Downward accountability and value creation: An examination of two Non-Profit Organisations in South Africa

by

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Dissertation presented for the degree

Doctor of Philosophy

in the

Faculty of Economic and Management Sciences

Stellenbosch University

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April 2022

Declaration

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April 2022

Abstract

Accountability towards various stakeholders has been identified as a significant principle for good governance. However, there is a dearth of accountability frameworks that govern the Non-Profit sector's accountability towards an organisation's end-user. It has been observed that Non-Profit Organisations in South Africa demonstrate low levels of downward accountability, which may affect their value creation because end-users are an important stakeholder in creating a Non-Profit Organisation's value.

Guided by the Public Value Strategy, this research examined how an NPO's mission and goals, support and authorisation and the organisation's operational capacity created an environment for creating NPO value. The research therefore had two aims: firstly, it set out to establish the perceptions of value created by two selected Non-Profit Organisations in South Africa. Secondly, the research sought to develop a model for increasing downward accountability in NPOs. To determine how downward accountability facilitated value creation, the research established how the accountability practices of the selected NPOs promoted end-user participation in creating organisational value, explored whether NPO service end-users were perceived as stakeholders in development processes, and established whether the two NPOs had put in place mechanisms that enabled end-users to engage in programming processes that resulted in enhancing the value of the NPO.

These research objectives were achieved by utilising a mixed methods approach involving both qualitative and quantitative design, and exploring respondents' understanding and practices around participation, co-creation, good governance and the production of valued outcomes. The sample was sourced from respondents from two NPOs – one of which was an International Non-Governmental Organisation operating in Gauteng province and the other a South African NPO working in the Western Cape province. Data was collected from NPO Staff, Directors, Board members and service end-users through a self-administered, online, questionnaire with qualitative and quantitative questions. The research complied with all ethical guidelines and ethical clearance was obtained from Stellenbosch University's Research Ethics Committee on Social, Behavioural and Education Research.

The study found that the two organisations, despite not having Accountability Policies, demonstrated high levels of downward accountability and suggested that the problem of low levels of NPO downward accountability does not lie in the absence of a global framework, but that it is a question of the values that drive an organisation's strategy. The study findings did not illustrate a direct causal relationship between downward accountability and NPO value creation and demonstrated, rather, that accountability practices provide opportunities for external stakeholders to provide input that, when adopted, can contribute to the NPO implementing more responsive programmes. This, in turn, leads to the NPO being perceived as a value-creating entity. The research findings contributed towards the development of a downward accountability model that identified three key factors for promoting downward accountability in an NPO: a compliance framework, performance indicators and defined accountability processes.

This research has illustrated the significance of downward accountability on NPO governance, impact and stakeholder perceptions of an NPO's value creation. The research affirmed the usefulness of the Public Value Strategy's analytical framework and the study's original contribution lies in recognising the Value Creation theory's potential in enhancing an NPO's governance, performance and service delivery.

Opsomming

Verantwoordbaarheid teenoor verskillende belanghebbendes word as ’n belangrike beginsel van goeie beheer beskou. Nietemin is daar ’n gebrek aan raamwerke wat die sektor sonder winsoogmerk se verantwoordbaarheid teenoor die eindgebruikers van organisasies reguleer. Daar is opgemerk dat organisasies sonder winsoogmerk (OSW’s) in Suid-Afrika veral lae vlakke van afwaartse verantwoordbaarheid toon. Gebrekkige verantwoordbaarheid teenoor eindgebruikers, as belangrike rolspelers om waarde vir ’n OSW te skep, kan opvattings van die nut en waarde van dié organisasies beïnvloed.

Aan die hand van die publiekewaardestrategie ondersoek hierdie navorsing hoe ’n OSW se missie en doelwitte, ondersteuning en magtiging sowel as bedryfsvermoë ’n bevorderlike omgewing vir waardeskepping daarstel. Die navorsingsdoelwitte was tweërlei: eerstens, om twee gekose OSW’s in Suid-Afrika se opvattings van waardeskepping te bepaal en, tweedens, om ’n model vir toenemende afwaartse verantwoordbaarheid in OSW’s te ontwikkel. Om vas te stel hoe afwaartse verantwoordbaarheid waardeskepping in die hand werk, bepaal die navorser (i) hoe die verantwoordbaarheidspraktyke van die gekose OSW’s eindgebruikers se deelname aan organisatoriese waardeskepping bevorder, (ii) of die eindgebruikers van OSW-dienste as belanghebbendes in die ontwikkelingsproses beskou word, en (iii) of die twee OSW’s oor meganismes beskik wat eindgebruikers in staat stel om aan programmeringsprosesse deel te neem wat tot organisatoriese waarde bydra.

Die navorsingsdoelwitte is bereik deur ’n gemengdemetodebenadering met sowel ’n kwalitatiewe as kwantitatiewe ontwerp, en deur respondente se begrip en praktyke van deelname, gesamentlike skepping, goeie beheer en die lewering van waardevolle uitkomste te ondersoek. Die steekproef het uit respondente van twee OSW’s bestaan – die een ’n internasionale nieregeringsorganisasie in Gauteng, en die ander ’n Suid-Afrikaanse OSW in die Wes-Kaap. Data is van personeellede, direkteure, raadslede en dienseindgebruikers ingesamel deur ’n aanlyn vraelys met kwalitatiewe en kwantitatiewe vrae wat respondente self moes beantwoord. Die navorsing het aan alle etiekriglyne voldoen, en etiekgoedkeuring is van die Universiteit Stellenbosch se Navorsingsetiekkomitee oor Sosiale, Gedrags- en Onderwysnavorsing bekom.

Die studie bevind dat, hoewel die twee organisasies nié verantwoordbaarheidsbeleide het nie, albei hoë vlakke van afwaartse verantwoordbaarheid toon. Dít dui daarop dat die probleem van lae vlakke van afwaartse verantwoordbaarheid in OSW’s nie aan die gebrek aan ’n oorhoofse raamwerk te wyte is nie, maar eerder afhang van die waardes waarop ’n organisasie se strategie berus. Die studie vind geen regstreekse oorsaaklike verband tussen afwaartse verantwoordbaarheid en OSW-waardeskepping nie. In plaas daarvan, blyk verantwoordbaarheidspraktyke geleenthede te bied vir eksterne belanghebbendes om bydraes te lewer wat, indien dit aanvaar word, die OSW kan help om meer responsiewe programme te implementeer. Dít lei op sy beurt daartoe dat die OSW beskou word as ’n entiteit wat waarde skep. Op grond van dié bevindinge word ’n model vir afwaartse verantwoordbaarheid dan ontwikkel wat drie hooffaktore vir beter afwaartse verantwoordbaarheid in ’n OSW identifiseer: ’n voldoeningsraamwerk, prestasieaanwysers, en duidelik omskrewe verantwoordbaarheidsprosesse.

Hierdie navorsing onderstreep die belang van afwaartse verantwoordbaarheid in OSW-beheer en -impak, en belanghebbendes se opvattings van OSW-

waardeskepping. Dit bevestig boonop die nut van die analitiese raamwerk van die publiekewaardestrategie. Die oorspronklike bydrae van die studie lê in die besef dat die waardeskeppingsteorie gebruik kan word om OSW-beheer, -prestasie en -dienslewering te verbeter.

Acknowledgements

To my supervisors Prof. Zweli Ndevu and Prof. Kula Ishmael Theletsane: thank you for your guidance over the years and believing I could make a worthwhile contribution through my studies. You have been patient with me and allowed me to develop academically, giving me the freedom to write in my own way and to find my voice. Thanks also go to the School of Public Leadership (SPL) staff who have supported me in the different stages of this study journey: our Departmental Administrator Ms Riana Moore, Dr Dirk Brand, Dr Harlan Cloete and Prof Hans Bossert. To Dr Layla Cassim: thank you for the editing, encouragement and access to the Postgraduate Toolkit: it simplified the writing process. To fellow students and staff at the African Doctoral Academy (ADA) at the Africa Centre for Scholarship: the summer school of 2019 provided a turning point in my studies. Thank you for the opportunity to get support, guidance and resources in preparing for this academic journey. I am also grateful to the EU-Erasmus exchange programme that enabled me to visit the University of Vest Timișoara in Romania. Timis is my chosen second home and I appreciate the eye-opening experiences that I had there.

To my examiners: I appreciate you taking the time to review my work and to provide substantive feedback. Thank you for your input and guidance.

Thanks also go to the study respondents: organisational representatives, Staff, Board members and end-users, whose information made it possible to conduct this study.

A work of this magnitude requires patience and support: thank you to my father Prof Jonathan Mayuyuka Kaunda for his guidance, encouraging his children to chase our dreams and, for setting the bar high. This is in your memory Dad. Thanks to my mother Priscilla-Mpho for cheering me on and believing I could do this. To my siblings Angela, Chikumbusko, Vitowe, Thomas and Mayuyuka: this one is for the team!

Thank you to Arnold for the support during the late night studying and solidarity in the early morning writing. To my friends, who have been an encouragement at different stages throughout the study journey – Emma Keenan, Stacy and Pete Mata, Tebello Ralebitso, Lebo Joan Pillar, Mashiyane Mabunda, Munkombwe Muchindu, Surprise Nthite, Bongani Makhubo, Karabo Sitto, Mantwa Madiba, Horatio Hot and Katie Abbey – thank you.

This work is dedicated to my son Mohale Takondwa, my forever blessing.

“I alone know the plans I have for you, plans to bring you prosperity and not disaster, plans to bring about the future you hope for”.

Jeremiah 29:11

Thank you Lord.

Table of Contents

Downward accountability and value creation: An examination of two Non-Profit Organisations in South Africa .....

Declaration .....

Abstract i

Acknowledgements iv

Table of Contents v

List of Tables x

List of Figures xi

ACRONYMS xiii

CHAPTER 1: INTRODUCTION AND BACKGROUND 1

1.1 INTRODUCTION 1

1.2 BACKGROUND TO THE STUDY 3

1.3 PROBLEM STATEMENT 5

1.4 RESEARCH QUESTIONS 6

1.4.1 Primary research question 7

1.4.2 Secondary research questions 7

1.5 HYPOTHESIS 7

1.6 RESEARCH AIMS 8

1.7 OBJECTIVES 8

1.7.1 Primary objective 9

1.7.2 Secondary objectives 9

1.8 OVERVIEW OF THE RESEARCH DESIGN AND METHODOLOGY USED 9

1.8.1 To establish NPO understanding of who their stakeholders are and the NPOs' accountability to these stakeholders 9

1.8.2 To establish perceptions of value created by Non-Profit Organisations 10

1.8.3 Developing and testing a conceptual model of NPO accountability to beneficiaries 10

1.8.4 Role of the researcher 11

1.8.5 Mixed research methodology 11

1.8.6 Use of case studies 12

1.8.7 Theoretical framework 13

1.8.8 Research methodology 14

1.9 RATIONALE AND SIGNIFICANCE OF THE STUDY 15

1.10 ETHICAL CONSIDERATIONS 16

1.11 STUDY LIMITATIONS 17

1.12 KEY DEFINITIONS USED 19
1.13 ORGANISATION OF THE STUDY 20
CHAPTER 2: THE LITERATURE REVIEW 22
2.1 INTRODUCTION 22
2.2 CHANGING DEFINITIONS AND ROLES 22
2.2.1 Key trends impacting the identity and roles of Non-Profit Organisations 25
2.2.2 A changing donor landscape 37
2.2.3 The future of Non-Profit Organisations 39
2.3 THE EVOLUTION OF GOVERNANCE TRENDS 42
2.3.1 Accountability defined 45
2.3.2 General accountability trends 48
2.3.3 Accountability trends within NPOs 50
2.4 IDENTIFYING ACCOUNTABILITY LEVELS WITHIN NPOs 57
2.4.1 Factors to consider when measuring accountability in NPOs 57
2.5 REASONS FOR BEING ACCOUNTABLE TO END-USERS 63
2.5.1 Living up to purpose 63
2.5.2 ‘Walking the talk’ 64
2.5.3 Promoting good governance 64
2.5.4 Scripting the change 65
2.5.5 Empowering the end-user 65
2.5.6 Operationalising the Human Rights approach to programming 67
2.6 CHALLENGES FACED BY NPOs IN PROMOTING ACCOUNTABILITY TO END-USERS 69
2.7 SUMMARY 70
CHAPTER 3: PUBLIC VALUE CREATION THEORY 72
3.1 INTRODUCTION 72
3.2 PUBLIC VALUE CREATION 72
3.2.1 Dissecting the Public Value Strategy and its use for non-profits 75
3.2.2 Adapting Public Value Creation for use by the non-profit sector: The Public Value Strategy Framework 79
3.3 THE SIGNIFICANCE OF STRATEGY IN VALUE CREATION 81
3.4 THE ROLE OF STAKEHOLDERS IN CREATING PUBLIC VALUE 82
3.4.1 The significance of accountability to stakeholders in creating non-profit organisational value 83
3.5 UNDERSTANDING THE RELATIONSHIP BETWEEN THE PUBLIC VALUE STRATEGY, STAKEHOLDER ROLES AND ACCOUNTABILITY 85
3.5.1 The challenge of multiple accountabilities 86

3.6 USING THE PUBLIC VALUE STRATEGY AS A GUIDE FOR IDENTIFYING ACCOUNTABILITY INDICATORS IN NON-PROFIT ORGANISATIONS 88
3.6.1 Non-Profit Organisation conceptualisation of the end-user as a stakeholder . 89
3.7 SUMMARY 90
CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY 91
4.1 INTRODUCTION 91
4.2 RESEARCH QUESTIONS 92
4.2.1 Primary Research Question 92
4.2.2 Secondary Research Questions 92
4.3 RESEARCH DESIGN 93
4.3.1 Philosophical underpinnings of the research: Ontology and epistemology 94
4.3.2 Mixed methods research framework 95
4.3.3 The critical perspective in mixed methods research 96
4.4 DATA COLLECTION PROCEDURES 97
4.4.1 Secondary data collection and document analysis 97
4.4.2 Primary data collection 98
4.4.3 Use of case studies 99
4.4.4 Reliability and validity 100
4.5 QUESTIONNAIRE DESIGN 101
4.5.1 Questionnaire for NPO programme Staff and Directors 103
4.5.2 Questionnaire for end-users 103
4.5.3 Questionnaire for NPO Board members 104
4.6 TARGET POPULATION 104
4.7 SAMPLING 106
4.7.1 Purposive sampling approach 106
4.7.2 Snowballing approach 107
4.7.3 Respondent sample sizes 107
4.7.4 Sample sizes of Organisations 108
4.7.5 Organisation profiles 109
4.8 SAMPLING CRITERIA 110
4.8.1 Sampling criteria used for end-users 110
4.8.2 Sampling criteria used for organisational representatives: Programme staff, directors and Board members 111
4.8.3 Sampling criteria for subject matter experts 111
4.8.4 Sampling criteria used for the Non-Profit Organisations 112

4.9 SAMPLING AND QUESTIONNAIRE BIAS 114
4.9.1 Self-reflexivity and bracketing 114
4.10 DATA ANALYSIS AND INTERPRETATION 115
4.10.1 Strategies for validating findings 115
4.10.2 Comparative analysis 116
4.11 ETHICAL CONSIDERATIONS 116
4.11.1 Informed consent 117
4.11.2 Managing the Risk of Harm and Maximising Benefits to Respondents 117
4.11.3 Managing grievances 118
4.11.4 Privacy, Confidentiality and Data Protection 119
4.12 LIMITATIONS OF THE STUDY 119
4.12.1 Small sample size means findings cannot be generalised 119
4.12.2 Managing the potential for response bias 120
4.12.3 Coronavirus and changes to design methods 120
4.12.4 The relevance and appropriateness of incorporating qualitative methods 120
4.13 SUMMARY 121
CHAPTER 5: RESEARCH FINDINGS AND DISCUSSION 123
5.1 INTRODUCTION 123
5.2 DATA FROM COMMUNITY MEMBERS OR SERVICE END-USERS 124
5.3 DATA FROM NPO BOARD MEMBERS OR ADVISORS 124
5.4 DATA FROM NPO PROGRAMMING STAFF AND DIRECTORS 125
5.5 SECONDARY DATA ANALYSIS: NPO STRATEGY DOCUMENTS 125
5.6 FINDINGS ON STRATEGY 128
5.6.1 Organisational programming approach and impact on strategy 128
5.6.2 Community members' understanding of NPO strategy, vision and mission 130
5.6.3 Community participation on Boards 131
5.6.4 Stakeholder participation in strategy development processes 132
5.6.5 Identifying levels of community participation 133
5.6.6 Stakeholder participation in programming 135
5.6.7 Perceptions of Government as a stakeholder 138
5.6.8 Documenting participatory practice 139
5.7 FINDINGS ON ACCOUNTABILITY 140
5.7.1 The nature of an NPO and its impact on the accountability approaches adopted 141
5.7.2 Signs of accountability in an NPO 141

5.7.3 NPO accountability practices 146
5.7.4 Having an accountability policy in place 152
5.7.5 Measures taken in the absence of an Accountability Policy 153
5.7.6 NPOs' downward accountability practices 154
5.7.7 The importance of downward accountability 155
5.7.8 Community members' perceptions of downward accountability 157
5.7.9 Challenges that NPOs face in implementing downward accountability 158
5.7.10 Community member recommendations on how NPOs can enhance downward accountability 162
5.8 FINDINGS ON VALUE CREATION 163
5.8.1 The relationship between organisational mission and value-creation 164
5.8.2 Identifying stakeholders in creating NPO value 164
5.8.3 How is value created? Perceptions of how NPOs create value 168
5.8.4 Respondents' perceptions of their roles in NPO value-creation 170
5.8.5 Establishing the authorisation and support of the two NPOs 171
5.8.6 Value-creation through impact 175
5.8.7 Tools used to measure impact 178
5.9 SUMMARY 179
CHAPTER 6: PRESENTATION OF A DOWNWARD ACCOUNTABILITY MODEL 184
6.1 INTRODUCTION 184
6.2 A DOWNWARD ACCOUNTABILITY MODEL 188
CHAPTER 7: CONCLUSION AND RECOMMENDATIONS 191
7.1 SUMMARY 191
7.2 A REVIEW OF THE RESEARCH QUESTION AND PROBLEM STATEMENT 193
7.3 CONTRIBUTIONS OF THE STUDY TO THE NON-PROFIT SECTOR 195
7.4 RECOMMENDATIONS FOR FUTURE RESEARCH 196
LIST OF REFERENCES 198
APPENDIX A: PROGRAMMING STAFF AND DIRECTOR'S QUESTIONNAIRE 218
APPENDIX B: COMMUNITY MEMBERS/END-USERS' QUESTIONNAIRE 229
APPENDIX C: BOARD MEMBERS' OR ADVISORS' QUESTIONNAIRE 232
APPENDIX D: ETHICAL REQUEST 234
APPENDIX E: INSTITUTIONAL PERMISSION 235
APPENDIX F: ETHICAL CLEARANCE APPROVAL 236

