis, cost-effectiveness analysis • "Scientific evaluation" "Quasi-experimental mode" Randam experimental method, Impact evaluation, regression and decoupling model and general index model	"Plannning" • Drucker's self-assessment method" • Strategic Planning "Progress management" • Performance measurement "Financial analysis" "Cinrehensiveness" • Balanced Scorecard	"Codes and charters of conduct" Code of Conduct, Code of Ethics "Nonpolitical nature and nonreligious nature" • The Genron NPO (based on the guideline of the Internal Revenue Service in US) "gift acceptance policy"

Source: Created by the author

management and determination of strategic plans.

In regard to project evaluation to assess effects of granted projects and programs, project evaluation possibly started on request from granting foundations and administrative agencies. Therefore, following program evaluation by the government, nonprofit organizations conducted on-site data collection and monitoring activities as the subjects for experimental and quasi-experimental evaluations.

However, as described earlier, many books on program evaluations for nonprofit organizations, published since 1990s, focused on theory evaluations. Connell et al. (1995) noted that scientific evaluation that measures and proves effects of projects by forming comparative experiment groups, tended to exclude viewpoints other than assumptions by evaluators as well as initiatives of people attempting to solve communal problems from an evaluation viewpoint. Therefore, such evaluation was indicated to be not fully appropriate for nonprofit organizations. Then, it is also indicated that, to respect initiatives of people in a community, the method of theory evaluation developed by Weiss in 1970s was more appropriate.

In addition, evaluation methods based on business administration have been widely disseminated among nonprofit organizations. P.F. Drucker Foundation's Self-Assessment Tool for Nonprofit Organization, that was created based on Drucker's management philosophy and announced in 1993 and 1999, introduced thinking-process to extract an organization's innovation power by setting five questions for the evaluation.

Strategic Planning was the method developed based on Porter's (1980) competitive strategy. Initially, the approach was used by businesses, gradually being applied to nonprofit organizations. For example, the Cleveland Foundation, that had the longest history as a community foundation in United States, analyzed historical achievements and their

advantage over others, and determined their strategic plan in use of the Strategic Planning approach (Tanaka 2005).

Kaplan, a financial scholar, proposed the assessment tool for non-financial aspect, i.e., Balanced Scorecard (BSC), indicating that mere evaluation of the financial aspect was not sufficient. Focusing on non-financial aspects, BSC has been widely disseminated among governmental agencies and private nonprofit organizations. Kaplan and Norton (2004) explained its application method for nonprofit organizations in their book of "Strategy Maps: Converting Intangible Assets into Tangible Outcomes".

There is also an evaluation method whose main purpose is to show the code of conduct and eligibility of organizations for the society. InterAction (2014), an NGO's association in the United States, announced "People's Voluntary Organization (PVO) Standards", showing the code of conduct for members. These are called "Code of Conduct" and "Code of Ethics" and presented by a number of NGOs, regardless of their fields and nationalities (Tanaka 2005).

Table 2 shows a list of the above-described evaluation approaches for nonprofit organizations. The program evaluation targets projects, while the management assessment tools are designed for both projects and organizational management. As for the code of conduct, many of them focus on organizational management and governance.

2.3. Evaluation and problem-solving

According to Patton (1997), there were three purposes for evaluation, consisting of judgment, improvement and knowledge creation. However, in many cases, nonprofit organizations emphasize the advantages of improvement from evaluation. In other words, they identify the solution after finding problems in their activities and organizational management.

Then, considering evaluation as an approach for problem-

solving, what type of characteristics can be identified? In the following, evaluations from two perspectives, that is, problem-finding and exploring problem-solving are explained.[2]

(1) Evaluation as problem-finding

The project evaluation and program evaluation confirm achievement-status of the purpose and clarify success factors and problems. In evaluation-reporting activities, lessons and advice are considered important as the evaluation reveals problems related to the project operation. In this sense, project evaluation is considered as a trigger for those being evaluated to identify problems.

The evaluation approach derived from business administration aims at management assessment, so that the method is designed to point out problems in organizational management. P.F. Drucker Foundation's Self-Assessment Tool is the thinking-support tool that helps organizations identify the opportunity for innovation by understanding the gap among mission, achievement of nonprofit organizations, and needs of customers (Drucker and Stern 1999). BSC is the logical-thinking-support tool that enables an organization to find its own strength and weakness through comparison with others and to set the achievement goal for the next term. Both approaches share characteristics in helping an organization to compare its own mission and achievement, with those of others, and to identify problems.

(2) Evaluation as problem-solving

There is also an evaluation method focusing on problem-solving. PVO Standards by INTERACTION and Accountability Criteria by Japan NGO Center for International Cooperation (JANIC) (website), and "Seven Criteria for Creditable NPOs" by Japan NPO Center (website) present code of ethics and conduct for non-profit organizations. The purpose of these evaluations is to demonstrate the organization's abidance to the criteria of a society and secure its creditability. Background for the codes and criteria indicates that nonprofit organizations faced the problems that threatened their social positions.

The PVO Standards were created after the NGO scandal that involved the ODA fund in 1980s. In order to address such scandal, NGOs established the PVO Standards through eight years of standardization activity.

JANIC's NGO Accountability Criteria took place under the circumstances where the Ministry of Foreign Affairs launched evaluation of NGOs, when illegal processing of subsidies granted to NGOs by the Ministry was identified and the Ministry attempted to address such scandal. In the face of such situation, NGOs considered that they should create their own criteria and launched the NGO Accountability Criteria.

Japan NPO Center's "Seven Criteria for Creditable NPOs" was created, when the NPO scandal was frequently reported by mass media. The code of conduct was established by the NPOs with awareness of problems in the situation.

Such code of conduct was produced to cope with creditability and accountability problems which the nonprofit sector historically faced. Nonprofit organizations attempted to recover and secure credibility by showing their abidance by the code. In this sense, code of conduct is considered to be a type of evaluation to indicate the direction for solving the problems that nonprofit organizations face.

(3) "Evaluation criteria for Excellent NPO" as problem-solving

In case of the 33 criteria for Excellent NPO, its purpose is problem-solving and improvement. As the background for creation of the evaluation criteria for Excellent NPO, a sense of crisis was shared on the situation of Japan's NPO sector and a sense of urgency was also shared to take action for quality improvement in the NPOs activities and their organizational management.

In order to comprehend a sense of crisis in detail, study on financial database and survey was conducted. Analysis was conducted on the NPO sector's current situation in order to extract three problems. That is, NPO could not be fully the absorber of the citizen's demands; they lacked problem-finding and ability for innovation, although they wished to be engaged in social change; and they faced organizational issues which resulted in organizations' instability.

Based on these three problems, "citizenship", "social innovation" and "organization stability" were set as basic element and criteria were established.

In this sense, evaluation criteria for the Excellent NPO attempt to address problems extracted from the current status of the NPO sector and present solutions.

In the following section, the current situation and problems in Japan's NPO sector are described. Furthermore, the structure and designing-process of the evaluation criteria for Excellent NPO are explained.

