



Conversations in accountability: Perspectives from three charities

David C. Kirsch

Abstract

Objective: The conversations in accountability were designed to gain an understanding of the use and changes to accountability in charities over time, including learning how results are measured.

Methods: As part of a larger study which investigated accountability in charities working to reduce mortality of children younger than 5 years in least developed countries, a multiple-case study comprising semistructured in-depth key informant interviews was conducted to investigate the use and effects of accountability in three charities of differing sizes.

Results: Smaller charities tend to use fewer accountability mechanisms than larger ones, whereas the variation in their use between small and medium-sized charities is greater than the variation between medium-sized and large charities.

Conclusion: Although accountability has changed over time, charities believe that they are providing the correct amount of accountability – that is, enough to satisfy the perceived demands of their stakeholders but not so much that it detracts from the mission or incurs costs in excess of benefits. However, the tools to determine effectiveness and impact are lacking.

Keywords: Accountability; charity; non-government organisation (NGO); mortality of children younger than 5 years

CORRESPONDING AUTHOR:

David C. Kirsch, PhD
School of Health Policy and Management, Faculty of Health, York University, HNES Room 404A, 4700 Keele Street, Toronto, ON M3J 1P3, Canada
E-mail: kirschd@yorku.ca

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Introduction

Conceptually, accountability is about informing, judging, and sanctioning [1], but realistically, organizations provide a level of accountability that their stakeholders are willing to accept [2]. Organizations can be accountable for finances, fairness, and performance [3] and put accountability mechanisms in place to improve organizational behavior and results, reduce costs, and build trust. Common accountability mechanisms include accountability standards; codes of conduct; complaints mechanisms; planning, monitoring, and evaluation; and learning from successes and failures [4–11].

In a recent study of accountability in charities that were involved in the Canadian effort to reduce mortality of children younger than 5 years in developing and least developed countries, Kirsch [12] investigated 240 charities using a mixed-methods approach that included a literature review, key informant interviews, a self-administered Web-based survey, and a multiple-case study with semistructured in-depth key informant interviews. Three charities were asked and agreed to participate in a multiple-case study. The multiple-case study concentrated on five main areas: accountability mechanisms, accountability



holders, adherence, effects, and communications. Twenty people were interviewed from three charities¹: three people from a small charity that worked with a single community partner in a single community; five people from a medium-sized charity that worked with community partners in multiple communities and multiple countries; and 12 people from a large federated charity that worked in communities around the world. Key informants included volunteers, community partners, and charity staff who worked in operations, finance, programming, resourcing, and senior management.

Methods

The multiple-case study comprised semi-structured in-depth key informant interviews that were designed to provide a greater understanding of the use and effects of accountability in the chosen charities [13–15]. The use of semistructured questions provided the opportunity to frame additional questions, on the basis of the responses to the base set of questions [16].

Charity management approved the interview process and the interviewees each confirmed the statement of information and informed consent. A copy of the structured questions was e-mailed to each participant before the interview, and interviewees were encouraged to discuss potential responses with their colleagues. The initial interviews were conducted face-to-face, and the next set of interviews were conducted via telephone. In the absence of perceived differences in the results, all subsequent interviews were conducted via telephone or Skype. Interviewees were located in Canada, the United States, and overseas.

Results

Small charity

The small charity comprises a small unpaid board and a few dozen volunteers. It works with a single community partner abroad to identify projects and sends a board member and a small team of volunteers to work on short projects. All participants must pay for their own trips abroad. The charity reported

using two accountability mechanisms: accountability standards, and planning, monitoring, and evaluation. The charity's website includes a newsletter, mission statement, names of its board members, and a link to the Charities Directorate website, where interested parties can see the financial statements. Key informant interviews were held with the president, the community partner, and a volunteer.

The small charity does not track the effects of accountability in any substantive manner and expressed concern that accountability was “time consuming” and could lead to volunteer “burn out.” It indicated that the effects could be seen in the community that it serves. The charity demands financial accountability and detailed planning from its community partner. The charity tries to “do the right thing” and believes that it has built trust in the community.

The small charity believes that it is “small enough to see what [is] going on.” It insists that its community partner uses the same financial accounting system. It provides a limited amount of information to its donors by posting newsletters on its website. The charity claims to have verbal accountability standards and methods for planning, monitoring, and evaluation.

Effectively, accountability at the small charity is about providing donors with some information about the good works of the charity and ensuring that volunteers do not “leave a bad impression”: accountability here is about trust. The charity does not conduct police checks or demand them from its community partner. It deals with issues as they happen. The charity sends a board member on each mission, as an overseer, and conducts daily debriefings during missions. The community partner is required to provide regular financial statements and include invoices, where available, to support expenses. Key informants indicated that volunteers and the community partner are not micromanaged.