List of Tables

Table 2 1: The World Economic Forum and KPMG (2013:22) classification of critical driving forces for civil society scenarios in 2030..... 40
Table 2.2: Relationship between NGO purpose and accountability to different stakeholders (Brown & Moore, 2001:579) 61
Table 4.1: List of sub-questions derived from the problem statement 101
Table 4.2: Targeted sample size of individual respondents, developed by the author 105
Table 5 1: Key findings on accountability derived from NPO strategy documents . 127
Table 5 2: A summary of key findings according to the questionnaire respondents179
Table 6 1: Factors identified in enhancing NPO downward accountability, developed by the author 187

List of Figures

Figure 1.1 Number of Non Profit Organisations in South Africa per 1000 residents (Adapted from Burger et al., 2018:19) 3
Figure 2.1: NPO 'Governance' is broad and 'Accountability' is reflected by the presence of different components (developed by the author) 63
Figure 3.1 The strategic triangle, adapted from Moore, (1995:23). 74
Figure 3.2: The Balanced Scorecard links performance measures (adapted from Kaplan & Norton, 1992:72) 76
Figure 3.3: The Balanced Scorecard: a framework to translate a strategy into operational terms (adapted from Kaplan, 2001:361) 77
Figure 3.4: The adapted Balanced Scorecard to facilitate use among Non-Profit Organisations (adapted from Kaplan, 2001:361) 78
Figure 3.5: The Strategic Triangle adapted for NPO use: The Public Value Strategy Framework (adapted from Moore, 2003:26) 80
Figure 4 1: Diagrammatic representation of research variables and concepts explored in the research, developed by the author 93
Figure 4 2: Exclusion criteria for organisations and NPO respondents, developed by the author 113
Figure 5.1: Programming Staff and Directors identifying the purpose of the NPO . 129
Figure 5.2: Programming Staff and Directors description of the core approach used in programming 130
Figure 5.3: Programming Staff and Director's identification of the NPO's primary stakeholders 132
Figure 5.4: Stakeholders involved in the two NPOs' strategy development processes 132
Figure 5.5: Percentage of community members who have participated in NPO strategy development 134
Figure 5.6: Percentage of community members who have participated in developing the NPO mission 134
Figure 5.7: Programme cycle processes in which NPOs involve community end-users 135
Figure 5.8: Community members' participation in NPO programme activities 136
Figure 5.9: Board members' perceptions of end-user participation in the project cycle 137

Figure 5 10: Most significant stakeholders, as identified by programme staff 138
Figure 5 11: Least significant stakeholders identified by programme staff 138
Figure 5 12: NPO's documentation of participatory practice 140
Figure 5.13: Registration of Non-Profit Organisation..... 142
Figure 5.14: Non-Profit Organisations' tax exemption status 143
Figure 5.15: NPO submission of reports to the Department of Social Development 144
Figure 5.16: An indication of programme staff's engagement with community members 147
Figure 5.17: Frequency of NPO engagement with community members 148
Figure 5.18: List of information shared by NPO with community members 149
Figure 5.19: Percentage of community members who receive information from the two NPOs 150
Figure 5.20: Establishing whether NPOs had a standalone accountability policy .. 152
Figure 5 21: Figure 5.21: Participants' responses to whether accountability is mentioned in other policies 152
Figure 5 22: Stakeholders in creating value, as identified by NPO programming Staff 165
Figure 5 23: Pie chart showing most important stakeholders in creating value, as identified by programming staff 166
Figure 5 24: List of stakeholders programming staff deemed least important in creating organisational value 167
Figure 6.1: A model for downward accountability, developed by the author..... 189

ACRONYMS

APRM	African Peer Review Mechanism
BRICS	Brazil, Russia, India, China and South Africa
CBO	Community Based Organisation
CSO	Civil society organisation
DESC	Department Ethics Screening Committee
DPME	Department of Planning, Monitoring and Evaluation
DSD	Department of Social Development
EAC	East Africa Community
EU	European Union
GDP	Gross Domestic Product
HAP	Humanitarian Accountability Partnership
ICASA	Independent Communications Authority of South Africa
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
KPMG	Klynveld Peat Marwick Goerdeler
MDG	Millennium Development Goals
NACS	National Anti-Corruption Strategy
NDB	New Development Bank
NEPAD	New Partnership for Africa's Development
NGO	Non-government organisation
NPO	Non-Profit Organisation
NDB	New Development Bank
NSA	Non-State Actors
ODA	Overseas Development Aid

OECD	Organisation for Economic Cooperation and Development
OXFAM	Oxford Committee for Famine Relief
PPPs	Public-Private-Partnerships
PBO	Public Service Organisations
REC	Research Ethics Committee
REC: SBE	Research Ethics Committee: Social Behavioural and Education Research
RBA	Results Based Accountability
SADC	Southern Africa Development Community
SAPs	Structural Adjustment Programmes
SDGs	Sustainable Development Goals
SPL	School of Public Leadership
UK	United Kingdom
US	United States (of America)
UN	United Nations
UNDP	United Nations Development Programme
UNDESA	United Nations Department of Economic and Social Affairs
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children's Fund
UN OHCHR	United Nations Human Rights Office of the High Commissioner
WB	World Bank
WEF	World Economic Forum

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Non-profit organisations (NPOs) in South Africa, like elsewhere in the world, play a significant role in social development, including in the provision of social services (Statistics South Africa, 2017; Burger, Jegers, Seabe, Owens & Vanroose, 2018; Swilling & Russell, 2002). In South Africa, since the democratic transition, the national Department of Social Development (DSD) has partnered with NPOs to jointly deliver health, education, housing and employment services (Habib & Taylor, 1999; Burger *et al.,* 2018).

The most comprehensive study of the non-profit sector in South Africa was conducted in 2002 by Swilling and Russell. In 2002, there were 99,000 NPOs in South Africa, over 53% of which were found to be operating at a local level as community-based organisations. Swilling and Russell (2002) found that the NPO sector at that time had mobilised almost R13.2 billion rand and had spent R9.3 billion of this, contributing 1.2% to the GDP. A report by Statistics South Africa (2017) found that the whole sector has been increasing and growing year-on-year since 2011 and put the number of NPOs in South Africa at 120 000 organisations. The rate at which the NPO sector is growing is corroborated by the Department of Social Development (DSD), whose latest records show that there is a total of 245,192 registered NPOs in 2021 (Department of Social Development, 2021).

The NPO sector has also historically been found to contribute significantly to the employment sector. In 2002, there were an estimated 1.5 million volunteers working in the sector in South Africa (Swilling & Russell, 2002). Other reports demonstrated the economic contributions that NPOs made to the economy; for instance, Salamon and Sokolowski (2004) found that the civil society sector in South Africa made up 3.4% of the economically active population. In 2014, the number of volunteers working in non-profits was estimated at 2.2 million people (Statistics South Africa, 2017).

In this study of the non-profit sector in South Africa, Swilling and Russell (2002) found that corporates made significant funding contributions (estimated at approximately R3 billion) and that Overseas Development Aid (ODA) given to NPOs amounted to only R500 million. This was during the political transition to a racially inclusive, democratic state and foreign aid donors were channelling their funds directly to the government (Habib & Taylor, 1999). Despite high levels of inequality and poor income redistribution, South Africa is now considered an upper middle-income developing country due to its high Gross National Income (GNI) per capita, which the World Bank (2020) calculated at USD $5,410, which is within the upper middle income range of between USD4,096 and USD 12,695. As a result, there is less ODA coming into the country.

The ODA allocation for the non-profit sector has also shown a decline in real terms. Burger *et al.* (2018) reported a 17% decline between 2009 and 2014, from 30% to 13% and OECD (2016, 2017, 2018) reports have indicated a flat allocation of funding to South Africa. What this has meant in real terms is that funding to the non-profit sector has decreased substantially and South Africa's NPOs are seeking funding from other avenues – notably the corporate sector and government, which continues to be the largest funder to the sector (Burger *et al*. 2018; Statistics South Africa, 2017).

Swilling and Russell (2002: viii) also found that most of the government funds went to civil society organisations found in "urban, working class and middle-class communities" and unfortunately this situation has not changed much. Burger *et al.* (2018) found that disparities continue to exist between NPOs in urban and rural areas and that there are still inequalities in terms of there being more NPOs in more affluent communities (Figure 1.1 in Chapter 1). These NPOs are found to have more resources to conduct their work than those found in rural provinces, as reflected in Figure 1.1 on the next page.

With South Africa's transition into a democratic state, NPOs were viewed as stakeholders in the development process (Habib & Taylor, 1999). Non-Profit Organisations were brought into partnerships with government to jointly respond to development challenges, collaborating, co-creating solutions and delivering social services (Burger *et al.*, 2018).

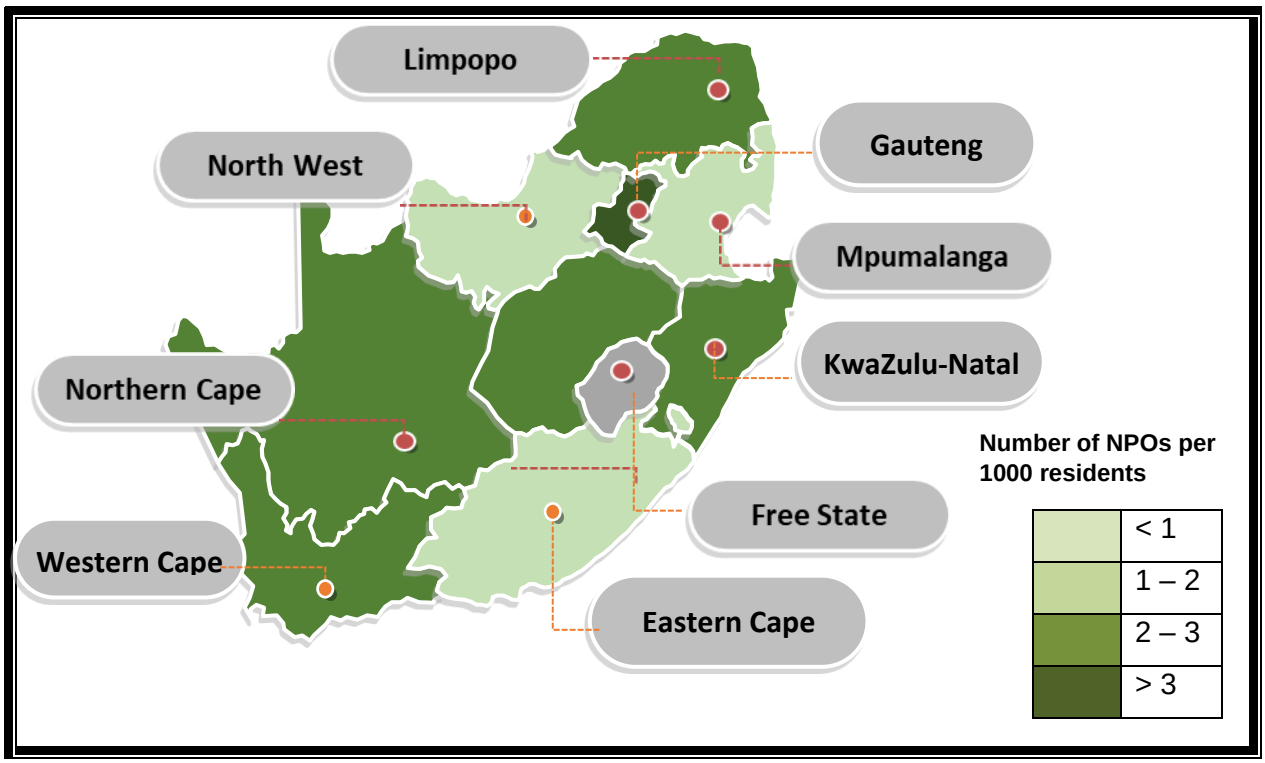

Figure 1.1 Number of Non Profit Organisations in South Africa per 1000 residents (Adapted from Burger et al., 2018:19)

The five largest sectors in which NPOs operate have not changed since Swilling and Russell's (2002) report: most NPOs function in the social services sector, development and housing sector, religious sector, health, education and research sectors (Statistics South Africa, 2017). The highest number of NPOs continues to be found in the social services sector (Burger *et al.*, 2018; Statistics South Africa, 2017), with these making up 40% of all NPOs (Burger *et al*., 2018).

1.2 BACKGROUND TO THE STUDY

Since the non-profit sector plays a significant role in the development sector of South Africa and in the provision of social services, specifically, it is important to look at the relationships that NPOs have with their stakeholders. Numerous studies have written about NPO-State and NPO-Private sector relationships, their value creation dynamics and how these relationships contribute to the development discourse (Meynhardt, Gomez & Schweizer, 2014; Moulton & Anheier, 2001). However, little has been written globally and in South Africa about the accountability relationships of NPOs with not

just the broader public, but also the communities in which they serve, specifically the intended beneficiaries and end-users of their programmes and services.

The relationship between NPO and end-user is quite complex, with numerous areas that can be studied, from the nature of the partnership, how NPOs decide where to work and how they identify their beneficiaries, to the actual participation of beneficiaries in NPO work, whether it be participation in planning and design or in the evaluation of programmes. A topic that resonates with current debates in the development sector – strengthening governance and promoting public engagement (participation) as well as the more nuanced debates around who NPOs represent – makes it imperative to study NPO-beneficiary relationships from an accountability point of view. This is premised on the idea that where there are accountability standards and policies, these influence organisational perceptions and practices of accountability, including to service end-users.

The absence of NPO accountability principles and standards therefore creates a governance conundrum: the very existence of an organisation is defined by the intention to address the needs of population groups, which in turn defines the function of NPOs (Slim, 2002; Charnovitz, 2005). By their very nature, NPOs therefore have intrinsic value precisely because they have been established to address a social need, either due to a failure in State-provided services, or as a complement to existing State-provided services. Whether a specific NPO is, however, meeting this ‘social development mandate’ or ‘public interest mandate’ and the extent to which it is responsive to the arisen needs of the population it seeks to serve is a question that should be asked of the targeted beneficiary group – the end-user or recipient of an NPO’s products or services. This research therefore proposes that end-users are integral in creating the value of an organisation. It further proposes that an NPO’s understanding of the significance of its end-users in creating its value is reflected in the following:

(i) The general perception that Non-Profit Organisations hold of who a stakeholder is and whether end-users are seen as stakeholders;

(ii) The roles a Non-Profit Organisation ascribes to different stakeholders;

(iii) The accountability practices of a Non-Profit Organisation, including the extent to which it provides opportunities for its end-users to participate in programme cycle processes; and

(iv) How a Non-Profit Organisation perceives value creation and whether its service users have a role in this process.

The current research has examined whether selected NPOs had put in place mechanisms that promote accountability to their end-users. This included establishing the extent to which beneficiaries were involved in the programme cycle – a cycle that includes inception and planning, implementation, monitoring and oversight and measuring programme outcomes in terms of the impact made in beneficiaries' lives. This was done by examining the accountability practices of NPOs operating in two provinces in South Africa. The study has considered the factors that drove their accountability and examined the type of relationships these NPOs had with their service end-users. The research therefore examined how the selected NPOs perceived the role of beneficiaries, how they accounted to the latter (particularly in promoting downward accountability) and how the NPOs perceived beneficiaries fitting into the organisations' value creation processes.

1.3 PROBLEM STATEMENT

As articulated in section 1.2, the relationship between an NPO and its stakeholders is a critical factor in influencing governance and accountability practices. The relationship between NPO and stakeholders is also significant in the value creation process. The problem identified in this research is that *Non-Profit Organisations in South Africa demonstrate low levels of downward accountability, which may affect their value creation.* This is especially so when there are no normative standards for NPO practice regarding an institution's accountability obligations to its service beneficiaries and how accountability to this group of stakeholders is important for governance (Lloyd & de las Casas, 2006; Lingan & Hammer, 2011; CIVICUS World Alliance for Citizen Participation, 2014).

The legislative and policy frameworks that currently exist are guidelines that target the public or private sector, and are often borrowed from and tailored by NPOs. There are no specific downward accountability frameworks for the NPO sector as a whole. Existing Corporate Social Responsibility frameworks, have played a significant role in

filling in this policy gap, providing operating principles and guidelines that, when adopted, can enhance non-profit accountability and governance. The main exceptions are the United Nations (UN) Global Compact on Sustainable Development and, in South Africa, the King III and IV Corporate Governance Reports, which are frameworks that include in their target audience the public sector, private institutions and Non-Profit Organisations.

The Non-Profit Organisation derives its mandate from various sources: funders/donors; executive leadership, such as the Board and Management; partner agencies; the State (which creates the necessary policy and fiscal environment to operate, including providing the official registration allowing the organisation to operate, accumulate and transfer funds and employ personnel to implement its work); and the public (more especially, the specific target population that will form its group of beneficiaries. The public are the main reason the NPO exists – to address the issues that arise in *their* lives). However, a legitimate mandate is not enough: an NPO also needs to be able to create value in order for it to continue to exist. The problem therefore arises when NPOs do not perceive or treat their service beneficiaries as important stakeholders that help to create their value. By not doing so, NPOs are at risk of their *roles, power and mandates* being questioned.

Within this context, the current research focused on understanding the accountability practices of NPOs and how they perceived the role of beneficiaries in the work of their organisation. The research specifically examined the nature of the relationship between organisations and their service end-users, looking into the NPOs' internal policies and programmes and how these produced accountability outcomes. The information generated illustrated whether accountability to beneficiaries is an important aspect of NPO governance. The study also sought to determine whether downward accountability impacted an NPO's value creation.

1.4 RESEARCH QUESTIONS

The research question identified whether Non-Profit Organisations promoted accountability to their service end-users through their governance, policy frameworks and programming approaches. It also sought to identify whether NPOs viewed these end-users as a significant stakeholder. The research question was in two parts, broken into a primary question and secondary questions.

1.4.1 Primary research question

The primary research question was: How does downward accountability facilitate value creation in two selected Non-Profit Organisations in Gauteng and Western Cape provinces in South Africa? This allowed for a qualitative, exploratory and comparative approach to the study and provided opportunities to collect data on areas of accountability, as well as value creation perceptions and processes.

1.4.2 Secondary research questions

Three key areas of interrogation were identified, using information from the literature review, the theoretical framework and the operating contexts of the NPOs. In order to answer the primary question, it was broken down into three secondary questions. These three secondary questions are:

i. How do the accountability practices of the selected Non-Profit Organisations promote beneficiary participation in creating organisational value?
ii. Are service beneficiaries perceived as stakeholders in development processes?
iii. Did the above NPOs put in place mechanisms that enabled or promoted these service beneficiaries to engage in programming processes that resulted in enhancing the value of the Non-Profit Organisation?

These three areas of interrogation also helped to define the delimitations or scope of study, which is further detailed in section 1.11. The scope also helped to derive four areas of enquiry, with a focus on exploring the NPO's understanding of stakeholder relationships and how this influenced the roles ascribed to each stakeholder,

1.5 HYPOTHESIS

'Accountability to beneficiaries helps a Non-Profit Organisation to create value'.