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[2] Single evaluation activity has both sides of problem-finding and problem-solving. This paper focuses on and discusses major characteristics.

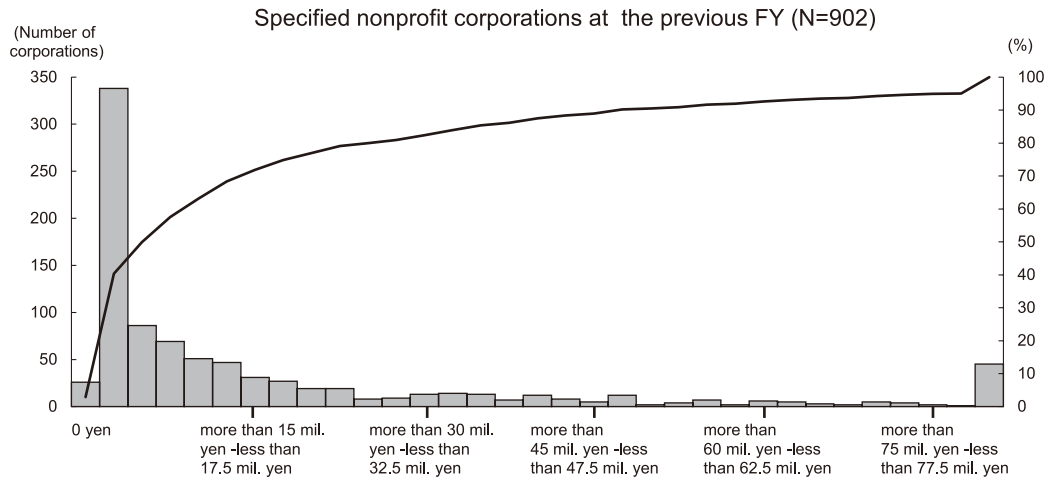Specified nonprofit corporations at the previous FY (N=902)

Figure 1 Distribution of NPO's income scale (FY 2008)
Source: Cabinet Office (2010)

Specified nonprofit corporations at the previous FY (N=982)
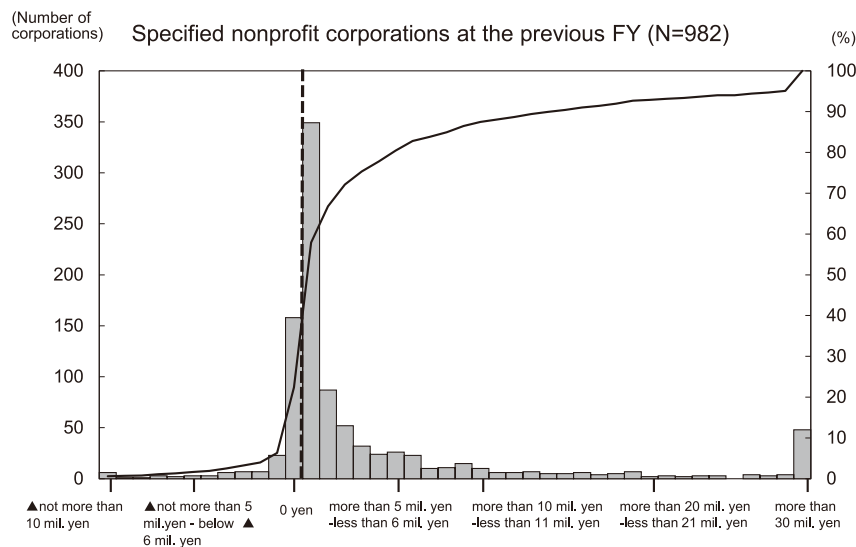

Figure 2 Distribution of net assets in nonprofit organizations (FY 2008)
Source: Cabinet Office (2010)

3. Current situation and problems of Japan's NPO Sector

In Japan, "Law to Promote Specified Nonprofit Activities (NPO Law)" was established in 1998 with the aim of promotion for spontaneous contribution activities to a society among citizens. The number of NPOs was 41,171 as of the end of October, 2010, growing to become a single sector. However, a major problem is identified through analysis of the sector's current status.

3.1. Problems related to organizational management

Figure 1 shows the distribution of NPOs' income scale based on the survey by the Cabinet Office (2010). This dis-

tribution shows an almost similar trend to the national NPO financial database (FY 2003) retained by Osaka University. Small-sized organizations accounted for more than 60 percent, being a majority of the sector.

The "Basic survey for citizen activity groups in FY 2009 by the Cabinet Office (2010)" asked a question on the problems faced by the NPOs for their sustainable management. The largest problem was "securing human resources" (64.7%), followed by "diversification of income source" (56.9%) and "enhancement of PR activities" (47.1%). Problems in human resources, funds and PR were also revealed in the historical survey by the Cabinet Office in 2005; these problems have been difficult to solve.

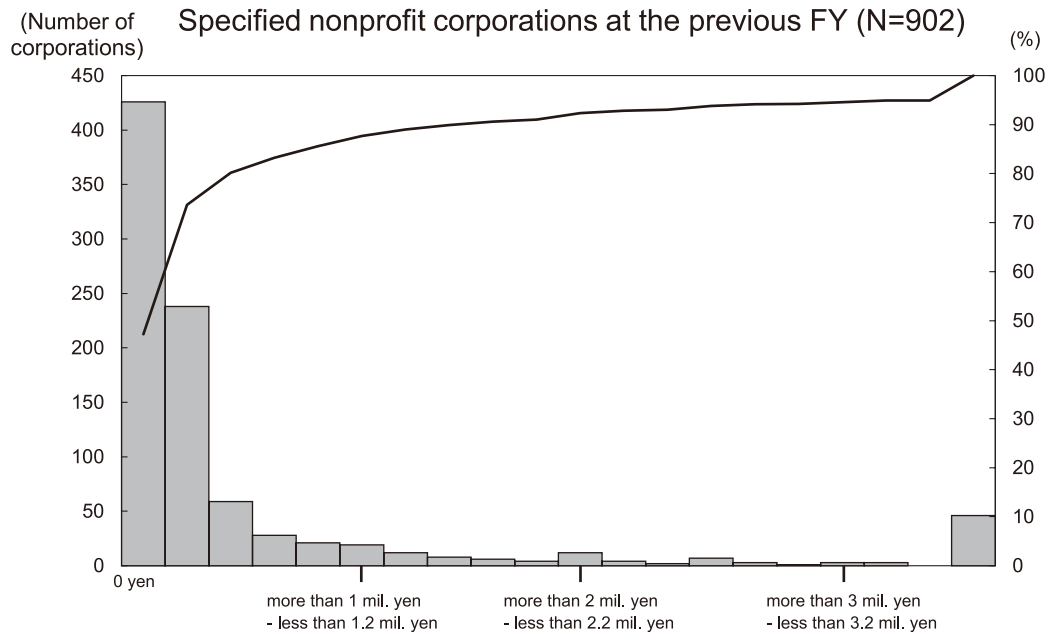Financial sustainability is also a large problem. Figure 2

Figure 3 Distribution of donation to NPOs (FY2008)
Source: Cabinet Office (2010)

is the distribution of net assets. The figure exhibits internal reserve which is indispensable for new projects, project expansion and contingency. However, 12.3% of organizations showing minus figures, faced asset deficiency. Looking at increased and decreased amounts of net assets, 32.8% of them reported negative figures. That is, more than 30% of organizations covered the deficits by reducing their internal reserves.