The small charity feels obliged to account to its board and donors who participate in the orphan sponsorship program. Accountability appears to be limited to a code of conduct – “do the right thing” – and the financial accountability of the community partner. It appears accountability is at the discretion of the president with the blessing of the board.

The small charity communicates with interested parties by providing the names of its board members on its website and it

¹ Annual expenses outside Canada expressed in Canadian dollars: small charity, \$100,000 to \$1 million; medium-sized charity, more than \$1 million to \$10 million; large charity, more \$10 million.



also publishes an online newsletter to help keep and expand its donation stream. Internally, it conducts meetings and forums to inform its volunteers and board.

Medium-sized charity

The medium-sized charity is led by a paid executive director and more than 24 unpaid executives, senior managers, and committee members. It is supported by dozens of volunteers. It works with partner charities in various countries. All day-to-day expenses in Canada and extraordinary expenses are paid from an endowment fund, whereas funds from donors are used to cover the direct costs of products for its beneficiaries. Partner charities cover operating costs abroad. The charity uses four of the five accountability mechanisms: accountability standards; codes of conduct; planning, monitoring, and evaluation; and learning from successes and failures. The charity's website includes newsletters, financial statements, annual reports, mission and vision statements, and an online donation page. Key informants included the executive director, a community partner, the treasurer, and two volunteers.

The medium-sized charity's concern for accountability was echoed by all of the key informants. Although one informant indicated that the major concern was for financial accountability, other informants discussed the policy handbook and the fair treatment of beneficiaries regardless of sex, religion, age, or cultural background. Accountability is part of the culture both within the charity and in its dealings with its community partners, who must report on finances, fairness, and performance. Key informants believe that this has led to improved reputation, enhanced quality, improved operations, and lower costs. Through accountability, staff, partners, volunteers, donors, and stakeholders know what to expect, and donations have grown significantly through word of mouth. Accountability extends to police checks for all volunteers, along with emotional assessments to evaluate a predisposition for wrongdoing.

Traditionally, in the charity, accountability was about making moral choices, but during the last decade the charity has placed much greater emphasis on developing and publishing written standards, codes, and guidelines for internal and/or external use. The charity does not have a complaints process but has a policy of including more than one person in

any interaction with beneficiaries, so as to reduce the potential of harm to beneficiaries. The charity tries to make continuous improvements, through learning from its staff, volunteers, partners, and beneficiaries. It believes that accountability has improved the lives of the beneficiaries.

The charity publishes a code of conduct on its website and encourages its volunteers to learn about local culture and be culturally sensitive on missions. To ensure quality and effectiveness, the charity visits former beneficiaries and solicits their feedback. It also visits local factories to ensure that child labor is not used in the production of the goods that it purchases. To ensure value to its own donors, local partners must cover all in-country costs and accept responsibility for charity goods left in their possession.

Accountability in the medium-sized charity is based on negotiations between the executive director, board of directors, and committees. The charity feels most accountable to its donors, and insists on financial, fairness, and performance accountability from its community partners. Staff and volunteers are accountable internally to committees, the board, and mission management. The charity does not receive funding from governments or other granting organizations, and does not work with peer organizations.

The charity publishes accountability information on its website and sends hard-copy information to interested parties on request. It also regularly receives reports from its partners and mails information to its donors. The charity constantly evaluates its performance by randomly visiting beneficiaries and reporting back to management on the perceived fairness and performance. Key informants also indicated that it has internal-use-only materials on its intranet to assist staff, volunteers, and community partners.

Large charity

The large charity has tens of thousands of paid staff in federated offices around the world and is supported by thousands of volunteers. Funding comes from institutions, the public, and private donors. Offices in developed countries support offices in developing and least developed countries by providing them with managerial and financial support and volunteers. The charity uses all of the accountability mechanisms. Key informants included staff from child protection, operations,



finance, grant management, accountability, governance, programming, and resourcing and a senior executive.

The large charity started to become interested in accountability in the 1990s but became serious about it in the middle of the first decade of this century. As a federated charity, accountability varies greatly from office to office, although the charity is trying to move all of the offices toward a standard level of accountability. The charity does not have evidence on the effects of accountability but there is a general belief that moving from accountability as compliance to accountability as a learning tool is producing better results. There has been an external push to provide better accountability, and this has led to internal pressures albeit with consideration of the trade-offs. Although key informants indicated that the charity is good at measuring outputs, they also indicated that efforts to measure impacts are lacking, and many of their indicators are of little practical value. The charity has recently started inviting community members to participate in the planning and procurement processes, and there is a belief that this will result in better impacts.

The charity believes that accountability improves performance, behavior, and programming and reduces costs but makes the organization less nimble and potentially results in diminishing returns. It is currently gathering baseline data from its offices around the world, developing tools to measure the effects of changes in accountability and standardize accountability, where appropriate, on the basis of evidence. Informants also indicated that accountability differs between its humanitarian and development components.