This study has argued that an NPO's value is derived from its legitimacy and perceptions of its 'worth', which is measured by beneficiary perceptions of impact. The relationship between an NPO and its end-users is thus important in terms of:

(i) Whether NPOs perceive accountability to service end-users as significant for governance;

(ii) Whether NPOs see a link between governance, accountability and value creation;

(iii) How the NPO perceives the role of its end-users as a stakeholder; and

(iv) How the NPO perceives its duty of accountability towards stakeholders, including its end-users, that is, detailing what entails accountability to end-users and how the latter should be accounted to.

The study proposed that the legitimacy and governance of a Non-Profit Organisation is strengthened by public participation, in particular the involvement of service end-users in planning, implementing and monitoring programmes. The assumption was that NPO value (or perceptions of value) could be enhanced if accountability to end-users was adopted as a standard way of working.

The research had two sets of variables. The independent variables are NPO governance frameworks and NPO accountability practices, while the dependent variable is Value Creation. In this way, the research was able to examine four key objectives in relation to the two independent variables, as articulated in section 1.6 below.

1.6 RESEARCH AIMS

The research aimed to achieve the following:

(i) To establish perceptions of value created by two selected Non-Profit Organisations in South Africa; and

(ii) To develop a model for increasing downward accountability in NPOs.

1.7 OBJECTIVES

In order to address the research questions and achieve the research aims, the study looked at how the NPOs accounted to end-users (accountability frameworks). Secondly, the research looked into the governance frameworks that existed in the NPOs, how these promote accountability and to whom (governance frameworks) and also examined how the two NPOs viewed the role of service end-users in their work (stakeholder relationships and roles). Finally, the research was able to establish the perceptions of value held by end-users towards the two Non-Profit Organisations. To

achieve these, the research articulated primary and secondary objectives as detailed below.

1.7.1 Primary objective

The primary objective of this study was to determine how downward accountability facilitates value creation in two Non-Profit Organisations in South Africa.

1.7.2 Secondary objectives

The above primary objective was broken down into several secondary objectives:

(i) To determine how the accountability practices of the selected NPOs promote end-user participation in creating organisational value;
(ii) To determine whether service end-users were perceived as stakeholders in development processes; and
(iii) To establish whether the above NPOs put in place mechanisms that enabled or promoted these service end-users to engage in programming processes that resulted in enhancing the value of the NPO.

1.8 OVERVIEW OF THE RESEARCH DESIGN AND METHODOLOGY USED

This section is an overview of the research design and the concepts are discussed in more detail in the methodology chapter. The literature reviewed demonstrates the developmental nature of the research by exploring concepts related to organisational practice, participation and co-creation, good governance and the production of valued outcomes. The study's evidence collection was limited to data collected from respondents who had a relationship with the NPO – either in the capacity of strategy and programme design, programme implementation or accessing the NPOs services. The focus of the study was to collect data on organisational practice, focusing on three main areas as identified by the secondary research questions in section 1.4.2 and explained in detail below.

1.8.1 To establish NPO understanding of who their stakeholders are and the NPOs' accountability to these stakeholders

This involved establishing how NPOs viewed their relationships with their stakeholders – establishing who their primary and secondary constituents were and how the positioning of a stakeholder influences stakeholder engagement in the work of the

NPO, as well as influencing the accountability practices of the non-profit organisation. The purpose for this was to establish the perceptions that NPOs had of their service end-users' capability and rights to participate in programme cycle activities including strategy development, planning, proposal development, programme design, implementation, monitoring, review and evaluation. It was aimed at establishing the stages at which NPOs involved their service end-users and whether organisations actively created opportunities to promote the participation of stakeholders during these processes. The other purpose was to examine how NPOs accounted to their stakeholders, in order to understand whether NPOs provided opportunities for service end-users to participate. This would help to establish whether accountability to service beneficiaries promoted transparent and accountable governance among Non-Profit Organisations.

1.8.2 To establish perceptions of value created by Non-Profit Organisations

This part of the study involved documenting service end-user perceptions of non-profit value creation and sought to answer questions such as: What is the process of creating value? Who creates it? Do service end-users perceive themselves as having a role to play in creating NPO value during programming processes? This part of the study also detailed end-users' understanding of the roles of NPOs and end-user expectations of accountability from Non-Profit Organisations. The study also examined the value creation perspectives of NPOs to determine: (i) Who are the stakeholders that NPOs viewed as important in the process of producing value? (ii) What steps were taken to involve these stakeholders? (iii) How was the role of service end-users defined? and (iv) Did NPOs involve end-users in developing programme and impact targets?

1.8.3 Developing and testing a conceptual model of NPO accountability to beneficiaries

The research identified from literature the emerging components that define an 'accountable' NPO, specifically examining how NPO policies and programmes frame the relationship with beneficiaries. The research also identified the specific factors that needed to be present when promoting downward accountability and sought to apply and test the conceptual model that was developed. This involved comparing the observed outcomes from the research with the hypothesis, and was a deductive

process of interpreting the findings of the study into NPO accountability practices, as suggested by Merriam and Tisdell (2016). Findings were analysed to: (i) establish whether accountability to service end-users promotes transparent and accountable governance in NPOs; and (ii) identify whether NPO value could be strengthened if accountability to end-users was promoted as a standard way of working in the development sector.

A qualitative approach was utilised because the research aimed to study NPO value creation based on the understanding, views and practices of the research participants. A constructivist approach was therefore used (Creswell & Creswell, 2018), because the topic of downward accountability, particularly in the context of value creation, is one that is not much researched or spoken about in NPO practice and the research sought to understand perceptions and meanings ascribed to accountability and value-creation. This is in keeping with Constructivism, which is an approach that is focused on understanding and documenting the subjective meanings people ascribe to things, processes, or phenomena (Creswell & Creswell, 2018) and how people interpret these constructed meanings and experience the world around them (Crotty, 1998).

1.8.4 Role of the researcher

The study utilised an emic approach, as described by Morris, Leung, Ames and Lickel (1999), as it was informed by the researcher's experiences working in the non-profit sector. These experiences were based on the researcher's work as a grant-maker as well as her experiences working for advocacy, direct service provision and policy analysis institutions. By adopting an emic approach, the research was couched in the researcher's experiences and the starting point was informed by what the researcher had witnessed in the field or implemented as a development practitioner working in the non-profit sector. The study was also informed by the researcher's axiology (Cassim, 2021), which was informed by the values and belief in critically analysing NPO practice in order to make this more responsive towards meeting the needs of the organisation's primary stakeholders.

1.8.5 Mixed research methodology

The research utilised both qualitative and quantitative data collection methods, resulting in a mixed methods approach (Creswell & Creswell, 2018). The qualitative

approach allowed the researcher to collect and interpret data, articulating the meaning ascribed by respondents to various concepts (Bogdan & Biklen, 2007; Merriam & Tisdell, 2016). The qualitative aspects of the research design also provided room for the research to be inductive, which involved developing a downward accountability model based on information from the literature and evidence from fieldwork of what factors constitute and promote downward accountability, as suggested by Azungah (2018). This was then used to develop a model for increasing downward accountability in NPOs. The quantitative aspect allowed for the collection of quantitative data (Creswell & Creswell, 2018), including through the use of Likert Scales, graphs and ratios to aid the analysis of findings (Howie, 2019). The quantitative aspect also allowed for the use of categorical data and measurement of frequency of occurrence (Howie,2019).

However, by utilising a mixed methods approach, the research did not seek to establish a relationship between variables or try to predict outcomes, as would happen with a purely quantitative approach. Rather, the mixed methods approach provided opportunities to simultaneously collect quantitative and qualitative data (Leeman, Voils, & Sandelowski, 2015), compare data and identify areas of convergence, and to use quantitative information to triangulate qualitative findings and vice versa (Creswell & Creswell, 2018; Howie, 2019). The mixed research deign is detailed further in Chapter 4.

1.8.6 Use of case studies

A case study approach was utilised because this allowed the research to focus on a specific type of organisation, studying specific accountability practices and the understanding of the value creation concept in two Non-Profit Organisations. The research was able to focus on a specific unit of analysis, namely the NPO, as suggested by Lichtman (2013) and Merriam and Tisdell (2016). The research utilised a holistic multiple case study design because there were two organisations targeted and only one unit of analysis – the NPO – was utilised. (Rowley, 2002). The multiple cases provided opportunities to compare data within the individual NPOs and from several units of stakeholders, to provide a more holistic overview of accountability practices as suggested by Rowley (2002). The case study approach enabled

comparisons to be made between the two NPOs, thus it was possible to identify similarities as well as differences in the findings.

The case study approach was also chosen because it provides opportunities to present to readers the actual accountability practices of NPOs and not to present these in an abstract manner. Yazan (2015:148) has described this as “illuminating the reader’s understanding of the phenomenon under study”. Yin (2003:1) has posited that the case study is useful for studying real life phenomena, particularly where the researcher has little or no control over “why” and “how” the behaviour takes place.

1.8.7 Theoretical framework

The Public Value Creation theory (Moore, 1995) focuses on three key factors: (i) the significance of organisational strategy in defining an organisation’s purpose; (ii) the vision and mission drawn from this strategy and how it drives an organisation’s implementation, policy and practice; and (iii) the resulting actions enabling an organisation to fulfil its objectives and meet its articulated purpose. According to the Public Value Creation theory, therefore, a strategy is important in enabling an institution to implement responsive programmes (Moore, 1995; Brown & Moore, 2001).

The research examined three areas: Firstly, the research sought to understand what an organisation’s strategy was and how the mission was articulated. This involved dissecting what the organisational strategy was and establishing whether the organisational strategy fit into the value creation process. The process also entailed examining what the strategy development process of the organisation was, when it took place and who was involved in this process. Analysing this information as a whole and establishing where in the strategic triangle of value creation the organisation based most of its value creation processes led to a better understanding of the organisation’s strategic objectives and social mission.

Secondly, the research investigated the complex relationship between NPOs and end-users, examining the nature of the partnership, how NPOs decided where to work, how they identified their beneficiaries, and how the organisations promoted the actual participation of beneficiaries in NPO work. In examining these areas, the research was able to establish whether accountability, legitimacy and support had been achieved by

the NPOs. Added to these, the researcher studied the policies and processes of accountability that had been put in place and were utilised by the two NPOs. This process assisted in establishing whether the organisations recognised the legitimacy and support pillar of the value creation framework and deemed it important.

Finally, the Public Value Strategy framework influenced the research design further by directing the extent to which the research studied the organisations' governance frameworks and whether the two NPOs had put in place policies and mechanisms that promoted accountability to their end-users. This process included establishing the extent to which beneficiaries were involved in the programme cycle – a cycle that includes inception and planning, implementation, monitoring and oversight, and measuring programme outcomes in terms of the impact made in beneficiaries' lives. The research also undertook this by examining the accountability practices of two NPOs operating in two provinces in South Africa and examined the factors that drove their accountability relationships, including to their service end-users. The researcher was able to ask questions to establish how the two NPOs perceived the role of beneficiaries, accounted to them and understood how the beneficiaries fit into the NPOs' value creation processes. By utilising this approach, it was possible to position our understanding of how NPO downward accountability practices influenced value creation.

1.8.8 Research methodology

A self-completed online questionnaire containing both qualitative and quantitative questions was used to collect data from respondents. As a mixed methods study, the sample size was small and limited to two organisations: one International Non-Governmental Organisation (INGO) registered in South Africa and one South African NPO. The two organisations were identified through purposive sampling. Nineteen (19) respondents filled out the online self-completed questionnaire. The respondents comprised individual advisors or representatives from the NPO boards, NPO programming staff and community end-users who received services from the NPOs. Trust with respondents was promoted by building a relationship with the NPOs and seeking permission to conduct the study from the NPOs' advisors or Board members, staff and end-users. Informed consent was also sought from all respondents. Trustworthiness of the data was promoted by collecting data from several sources and triangulating it to promote the reliability of the data. By asking

similar questions to different audiences or respondent groups, the study was able to identify patterns and similarities around common themes. This enabled the triangulation of findings, which in turn enhanced the credibility of the study, making the findings more plausible (Guba, 1981). These concepts are discussed in more detail in Chapter 4.

1.9 RATIONALE AND SIGNIFICANCE OF THE STUDY

The research tested the theory of whether improving accountability to end-users is significant for creating value (or perceptions of value) for Non-Profit Organisations. It also detailed the actual accountability practices adopted by two NPOs in South Africa. The findings illustrated the following: (i) types of accountability practices that are found in some Non-Profit Organisations; (ii) factors that need to be considered to increase downward accountability; and (iii) downward accountability and its impact on non-profit governance and value creation. These findings are important because the research makes an original contribution in adding knowledge to an area of study that has a dearth of knowledge: there are very few studies on NPO governance, accountability and value creation in the African and South African context.

This study is exploratory research on value creation by NPOs, an area that is not much researched as the concept of value creation is often confined to the public and private sectors. The research also provided insights into stakeholder relations and how these impact on value creation. The findings of this research can impact NPO practice if adopted: there is a potential to disrupt NPOs' ways of working by prioritising community stakeholder relations and improving both NPO programme responsiveness and the impact made on targeted end-users. This would have a social significance in the way NPO's work. The findings have the potential to impact on the way the two NPOs that took part in the study, in particular, revise or change the way in which they engage and work with their end-user, particularly in terms of their participation in strategy development and programme implementation.

The study explored the concept of downward accountability, which, though widely touted, is not very well implemented, even by NPOs who tend to be some of its loudest proponents. For the NPO sector, the research provides insights on the importance of downward accountability, and the practical steps that can be taken to enhance accountability to community members. Academically, this research contributes to the

study of governance processes in the development sector in the southern Africa region and generates evidence for the support of increased downward accountability. Traditionally, value creation has been studied as a public sector (government) or private sector (business) principle: the current study is novel in that it applies the value creation paradigm to a less studied area – that of the non-profit sector. There is also a paucity of information on the linkages between value creation and accountability – a gap that this research tries to fill.

The study will not only have implications for NPO management, but also for the corporate social engagement sector and any other agencies that provide social services and seek to enhance their engagement with their service end-users. Non-Profit Organisations that can implement the recommendations made in the study can not only potentially improve their accountability, but also enhance their project cycle participation, thus impacting on their value creation processes, particularly in designing and implementing strategies and programmes. For the researcher, the study is of academic significance as it marks a venture into focused research on NPO accountability. The research provides an improved understanding of downward accountability practices and can be further extended to make scholarly contributions to the study of governance processes in the NPO sector, particularly in South Africa and the region.

1.10 ETHICAL CONSIDERATIONS

The research was low to medium risk because, firstly, there was limited physical contact with the respondents as the study took place at a time when the global Coronavirus (COVID-19) pandemic had broken out and there were strict protocols to avoid risking the transmission of the disease. Secondly, at an academic level, the study was medium risk because although it explored the relationships between two NPOs and their service end-users, the research did not jeopardise this relationship or threaten to disrupt the continued provision of these services by the Non-Profit Organisations.

The research recognised that some of the communities being interviewed were exposed to social vulnerabilities as they were from low-income backgrounds, marginalised from the mainstream economy and sometimes dependent on State social services or support from the very organisations taking part in this study. Other

respondents were activists who tried to keep their profiles low, for security and safety reasons. The research design took these factors into account by making sure that the research provided opportunities for community respondents to participate meaningfully in the research process in a manner that did not impair their dignity, undermine their participation or expose them to further risk. Furthermore, the research ensured the privacy of all respondents, kept their identities anonymous and did not make linkages between respondents and their questionnaire responses.

The research was conducted in compliance with Stellenbosch University's policy on research ethics (Stellenbosch University, 2020b). Ethical clearance was sought from the University of Stellenbosch's Research Ethics Committee (REC) through the Department Ethics Screening Committee (DESC). Permission was also sought from the two NPOs' senior management and Board because the study required Board members to speak about strategy and staff members to provide details about organisational policies and programme implementation. Consent was also sought from all respondents, who were provided with the option to exit the study at any stage, should they wish to, without facing any repercussions. The ethical principles that were considered are detailed in section 10 of Chapter 4.

1.11 STUDY LIMITATIONS

Non-Profit Organisations' experiences are influenced by the level at which the organisations are operating. That is, accountability experiences and practices will differ according to whether the NPO is located at a community, national or regional level. This study involved two NPOs: one was a regional organisation with global roots, and the other was a national indigenous organisation established and grown in South Africa. The difficulties arose in the vastly different terminology and structures that both NPOs used and trying to draw similarities and parallels was difficult.

The study focused on organisations operating in southern Africa. Although the development approaches may be the same or similar, the operating contexts of NPOs on the continent – and even between countries within the same region – vary in terms of their operating and legislative frameworks. This impacted on the extent to which the study findings could be adapted to improve NPO governance in other regions on the continent.

The research topic is broad and there are many factors that influence an organisation's value creation. By focusing the enquiry on accountability processes, the researcher was able to exercise some degree of control on the scope of the study. This also meant that the research could present more nuanced findings relating to the role that accountability plays in value creation, particularly since NPOs play an invaluable role in the socio-economic development of many African countries and so this is an important area to study.

The research was self-funded and, due to budgetary limitations, it only focused on two organisations. Although rich qualitative data was generated, the findings therefore cannot be generalised to the wider NPO sector in South Africa, because some aspects are peculiar to the particular organisations under study. To maximise the opportunity to generalise the findings, the study conducted a comparative analysis of the two Non-Profit Organisations as case studies, in order to take into account, the various factors that impact NPO-beneficiary relationships. Yin (2013: 325) refers to this as "analytical generalisation".

The research took place at a time when the world was experiencing an outbreak of the Coronavirus (COVID-19); therefore, interviews and focus group discussions, which were initially planned to be face-to-face, could not be held face-to-face as the researcher could not guarantee that in-person contact would not lead to exposure and spread of the virus to or among the study participants. Interviews and Focus Group Discussions were not conducted online because of concerns over access to internet, particularly for community end-users. There were also privacy concerns and the need for some respondents' identities to be kept confidential. Data from respondents was therefore collected through self-completed online questionnaires only. Limitations relating to the research design and methodology are detailed in section 4.11 of Chapter 4.

There is much research available on accountability in general, but also limited writings and research on downward accountability specifically. There is also limited research on the value creation theory and its application to non-public, non-commercial institutions. The application of this theory in the development sector is also limited. The scarcity of relevant literature therefore made the research process more difficult as it was challenging to source secondary data, including that which is specific to non

-profit organisations in Africa. It is hoped that this research will contribute towards providing much needed insights into both downward accountability as well as value creation within the non-profit context.

If the researcher had more time and resources, she would have investigated the NPO sector in general, which would have provided extensive, up-to-date information on accountability of NPOs across different fields in South Africa. So far, there is only one authoritative report from Burger, *et al.,* (2018) that provides insights into NPO accountability. There is nothing on NPO value creation and, if given more time, there is scope for a more extensive study to be undertaken on this.