3.2. Relationship with citizens

Nonprofit organizations play roles as "human-change agents" to cope with social needs through provision of their goods and services as well as "creator of citizenship" by providing citizens with the participation-opportunity through the organizations' activities (Drucker 1995).

Relationship with citizens in this paper focuses on role as "creator of citizenship".

(1) Citizen's participation

Figure 3 shows the distribution of donations. 47.2% of organizations reported "no donation". This indicates that almost half of the organizations did not receive the donation at all. In addition, the average rate of the donation to all income accounted for 5.5% of yearly income.[3] Incidentally, according to national NPO financial database (Osaka University) including 12,590 organizations, 54.5% of organizations answered "no donation". The comparison is difficult due to the different sample size in both activities. However, these figures indicate that the situation is far from being improved as the ratio of donation to all income becomes smaller.

With respect to member fees, 42.6% of the organizations, the highest ratio of the respondents, answered "more than 1 yen to not more than 200,000 yen". The respondents with the answer, more than 0 yen to not more than one million yen, accounted for 83%. Compared with donation, member fees were collected to higher extent. However, the ratio to all income is as low as 6.8%.

(2) Volunteer

The "Survey on NPO's Role in Social Innovation[4]" was

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[3] Refer to the described data of statistics of the Cabinet Office (2010).

[4] "Survey on NPO's Role in Social innovation" was the survey conducted by a study group to work out evaluation criteria for nonprofit organization.
(1) Purpose of the survey
The purpose of the survey was to confirm how the distance or the common point was between "a desirable image of NPO" discussed by a study group to work out evaluation criteria for nonprofit organizations and the current situation of the NPO sector.
Therefore, the survey sheet was designed based on the discussion and evaluation criteria produced by the group for desirable nonprofit organizations.
(2) Survey period
Survey started from November 29, 2009, of which collection period was two weeks. ↗

conducted in 2009 by a study group for evaluation criteria for the nonprofit organization led by the author. The survey asked the number of the paid volunteer workers[5] and unpaid volunteer workers. More than 20% of the organizations answered zero volunteers in either paid or unpaid status. 15.8% of all the respondents answered that there were no volunteer workers both paid and unpaid.

Donations and volunteer activities are very important for nonprofit organizations as a financial source and labor source, respectively. Also, donation and volunteer activities are meaningful approaches for citizens to be involved in contribution activities to the society. However, the data regarding donations and volunteer activities show that many nonprofit organizations could not fully provide the participation opportunity for citizens.

(3) Problems of credibility

What do citizens think about NPOs? The Public Relations Office of the Cabinet Office (2005) conducted "Public Survey on NPOs (nonprofit organizations)." It asked the credibility of NPOs. The survey showed that 6.5% answered "credible" and 24.0% answered "almost credible". Although the mission and purposes of NPOs are social contribution activities, nearly 70% did not answer "credible."

The above-mentioned answers are based on several reasons. For example, NPOs, as a certified organization, are required to submit a business report to the governmental agency in charge. In Tokyo, Fifteen percent of all nonprofit organizations are located in Tokyo. Their report-submission rate was as follows: The number of obliged organizations to report was 5,933 as of 2008, while the number of the organizations that submitted no reports was 985, resulting in the non-submission rate of 16.6%. Furthermore, the Tokyo Municipal Government sent submission reminder to the corporations which did not submit the report at least once for the past three business years. The number of organiza-

tions that did not submit the report was 1,260 from 2006 to 2008. When this figure is divided by the aforementioned total number of the organizations in 2008 the non-submission rate is 21.2%. In Kanagawa Prefecture which has the second largest number of NPOs next to Tokyo, the non-submission rate is also more than 20%.

In addition, the NPO system is increasingly utilized with different purposes from those of "social contribution by citizens" as defined under the NPO Law.

Figure 4 shows the answers for the question on the founders of NPOs. The answers were as follows: 70% of answers are comprised of "citizens (individual)" (28.3%) and "former voluntary association" (42.7%). Remaining 30% answered as follows: "local governments (cities, wards, towns and villages)" (4.2%), "local governments (prefectures)" (2.8%), "other nonprofit organizations such as social welfare corporations" (3.6%), "corporate enterprises" (3.3%), "public interest corporations" (2.5%), etc.

The purpose of the NPO Law is to promote free social contribution activities among citizens. It was established based on the scenario that volunteer groups and voluntary citizen groups in the absence of a recognized legal status would utilize the corporation system. Therefore, it was established with no high requirements for certification so that the maximum number of people would be able to utilize the system.

Generally, the NPO corporation system is considered to be a simple system in establishing a corporation. Such image enables various bodies to employ the NPO corporation system. For example, retired government employees are organized to provide contract work for the public sector. NPO may easily receive subsidies. As a part of marketing, corporate enterprises establish an NPO corporation. Although all of the subject respondents do not belong to these cases, the figure of 30% implies that these trends are being increased.

Then, what is the NPOs' evaluation on themselves? Figure 5 shows the results in relation to the question on the NPOs own evaluation. NPOs "contribute to the society" (57.6%), "contribute to vitalization of civil society" (63.2%), and "develop themselves" (61.8%). As shown in these answers, respondents answered positively, however, in regard to the social position, the negative answers (30.4%) exceeded the positive answers (11.6%). The number of the organizations operating with mixed purposes other than contribution to society has increased (44.3%). The subcontracting cases have increased (33.5%). The

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↘ (3) Surveyed organizations

Surveyed organizations were selected by the following methods. First, the organizations with their current balance of not less than 5 million yen were selected from the NPO financial database published by Osaka University. (It covers 15,000 NPOs at fiscal year of 2003, which covered 87% of the number of then NPO corporations.) Furthermore, the organizations were randomly selected by districts, by scales and by fields. Finally, 2,000 organizations were selected. The survey sheets were sent to these 2,000 organizations.

The number of respondents was 361 and the response rate was 18.0%.