Through the use of all five of the accountability mechanisms, albeit applied somewhat differently in different offices, the charity is starting to realize that accountability is useful and should be enshrined in the culture. The charity is also starting to understand that disclosure leads to trust rather than to a loss of reputation. With the development of improved indicators and management dashboards, offices in developed countries are starting to get a better appreciation of the relative effectiveness of the offices in developing and least developed countries, and are more aware of which offices are preferable to support.

Key informants also indicated that accountability is starting to be seen as an obligation, both internally and externally,

and that beneficiaries should be privy to plans and results. They mentioned that there is still some resistance, but that those who resist are less likely to be funded internally. However, accountability for operational activities is still typically reported at the community level and does not extend to the Internet, and different accountability holders exist for different programs. There is also a tendency to be accountable on the basis of the requirements of specific groups of accountability holders.

The large charity uses whatever forms of communication are best suited to the target audience, including “Internet, intranet, community meetings, community notice boards, team and management meetings, leaflets, posters, plays, megaphones, e-mail, short text messages and telephone” [12]. Written information relating to all five accountability methods can be found on the charity’s website.

Although there are federation-wide standards for providing accountability information, the federated offices have final discretion with regard to providing the information, and inconsistencies currently exist. The inconsistencies extend to the posting of lessons learned, which could be of benefit to all of the offices if they were presented in a prescribed manner and stored for access in a centralized location [17–22]. Work is also being done to aggregate the information for global use.

This was the only charity of the three in the multiple-case study that had a complaints process. The charity encourages complaints to be filed in person or through a toll-free number but does not widely publish filing information and does not demand that all of the federated offices follow the standards.

The key informants provided conflicting views on the benefits of accountability and some expressed concerns that spending time on accountability took away program time and had a negative effect on the mission.

Discussion

Although in many cases charities have been leaders in encouraging governments and other organizations to be accountable, the charities themselves have often not been as forthcoming in their accountability to stakeholders [23, 24]. Charities have tended to provide the level of accountability that their supporters have been willing to accept [2] and supporters have trusted



that charities will adhere to the spirit of their branding² by advancing their missions and using donations and grants to the best of their ability [25–28]. As charities started to embrace business management ideals and reports of abuse of funds and lack of demonstrable evidence started to appear, stakeholders became wary of charities and started to demand better accountability [29]. However, the academic literature still poses concerns about the effectiveness of charities and the ability to measure their overall performance [30–32].

All three charities that were investigated in the multiple-case study use accountability mechanisms: the small charity uses two, the medium-sized charity uses four, and the large charity uses all five. They all believe that they are providing the correct amount of accountability – that is, enough to satisfy the perceived demands of their stakeholders but not so much that it detracts from their devoting time to the mission or does not produce benefits in excess of costs [33]. As in other studies [34–36] this small multiple-case study found that smaller charities tended to use fewer accountability mechanisms than larger ones, whereas the variation in their use between small and medium-sized charities is greater than the variation between medium-sized and large charities.

Both the small charity and the medium-sized charity work with community partners and demand financial accountability from them. In addition, the medium-sized charity also demands accountability from its community partners for performance and fairness. In return, the small charity is accountable to the sponsors of its orphanage program and to its board, whereas any other accountability is on a need-to-know basis at the discretion of the president and must be initiated by a special request by those seeking the information. The medium-sized charity feels most accountable to its donors, committees, and board, and claims to consider accountability in everything that it does. Neither has a complaints process.

Some member offices of the large federated charity consider accountability in everything that they do, whereas other member offices only make meager attempts to be accountable.

² To emphasize the importance of a brand, the International Rescue Committee, a charity with US\$260 million in operating revenues in 2008, includes “brand promotion” as a line item in its audited financial statements (IRC 2008).

The charity strives to be a worldwide leader in accountability but optimistically believes that it will take 5 years to reach consistency among the federated offices. The charity is wondering if accountability is starting to have a negative effect on the mission, a sentiment discussed by Ebrahim [37], but has not developed the tools to determine the effectiveness of accountability. The large charity is struggling to define an effective level of accountability. At present, it has numerous offices that are less accountable than the medium-sized charity’s single office.

Although charities have been under pressure to be more accountable since the 1990s [38], there are conflicting opinions in the academic literature as to the effectiveness of accountability [32]. Although all of the charities in the multiple-case study provide different levels of accountability, they all believe that the level is appropriate given their endeavors and stakeholders. In the absence of evidence to the contrary, it seems that a ‘one size fits all’ approach to accountability in charities would not be effective, desirable, practical, or even ideal – as discussed by Fransen and Kolk [2]. To keep their revenue streams intact or growing, charities must provide the level of accountability that stakeholders expect. To find the optimal balance for informing, satisfying the mission, and effectively working with limited resources, charities must work to develop valid indicators that will help them determine the impacts of their individual projects and overall success.

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Conflict of interest

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