1.12 KEY DEFINITIONS USED

The definitions below are listed in alphabetical order and articulated in commonly accepted language (Creswell & Creswell, 2018), as reflected in the discourse contained in the literature.

Accountability: Ebrahim (2003:194) defines accountability as: "[…] the means through which individuals and organizations are held externally to account for their actions and as the means by which they take internal responsibility for continuously shaping and scrutinizing organizational mission, goals, and performance".

Downward accountability: This refers to accountability towards intended or actual beneficiaries of an organisation's programmes or services.

End-user: This phrase is used interchangeably with 'beneficiary' and denotes the actual recipient of an organisation's services. For the purposes of this study, it specifically refers to community members who receive services from the two NPOs taking part in this study.

Non-Profit Organisation (NPO): In this study, 'NPO' is used interchangeably with 'civil society organisation (CSO)' and 'Non-Governmental Organisation (NGO)'. Lewis (2009:2) captures the complexities in defining an NGO: "NGOs are a diverse group of organizations that defy generalization, ranging from small informal groups to large formal agencies. NGOs play different roles and take different shapes within and across different societies".

Public value creation: This is a management philosophy that an institution creates meaning or worth through the products and services that it provides. Grant, Tan, Ryan and Nesbitt (2014:2) have defined public value creation in this way: **"**Public Value is a justification for public organisations seeking to create value for their communities in the way that businesses do, but at the same time retaining what is unique about public organisations". For the purposes of this study, 'public value' refers to the significant impact and positive change made by NPOs' in the lives of their targeted individuals or communities (see Meynhardt, 2009). It is used in recognition of the public interest role that an NPO plays in broader society.

1.13 ORGANISATION OF THE STUDY

This thesis is divided into seven chapters:

Chapter 1 contains an introduction and overview of the non-profit sector in South Africa. This covers the context in which NPOs work, their roles in social development and NPOs' historic relationship with government. The chapter also provides the problem statement, research questions, aims, objectives and rationale for the research. It details the ethical considerations, study limitations, overview of research design and methodology and definitions of key terminology.

Chapter 2 is a literature review of the historical adaptations of the definitions and identities of NPOs globally, in Africa and in South Africa. The chapter discusses the changing roles of NPOs and outlines the changes that have taken place in accountability practices and governance patterns. This is followed by **Chapter 3**, which provides the theoretical framework underpinning the research. It presents the Public Value Creation Theory espoused by Moore (1995) and details the relationships between organisational strategy, accountability and governance, and particularly how these three concepts converge to help build organisational value.

Chapter 4 is a presentation of the study methods used. It details the rationale behind the research design, the process of developing the sampling criteria, the design of data collection instruments as well as the data collection and data analysis methods that were used. The chapter details the steps taken to decrease error and bias and to promote trustworthiness, as well as addressing concerns around self-reflexivity. The

chapter also provides a list of the study limitations as well as the ethical considerations that were considered when conducting the study.

Chapter 5 presents and discusses results from the data that was collected, identifying thematic topics and trends, as well as detailing any gaps and opportunities in relation to the research study area of downward accountability and value creation. The discussion analyses and reflects on the findings of the research in relation to the literature review and theoretical framework. **Chapter 6** presents a downward accountability model and is followed by **Chapter 7**, which provides the final conclusions, and summarises the study findings. It also identifies potential recommendations for further research and practical recommendations for implementation.

CHAPTER 2

THE LITERATURE REVIEW

2.1 INTRODUCTION

The way in which Non-Profit Organisations (NPOs) understand the concept of accountability and how they demonstrate this in relation to the work that they do is reflected in how NPOs perceive their role in development. This chapter looks at the changing definitions of NPOs from the early independence era (1950s) to the present (2021). This timeline allows one to contextualise socio-political developments and understand how political and economic changes played a role in defining the identities and roles of these organisations. The second purpose of the chapter is to consider the evolution of governance trends and what this has meant in terms of NPO accountability. The third purpose is to examine the various roles that NPOs play in promoting governance and how accountability is reflected.

2.2 CHANGING DEFINITIONS AND ROLES

Non-Profit Organisations are formations of civil society. Non-Profit Organisations are commonly referred to also as Non-Governmental Organisations (NGOs), a term that has its origins in the United Nations (UN). It is at the UN where non-State institutions were provided with the space and consultative status to provide inputs into a wide range of matters commonly dealt with by UN bodies, including economic and social development, human rights, peace and security, and the environment (Brown, Khagram, Moore & Frumkin, 2000; Fadakinte, 2015; Krut, 1997).

The United Nations Department of Public Information (u.d.) defines NGOs as “any non-profit, voluntary citizens’ group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens’ concerns to governments, monitor policies, and encourage political participation at the community level”. The World Bank (cited in Malena, 1995:13) echoed this definition and further elaborated on the scope of work of NGOs, stating that NGOs are “[p]rivate organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community

development". Working definitions of an NGO usually encompass the concept of a non-profit entity that is independent from the State and works to deliver resources or serve socio-economic or political purposes.

The term 'NGO' is quite fluid and has numerous derivations, such as 'non-profit', 'voluntary organisation', 'civil society organisation', 'development agency' and 'welfare organisation', to mention but a few. Often the geographic roots of the organisation (where the parent company is registered) and its positioning in relationship to the State is what determines the synonyms used to describe it. The terminology used will also most often reflect the relations that an entity has in relation to the State or private sector's role in development processes (Bebbington, Hickey & Mitlin, 2008). For instance, in the United Kingdom (UK), the most common terms are 'voluntary organisation' or 'charity', whilst in the United States of America (USA), it is 'non-profit organisation'. In southern Africa, the most commonly used term is NGO, and in South Africa it is NPO, although, increasingly, organisations are identifying themselves more broadly as 'civil society organisations'. This research will use the term 'NPO' interchangeably with 'NGO' and 'civil society organisations'.

There have been many criticisms levelled at non-profit organisations because of the fluid nature of the definition and the fact that it is difficult to pinpoint what an NGO is (Krut, 1997). The difficulties in defining an NGO are seen not only as a challenge for civil society itself, and its identity and positioning, but also pose difficulties for development policy-makers because often the definition is contextual and influenced by socio-political changes (Lewis, 2001; Fadakinte, 2015). As a result, proxy factors are used to define what an NGO is, based on the role that it plays. For instance, NGOs are viewed as the 'third sector', namely the third tier in addition to government and the private sector, and this definition focuses on NGOs being service providers in various capacities such as partners, implementers or catalysts of development (Lewis, 2009; Fadakinte, 2015). This is important to keep in mind to help one understand better the evolving role and permutations of NGOs, because they play a significant role as an employer and a direct service provider.

Although assigning one specific definition of an NGO is difficult, two important guidelines can be useful in helping to narrow down the definition: (i) identifying the operations and ways of working of the institution; and (ii) defining its developmental

role. In an effort to establish a cross-cutting comprehensive definition of an NGO, Salamon and Anheier (1992) proposed a move away from utilising a conceptual framework to define what an NGO is, to rather using a definition that is based on a classification system that reflects on proxy indicators related to an organisation's governance. The indicators proposed included examining whether the organisation had a formal registration and governing structure and, whether it was of a voluntary, non-profit making nature. Salamon and Anheier (1992:1) therefore suggested what they identified as a "structural-operational definition". Bebbington *et al.* (2008) further stated that the reasons for an NGO's existence as well as the relations between the NGO and actors in society are factors that strongly define what an NGO is.

Given these two guidelines for the definition of an NGO, it is important to note that NGOs are not a homogenous group. According to Lewis, (2009), there are various factors that affect the nuanced definition of any institution, such as:

(i) The size of the organisation and whether it is global and operating in several countries;
(ii) Whether the organisation's roots are in the global south or north, as this informs the organisation's ideology and positioning in relation to power and politics;
(iii) If the organisation operates at national or indigenous/local levels, because this influences the subject matters addressed;
(iv) The issues that the NGO is working on and in which areas these fall, for example, socio-economic development, economics, politics and human rights; and
(v) The composition of an organisation's membership and the extent to which it has local or grassroots representation.

For this study, the definition that is therefore used, conceptualises NGOs according to the roles that they play in the development sector regardless of the organisation's size or whether the institution operates at a local, national, regional or global level. This research utilises a conceptual definition of an NGO according to its operational roles and functions in a wide range of sectors, which may include activities involving advocacy, direct service provision and programme implementation, public awareness or policy engagement. The next section discusses three major trends that

demonstrate the practical implications of changing socio-political and economic environments, and how these have impacted on the work of Non-Profit Organisations.

2.2.1 Key trends impacting the identity and roles of Non-Profit Organisations

Some key trends have contributed towards the evolving roles of NPOs, such as historical socio-political developments, globalisation and geopolitics, privatisation and CSO-State-Private sector relations. The following sub-sections will discuss each of these key factors.

2.2.1.1 Historical socio-political development trends

Socio-political developments within Africa have taken place largely over four periods:

(i) Independence and post-colonialism (1950s-1960s);
(ii) The Bretton Woods institutional drives (1970s, 1980s and 1990s);
(iii) The Millennium Development Goals (MDGs – 1990s to 2000s) and
(iv) The African renaissance (2000s to present).

Each period saw the role of civil society evolve, often redefining the structure and nature of development interventions implemented by NPOs. Although this study focuses on the period 1980-2021, this section will start from 1950 to aid understanding.

2.2.1.2 Independence and post-colonialism (1950s-1960s)

During pre-independence and colonial times, NGO roles were defined primarily from a Western viewpoint. For example, the pre-independence colonial era (up to the 1940s) was characterised by a strong missionary presence that adopted a welfare approach towards development and held a moral view towards the responsibility of colonial powers towards their colonies (OECD, 2012).

The pre-independence era was also characterised by repressive authoritarianism and the imposition of Western administrative structures and processes, promoted by the occupation of Anglo, Luso and Francophone colonisers. These either instituted imperialist ideologies (subsuming existing cultural structures) or assimilation (furthering ‘the Westernised way’ of doing things to ‘bring out civilisation’ and often disregarding existing practices). Both methods were problematic, because the

absence of formal organisations registered as ‘NGOs’ did not necessarily mean the absence of such structures. As a result, African groupings or social structures were either co-opted, ran in parallel or assimilated. It therefore follows that the predominance of NGOs, in the way in which we know them today, was not as actors forging relationships between the State and society, but as extensions of welfare programmes run by the Church or colonial administrators (Fadakinte, 2015).

The 1950s-1960s was a period when many African countries were gaining independence. Fadakinte (2015) writes that the ideology of civil society was a Western construct, created to fit into the existing ways of working because of a failure of colonial leaders to work with the prevailing African social and political structures. This may have been because African structures and infrastructure were viewed as inadequate, and thus the development focus was on assisting newly independent countries to build capital infrastructure and to set up local economies.

Such interventions were driven not by a moral imperative for former colonising States, but neo-colonial aspirations under the guise of a politically strategic intervention, to bring about political stability, economic growth and build political alliances at a time when World War II had just ended (OECD, 2012). Perhaps this was influenced by experiences with the US-backed Marshall Plan and the belief that an infrastructure and resource distribution approach such as that adopted towards Europe after World War II could also work for Africa at the time of independence in order to lead infrastructure development and drive the economy. For South Africa, the 1950s and ’60s was a period where the Apartheid State clamped down on civil liberties, restricting the movement of black people and making it illegal for their mobilisation, only allowing collectives to function as long as they were “apolitical” and functioned in the racially segregated, tribalist “self-governing homelands” (Swilling & Russell, 2002:69). It is important to acknowledge, however, that political movements (fighting for State independence from colonial rule), social movements, charities and social welfare organisations, did exist outside this colonial welfare framework and that these had social development purposes within their political ideologies and pursuits.

2.2.1.3 The Bretton Woods institutional drives, Phase I: 1970s-1980s

The post-colonial period, particularly the 1970s-1980s, saw a proliferation of civil society organisations, in particular charity, welfare and 'development' agencies. These worked mainly in the areas of poverty alleviation, agriculture production, food security, vocational education and artisanal training. These performance areas were largely driven by a narrative set by the UN's declaration of its second 'Development Decade' (African Peer Review Mechanism (APRM) & African Governance Architecture, 2019). At the same time, the Bretton Woods institutions[1] were promoting a trade and economic liberalisation agenda for African countries to adopt, mainly as a reaction to the 1973 oil crises, the ensuing economic crisis and emphasis on macroeconomic debt management (OECD, 2012; APRM & African Governance Architecture, 2019).

The 1970s to '80s was an era characterised by State economic policies instituting strategies such as Structural Adjustment Programmes and Poverty Reduction Strategies (Heidhues & Obare, 2011). This was also, paradoxically, a time where development was more output-focused, looking at inputs and interventions and *what* the development aid had achieved, not because it was a measure of an improvement in people's lives and more broadly illustrating some contribution towards reducing poverty (for example, impact in changed living conditions), but rather because development was – erroneously, I might add – viewed as "an overinvestment in the social sector", which was seen as contributing to African countries' economic and debt problems (APRM & African Governance Architecture, 2019). It was during this period that poverty levels in African countries began to rise and there was an urgent imperative for African governments to enhance social service delivery.

During this period, South Africa had a dual non-profit sector divided along racial lines. Non-Profit Organisations providing services to the white minority population were allowed to operate and provided with support and funding from the Apartheid government to provide social services (Swilling & Russell, 2002). The social service organisations working for and with black people did not receive State funding: they were largely social movements supported and funded by religious institutions,

[1] Bretton Woods Institutions comprise the International Monetary Fund (IMF) and the World Bank (WB). Established in 1944 towards the end of World War II, they are aimed at building and stabilising economies, as well as promoting international economic cooperation.

philanthropists and “white NPOs with liberal consciences” (Swilling & Russell, 2002: 69).

2.2.1.4 The Bretton Woods institutional drives, Phase II: Late 1980s-1990s

The late ’80s and ’90s was a time where, globally, popular movements for liberalism took place, for instance the fall of the Berlin wall in the ’90s, Middle East wars and the formal establishment of the European Union. Continentally, this period in Africa was overshadowed by the Ethiopian famine, Congo War, Rwanda genocide and, politically, the fight and ultimate gaining of freedom and independence for Eritrea, Namibia and South Africa.

Unsurprisingly, the ’90s was a period when human rights, democratic governance and public participation were growing and this is reflected in the general move, globally, towards the development of socio-economic rights policy frameworks. Among these were the International Convention on the Elimination of All Forms of Racial Discrimination (1965); the International Covenant on Economic, Social and Cultural Rights (1966); the Convention on the Elimination of All Forms of Racial Discrimination (1969); the Convention on the Elimination of All forms of Discrimination Against Women (1979); and the Convention on the Rights of the Child (1989), to name a few.

The late 1980s and ’90s also reflect a development era where the self-interests of donors were most evident: it was the time of the UN’s Third Decade of Development and little progress had been made in achieving its targets, including the commitment that developed countries had to meet a target of Official Development Assistance (ODA) to developing countries making up at least 0.7% of their GDPs. Not only was there limited political will towards reaching the ODA commitments, but Bretton Woods Institutions and developed countries moved their focus from “social development to macroeconomic stability” (APRM & African Governance Architecture, 2019:69). It was a time also when Western governments started to prefer multi-lateral aid agreements, which, for the development sector, translated into not only providing soft loans, which is financing at flexible repayment terms, but also ‘deploying experts’ to give ‘technical support’ and the provision of equipment and implements directly to African governments, as well as trade expansion through the sales of donor-manufactured

goods (Sato, 2005). This period saw increased use of Western-based NGOs implementing interventions in order to accelerate government service delivery and meet the demands set in Structural Adjustment Programmes[2] (Bebbington *et al.,* 2008; Roy, 2014). It was a time where NGOs saw a shift towards the establishment and funding of North-South institutions; NGOs were setting up local chapters of their national or global institutions and there was increased networking and collaboration transnationally (Bebbington, *et al.*, 2008).

This period from the 1980s to 1990s is often looked at with scepticism because some scholars argue that it was a period of driving neo-liberal, neo-colonial interests that saw an iteration of Western agencies pursuing their own agenda under the guise of development, with very little development or benefits for local communities (Kanji, Kanji & Manji, 1991; Roy, 2014). Manji and O'Coill (2002:13) argued that, during this period, NGOs merely substituted religious orders, becoming "[…] an integral, and necessary, part of a system that sacrifices respect for justice and rights. They have taken the missionary position – service delivery, running projects that are motivated by charity, pity and doing things for people […] albeit with the verbiage of participatory approaches*".* The main change was that it was no longer religious institutions that provided services, but rather local chapters of global NGOs.

It can be argued, however, that the existence of national chapters of global institutions has itself led to the increasing participation of local human rights and development advocates. These have been able to harness national and global attention to their causes and, at the same time, leverage support for their local causes from others across the country and world, who might be facing similar issues. It has given rise to Africans who have themselves actively participated and led advocacy and development efforts. In South Africa, the 1980s to 1990s was a period when many NPOs drove active social movements and mobilised the public in advocacy that

[2] Structural Adjustment Programmes (SAPs) are commonly instituted by the World Bank and International Monetary Fund, promoting among other things, cuts in government expenditure, the privatisation of industry and state entities, trade liberalisation and liberalising currency markets, which includes devaluing currency (Kingston: 2011; Roy: 2014). Scholars such as Mkandawire & Soludo (1998) have written extensively about the failures of SAPs in African economies, particularly the weaknesses of SAPs in failing to boosting economic recovery and drive growth.

eventually led to the fall of the racist, separatist Apartheid regime (Swilling & Russell, 2002).

2.2.1.5 The Millennium Development Goals: 1990s to early 2000s

This period was characterised by low economic growth globally and, despite promises to fix global economies, there was little commitment to establish a new, more equitable 'flatter' world economic order (United Nations Department of Economic and Social Affairs, 2017; APRM & African Governance Architecture, 2019). There was a strong acknowledgement that human development was crucial for sustainable development and there was a move towards balancing economic growth interests and social development (APRM & African Governance Architecture, 2019). With this shift came efforts to strengthen institutional frameworks and mechanisms for promoting sustainable development, which saw a rise in the promotion of environmental sustainability, peace and security, inclusive development, participation, decentralisation, transparency, governance and accountability (APRM & African Governance Architecture, 2019).

This period for South Africa was a time where the country was transitioning into a racially inclusive democratic state. Non-Profit Organisations played a significant role in reconstructing the country, jointly providing social services and even building infrastructure, in partnership with the new democratic Government (Habib & Taylor, 1999; Swilling & Russell, 2002). Burger *et al.,* (2018) argued that this transitional period, which saw dwindling funds to the NPO sector as donors chose to work directly with the newly-elected, inclusive, democratic government and fund the government directly, shifted the ways of working of NPOs. This may have been the beginning of an overemphasis on upward accountability at the expense of downward accountability because of the environment that changing funding patterns created. For instance, the actual Overseas Development Aid (ODA) share allocation to NPOs in South Africa had decreased from 30% in 2009 to 13% in 2014 (Burger *et al*., 2018). The share of funds directed at the non-profit sector has dwindled extensively, making it a very competitive funding environment.