[5] Paid volunteers is the one to whom a small value is paid for their provided works. The amount is set not more than the minimum wage in many cases.
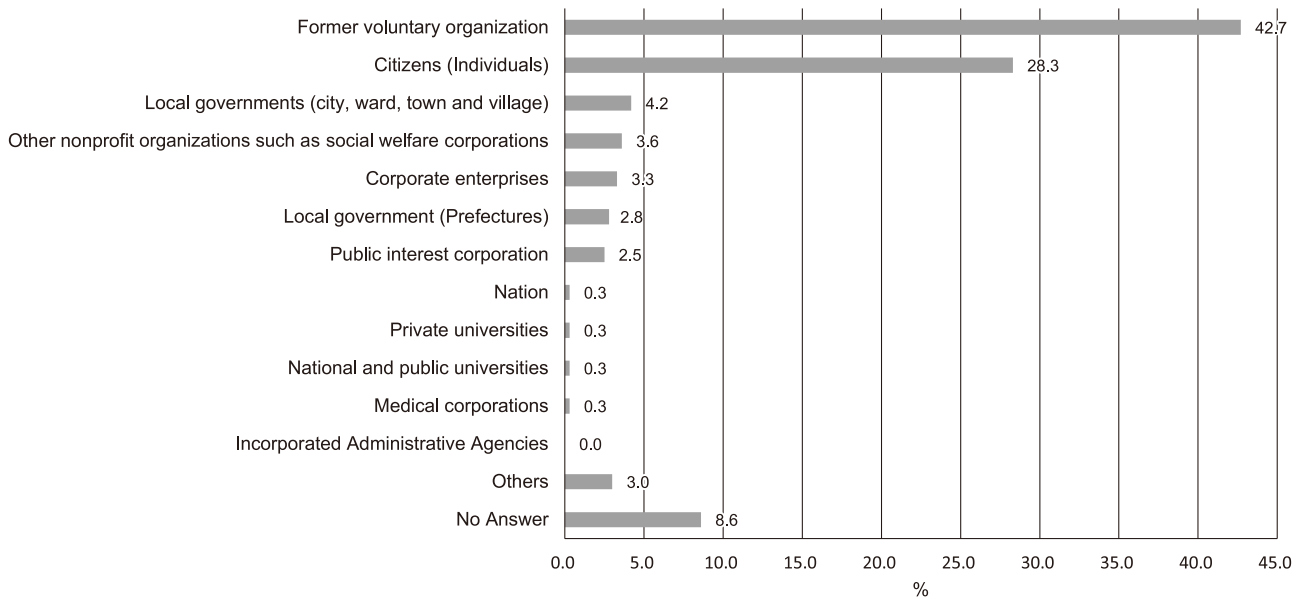
Figure 4 The body that initially established and provided infrastructure, n=316
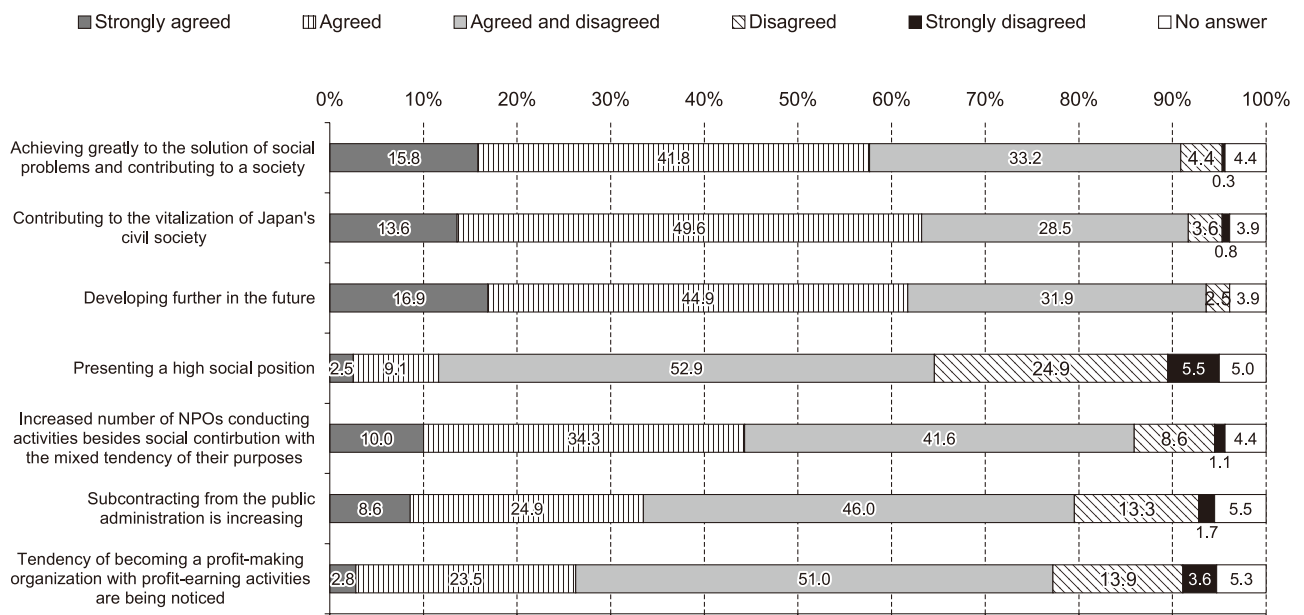Source: Created by the author

Figure 5 NPO's self-evaluation of the NPO sector, n=316
Source: Created by the author

cases of becoming a profit-making organization have increased (26.3%).

As for the aforementioned problems of NPO establishment, NPOs themselves have realized the problems that poorly qualified NPOs are present.

When analyzing the panel data[6] on NPO corporations in

Tokyo, multiple corporations were growing rapidly in their size whithin a short period. Reviewing these corporations through their homepages, it is understood that those were established by medical corporations, religious corporations, public interest corporations, etc. The relationship between establishment of many of these organizations and the purpose of the NPO Law was unclear.

As NPOs with different purposes from those intended in the NPO Law has more influence, the fundamental purpose

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[6] Financial data of 157 organizations were monitored by Tokyo Municipal Government for 7 years from 2000 to 2006.

of NPO Law is more and more difficult to be perceived; NPOs tend to lose their credibility.

Speed of enhancement of its ability for problem-solving within the NPO sector are overwhelmed by change in external influences. Therefore, the issue of credibility appeared to become more complex (Tanaka 2010).

3.3. Renovation problems

No clear definition exists for innovation. Also, its evaluation is difficult. However, various researches have been conducted for organizational circumstances and conditions which lead to innovation and renovation. Drucker (2006) mentioned, "there are, of course, innovations that spring from a flash of genius. Most innovations, however, especially the successful ones, result from a conscious, purposeful search for innovation opportunity" (2006: 352). In other words, his remarks mean that those who realize the innovation possess a way of systematic thinking and a behavioral process to implement PDCA. Hence, it is also necessary for nonprofit organizations to set conditions for innovation by implementing PDCA and continuous learning. Also, it is desirable that nonprofit organizations set their goal at the outcome level, affecting target people and areas, based on their mission. In order to make such situation take place, planning based on mid- to long-term perspective is necessary.

Analysis of data based on such perspectives suggests that NPOs have the desire and hope to implement social innovation. In reality, however, they face large barriers to overcome.

In "Survey on NPO's Role in Social Innovation" noted in earlier section, a question was asked whether NPOs had started new projects or modified their existing projects in the past three years. More than 55% of them answered "yes", while 44% answered "no". Although the questionnaire-based survey contains limitation and the detailed interview is desirable, 40% or more of the organizations felt that they did not conduct improvement or modification.

Also, the survey asked where the organizations conduct evaluation. Implementing the "project evaluation" (54.5%) exceeded conducting "regular check (monitoring)" (48.2%). In the absence of basic information from the regular check, implementation of the project evaluation is generally difficult. Therefore, this answer results appear to contain contradiction. Probably, increased numbers of the organizations realize that evaluation is necessary to be conducted and attempt to implement it. However, their knowledge and understanding are limited, which appears to lead to the survey result.

A question on the mid-to long-term plan was also present in the questionnaire. Although 19.1% of the organizations had the authorized mid-term plan, 23% of them had unofficial plans shared at the secretariat level. Under the financially difficult situation, setting the mid- to long-term plans is not easy. It is clear that a majority of organizations did not have the mid- to long- term plans. Considering complexity and scale of the issues that NPOs tackle, mid-to long- term perspectives are indispensable. To solve the social problem, NPOs do not yet have the sufficient conditions for facilitating and achieving "social innovation."

3.4. Structured NPO's problems: Declination toward the public administration and market

The above-mentioned three problems (organizational operation, relationship with citizens and renovation) and two relationships surrounding NPOs, that is, declination toward the public administration and declination toward markets and quasi-markets are mingled in a complicated manner. Subsequently, problems appear to become structured.

These two declination cases arise when the organizations sought funds from the public administration and profit-making projects to stabilize organizational management. As a result, NPOs' function to provide citizens with the opportunity for participation do not work properly and the organizations lose connection with citizens.

(1) Problem of subcontractor for public administration

The first problem is acting as a "subcontractor for public administration". In the above-mentioned survey, the relationship with various organizations surrounding NPOs was asked with 5 stages from cooperation to conflict. The answers were as follows: The organizations which were "in cooperation with" NPOs were local governments (69.3%), mass media (49.6%), universities and research institutions (47.1%) and NPOs operating in the same field (44.0%). This result shows that they had strong cooperative relationship with local governments. Also, the relationship with autonomy was asked. Many of NPOs were under contract with public administration.

Such relationship with public administration influenced NPO's income composition greatly. "Basic Survey for Citizen Activity Groups by the Cabinet Office (2010)" showed that a ratio of earned income of NPOs accounted for 74.5% and that 63.9% of the income came from consignment works by public administration. When combining income of consignment and public subsidies, it is estimated
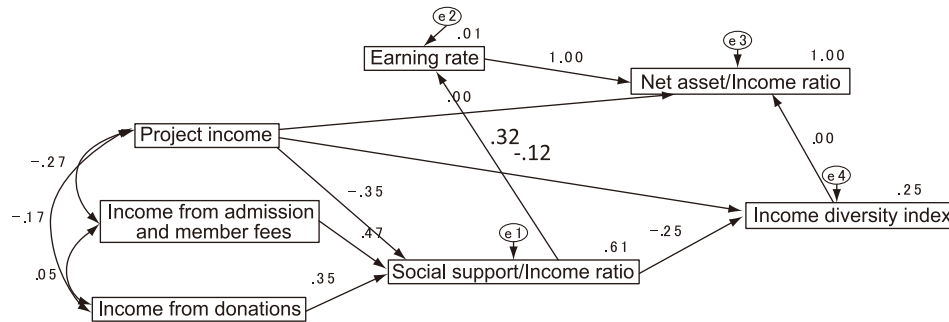
Figure 6 Causal model related to NPO's financial sustainability[8]
Source: Tanaka et al. 2010, translated by the author

that 63% of the entire income came from public fund.

However, in light of NPO's governance and independence, disproportionate reliance on a specific fund causes a risk.

"Survey on NPO's Role in Social Innovation" asked the question about whether organizations had the policy for receiving contract and subsidies. Half of organizations conduct contractwork and receive subsidies with condition that the works follows the NPO's purposes and policies.

On the other hand, 23% answered that they had no rules and 17.2% answered that they did not set any special rules, because they proactively wanted to receive such offers. When NPOs receive trust money and subsidies loosely and rulelessly, problems of subcontracting are likely to arise. With influence of the budget cut in administrative expenses and the utilization of the private-sector, contract with the private sector at low prices increase. As a result, NPOs become the absorber of those offers. If NPOs continue to receive contract offers under financially instable circumstances, their activities will result in a patchwork situation of subcontracting works.

Seven characteristics are identified in the subcontracting situation (Tanaka 2006). In particular, the largest problem lies in that nonprofit organizations do not cultivate new projects besides the contracted projects. This causes difficulty in identifying new needs. Also, they do not find volunteers and donors. The former case means that NPOs lose the source by which NPOs voluntarily find the problems and become innovative. The latter case means that NPOs separate themselves from the function that they provide citizens with participation opportunity and nurturance of citizenship.

(2) Relationship with markets and quasi-markets

As for the composition of NPOs' average income, as

described earlier, 74.5% of income come from projects. And its rate tends to increase (Cabinet Office 2010). There are two reasons in this trend.

First, there was stronger tendency toward becoming a social enterprise and a project-type NPO.

Second, 60 to 80% of entire income came from contracted work from public administration. The influence from the relationship with public administration is identified here.

However, excessive rely on the earned income. This phenomena causes three large problems.

The first problem is that, as the organization seeks profitability and focuses heavily on the earned income projects, the problems arise such as how NPOs cope with needs from people who cannot pay for them.

The second problem is that the issue related to financial sustainability is noted. As for 157 organizations under the control of Tokyo Metropolitan Government, 7 years of financial data are reviewed to analyze resources contributing to financial sustainability and their routes. In particular, a financial index is developed and calculated to review rank correlation between each income resource and financial index.[7] From this result, the assumption on the route to financial sustainability is introduced. Based on this assumption, the model shown in Figure 6 is introduced by covariance-structure based analysis. The model indicates that earned income contributes to expansion of the income scale. However, the income negatively relates with sustain-

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7 The types of income were total current revenues, member fees, donations, earned income and administrative subsidies. Financial indexes were payable terms, a net asset/income ratio, a rate of earning, income diversity and a social support/income ratio.

8 Goodness of fit for causal model is as follows. There are good values such as GFI=0.964, AGFI = 0.886, and RMSEA = 0.093. Also, an acceptable model with values of chi-square value = 20.28 and p value = 0.16 was led.

ability. On the other hand, it is identified that diversified income sources (donations and member fees) besides the earned income may contribute more to financial sustainability (Tanaka et al. 2010).

This result implies that excessive reliance on earned income threatens financial sustainability. Two reasons are considered for this implication. One reason is that contract income from public administration is set at low prices, which accounts for 60 to 80% of the earned income. The other reason lies in a problem related to the area in which NPOs are engaged. Profitability of the quasi-market such as educational and medical areas is low. In this sense, an alarm is raised over the simplified discussion that "business certainly saves a society."[9]

The third problem is the tendency that volunteer works and donations tend to be separated as inefficient resources. Finding and coordinating volunteers and donors require significant efforts. Therefore, if considering volunteer and donation as mere labor force and financial resources, those resources would appear to be considered as inefficient resources. In other words, when excessively relying on profit-generating projects and focusing on efficiency for economic return, NPOs separate themselves from fostering citizenship.