Other changes that have taken place during the democratic transition in South Africa have included some NPOs entering into partnerships with government (Habib &

Taylor, 1999), some being co-opted into government and others ceasing totally to exist (Habib & Taylor, 1999; Burger. *et al.,* 2018). This change in NPO-State relations and greater collaboration during times of socio-political transition is not peculiar to South Africa, and similar experiences have been recorded in Eastern European countries, for example Romania (EU-Russia Civil Society Forum, 2019).

2.2.1.6 African renaissance: Early 2000s to present

The new millennium (from the year 2000) was a period driven by Africa's neo-renaissance agenda (Mbeki, 1998), set against a backdrop of the failures of the liberalism and privatisation efforts of the 1980s and 1990s. It took place at a time when there was greater emphasis on the need to balance economic and social development goals, indicated by the implementation of development frameworks such as the Millennium Development Goals (MDGs) and, subsequently, the Sustainable Development Goals (SDGs). It was also a time that saw the development of regional tools for the promotion of coordinated socio-economic development, for instance, the African Charter on Human and Peoples' Rights, the release of the African Union Agenda 2063, as well as increased functioning of the Regional Economic bodies, namely the Southern Africa Development Community (SADC), the East Africa Community (EAC) and the Economic Community of West African States.

These regional bodies have established frameworks with articulated national and regional targets for human and social development, political stability and economic growth that are aligned to Africa's broader development agenda, as well as the global SDGs (APRM & African Governance Architecture, 2019). Through this, NPOs have been able to play a role in two significant areas. The first is direct service delivery around education, health and sanitation, livelihoods, climate change and disaster management, among other areas. The second is advocacy and engagement in policy making and monitoring processes around a wide range of issues, including sustainable socio-economic development, trade liberalisation, human rights, governance and environmental preservation. Many NPOs working in Africa now therefore work across a broad spectrum of sectors (see the work of Mlambo, Mpanza & Mabecua, 2021; Fadakinte, 2015; Manji & O'Coill, 2002).

2.2.2.1 Globalisation and Geopolitical Trends

Significant developments in the NGO operating environment have also taken place over the past 20 years. Globalisation – the increased networking and linkages of organisations across national and continental boundaries – has inadvertently led to a proliferation of NPOs. These organisations have also increasingly expanded their scope of work by engaging on issues that transcend national boundaries (Mishra, 2012). For civil society, particularly International Non-Government Organisations (INGOs) and multi-country alliances, globalisation has meant the creation of opportunities for establishing transnational, trans-boundary movements that are able to connect local, national and global organisations around common values. It has enabled NPOs to work globally and transnationally, beyond fixed geographic areas and national borders (Wallace, 2004; Laurie & Smith, 2017).

Globalisation provides NPOs with a new sense of power – not merely from their sheer numbers (and, when mobilised, great voice), but also with opportunities to get involved in many different sectors – thus providing them with the authority to speak on a wide range of issues and even represent various sectors of the public (Wallace, 2004; Krut, 1997). Globalisation for international NGOs has also meant that larger numbers of people – at local, national and global levels – can share information and mobilise around specific issues, thus creating a groundswell of voices to influence policy and practice through advocacy, campaigning and sharing experiences (Brown, Khagram, Moore & Frumkin, 2000). Brown *et al.,* (2000) argued further that because globalisation has had a significant impact on governance and political institutions – enabling rapid movements of people, information and ideas across the world and stimulating dialogues, demands for better governance, accountability and better responses to addressing inequalities – NPOs have, as a result, emerged as a dominant player in international governance and policymaking and are significant actors in the socio-economic, political and cultural sectors.

Globalisation has also shrunk the degrees of separation between individuals and organisations. As a result, geopolitical boundaries and ideological differences between countries, and even regions, tend to blur. It has also, in some instances, unfortunately elevated universal, global ideology and priorities over national ones, thus galvanising

common positions around universal problems, but also, in some cases, eroding national positions (Brown *et al., 2000*). During this period, there has furthermore been a shift away from the North-South partnerships between NPOs in the West and those in the global South or developing countries. The efforts of NPOs have placed greater emphasis on reciprocal development processes: information exchanges, research and evidence generation and South-South cooperation (Krut, 1997).

2.2.3.1 Privatisation and CSO-State-Private Sector Relationship Trends

The world over, governments have been shrinking and there has been a tendency for devolution and decentralisation of power, decision-making and service provision (Kaunda & Bossert, 2016). Parallel to this has been an increased process of privatisation of resources and services, which has changed the role of the State and allowed other stakeholders to take part in governance and service delivery. Although this has progressively led to growing partnerships between the State and other socio-economic development partners, notably the private sector and civil society, it has also sometimes led to asymmetric and incongruent power relations between the State and the public, sometimes resulting in very powerful private and civil society sectors that can overpower State interests (Tortajada, 2016; Banks, Hulme & Edwards, 2015).

The increase in Public-Private-Partnership initiatives (PPPs) has been a result of the realisation that the impacts of socio-economic development can be better felt, in terms of impact at a local level, when partnerships are used to deliver services that are responsive to local conditions and needs. The increasing involvement of NPOs in the provision of social services is based on the assumption and expectation that NPOs add a degree of legitimacy and bring in the views of the public, a stakeholder group that would otherwise be excluded from development and decision-making processes (Moulton & Anheier, 2001; Vidal, Torres, Guix & Rodriguez, 2005; Freise, 2010; Pattberg, Biermann, Chan, & Mert, 2012). In addition, there is an increased acceptance of participatory governance as an important element of promoting and sustaining democratic values and civil society organisations and NPOs are viewed as a vehicle for democracy because they can be a conduit that provides the public with opportunities and spaces for engagement in decision-making (Charnovitz, 2003).

There has also been increased recognition that fast-tracked socio-economic development can be achieved through deliberate partnerships, particularly PPPs. Co-implementation and joint public service delivery has been the favoured approach for driving social and economic development (Karabulut & Demir, 2006; Freise, 2010). This acknowledgment has meant that NPOs are increasingly partnering with States and the private sector and, in several countries, have begun playing a crucial role in providing social services in conjunction with the State or to 'complement' those provided by the State (Sage, 2012; Bebbington, *et al*., 2008). Moulton and Anheier (2001) attribute this to several factors:

(i) The demands from implementing an increasing number of large, capital investment opportunities compared to small social programmes;
(ii) The donor's approach to establishing consolidated funding 'pots' where resources from different donors are pooled and interested parties need to competitively bid for a share of the income; and
(iii) Increased emphasis on the need for these large capital investment projects to have a balanced approach towards sustainability with impacts on the triple bottom line of social, environmental and profit outcomes.

Public-Private-Partnerships are therefore vehicles that not only allow Non-Profit Organisations and the State to co-implement programmes, but they furthermore carve out spaces for civil society organisations to play a greater role not only in direct service delivery, but also in influencing and developing social policy (World Economic Forum & Klynveld Peat Marwick Goerdeler [KPMG], 2013). The result is a change in perception of what an NPO is, which has seen the definition widening beyond the initial view of NGOs as adversarial, anti-government institutions, towards being more acceptably referred to as Non-State Actors (NSAs), Public Benefit Organisations (PBOs) or, broadly, Civil Society Organisations (CSOs). This change in definition illustrates the increased partnership relationships between NPOs and States and is also a reflection of the changing role that civil society now plays as complementing the State in delivering public services (Sage, 2012; Burger, Jegers, Seabe, Owens & Vanroose, 2018; Bebbington, *et al.,*2008). However, this role has been questioned, especially when some NPOs take on political roles, backing either State or

privatisation policies and maintaining the *status quo*, sometimes even at the detriment of the general public they seek to serve (Lewis, 2009).

Even stronger criticism has been directed at NPOs that fall at the other end of the spectrum – those that oppose a particular government and are viewed as adversarial because they view the State, particularly, as incompetent and have adopted an ideology and State engagement approach that often positions the State as incapable, inefficient, unresponsive and corrupt (Manji & O'Coill, 2002). The main criticism here is that NPOs are dismissive of the double standards that they sometimes use because they themselves are not much better at being efficient, responsive and uncorrupted and also sometimes come with divisive sponsored agendas that are not aligned to the developmental agenda of the State (Roy, 2014). Bebbington, *et al.* (2008: 6) sum it up as follows:

> "[…] the treatment of NGOs is often excessively normative rather than analytical: it is seen as a source of 'good', distinct from a 'bad' imputed to the state or market. Such approaches understate the potential role of the state in fostering progressive change whilst also downplaying the extent to which civil society is also a realm of activity for racist organisations, business-sponsored research NGOs or other organisations [....]"

Bebbington, *et al.* (2008) have correctly captured the pervasive impression of NPOs as great agencies without a blemish. Recent reports on the fraud, sexual abuse and exploitation of local communities and resources by NPOs, are a true reflection of the realities that we often do not talk about (Lee & Bartels, 2019; Equal Education, 2018; Dodds, 2021 and Chynoweth, Zwi & Whelan, 2018). The management and development failings of NPOs that have failed to make a visible impact on people's lives is an issue that we also do not usually confront. Rarely do we challenge the flailing service delivery, poor governance and financial mismanagement that characterises many NPOs. These are failings we often do not acknowledge and speak openly about.

Perhaps criticism of NPOs has been strongest in two areas. Firstly, with all these geopolitical and socio-economic changes, the role of NPOs has increasingly come under fire; there are questions around the actual contributions that are made by NPOs towards development. The slow decline in poverty, increasing inequalities and

dependency created among beneficiaries – who, instead of graduating from poverty and becoming self-reliant, continue to rely on NPOs – are some reasons that have been put forward to question the relevance of NPOs (Manji & O'Coill, 2002; Wallace, 2004; Banks, 2020).

The second area of criticism has been that of relevance and the 'genuineness' of NPOs, especially those multi-national, global North-based organisations that are seen as being founded on neo-colonial ideologies and which, instead of coming up with innovative, context-responsive initiatives, reinforce and perpetuate imperial and colonial notions of the development needs of the communities in which these NPOs operate. This is evident in the chasm that still exists today between what is termed NPOs from the global South (Africa, Asia and so-called developing countries), and those from the global North (notably Europe and North America). Indeed, Manji and O'Coill (2002:2) have argued strongly that paternalism and self-preservation are what often drive NPO actions and that, as a result, their efforts "[…] contribute marginally to the relief of poverty, but significantly to undermining the struggle of African people to emancipate themselves from economic, social and political oppression".

Changes in the roles played by NPOs within the socio-development and political spheres have dismantled the conventional ways of defining what an NPO is; using a definition based on what an NPO does and its relation to the State and private sector has blurred this. Furthermore, there have been changes in NPO practices and the ways of working with the private sector. These shifts have led to NPOs redefining not just their space (where they work), but also their scope (their roles and areas of work). This is reflected in the increasing move of NPOs towards working on a broad spectrum of areas including the economy, trade, health, climate change and immigration, which is a marked departure from the 'traditional' areas of NPO operations, which have often been small projects targeting specific populations, tied to a specific geographic location, with very clear social deliverables, for example bringing education or health services and infrastructure (Jordan, 2005).

This shift has led to a change in the nature of NPO relationships with stakeholders, namely government and the private sector, and has seen NPOs evolving into development partners and stakeholders (Moulton & Anheier, 2001). It has also led to increased competition between NPOs and the private sector for the delivery of

services, as well as a shift towards NPOs focusing more on generating funds and raising incomes in order to be more financially stable and thus diverting from their original non-profit, non-commercialisation intent (Moulton & Anheier, 2001).

The politicisation and commercialisation of public service delivery have had both positive and negative effects on NPOs' ways of working. Positive effects have included a changed attitude of governments towards NPOs, which increasingly view NPOs as credible partners that can be entrusted to help meet service delivery targets (Moulton & Anheier, 2001). One negative effect has been the growing view of NPOs as co-opted entities, which, because they receive State or private sector funding, are seen to be driving a non-independent agenda and are viewed as no longer being able to offer an alternative or 'third way option' (Fadakinte, 2015).

2.2.2 A changing donor landscape

The funding patterns of NPOs have seen tremendous changes; there have been funding cuts and little or no increase in Oversees Development Assistance (ODA) allocations, in what the UN (2015: 62) terms a "plateau". This has meant that NPOs have had to diversify their funding base. The challenges posed by inadequate funding have impacted on NPO roles. Moulton and Anheier (2001:6) stated that *"*non-profit organisations seeking funding […] are at risk of having to stray from their intended missions to attract and keep public funding [and that] government contracting may alter non-profit agencies' approaches to services and clients, even if their goals are entirely compatible with those of government".

This is an example of how insufficient funding may compel NPOs to compromise their role as the 'third sector' or alternative voice because the situation compels them to obtain funds from the State or, increasingly, the private sector – both of which seek to serve their own interests – thus undermining the activist nature and level of influence that may be played by NPOs. For instance, in South Africa, government continues to be the largest funder of the NPO sector, followed by donations from the private sector (Statistics South Africa, 2017).

Non-Profit Organisations are therefore venturing into more commercialised activities, offering consultancy services, investing in commercial enterprises to generate income, setting up micro-finance initiatives and generally adopting more business-like

operations (Moulton & Anheier, 2001; Burger *et al.*, 2018). As a result of this, NPOs are increasingly focusing on differentiating themselves and their product offering to make themselves 'more attractive' development partners and, in such situations, one may argue that these commercial pursuits detract from the work of an NPO, making it difficult for NPOs to meaningfully play their role as knowledge generators, influencing approaches to service delivery and contesting the *status quo* in terms of power relations, policy and ideology (Bebbington, *et al*., 2008).

Funding trends have also changed. There have been sustained investments in social development and service delivery made by the African Development Bank (OECD, 2018). There has also been a change in the donor landscape. Traditionally, ODA funds would come from the USA, United Kingdom, Germany, Sweden and the EU as an institution. Currently, development aid to African countries is coming largely from countries such as Japan, the United Arab Emirates and France, as well as the African Development Bank, all of which are fast becoming the major donors of development programmes in Africa (OECD, 2018). Traditional donors, namely the USA, European Union and other international development agencies, nevertheless continue to play a leading role (OECD, 2016).

Current developments have also seen the establishment of Brazil, Russia, India, China and South Africa (BRICS) order, whose combined populations make up 41% of the world's population and 30% of the global economy (Statistics South Africa, 2018); furthermore, all BRICS nations have significant geopolitical influence within their regions. In 2015, the BRICS group established financial institutions to help lead economic growth and infrastructure development in their regions. The creation of the New Development Bank (NDB) by BRICS countries may change the way infrastructure development is funded and may have a significant influence, in future, on the way in which NPOs operate, particularly if the Bank becomes a major funder in the areas that it has prioritised, namely water, sanitation and flood protection, transport, energy, environmental protection, urban development and social infrastructure (New Development Bank, 2017).

These priority areas are like the broader intervention areas traditionally focused on by OECD member countries: the social sector (including education and health),

economic sector (including transport and communications), agricultural production and tourism, as well as general aid and humanitarian areas (OECD 2016, 2017 & 2018). The focus areas of these lending institutions and development agencies not only illustrate the sectors that are receiving funding, but also the changing areas of work that are being pursued under the development agenda.

2.2.3 The future of Non-Profit Organisations

With all these major changes, one may question the significance and future role of NPOs. A World Economic Forum (WEF) and KPMG report (2013:22) articulated four scenarios envisaging the role of civil society in the next 10-15 years. It speaks of four situations where:

(i) The role of civil society is curtailed due to low levels of funding and restrictive policies or government relations (a so-called ‘mad Max situation’);
(ii) Economic growth and access to technology creates better access to resources for addressing development challenges and the State and private sector take a strong lead in addressing these (termed ‘transparently blurred’);
(iii) A scenario where there is an increasingly interconnected world characterised by a lack of trust and increasing demands for social engagement (‘turbulence and trust deficits’); and
(iv) A scenario where the State has failed and greater trust is placed on the private sector to provide social services (a ‘privatised world’).

The table in the next few pages details these contexts further. The scenarios presented do not only predict the future state of civil society, but are a depiction of the current development context in Africa. One does not have to wait 10-15 years until 2030 since the current situation in sub-Saharan Africa and in southern Africa, in particular, indicates that we are already at a time where there is turbulence and mistrust between civil society, the State and the public (Edelman Foundation, 2020).

Table 2 1: The World Economic Forum and KPMG (2013:22) classification of critical driving forces for civil society scenarios in 2030

	Mad Max	**Transparently blurred**	**Turbulence and trust deficits**	**Privatised world**
Critical driving forces	Conflict, control and a restricted space for CSOs	Transparent world with many engaged sectors	Turbulent, networked world where trust is scarce	Private sector grows in influence as governments fail
What is the level and what are the sources of funding for civil society stakeholders in 2030?	Low levels of funding outside of security areas due to shift in economic output to sectors designed to manage conflict and resource scarcity	High levels of financing for development, particularly from foundations, but very dependent on measurable, verified outcomes	Fluctuating levels of financing for development – fairly steady bilateral/ foundation funding, but volatile private funding	Low levels of funding due to a second major economic crisis caused by the collapse of the Eurozone and debt fears worldwide
What is the social and political influence of increasing access to technology?	Technology is tightly controlled by governments	Technology has ushered in a new era of complete transparency	Technology has ushered in a new era of online action and activity	The internet is governed by a series of global companies and has fragmented regionally
What is the extent and type of citizen engagement with societal challenges?	Citizens disengaged with global and regional challenges, but highly engaged with local issues	High levels of individual engagement with societal and environmental challenges, increasingly in East and South	High levels of citizen engagement due to a resurgence in social solidarity and volunteer activity, but mostly on a local level	Very diverse engagement globally by citizens. Employees are encouraged and incentivised to do social work, volunteerism declines

	Mad Max	**Transparently blurred**	**Turbulence and trust deficits**	**Privatised world**
What is the state of global and regional geopolitical stability and global integration of markets?	High levels of global insecurity and instability means that governments are paranoid and nationalistic	Following a turbulent period, a rather benign and positive global economic outlook	A turbulent global environment with significant tensions but no major physical conflicts	A turbulent global environment where online conflict, cyber attacks and intellectual property are major concerns
What is the effect of environmental degradation and climate change on populations?	Climate change-related disasters are the norm, but overshadowed by national security threats and fossil fuel resource concerns	Climate change-related disasters have begun to emerge, but with high levels of awareness, adaptation is underway	Climate change-related disasters are the norm, and floods and hurricanes have resulted in significant migrations	Climate change-related disasters are the norm, and floods and hurricanes have resulted in significant migrations
What is the level of trust in governments, businesses and international organisations?	Nationally, due to conflict, foreign organisations distrusted. Trust in governments relatively high	Trust fragmented. Relatively high levels of trust in an increasingly engaged global private sector, particularly in the East and South	Private sector trying to be engaged with societal challenges, but relatively distrusted by populations	High levels of trust in the private sector, low levels of trust in government; businesses take on many public service roles

Currently, civil society organisations in southern Africa are operating in a very dynamic environment and NPOs are already shifting between the different scenarios painted above. Lessons from changes in NPOs' ways of working have shown not only the successes, but also the challenges that NPOs face. As a result, there is a continued need to remind ourselves that although NPOs are not the panacea to development

challenges and they too have limitations in terms of what they can achieve in addressing socio-economic challenges (Lewis, 2009), their role as a significant stakeholder in the development process is important and shall continue to be so in the near future. The next section will address the evolution of governance trends and what this has meant for NPO accountability.