A common aspect between the issue of being a subcontractor for the public administration and the issue of commercialization is to drive NPOs away from its function to be provider for citizens' participating-opportunity. While NPO's credibility is being lowered, if NPOs keep themselves distant from citizens, they would fail in fulfilling their fundamental function to be leader for a civil society.

4. Design and structure of the evaluation criteria for Excellent NPO

Practitioners and researchers of NPOs, NGOs and public interest corporations sensing a crisis about these circumstances gathered and formed a study group to determine a desirable image of a nonprofit organization to a society. Evaluation criteria were selected.

4.1. Definition of a desirable image of a nonprofit organization

The first activity was defining a desirable image of a non-

profit organization. We reached the following conclusion after the discussion based on the discipline of a nonprofit organization theory and experiences of practitioners.

"With the mission, nonprofit organizations challenge social problems and obtain wide participation from citizens, achieve substantial results. For this, they maintain necessary organizational stability and renovation at a certain level, as a responsible activity parent body."

This definition frequently has received comments such as "it is a common practice."[10] Surely, the definition explains the basic elements of a private nonprofit organization. However, at present, Japan's NPO sector tends to separate itself from such basic status. We name NPOs in an effort to be desirable organization, "Excellent NPO."

4.2. Design of the evaluation criteria

To become an "Excellent NPO", the guideline to realize this was required. To create the guideline, design for evaluation criteria was conducted.

The following process was designed (Figure 7). Three basic conditions were set based on the earlier mentioned criteria for "Excellent NPO" and analysis results of the nonprofit sector. Those were three basic conditions that consist of "citizenship", "social innovation" and "organization stability". To confirm the achievement degree of these basic conditions, criteria for judgment were considered.

In creating the evaluation criteria, the "Evaluation Viewpoint" is set for each basic condition. "Evaluation Viewpoint" was chosen as an indispensable and important theme in order that three criteria would fulfill the conditions. Next, type of elements necessary to fulfill the three basic conditions was considered. Such elements were the evaluation items.

Further, based on "Evaluation Viewpoint", the study group discussed which condition should be fulfilled by each evaluation item to realize the favorable situation. Then, the rule was set to proceed with the discussion. In other words, at the beginning of the discussion, NPOs and NGOs mainly talked about their experiences and opinions based on the viewpoint and items of evaluation. Researchers only concentrated on summarizing what they mentioned. Researchers

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[9] This type of discussion was noted in media reports for social corporations and remarks from a BOP study group of the Ministry of Economy, Trade and Industry.

[10] When I received the interview from Yuzuru Tsuboi, Editorial Writer of the Asahi Shimbun, he mentioned that this definition was quite common for NPOs and obvious.
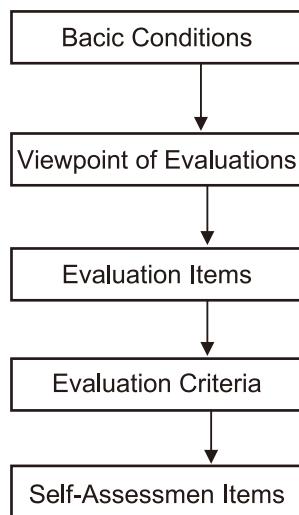
Figure 7 Process of creating the evaluation criteria for "Excellent NPO"
Source: Created by the author

extracted the essences from the practitioners' experiences and summarized them by versatile and simple sentences. Those sentences became the evaluation criteria, from which 33 evaluation criteria was created and completed as the evaluation criteria of "Excellent NPO" (Genron NPO 2010).

Self-assessment items were designed to enable self-inspection on whether evaluation criteria were fulfilled. To grade the self-assessment results, the answers of Yes/No or A, B and C were set and their assessment basis were described.

4.3. Three basic conditions

Three basic conditions and evaluation viewpoints are explained in the following sections.

(1) Citizenship

Citizenship means: Activities of nonprofit organizations are widely open to the citizens. The opportunity of participation is provided to them. Furthermore, their participation enables each of the participating citizens to raise their sense of citizenship and become a better person.

Evaluation viewpoint for citizenship is "participation and growth." This concept is based on P.F. Drucker's thought on nonprofit organizations. Drucker pointed out that in an intellectual society with a highly systematized economic and social system, citizens' participation in the society as a foothold and the role of a nonprofit organization for "citizenship creation" became important.

In an intellectual society, people work based on their obtained knowledge. They feel loyalty not for the organiza-

tion but for their own knowledge. Therefore, when there is a place where people can utilize their knowledge, they aggressively change their workplace. The working place to which such flexible workers go is provided not by corporations but by nonprofit organizations. Modern society has become highly systematized. Therefore, only a few people are involved in the policy decision making process. But as a volunteer of a nonprofit organization, volunteers related that they could realize their own contribution to solve the social problems.

For nonprofit organizations, their role to open participation opportunity for citizens is indispensable. Also, it is important that each participant makes progress as a citizen. With such self-awareness, nonprofit organizations will function as a socially important role for "citizenship creation".

(2) Social innovation

As described in 3.3. "renovation", defining renovation and social innovation is difficult, because there is no absolute definition and standard. But here, with reference to Korten's "NGO's growth and development theory" (1990), the definition of social innovation is as follows.

> "For the social problems, the effect of proposal for the solution in view of causes and its execution disseminate widely in the society. As a result, people's quality of life and form of behavior dramatically change."

When using the term, "innovation", it is considered to accompany a certain level of extent and expansion. However, there is no definition in extent and expansion. But in general, nation-wide and cross-border influences are frequently envisioned. To realize such broad social influence, social systems such as traditional practices and system are required to change in many cases. In addition to the provision of social services, advocacy activities to seek for changes in systems and policies are important. However, nonprofit organizations' advocacy activities including advice to the administrative governmental organizations should definitely gain support from citizens. Therefore, nonprofit organizations should work on getting understanding from citizens. Such advocacy activities are called "Advocacy of Social Justice" (Cohen et al. 2001). Advocacy activities are done by private nonprofit organizations which are not selected by election. Therefore, their legitimacy depends on citizens' support.

The evaluation viewpoint of social innovation is "problem-solving". The mission of nonprofit organizations is to solve social problems through their activities. When social innovation is kept in mind, bringing social systems into view, tackling problem solution and disseminating the solution method and effect are required.

Therefore, it is necessary that the target is set for problem-solving from the mid- to long- term viewpoints, and that a series of the process from addressing the problems to exploration of the solution method is designed to evolve and develop this process.

(3) Organization stability

For organization stability, achieving the organizational mission and purposes requires sustainable activities at a certain level. At the same time, nonprofit organizations should not be satisfied with the contents and methods of their current activities. They should foresee changes in subjects of activities and social environments, conduct continuous reviews, and renovate their activities and organizations with creative and problem finding ability.

The viewpoint of organization stability is "sustainable development." Many of the problems they tackle are intractable and time-consuming. Therefore, organizations should work on the problems from amid- to long- term perspective. Also, credibility is required to gain support and participation from citizens. Therefore, organization stability at a certain level is necessary.

Only aiming at becoming a going concern is not appropriate. Drucker (P.F. Drucker Foundation 1993) warned against the self-purpose of nonprofit organizations for being a going concern. Also, he pointed out that the organization should be dissolved at the completion of their mission. The reason was not only that their human and financial resources were wasted but also that the society was badly influenced.

As described in the section of social innovation, because recognition of problems evolves with thought of eligible people and social circumstances, activities and organizational operation method should be modified with these changes. We determined "sustainable development" as an evaluation viewpoint, in the sense that nonprofit organizations always advanced and maintained stability at a certain level.

4.4. System and structure of evaluation criteria

In this section, evaluation items based on basic conditions and evaluation viewpoint are explained. Also, as the criteria are designed to be systematic, covering basic conditions to self-assessment items, overview of such are explained.

(1) Evaluation items for citizenship

Evaluation items for citizenship include "donation", "volunteer" and "self-awareness".

Nonprofit organizations provide citizens with the opportunity for participation in various concrete methods. The typical methods are "donation" and "volunteer works". Here, the words "donation" and "volunteer", are used in a broader sense, which include member fees without consideration and paid volunteer and interns respectively.

Nonprofit organizations should not regard donation as financial resources and volunteers as workforce. The organizations should regard donors and volunteers as their participants. For that purpose, organizations should explain their missions and purposes, facilitate the participation method suitable for the participants' wishes and convenience, report the progress and results of their activities, and show their appreciation and gratitude to them.

People engaged in nonprofit organizations' operations should have a sense of self-awareness that their organizations provide the citizens with the opportunity of growth through participation and share the opportunity. Therefore, "self-awareness" is included in evaluation items.

(2) Evaluation items for social innovation

Evaluation items are "recognition of problems", "method", "ability", "advocacy" and "independence".

These items were designed to assume the story in which nonprofit organizations would recognize and solve their own problems.

"Recognition of problems" starts from recognizing the immediate needs. Looking at the background causes and reasons, the organizations will be able to evolve their recognition. Based on this idea, the criteria were designed. Also, they have to seek for the solution to the problems and establish a feasible plan. These are the evaluation items for the "method".

The "ability" required in problem solution is one with which the organizations find human resources including professional and technical people and financial resources, and with which leaders make these resources function efficiently and utilize networks.

Also, progress of activities and achievement process of

Table 3 Structure of the evaluation criteria

	Basic conditions	Evaluation viewpoint (major themes)	Items for evaluation criteria	Evaluation criteria (33 criteria)	Self-assessment items
Criteria for Excellent NPOs	Citizenship	Participation and growth	Volunteer	Four items	105 items
			Donation	Four items	
			Self-awareness	One item	
	Social innovation	Problem solution	Recognition of problems	Three items	
			Method	Three items	
			Ability	Three items	
			Feedback	One item	
			Advocacy	One item	
			Independence	One item	
	Organization stability	Sustainable development	Governance	Five items	
			Diversity and discipline of income	Five items	
			Cultivation of human resoucres	Two items	

Source: Created by the author

purposes should be confirmed and evaluated. Also, "feedback" of findings and lessons learned from evaluation should be conducted for the next plans and activity methods. The activities to follow the PDCA cycle enable recognition of problems, confirmation of the whole concept of purposes and plans and evolution thereof. Therefore, feedback was included in evaluation items.

As described earlier, "advocacy" plays an important part when the organizations influence a society. In solving the social problems, the place of the nonprofit organization is important. As the influence of the nonprofit sector becomes larger, the relationship with other sectors becomes deeper. Under these circumstances, nonprofit organizations should secure "independence" to tackle social problems voluntarily. Therefore, "independence" is included in evaluation items for "social innovation".

(3) Evaluation items for organization stability

Evaluation items in organization stability is "governance", "diversity and discipline of income" and "cultivation of human resources".

Nonprofit organizations should streamline the conditions as a responsible parent base and conduct activities. Therefore, "governance" was raised as one of the evaluation items. On the assumption that the organization governs and conducts itself in the direction of its purpose, governance is the necessary element where the organization elaborates the system to observe such discipline and thereby becomes a responsible activity agent. Concretely, the mission and vision of the organization are shared among stakeholders. In other words, the decision-making process is transparent

and functions as a check for transparency of the entire organization. In addition, the nonprofit organization gains social credibility and discloses information to obtain a wide support and participation from citizens.

As described earlier in "3. Current situation and problems of Japan's NPO sector", excessive reliance on a specific financial resource causes damage to financial sustainability. Consequently, "diversity and discipline of income" was included in the evaluation items. Diversity of income means securing balanced and multiple resources of income. Discipline means that fund-raising is conducted through fair methods and that accounting is processed with rules.

Multiple conditions are required in order that organizations are not content with a fixed position and maintain the renovation. Here, this paper focuses on "cultivation of human resources" which means cultivating staff members inside the organization, with reference to the earlier described results of the survey. Concretely, it is pointed that staff members understand the mission and duty of their organization, raise advice and guidance to find the problems and to produce an original idea.

(4) Evaluation criteria structure

Table 3 shows the structure of the evaluation criteria structure of "Excellent NPO".

Each evaluation item defines preferable situations, based on the evaluation viewpoint, which become the evaluation criteria. "Citizenship", which is a basic condition, has nine criteria, "social innovation" twelve criteria, "organization stability" twelve criteria. There are 33 criteria in total (Refer to a list of criteria in Appendix).

We created self-assessment items for each item of criteria, prepared such 105 items in total and facilitated the evaluation by score.

5. Conclusion: Evaluation and vision as quality enhancement

Finally, this paper explains the future expansion and evaluation as quality enhancement .

(1) Expansion of "Excellent NPO"

The evaluation criteria for "Excellent NPO" were established by practitioners of NPOs and NGOs and researchers who sensed a crisis about the Japanese NPO sector's current situation. We got back to the grass root and sought the desirable image of a nonprofit organization.

We were most concerned that NPOs were distancing themselves from the citizens, hurting their credibility and losing touch with a society, although they should originally serve as a bearer of society to address social issues.

The goal of the evaluation criteria for "Excellent NPO" is to create a positive cycle between NPOs and citizens. NPOs, whose activities are excellent call for support and participation from the citizens easily. With such support and participation from citizens, NPOs become more competitive to realize more excellent activities. While appropriate cooperation and friendly competition coexist, a positive cycle for seeking for more excellent quality of their activities is generated among NPOs. Participation in such a positive cycle from many citizens enables reducing the distance between NPOs and citizens again.

Creation of evaluation criteria for "Excellent NPO" is not the end. With the creation, NPOs are at the starting line at last.

First of all, "dissemination" and "visualization" are indispensable. "Dissemination" means that NPOs not only convey how the evaluation criteria and self-assessment items are used but also raise questions to conduct discussions about whole concept of NPOs through 33 criteria.

While NPOs have difficulties such as their management stagnation, problems such as the subcontracting of the public administration and disproportionate reliance on profit-making projects occur. In the absence of a management model, these phenomena show the distress of management members of NPOs. Therefore, now is the time when NGOs get back to their grass roots and discuss the whole concept of NGOs.