2.3 THE EVOLUTION OF GOVERNANCE TRENDS

The term 'governance' is broad and 'accountability' itself is found at various levels and defined differently. For instance, in its narrowest sense, governance entails having systems (financial and operations, among others), programmes and policy procedures in place. Governance, by its very nature, recognises that there are a set of players with interest groups (stakeholders) who help to shape or define the objectives and thus influence the responses of an organisation; therefore, an assumed accountability to these stakeholders exists (Lloyd, 2005; Moore, 2013; Jordan, 2005). Governance therefore refers to authority, decision-making and accountability. It refers to a process where rules, norms and actions are produced, implemented and sustained in a coordinated manner, in order to achieve specific outcomes and address the needs of different actors (UN Committee of Experts on Public Administration, 2006).

Pierre and Peters (2005) have argued that governance is political in nature. These authors provide a Political Administration-centred definition that focuses on the nature of the relationship between a government and society. In their definition, Pierre and Peters (2005:7) emphasised the role played in identifying priorities and making decisions about policies that affect a collective, coordinating the implementation of these policies and delivering on the commitments made, stating that, at its core, governance involves the acts of "goal definition, coherence, steering, and accountability".

Governance is viewed as being more than just about being efficient in managing resources and delivering services (Norman, 2014; Watt, 2004). This is illustrated in the growing acceptance of the need for certain principles to be present in order for governance to be most effective, which has led to the concept of good governance. In 1994, the World Bank released a seminal work that had a significant influence in promoting good governance, arguing that these principles were imperative in social

and economic policy and development work (World Bank 1994; United Nations Development Programme, 2011; Norman, 2014).

A UN Office of the High Commissioner for Human Rights (OHCHR, 2000) resolution also identified the following as attributes of good governance: transparency, responsibility, accountability, participation and responsiveness. It argued that sustainable social and economic development cannot take place without the above being in place. The African Union's APRM and African Governance Architecture (2019:16) identified good governance as:

> "[…] legitimacy, whereby the government has the consent of the governed; accountability that ensures transparency and answerability for actions; respect for law and protection of human rights; and competence, which consists of effective policy making, policy implementation and service delivery."

Although heavily centred on Public Administration, these definitions can be used in any sector, especially when one applies the eight core principles of governance (UNDP, 2011), discussed briefly below.

(i) **The Rule of Law:** This principle not only refers to abiding to laws, but also to instituting the necessary policies and legal frameworks that enable an entity to exist and do its work within the ambit of the law (African Peer Review Mechanism & African Governance Architecture, 2019; UN Committee of Experts on Public Administration, 2006; OECD, 1995);

(ii) **Transparency:** The World Bank (1994:42) defines transparency as "[…] [enabling] people affected by development plans to know the options available to them". This implies that communication channels are important and that information should be shared with all stakeholders that are affected by a policy, decision or programme, what CIVICUS World Alliance for Citizen Participation (2014: 65) terms "disclosure of information";

(iii) **Consensus-Oriented:** Good governance is about balancing the interests of different stakeholders and reaching an outcome that benefits all relevant

stakeholders. It is therefore about reaching a consensus about a common course of action to be taken or priority to be addressed (Pierre & Peters, 2005), as well as coordinating policy (OECD, 1995);

(iv) **Equity and Inclusiveness:** This principle focuses on upholding inclusivity and ensuring that stakeholders are not marginalised or excluded, particularly if they are of a vulnerable population group (UN Economic and Social Commission for Asia and the Pacific (ESCAP) [n.d.]; Migliorisi & Wescott, 2011). In the current social development policy context, the Sustainable Development Goals refer to this as 'leaving no-one behind' (UNDP, 2018);

(v) **Effectiveness and Efficiency:** This means that resources are used for their intended purpose and that the objectives that have been set are achieved (Huse, 2007; World Bank, 1994; UN ONCHR, 2000);

(vi) **Responsiveness:** This refers to being able to meet the needs and expectations of interest groups "within a reasonable timeframe" (UN ESCAP [n.d.]; APRM & AGA, 2019; UN Committee of Experts on Public Administration, 2006);

(vii) **Accountability:** Although the exact definition is context and sector-specific, the principle of accountability denotes holding duty bearers to account for fulfilling an obligation (World Bank, 1994; CIVICUS, 2014; UN Committee of Experts on Public Administration, 2006; Watt, 2004). The Institute of Directors in Southern Africa (2016:9) succinctly reflects this in its definition of accountability as "the obligation to answer for the execution of responsibilities"; and

(viii) **Participation:** This refers to the involvement of stakeholders in different aspects of an organisation's work (Chitimus, 2015; Norman, 2014; CIVICUS, 2014; UNDP, 2011; World Bank, 1994; OECD, 1995).

This research deals mainly with accountability and participation as principles of good governance. The impact of downward accountability on assisting NPOs to produce value, and the roles played by beneficiaries in the work of the NPO, are discussed in the next sections.

2.3.1 Accountability defined

Stapenhurst and O'Brien (2005:1) defined accountability as "[…] a relationship where an individual or body, and the performance of tasks or functions by that individual or body, are subject to another's oversight, direction or request that they provide information or justification for their actions". According to Pelizzo and Stapenhurst (2013:4), the concept of accountability therefore involves two stages, namely "answerability and enforcement".

The One World Trust (Blagescu, de las Casas & Lloyd, 2005:20) defined accountability as "the processes through which an organisation makes a commitment to respond to and balance the needs of stakeholders in its decision-making processes and activities, and delivers against this commitment". Meanwhile, CIVICUS (2014:8) defined the concept as "the CSO's willingness and its ability to answer and take responsibility for its actions, activities and messages. It also indicates the justification for each of the CSO's activities and communications to all stakeholders".

A development sector-oriented definition that will be used in this research is the definition of accountability put forward by the Humanitarian Accountability Partnership (HAP). Geared primarily at social service and humanitarian aid organisations, the HAP (2010:1) defined accountability as:

> "[…] the means through which power is used responsibly. It is a process of taking into account the views of, and being held accountable by, different stakeholders, and primarily the people affected by authority or power."

It is important to note that accountability is not a linear, one-directional demand; rather, it is also demanded at lateral (horizontal) and downward levels. This is one of the major failures of current thinking around accountability within the civil society sector – greater prominence is placed on upwards (donor) accountability while downward and upward accountability are perceived as opposing ends of a spectrum. Some recent studies, however, argue that the two are complementary and can even reinforce each other

positively; in particular, upwards accountability can be used to promote downward accountability (Uddin & Belal, 2019).

There is also an omission (or erroneous absence) of accountability being demanded from Non-Profit Organisations and the above quotation illustrates this clearly, that end-users are expected to demand accountability, yet, in the greater scheme of things, because NPOs exist (and claim to represent public interests), this accountability should be a commitment by NPOs who, by their own volition, adopt accountability to end-users within their standard governance frameworks.

Since accountability is relational and is defined by the existence of a relationship between stakeholders, the nature of this relationship also details what the accountability demands or its scope. Accountability therefore does not exist without good governance: governance provides the operational framework, processes and procedures and human resources to ensure that accountability mechanisms are put in place and implemented (Lupson, Beattie and Pilbeam, 2017; World Bank, 1994). If an NPO is to show accountability, its governance processes (the way the organisation is structured, the stakeholders identified to run programmes and the actual running of the entity) will reflect the extent to which it is accountable, as well as illustrate to whom the organisation is accountable. This therefore raises questions around which stakeholders NPOs need to account to and in what manner this accountability should occur. The HAP definition also raises expectations around two key issues in accountability: (i) the *transparency* of organisational dealings, decision-making and implementation processes; as well as (ii) *communication*, or the extent to which information is shared.

Generally, NPOs tend to demonstrate a great degree of ‘accountability’, as evidenced in their official registration, the fact that they are ‘visible’, known entities; they are operational; and they mobilise the public and partner with other stakeholders to jointly implement programmes. Accountability is also usually found in the presence of accessible reports and a transparency policy that details the provision of information about the organisation’s structure, operations and budgets (Lee, 2004). These reports are usually publicly available and accessible to funders, other NPOs and the general public, although programme beneficiaries are not specifically mentioned as a targeted audience. Governance and accountability in the narrowest sense is therefore evident.

The section below further details how and to whom NPOs are accountable and considers the different types of accountability practices that exist.

2.3.1.1 Types of accountability

There are four main types of accountability: (i) upward; (ii) inward; (iii) horizontal; and (iv) downward accountability. Each of these is outlined in more detail below.

In the NPO context, **upward accountability** is characterised by the NPO meeting obligations to donors and involves garnering support for programmes, for instance funding support, being transparent about operations and their outcomes, and accounting for resources that have been received (Lupson *et al.,*2017). This is a fiduciary responsibility towards stakeholders including government, donors and external supporters of the NPO and its programmes.

Upward accountability is therefore informed by external accountability mechanisms reflected in formal processes, such as clear timelines, and submissions of formal narrative reports and financial statements and is seen as a key component of good governance (Burger, Jegers, Seabe, Owens & Vanroose, 2018; Ebrahim, 2010).

Internal accountability speaks to the governance and management structures of the organisation (Ebrahim, 2010). It refers to the practice of an NPO being accountable to its management and governance structures, such as a Board of Directors. This would include developing, availing and implementing strategic plans, reports, human resources and fundraising strategies. The setting up of functional and accountable boards is also a legal obligation and is in line with the principles of good governance.

Horizontal accountability involves being answerable to peers and fellow Civil Society Organisations (CSOs) and, as with the other forms of accountability, these would be stakeholders that the organisation recognises as having the right to ask for a justification of the work of the organisation (Lupson *et al.,* 2017). This level of accountability usually involves the following (Burger *et al.,* 2018): (i) sharing knowledge and practice; (ii) promoting peer learning (iii) promoting transparency (to some degree) or consensus on a common position and being transparent about the way in which the NPO works, such as where projects are located and who the targeted beneficiaries are; and (iv) coordinating work and establishing the type of projects being funded.

Horizontal accountability can be a formal or informal manner of sharing information with stakeholders and usually results in building and sustaining relationships with wider civil society, allies and other stakeholders. It is a systemic approach to NPO functioning and provides a useful bridge between stakeholders so that organisations have relationships with other agencies and are not operating in isolation.

Downward accountability

The concept of accountability has gone beyond the traditional way of viewing service beneficiaries as 'rights holders' who make demands on 'duty bearers', be they the State, its representatives, or private- or NPO-sector representatives. Rather, the definition has moved towards viewing service beneficiaries as those who not only make demands for services, but who also seek accountability in the implementation and delivery of these services. Lloyd (2005:3) described this move as a transition from the traditional 'principal-agent' approach towards a "stakeholder model". This entails NPOs moving away from focusing on being accountable only to their donors and those that have authority over the organisation and only accounting for funding and administrative expenditure, towards the stakeholder model that ascribes the right to accountability to "anyone that has been affected by the organisation's policies" (Lloyd, 2005:3).

Downward accountability to beneficiaries involves the following (Benjamin & Campbell, 2015; Burger *et al.*, 2018): (i) providing space and opportunity for end-users to actively participate in decision making; (ii) being transparent with end-users about the organisation and the programme it is implementing; and (iii) building trust with beneficiaries. Growing access to information and increased citizen awareness of socio-economic rights have led to changes in the social and political governance landscape that have made it imperative for NPOs to promote downward accountability.

2.3.2 General accountability trends

The prevailing practice is an increase in accountability to end-users by the State and private sectors, driven by increased efforts and resources put into initiatives around social accountability, governance and democracy. For instance, there has been a proliferation of citizen accountability mechanisms. Notably, the European Union, United Nations Children's Fund (UNICEF), World Vision and the World Bank are amongst the most prominent proponents, funders and implementers of citizen voice

and action programmes. There has also been increased development and use of grievance mechanisms, public participation in policy processes and public access to information and transparency initiatives, as discussed below (Ebrahim, 2010; Lupson, 2017; Uddin & Belal, 2019).

2.3.2.1 Public access to information

Providing public access to information promotes the creation of platforms and processes that facilitate access to information, particularly that which is in the custody of public authorities and duty bearers (Uddin & Belal, 2019). The processes promote transparency between the service provider, policy maker and the end-user. Since the late 1990s, States have increasingly developed legislation – and there is also growing jurisprudence – around access to information. In southern Africa, only a few countries have enacted such legislation, including South Africa's Promotion of Access to Information Act 2 of 2000; Zimbabwe's Access to Information and Privacy Act 5 of 2002; Angola's Law on Access to Administrative Documents Act 11/02 of 2002; Mozambique's Regulation of the Law on the Right to Information Act of 2015; and Malawi's Access to information Act 13 of 2017.

2.3.2.2 Public participation in policy processes

This involves increased public engagement in the design, review, implementation and oversight of public service and goods provision (Bovaird, 2007). For instance, public financing and integrated development plans increasingly involve the input of the public. Often, participation allows service beneficiaries to make input into the design or implementation of development programmes so that these are more realistic and responsive to the needs that have been identified (Ebrahim, 2010). Joint performance evaluation with service beneficiaries allows an NPO to establish the extent to which its development programmes are making an impact. The idea is prevalent within the public sector as a public administration function and serves to incorporate the public's opinions, provide more responsive and equitable services that address the articulated needs of the targeted end-users and serves to foster greater accountability from service providers (Department of Planning, Monitoring, and Evaluation, 2011).

2.3.2.3 Citizen accountability mechanisms

These provide platforms and processes for public engagement in the delivery of quality services. Often, this entails end-user involvement in monitoring and evaluating the quality of service delivery (Benjamin & Campbell, 2015). The monitoring outcomes allow end-users to engage in evidence-based advocacy for better services, targeting duty bearers and service providers (Department of Planning, Monitoring, and Evaluation, 2011).

2.3.2.4 Grievance mechanisms

These are structures that provide remedial avenues for seeking accountability, resolution or redress over end-users' disputes, grievances or complaints of the violation of their rights, as well as poor or inadequate service provision (Lupson, 2017). Grievance mechanisms therefore provide processes for the public and service end-users to seek recourse when mediation fails. There has been a growing trend to involve communities (as the end-user of an NPO's services) to participate in identifying problems and developing responsive solutions, including monitoring and auditing the outputs of the NPO (Lee, 2004). The increased use of these grievance mechanisms illustrate the growing importance placed on accountability by the State.

In the NPO sector, accountability practices have been influenced by the changing environment around accountability, governance and democracy. Accountability practices in NPOs have seen three key trends emerge: (i) the development of policy frameworks; (ii) changes to the operating environment; and (iii) changes in programme-targeting methods. Each of these has had various levels of influence in promoting increased accountability to end-users and is discussed below.

2.3.3 Accountability trends within NPOs

Accountability practices within the NPO sector have been informed by developments in three key areas: (i) policy frameworks; (ii) programme design; and (iii) targeting. These are discussed below.

2.3.3.1 Development of policy frameworks

Non-Profit Organisations are increasingly operating in an environment with heightened political awareness and vocalisation by the public. Due to the changing political and governance landscape, access to socio-economic rights has been more politicised.

The issue of social service delivery has become an area of increased citizen engagement. For instance, there are numerous instances of the public demanding accountability through using various monitoring and accountability tools. There are also cases where Governments themselves have developed social contracts (as reflected in service charters or service level agreements), as well as established grievance mechanisms that allow citizens to compliment or complain about the quality of service delivery (Department of Planning, Monitoring and Evaluation, 2011). Good governance frameworks create an imperative and responsibility for promoting accountability to stakeholders whilst creating an operational framework that allows the organisation to meet its mandate.

There has been an increased recognition of good practice principles and their application across sectors – whether the business, public or, indeed, non-profit sector, particularly around social accountability and good corporate governance. In South Africa and the southern Africa region, this has been driven largely by King III (2009), expounded in greater detail by King IV (2016), as well as the New Partnership for Africa's Development (NEPAD), which is responsible for promoting good governance within the region and reporting on indicators developed under the African Peer Review Mechanism (APRM) framework (NEPAD, 2013).

King III broadened the definition of corporate governance to extend to all entities providing goods and services, whether these are in the State, private or non-governmental sector. It defined the responsibility of agencies in reporting to and engaging with stakeholders, signalling the relationship with stakeholders as an operational imperative for good corporate citizenship. The report emphasised the importance of stakeholder reporting and of organisations being transparent and communicating in ways that enable stakeholders to constructively engage (Institute of Directors in Southern Africa, 2009). King IV expanded on this by emphasising the importance of creating an "ethical culture" and mind-set towards practising principles that promote good governance in an organisation (Institute of Directors in Southern Africa, 2016:20). It further purports that transparency and accountability are synonymous and encourages organisations, including those working in the non-profit sector, to promote good governance. The code also includes detailed guidance for the non-profit sector on how to enhance governance and accountability (Institute of Directors in Southern Africa, 2016). In particular, King IV (Institute of Directors in

Southern Africa, 2016:94) provides specific guidelines for the non-profit sector in order to promote good governance, stating: “In the execution of its governance responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time [….] The recommended practices under this principle assist with establishing stakeholder relationships that result in legitimacy, something that is critical to the long-term viability and sustainability of the NPO.”

Business and the public sector utilise the policy-governance model, which focuses on the separation of powers by appointing a Board to provide strategic decisions and define policy and a CEO to implement these. The Board assumes accountability on behalf of service beneficiaries (Bradshaw, Hayday, Armstrong, Levesque & Rykert, 1998) and can be equated to similar Management-Board governance structures that are found more and more in Non-Profit Organisations. In recognition of the increasing use of traditional policy-governance models among NPOs, the King IV Code of Good Governance emphasises that normative governance in the non-profit sector is like that in the private and government sectors. In other words, as Non-Profit Organisations professionalise, work across borders and even begin to establish profit-making ventures, the need to have legitimacy and to promote sustainability is just as important to NPOs as it is in the for-profit business sector.