"Visualization" means that NPOs show their approach to society, of making efforts to conduct excellent activities. To start with, the study group calls for NGOs who assess themselves through 16 criteria made from 28 items out of 33 criteria. The members of the research group built the organization "Citizen Advisory Board for Excellent NPO". The "Board" published the booklet that explains how NPOs use 16 criteria to evaluate themselves. It also started "Excellent NPO Award" with the Mainichi Newspapers in 2012. The applicants are required to evaluate themselves with 16 criteria of Excellent NPOs. The application form is designed to fill out result of their self-evaluation. The members of the judging committee are required to judge those applicants with the same 16 criteria. At the Excellent NPO Award ceremony, the judge process is clearly explained why those applicant NPOs were nominated. Then, NPOs of both nominated and not-nominated got together at the ceremony and discussed what they found through application process. More than 400 applications were sent until 2014. Though the dissemination and visualization has not reached the level that the "Board" expected, it will continue promoting and monitoring these activities.

(2) What is needed for evaluations as problem solution?

Problems were extracted based on analysis of the current situation of NPOs and defined desirable NPOs to address the problems. The evaluation criteria for "Excellent NPO" were designed based on the definition. Therefore, the evaluation criteria mean a prescription for the NPO sector so that they find ways of enhancing their quality.

If that is the case, it is necessary to confirm how far NPOs problems are solved to check the contribution of the evaluation criteria to problem solution. Analyses are conducted for "problems in organizational management", "distance with citizens", "problems of renovation", and "problems of structured NPOs: a declination toward the public administration and market", based on the financial data and the survey. These data are applicable as baseline data. Periodical confirmation of these data enables review of evaluation criteria based on analysis results.

Through the review process, it is important for stakeholders and donors to share problem consciousness and convey it to even more citizens. In this context we intentionally withdraw one criteria. That is performance or outcome criteria. People are interested in the results or performance of NPOs. However, "Citizen Advisory Board for Excellent NPO" considered that it is too early to put per-

formance criteria. However, the board carefully reviewed the recent national international tendency of nonprofit evaluation and decided to develop new performance criteria. It will be reflected "Excellent NPO Award" 2016.

In other words, the evaluation criteria for "Excellent NPO" are required to become a gear of the positive cycle between NPOs and citizens and review the effect. Also, they are required to receive the users' feedback, go through many revisions, and function effectively.

In general, evaluation is used to find out problems of organizational management and project operation. However, it is possible to use it as prescription of problem-solving. Evaluation give NPOs an opportunity to consider a way of improvement and quality enhancement, since it gives NPOs awareness of their problems and provides some hints to solve those problems with the evaluation standards. It is therefore more important to consider why the evaluation result is not satisfying rather than obtaining full marks. NPO's spontaneous actions for quality enhancement is prior to the corrective actions by any other parties. Those actions will contribute in preserving NPO's social responsibility and its autonomy as well.

To that end, it is necessary to examine the effect of the evaluation itself, build consensus among stakeholders, conduct continuous review and include the evaluation criteria in the items of renovation.[11]

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[11] This paper is written based on "Assessment system for excellent of nonprofits: Assessment for problem solution" of *Japanese Journal of Evaluation Studies* vol.11, no.1, and is revised with new information that explains current progress. The Japan Evaluation Society, a publisher of *Japanese Journal of Evaluation Studies* gives permission for this paper.

Appendix

Reference material: 33 criteria for Excellent NPO

Basic conditions	Evaluation viewpoint	Evaluation items	Evaluation criteria
Citizenship	Participation and growth	Volunteer	Whether volunteer opportunity is open to public and contents of activities are easy to understand.
			Whether an organizations explains mission, purpose and concept of activities.
			Whether an organization sets up the discussion opportunity for volunteers and make feedback to their proposals.
			Whether an organization contrives ways to convey the appreciation to volunteers.
		Donation	Whether an organization recognizes donors not only as suppliers of financial resources, as participants to the organizations.
			Whether donation opportunity is widely open to many people and the content of appeals for fund are understandably explained.
			Whether an organization reports in order that donors build feeling of credibility.
			Whether an organization contrives ways to convey the appreciation to donors.
		Self-awareness	Whether an organizations has self-awareness of providing opportunity to participants, where participants nurture their sense as a citizen and become a better citizen, furthermore they recognize social problems and feel a sense of achievement and pleasure for solving problems.
Social innovation	Problem solution	Recognition of problems	Whether an organization understands the problems and themes it is addressing and clearly recognize them as their own problems.
			Whether an organization addresses the problems and has the attitude and viewpoint to find out the background causes and reasons.
			Whether an organization eyes not only problems they address but also problems for the social structure such as system and tradition.
		Method	Whether an organization aims at outcome level achievements.
			With the progress of recognition of problems, whether an organization carries forward and evolves the method of problem solution (including methods of purposes, plans and activities).
			Whether an organization has the perspectives for problem solution from medium to long-term viewpoint.
		Ability	Expertise. Whether an organization has the ability to determine what are the necessary technologies and knowledge for problem solution.
			Leadership. Whether the leader of an organization serves as a bearer for problem solution and fits resources such as experts inside and outside of the organization and funds and has the coordination ability to make them function.
			Network. Whether an organization builds up relationship with other organizations and people outside of their own organizations to cooperate with them, sometimes competes friendly with them and improves each other.
		Feedback	Whether an organization has the system to evaluate the approach and whole concept of the achievement and conducts the feedback of the result.
		Advocacy	Explanation to and understanding from a society. Whether an organizations tries to make a society understand problems, missions and activity purposes the organization is addressing.
		Independence	Whether independence and neutrality of an organization are maintained. (It is important for the organization to cooperate and collaborate with various types of stakeholders on the premise that the independence is secured.)
Organization stability	Sustainable development	Governance	Whether the mission of an organization is clearly presented.
			Whether the mission is shared by the stakeholders of an organization.
			Whether the decision-making section, the operational section and the checking section are clearly defined and their choosing methods and processes are transparent.
			Whether the check mechanism functions including the policy of the entire organization, checks for the function of discipline and transparency.
			Whether the entire picture of an organization is explained.
		Diversity and discipline of income	Composition of income. Whether an organization maintains the income diversity to evade the risk by fund-raising from various agents.
			Discipline for fund-raising. Whether an organization conducts fund-raising by considering the independence of the organization.
			Whether the fund-raising process is transparent and the organization does not receive the fund raised by the conduct offensive to public order and moral.
			Accounting system. Whether organizational accounting is properly processed based on transparent and explicable accounting system.
			Whether the check for accounting operation functions.
		Cultivation of human resources	Treatment for staff members. Whether an organization provides staff members with treatment and working environments in accordance with standards such as laws.
			Cultivation of staff members. Whether an organization contrives ways to make staff members understand their duties based on the organization's mission.

Source: Citizen Advisory Board in Pursuit of "Excellent NPO" (2010), created by the author