The importance of accountability in the non-profit sector is also evident in the various developments that have taken place within the NPO operating environment and the increasing number of policy frameworks being developed. These developments are characterised by a trend towards increased regulation, the development of ‘soft’ law (non-binding quasi-legal documents) and policies around accountability, as well as debates on how to improve governance. Existing frameworks that promote good governance and accountability among Non-Profit Organisations include the Caux Principles (Caux Round Table, 1994), which focus on building ethical leadership. The Caux Principles for Business (Caux Round Table, 1994; 2010) detail the need for stakeholder accountability. The Caux Principles also promote the view of business as a ‘citizen’ that has the responsibility of balancing business and community interests (Karabulut & Demir, 2006). The Global Sullivan Principles of 1974 and 1999 (Alexis, 2010) and the Benchmarks Principles for Global Corporate Governance (Benchmarks Foundation, 2003), also provide an assessment framework where agencies can

measure their social responsiveness and ethical performance. Developed by an inter-faith group, the latter has been widely used by ecumenical and faith bodies and provides a governance framework that is more tailored to the civil society sector.

Another major change impacting accountability practices in NPOs is what can be termed the 'globalisation of governance': Non-Profit Organisations, by their transnational and globalised manner of operating, are now making decisions whose implications on service delivery have an impact on organisations and sectors on a global level (Charnovitz, 2003; Brown, *et al.,* 2000). Tools that can be applied uniformly across countries and sectors are therefore useful in standardising governance practices.

The United Nations Global Compact (UN Global Compact, 2000) is an internationally recognised framework that promotes socially responsive and sustainable business practice and encourages civil society (NPOs and the private sector) to align their goals with set global development targets, in particular, getting business to align with the 17 SDGs in order to contribute towards meeting sustainability targets. The Global Compact itself lists ten principles that are used to influence organisational values, programming approaches and operations (UN Global Compact, 2012). Although primarily aimed at guiding business, the principles are increasingly being adopted by civil society, particularly to form partnerships and collaborate with business in the quest for delivering sustainable social services. The UN Global Compact is a tool that organisations voluntarily sign up to, and provides impetus for a global business paradigm shift away from viewing business only as an economic enterprise towards viewing it as a corporate social citizen with responsibilities towards broader society.

Finally, there is a globally developed International NGO Charter on Accountability (INGO Charter). Developed in 2006, it is also voluntary. Although seen as comprehensive, it has been noted that the INGO Charter omits significant components of governance, such as "Responsible portrayal of local people, a Complaints Handling mechanism, Disability-based non-discrimination, Environmental sustainability and "beneficiary/client/supporter accountability" (Obrecht, Hammer, Laybourn & Ray, 2012:15). In their study comparing national level NGO self-regulation initiatives, Obrecht *et al.* (2012) found that although the INGO Charter itself does not contain a provision that promotes accountability to beneficiaries, 11 of the 16 examined national

initiatives actually had provisions to this effect and that this illustrates the move towards public accountability.

According to Obrecht *et al*. (2012:15), the inclusion of principles of accountability towards those intended to benefit from the activities of an organisation "reflect the growing view that accountability to those in whose name an organisation operates is one of, if not the singular, most important accountability principles an organisation can strive to meet". The INGO Charter's silence on the promotion of accountability to beneficiaries reflects the general trend of focusing on accountability to donors and of compliance with State laws. Accountability to service beneficiaries and, by implication, the public, is absent and not contained as a principle; although this is a major flaw for a governance and accountability tool, it is perhaps unintended (Lloyd, 2005).

In 2020, the South African Government released a 10-year National Anti-Corruption Strategy. This is a holistic, society-wide framework for promoting accountability and transparency from the public sector, private sector as well as civil society. The ultimate aim of NACS is to reduce corruption and to promote the rule of law amongst all social actors. The NACS (Republic of South Africa, 2020:13) also seeks to serve as a code of conduct aimed at "Building ethical leadership across government, business and civil society sectors and building a professional public sector orientated towards serving citizens and implementing policy".

2.3.3.2 Changes in programme designing

Just as there have been developments in the policy sector, there have also been changes to NPO programme development and implementation approaches. These changes are reflected in the increased use of principles from rights-based programming, particularly the participation of beneficiaries in programme design and implementation (Boesen & Martin, 2007; DPME, 2011).

Rights-based approaches to programming, by their very nature, are underpinned by values of public participation and involvement. In recent years, the NPO sector has seen a resurgent proliferation of the use of outcomes-based programming, such as Results-Based Accountability (RBA), which emphasises that organisations focus on participatory, consultative and transparent social development processes (Luecking, 2013; Benjamin & Campbell, 2015), as well as focusing accountability on the specific target population or end-user. It is therefore not uncommon for NPOs to structure

programmes to clearly indicate an active role for their targeted beneficiaries. This is not a new approach, but it is an approach that has gained traction at a time when socio-economic rights are increasingly being viewed politically and the role of the public in defining social development has increased.

Programmimg approaches can influence the extent to which an organisation will promote accountability, particularly the nature of accountability, by influencing to whom the NPO must be accountable and how the NPO should be held accountable. For instance, these approaches can influence how an NPO will promote capacity building to enhance community action and social activism. They can also influence an NPO's understanding of how it can equip communities with tools for monitoring service standards and the quality of service delivery. Programme approaches have an impact on how NPOs will adopt a rights-based approach that is focused on development led by beneficiaries (Boesen & Martin, 2007)

These developments have meant that NPOs are increasingly adopting programming approaches that involve public engagement and participation. The developments have seen NPOs implementing programmes with a broad range of stakeholders and working with the public to find responsive solutions to identified problems.

2.3.3.3 Changes in impact targeting

The need to measure the level of change or improvement in people's lives as well as the extent to which the public plays a role in defining an organisation's mandate is strengthening the NPO accountability debate (Lloyd, 2005; Brown & Moore, 2001). It is assumed that with an emphasis on accountability to beneficiaries, NPOs will be encouraged to build and implement programmes or interventions that are clearer; in other words, promoting accountability using measurable, results-based indicators that are developed in consultation with beneficiaries (Luecking, 2013). This understanding has led to increased engagement of citizens in assessing the quality of the impact being made by non-profit organisations, which has seen the latter increasingly involving the public in the planning, implementation or monitoring of social programmes (Vidal *et al.*, 2005) and has led to NPOs beginning to reflect more on how they operate and work in society.

Likewise, Public Private Partnerships have generated increased focus on performance and impact targeting and measuring (Moulton & Anheier, 2001). There has been an

emphasis on demonstrating the efficiencies and growing impact of government-NPO partnerships for service delivery (Benjamin & Campbell, 2015). Understanding the difference between general social development impacts and differentiating these from specific targeted beneficiary impacts is an important way of making sure that Non-Profit Organisations are accountable for meeting targeted impacts set for specific beneficiary groups.

Perhaps the most important change when it comes to measuring impact stems from the extent to which NPO programmes are aligned to the development goals set by the State. If NPO programming targets are in line with the State's development targets (albeit to address gaps), the greater the likelihood of the public being viewed as important stakeholders. This is especially important because the State has medium- and long-term development goals that have been developed, with details of the change needed at a local level. If there is incongruence in setting targets and little cooperation between NPOs and the State in developing aligned outcome indicators, there is likely to be a significant impact on the extent to which positive social impacts can be made. One of the challenges is that whereas broad organisational goals can be linked to country development objectives, specific programmes may not be aligned to existing local government goals, for example in terms of planning, targets and implementation. This linkage is crucial in *outcomes-based* service delivery because it provides a platform for accountability. The importance of standardised indicators is also important in processes where different stakeholders are working together to address the same goals (Bossert, 2009).

The type of questions asked when setting impact targets depends on the NPO's sector of operation and its scope of work. The nature of the relationship between agencies and their service beneficiaries also influences whether there is an emphasis on accountability to beneficiaries and, if there is, NPOs will be compelled to build and implement programmes or interventions that are clearer in promoting accountability using measurable, results-based indicators as well as defining *process indicators* (Luecking, 2013). For instance, Ebrahim (2010) has developed a framework to explain how accountability tools and processes determine the nature of accountability, the purposes of accounting and the internal or external factors that influence the form of accountability adopted by a Non-Profit Organisation. Ebrahim (2010), in particular,

singled out participation as a process and performance assessment as a tool, as key drivers of downward accountability.

The discourse around programming outcomes and the broader role of an NPO in society has led to considerable debate and support for NPOs to increasingly adopt more responsive, localised models for addressing social issues and for producing better programme outcomes (Benjamin & Campbell, 2015). There has also been a recognition in the strategic development and organisational management literature, notably by Kaplan (2001) and Brown and Moore (2001), of the link between strategy development, relationships with stakeholders and the impact that this has in enabling organisations to develop responsive programmes that meet their objectives, and add social value to broader society. This theme is discussed further in Chapter three, and provides the theoretical basis of this research.

2.4 IDENTIFYING ACCOUNTABILITY LEVELS WITHIN NPOs

The level of accountability is evidenced in the extent to which NPOs seek to identify, isolate and measure how responsive their programmes are in addressing local needs. Jordan (2005) classifies the 'accountability questions' into three groups:

(i) Effectiveness questions, which ask about the quality and quantity of services;
(ii) Organisational questions, which are more focused on determining the independence and reliability of the organisation's structures; and
(iii) Legitimacy questions, which focus on determining "ties to the public, transparency, relationship to the community served, the value base of the NGO […] and the value to society as a whole" (Jordan, 2005:7).

These three types of questions can be summed up as: "What is the NGO accountable for?"; "To whom is the NGO accountable?" and "How is the NGO accountable?" (Lee, 2004:6).

2.4.1 Factors to consider when measuring accountability in NPOs

A measurable sense of governance and accountability levels can also be obtained by considering other factors, such as those discussed in the subsequent sub-sections.

2.4.1.1 Whether operations frameworks are in place

The operational framework includes policies (which define work and responsibility parameters), systems and processes (which detail how work is to be implemented), as well as structures and relevant personnel (who implement programmes). This would also entail looking into the existence of a Board, management structures and procedures. Examining governance and accountability levels within an NPO would involve establishing whether these systems exist and how functional they are. The governance frameworks, policies and procedures set the operational framework, organisational structure and programmes, which all serve as the delivery vehicle for the organisation to fulfil its mandate (see Moore, 1995; Kaplan, 2001; Hill & Lynn, 2004).

2.4.1.2 How accountability to stakeholders is promoted

An important aspect of strong governance frameworks is also whether accountability is promoted and whether there are conditions that allow for it. Accountability frameworks are an indication of how seriously governance is taken and are reflected in the existence and use of policies and codes of conduct and certification systems (Lee, 2004). They also help to identify who the accountability holders are and detail the way accountability should be realised.

The relational power between an NPO and its stakeholders is therefore important to consider as it influences how accountability is promoted. For instance, donors have the tools and resources at their disposal to influence (and sometimes determine) the agenda of an NPO (Uddin & Belal, 2019). Unlike donors, service beneficiaries do not wield this power; their power rather lies in the extent to which they influence service provision (whether or not they take up or utilise the service), or the extent to which they exercise agency in terms of demanding services and publicising NPO shortcomings and failure in responding to community needs.

Accountability is often seen narrowly in terms of providing relevant details in reports, being transparent and availing these reports to various stakeholders. However, there are different degrees of accountability. Accountability to donors is one end of the spectrum whereas accountability to the public and an NPO’s beneficiaries is at the

other end of the spectrum. Accountability on this level of the spectrum can be seen in the extent to which communities participate meaningfully and are involved in programme design, implementation and monitoring, as well as whether they receive information from the NPO about organisational policy and programmes that affect the beneficiary.

2.4.1.3 Whether there are clear outcomes and programming targets

When an NPO details who its stakeholders and beneficiaries are, it is easier to hold the NPO accountable for the work that it does and the people to whom it provides services. When a clear beneficiary target is identified, it is easier to define the programming targets. The greatest clarity comes from NPOs defining broader programme goals and targets and key stakeholder group or beneficiary targets. Most importantly, however, is the extent to which an NPO's programming is aligned to broader State development goals: an NPO that chooses to work within broadly defined development targets can be held accountable for its role in helping to realise these (see African Civil Society Circle, 2016; Corella, Nicolas & Veldkamp, 2020; Hermoso & Luca, 2006; National Development Agency, 2016).

2.4.1.4 If the NPO has adopted a programming approach that promotes accountability

The importance of accountability to beneficiaries within the governance framework can also be established by examining how a Non-Profit Organisation perceives its role and purpose and from where it draws its mandate. For instance, if the NPO focuses on direct service provision, its programmes will focus on providing that service and the NPO can justify its mandate by its mere existence and the fulfilment of these services. However, if an NPO adopts a development focus, often programming approaches that will be adopted will include the use and promotion of Rights-Based Approaches and having a social development focus. These approaches, by their nature, recognise the public's role in being involved in programme design, implementation and review (O'Dwyer & Unerman, 2010; Sanzo-Pérez, Rey-García & Álvarez-González, 2021).

2.4.1.5 The mission of a Non-Profit Organisation

Finally, if an NPO has a development focus, it will promote sustainable, cooperative and responsive programming that addresses social needs. This by its very nature calls for the involvement of the public, because for programmes to be sustainable, they need to involve different stakeholders, each making its own contribution towards implementing a holistic programme.

Ebrahim (2010) proposes that membership, advocacy and direct service provision organisations all have different priority stakeholders to whom they are accountable and urges NPOs to identify these in order to balance out the competing demands of accountability. In other words, NPOs should not be overly accountable to donors in their upward accountability, but have a balance of accountability between different stakeholders that they have a relationship with, including downward accountability to service beneficiaries. If a non-profit organisation focuses mostly on direct service provision, it will justify its mandate by its mere existence whereas a clear development focus will promote the adoption of approaches that are rights-based. A development focus will also involve a recognition of the public's role in making a meaningful social impact by involving the public in programme design, implementation and review. Brown and Moore (2001) also argued that accountability means different things for NPOs and that the stakeholders to whom the NPOs are accountable varies, depending on the purpose and role of that NPO. Agencies that undertake service delivery, those focused on capacity building and those that work on policy influencing will therefore all have various stakeholders to whom they are accountable.

Brown and Moore (2001) have developed a chart illustrating the relationship between the purpose of an NPO and the list of stakeholders to which it is accountable. They have divided the list of stakeholders into three levels, as illustrated in the table below (Brown & Moore, 2001): (i) those that help to create value; (ii) those that provide support; and (iii) those that contribute towards the implementation or operational capacity of the organisation.

Table 2.2: Relationship between NGO purpose and accountability to different stakeholders (Brown & Moore, 2001:579)

	Service delivery INGOs	**Capacity-building INGOs**	**Policy and institutional influence INGOs**
INGO mission focus	Deliver goods and services to less served beneficiaries	Empower and build capacity of clients for self-help	Foster political voice of under-represented constituencies
Value creation stakeholders	Service beneficiaries	Capacity-building clients	Policy constituents; policy influences targets
	Service delivery INGOs	**Capacity-building INGOs**	**Policy and institutional influence INGOs**
Support and authorisation stakeholders	Donors and other resource providers; Technical service experts and regulators	Donors and other resource providers; Capacity-building experts and regulators	Donors and other resource providers; Policy experts and regulators; General public and media
Operational capacity stakeholders	INGO staff; Partners or allies in delivering services	INGO staff; Partners in building capacities; Client co-producers of capacity	INGO staff; Allies in influence campaigns; Members represented by INGO in campaigns

The above Table 2.2 can assist Non-Profit Organisations in identifying their primary accountability responsibilities, considering the various roles an organisation needs to play. The framework proposed by Brown and Moore (2001) helps to establish which stakeholders the NPO is accountable to – the true test therefore comes in when the stakeholders have competing or unaligned priorities. It is this tension that, ultimately, leads to NPOs choosing which stakeholders to be accountable to, sometimes at the expense of others.

Some of the self-assessment questions that NPOs can use to gauge their levels of accountability include NPOs asking themselves the following questions, which have been drawn up by consolidating the stakeholder accountability list derived from Brown and Moore (2001) and detailed in Table 2.2; accountability questions identified by Ebrahim (2010), as well as the Results-Based Accountability indicators identified by Luecking (2013):

(i) Does the organisation have the capacity in terms of human and financial resources, as well as programmes and structures to deliver what it says it will?
(ii) How responsive are the programmes in addressing local needs? What impact does the NPO have on people's lives?
(iii) Who are the stakeholders affected by the NPO's activities and how are they affected?
(iv) How many people does the NPO reach and is there an improvement in their living conditions?
(v) How involved is the community in (a) designing programmes, (b) implementing programmes and (c) monitoring, reviewing and being accountable for programmes?
(vi) Are members of the public involved in the design and implementation of programmes?
(vii) What accountability mechanisms exist? How does the NPO demonstrate this accountability?

The diagram below is an illustration of the above points. The diagram consolidates the various factors that can be considered when reviewing the levels of accountability in an NPO.

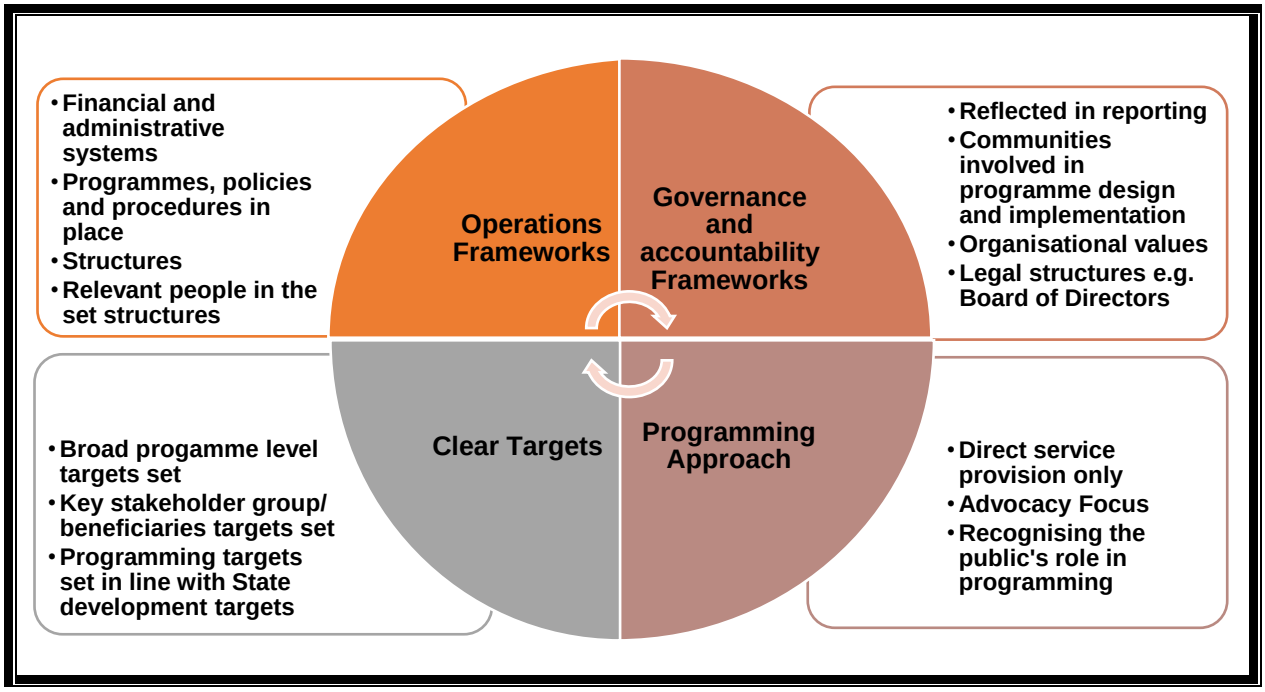

Figure 2.1: NPO 'Governance' is broad and 'Accountability' is reflected by the presence of different components (developed by the author)

2.5 REASONS FOR BEING ACCOUNTABLE TO END-USERS

The components listed above illustrate that accountability to beneficiaries plays more of a functional than a structural purpose. Being accountable to beneficiaries is thus about putting in place various programming and governance frameworks and adopting certain principles towards programming rather than being about creating structures or levels within existing structures for beneficiaries to sit on. It is more about putting in place systems, processes and principles that guide the governance and accountability efforts of a Non-Profit Organisation.

2.5.1 Living up to purpose

Since Non-Profit Organisations purport to be serving public interests and position themselves as representatives of identified interest groups, a lack of accountability to their constituents is incongruent with this purpose. Kilby (2006:952) notably attributed this lack of accountability to the “absence of a clearly defined path by which [NPOs] can be held accountable by [their] constituency”. This path is determined by the organisational values and approaches to governance.

Non-Profit Organisations are already engaging in various activities, promoting active citizenship and public engagement aimed at increasing the public’s involvement in policy and civic engagement (Ghaus-Pasha, 2004). By virtue of their missions, it can

be inferred that, in order to effectively undertake their roles, NPOs need to promote the significance of service end-users in creating the value of the agency. Promoting the role of the public in creating value for NPOs could therefore be construed as a natural extension of the work on a Non-Profit Organisation.

2.5.2 'Walking the talk'

Accountability to end-users is crucial in an NPO's role as a social service provider and as a 'watchdog' over the State or private sector. Non-Profit Organisations are influential because they position themselves as an ethical alternative to the *status quo*, often positioning themselves as having a public interest (see Williams & Taylor, 2013). It seems that it is innately recognised that the public plays a vital role in demanding accountability from the State and private sector entities, and that therefore NPOs already recognise the value of end-users. Why then, with this realisation, do they not strengthen their own relationship with the public, and utilise the latter to strengthen their own governance?

Due to their role in demanding government or private sector accountability, their position as a 'moral compass' or watchdog driving society's interests means that NPOs should take their internal governance more seriously (Gibelman & Gelman, 2013). Just as accountability is demanded from governments, NPOs need to improve their own governance internally and in relation to their stakeholders (Brown & Moore, 2001; Ebrahim, 2003). This research argues that, by doing so, NPOs will be contributing towards realising a transparency and accountability in the social services sector that is often demanded by NPOs of other stakeholders. This is important because the role of civil society is not only about it building or strengthening social capital, namely citizen engagement in policy and civic and political activities, but it should also be about strengthening the position of the public to demand this accountability. This is a feasible role for NGOs to play, given their tremendous impact in driving global changes (Mishra, 2012).

2.5.3 Promoting good governance

In discussing frameworks of accountability, Ghaus-Pasha (2004) emphasised accountability as being integral to good governance and democracy. As such, she argued that in the context of service delivery, accountability involves three actors:

(i) The clients of services (end-users);

(ii) Front-line providers of services (agents such as Non-Profit Organisations); and
(iii) Policy makers (the State).

All of these actors are linked together "in a relationship of power and accountability [where] citizens exercise their 'voice' over politicians […;] policy-makers have a 'compact with organisational service providers [and] organisational providers 'manage' front-line providers" (Ghaus-Pasha, 2004: 28-29).

2.5.4 Scripting the change

Ghaus-Pasha (2004:25) highlighted the following on the role of civil society as advocates for change:

> "[…] [G]lobal civil society actors legislate and mandate a normative and thus a morally authoritative structure for the national and the international community [….] [T]hey lend moral depth to the agenda of global concerns and […] they articulate a global ethically informed vision of how states should treat their citizens.

It is for this reason that NPOs need to strengthen their own internal governance and accountability frameworks towards the public. Non-Profit Organisations have significant influence in setting standards and norms and, perhaps, if they too demonstrated strong downward accountability towards their end-users, they could develop a model that could be replicated and drive the change that is needed in accountability practice (Heath & Heath, 2011).

Questions might arise on how feasible it is to expect NPOs to initiate this change. However, over the last 30 years, NPOs have influenced significant changes in policy and legislative development as well as programme implementation at international, regional and national levels, including influencing climate change conventions, women's rights and the development of the Sustainable Development Goals. Their sphere of influence and ability to effect change is thus considerable. The same capability to internally transform and re-direct trends towards improved downward accountability is arguably present.

2.5.5 Empowering the end-user

Kilby (2006) has written of the importance of accountability in increasing effectiveness, particularly through the 'empowerment' roles that NPOs play. Like Ghaus-Pasha

(2004), Kilby (2006: 951-952) argued that because NPOs are “values-based public benefit organisations” and they play a ‘public empowerment’ role through their work, downward accountability may be viewed as important, but in practice is not prioritised, because there is “little incentive to be accountable in this way”. Kilby (2006) attributed this to the following reasons:

(i) The absence of laws compelling NPOs to provide accountability to their constituency;
(ii) The relatively weak position of beneficiaries to demand accountability, compared to the power held by donors, States and other Non-Profit Organisations;
(iii) The organisation’s internal approach to accountability, which expounds on whether and how the organisation should be accountable to its service users;
(iv) The fact that NPOs, for the most part, are not membership based and therefore communities do not have direct representation on staff and management structures; and
(v) That often-times, the relationships between NPOs and their beneficiaries are not formal, but rather informal relationships based on goodwill, benevolence and the belief that non-profit organisations are indeed acting in the best interests of those they purport to represent.

Kilby (2006) therefore contended that it becomes important for Non-Profit Organisations to determine where their values lie by asking themselves questions, such as the following:

(i) Are the NPOs’ values reflected in the organisation’s ideology and aspirations, for example its mission and vision statements?
(ii) Are the organisation’s values reflected in practice and behaviour, namely in the actions and ways of working of the organisation?
(iii) Does the organisation have mechanisms and structures that provide opportunities and spaces for interest groups to hold them accountable?

However, Brown and Moore (2001: 570) correctly argued that accountability is driven by both ethics and values, in addition to serving a purpose as a good governance practice and stated that “accountability [is presented] not as an abstract, fixed, moral ideal but instead as a strategic idea to be formulated and acted upon by an INGO with

the goal of better understanding and achieving its strategic purposes [….] [A]ccountability is both morally good and practically useful". After-all, if NGOs are to demonstrate good governance, then they should be able to demonstrate this in their practice, in order for it to become a reality, as suggested by Amartya Sen (2001) in his groundbreaking Capabilities Approach work. For a practical demonstration of the application of Sen's theory on NPOs in South Africa, reference can be made to Lombard (2015), who identified NPOs as a key and significant player in helping to realise more positive outcomes in the lives of communities, thus cementing the argument that meaningful and sustainable development is possible when principles and values such as governance and accountability, are put into practice. The idea that accountability can be linked to organisational strategy and value creation is discussed further in section 3.3 of Chapter 3.

2.5.6 Operationalising the Human Rights approach to programming

In the foreword to Jordan and van Tuijl (2006: vii), Michael Edwards stated the importance of NPO accountability:

> "[…] Accountability is as important among NGOs as among any other set of institutions (no one here suggests that NGOs can 'rest on their laurels' because governments or businesses may be even less accountable than they are), and that effective accountability mechanisms always need to balance 'rights with responsibilities'. In other words, the space for independent citizen action must be protected in exchange for compliance with regulations that ensure that NGOs genuinely operate in the public interest. If the 'public interest' is too vague and morphous a concept to be useful in any operational sense, then at least one can ensure that activities that are claimed to be charitable in nature are openly disclosed and accessible for public questioning. The opportunities to know what an organization does and to ask questions as a result are surely the bedrock of accountability."

This is especially important given that the human rights approach to development work is premised on a rights and responsibilities framework, namely that for each right there is a corresponding responsibility that needs to be met, with different stakeholders holding different responsibilities that help to ensure the realisation of each right. In

other words, there are always *duty bearers* and, in development work, NGOs are duty bearers who have both rights and responsibilities, to uphold. The Humanitarian Accountability Partnership (2010:1) emphasises the need for non-profit accountability to end-users by noting:

> "Accountability is particularly necessary for organisations that assist or act on behalf of people affected by or prone to disasters, conflict, poverty or other crises. Such organisations exercise significant power in their work to save lives and reduce suffering. In contrast, crisis-affected people have no formal control, and often little influence, over these organisations. As a result, it is difficult for those people to hold organisations to account for actions taken on their behalf."

A human rights approach to development work is underpinned by the values of awareness, participation, collaboration, transparency and capacity strengthening. The UN Development Group (2003) identified three key principles of a Human Rights-Based Approach:

(i) Principle 1: The main objective should be the fulfilment of rights;
(ii) Principle 2: The rights, roles and responsibilities of all stakeholders should be articulated; and
(iii) Principle 3: All phases of programming, from planning to execution, review and monitoring, should adopt human rights principles.

The Human Rights approach to development work emphasises the role of governance, accountability and citizen participation in helping to achieve sustainable development (O'Dwyer & Unerman, 2010). The core principles place an emphasis on how to achieve a holistic, responsive, inclusive and sustainable impact in people's lives, and how this is largely possible when stakeholders work together. Under the Human Rights approach to development programming, providing information to enable action, collaboration and the participation of different stakeholders is therefore crucial for there to be accountability.

2.6 CHALLENGES FACED BY NPOs IN PROMOTING ACCOUNTABILITY TO END-USERS

Non-Profit Organisations sometimes do not undertake downward accountability with as much rigour because mechanisms (and processes) are not built into their ways of working. This therefore means that for accountability to beneficiaries to take place, significant investment needs to be made in terms of money and time. Non-Profit Organisations also report that downward accountability is more onerous because, unlike upward accountability, which involves the submission of reports and research, for example, downward accountability is more focused on *process*. This is compounded by the fact that beneficiaries are not always able to demand accountability from NPOs because they may not have the resources to pursue this, or may lack the spaces to fully participate in the work of the NPO (Jordan & van Tuijl, 2006; Jordan, 2005).

Non-Profit Organisations are built on the premise of 'democracy', which implies stakeholder engagement and participation, but may find it difficult to institute downward accountability when they are faced with difficult choices. Lee (2004:10) described this conundrum as follows: "There is a tendency for NGOs to concentrate on their legal obligations towards donors, and 'only' moral obligations towards beneficiaries", which may indeed call into question the extent to which NPOs promote and protect end-users' rights.

Another real challenge faced by NPOs is that there are multiple stakeholders placing accountability demands on them – the challenge of 'multiple accountabilities'. Brown and Moore (2001:5-7) argued that, because of this, NPOs are inevitably faced with a 'tug-of-war' between who should be the "principal stakeholder" and take priority. The principal stakeholder is understood as that holding the most power, authority and influence. Non-Profit Organisations therefore need to prioritise their accountability, and Ebrahim (2010) proposed that, to establish this, NPOs need to ask the following two questions: 'To whom they should be accountable?' and 'What should they be accountable for?' In other words, NPOs need to establish why they seek to be more accountable and towards what purpose. Ebrahim (2010) further argued that the nature of the NPO, namely what type of sector it operates in and the nature of its work, as well as the power held by different stakeholders, will determine the extent to which an NPO is accountable to this stakeholder.

The levels of trust in NPOs, what they stand for and the roles they play in society depend largely on the levels of trust generated among the general public (Slim, 2002). The Edelman Foundation (2019) has been conducting global trust surveys and, since 2001, has noted a rise in NPOs being viewed by citizens as being 'trustworthy', largely due to their increased role in policymaking and setting the development agenda. The global report, which includes a sample from South Africa, also noted that the trend in the past 18 years has seen a decline in the levels of trust in governments and the media, but higher levels of trust by the general public in NGOs and the business sector (Edelman Foundation, 2019). In South Africa, specifically, the levels of trust in NGOs increased 10% year on year from 2018 to 2019, averaging at 60%, which indicated that, at that moment, the general South African public viewed NPOs as credible, trustworthy and believed that NGOs to "do what is right" (Edelman Foundation, 2019:39). The South African sample size was 1,350 people (Edelman Foundation, 2019:58). However, the 2020 report recorded a low trust score for NPOs, business and government, on partnerships and that none of these institutions were seen to be competent and ethical (Edelman Foundation, 2020). In South Africa, the trust score demonstrated a negative decline of -1% year on year from 2019 to 2020 (Edelman Foundation, 2020:38). There is therefore an expectation from the public for NPOs to demonstrate greater accountability.

Recent scandals in financial mismanagement, sexual harassment and violations perpetrated by NPO staff, for instance (Ebrahim, 2003; Equal Education, 2018; South African Government, 2020), have placed a greater imperative on NPOs to be more transparent and more accountable because of the considerable degree of trust citizens place in these institutions.

2.7 SUMMARY

Non-Profit Organisations tend to focus on donor accountability and therefore lean towards being accountable particularly in terms of the effectiveness of aid (value for money and numbers reached), rather than the impact of their services on the end-user. Despite all the global policy developments around good governance and accountability in the NPO sector, because greater emphasis is placed on upward accountability to donors, less importance is placed on beneficiary accountability. Emphasis also tends to be placed on meeting donor expectations and deliverables

and so less focus is placed on whether any contributions have been made in line with State development targets.

As long as NPOs do not align their work with State-defined development targets, either in helping to achieve these goals or in addressing the gaps, there will be less impact in people's lives. What is required, therefore, is a new way of thinking around social accountability, a social, organisational and institutional change in Non-Profit Organisations. How should this change come about? A paradigm shift in the normative operations of NPOs requires a change in mind-set and in action. The mechanisms for this change would entail changes to NPO power relations; for instance, although the organisation is in a relatively more powerful position than its service beneficiaries, it can *choose* to change its manner of operating and initiate the necessary changes to its organisational operations that would bring about greater accountability to its beneficiaries. This would only be possible if the organisation sees value in this approach.

This chapter has presented the changing roles of Non-Profit Organisations and detailed some of the governance trends taking place, including those specifically impacting NPOs working in the development sector. The chapter also presented how NPOs view accountability broadly, and then specifically detailed how this accountability is reflected in the structures, policies, values, ways of working and areas of work of NPOs. Finally, the chapter provided various lists and descriptive variables that are useful to consider when determining the downward accountability practices of Non-Profit Organisations. The next chapter provides the theoretical framework used in this study and will discuss how organisations create public value, how Non-Profit Organisations create meaning and the significance of downward accountability in the value creation process.

CHAPTER 3

PUBLIC VALUE CREATION THEORY

3.1 INTRODUCTION

The previous chapter provided an overview of the various changes that the non-profit sector has gone through, from changes in terminology to changes in conceptualisation of what an NPO's role in the development process is. This discourse has been taking place in the development sector against a background where there is a broader move towards implementing inclusive and human-centred development, for instance with the United Nations Sustainable Development Goals (UN, 2015) and the African Union's Development Agenda 2063 (African Union, 2015). There have also been calls for increased public engagement in the management, planning, implementation and monitoring of development programmes. These debates have taken place in the public and private sectors as well, and there is much discussion around three concepts that have been consistently referred to, namely 'participation', 'governance' and 'accountability'.

The first purpose of this chapter is to examine the above three concepts in relation to the Public Value Creation theory espoused by Moore (1995). The second purpose of the chapter is to present the public value strategy and how it can be used to promote downward accountability. Finally, the third purpose of the chapter is to identify the components that help to create an accountable environment, particularly looking at the relationship between stakeholder roles, accountabilities and the creation of social value by a Non-Profit Organisation.

3.2 PUBLIC VALUE CREATION

Public value is the concept used to ascribe the value that an organisation adds to society. For the non-profit sector, this would entail the impact and changes to people's lives that an organisation achieves. Moore (2003:19) described this as "when non-profits look down the value chain beyond the boundaries of the organization and ask whether they have not only satisfied their clients, but also helped them to change their lives, and to achieve the social outcomes that they intended to achieve". The major proponent of the Public Value Creation Theory is Moore (1995), whose seminal work

on improving management, effectiveness and programme responsiveness in the public sector popularised the concept of ‘public value’. Moore’s (1995) work was a comparison between the private sector, where managers focused on increasing shareholder value, and the public sector, where he examined how public administrators were in a similar position to make decisions and effect programmes that ultimately affect the value of a public entity. The concept of public value creation (Moore, 1995) was developed by considering the need for public entities to strengthen their use of public policy and management practice to meet both political and social (public) demands.

With the Public Value Creation theory, Moore (1995) argued that a sustainable, responsive and well performing public sector entity that can withstand changing political demands and changing operational and social environments can only be achieved if good strategic management is adopted. Moore (1995:28) coined the term “public value creation” to depict the strategic management decisions and processes that government employees utilise to improve the performance of public institutions, not just in terms of financial stewardship, but also in strategically planning and managing programmes in a manner that enables public entities to continue responding to the needs of the public by offering the necessary goods and services. The Public Value Creation theory therefore places considerable emphasis on strategy development and argues three key points:

(i) Organisational strategy is important for articulating an organisation’s purposes;
(ii) The vision and mission drawn from the strategy is what drives the organisation’s day-to-day practices; and
(iii) The actions taken to implement this vision allow an organisation to meet its goals and fulfil its purpose.

According to the Public Value Creation theory, a strategy is paramount in running effective, responsive public institutions (Moore, 1995), and a mission and goals are just as crucial (Brown & Moore, 2001). Although he focused on public sector administration and management, Moore’s (1995) writings can also be applied to the

non-profit sector because, in many cases, NPOs implement development programmes that complement what the State is undertaking and provide direct social services. In other words, the non-profit sector, like the public sector, plays a role in delivering public services.

Moore (1995:22) developed the “strategic triangle”, which illustrates an interdependent relationship between an organisation’s value, its strategy and levels of public support. Moore (1995) stated that value is created when the strategy of an entity, the support and credibility gained from stakeholders, and the operating environment that provides authorisations, policies and the operational framework to enable the entity to operate and implement the strategy, are in place so that an organisation is better able to deliver efficiently on its mandate. In relating the concept of value creation to NPOs, Brown and Moore (2001:577) portrayed this symbiotic relationship by stating that:

> “The legitimacy and support circle reminds an INGO’s leaders of their accountability to those who provide resources, authorize its existence, or allow the INGO to speak for them. The operational capacity circle reminds an INGO’s strategists that it is accountable to the staff members and the partners who carry out programs. In this sense, the choice of organizational strategy is a negotiated deal among the stakeholders to whom an INGO owes accountability. A successful strategy would be one that aligns these different kinds of accountabilities.”

The relationship between mission, strategy and accountability to stakeholders is reflected in Figure 3.1 below.

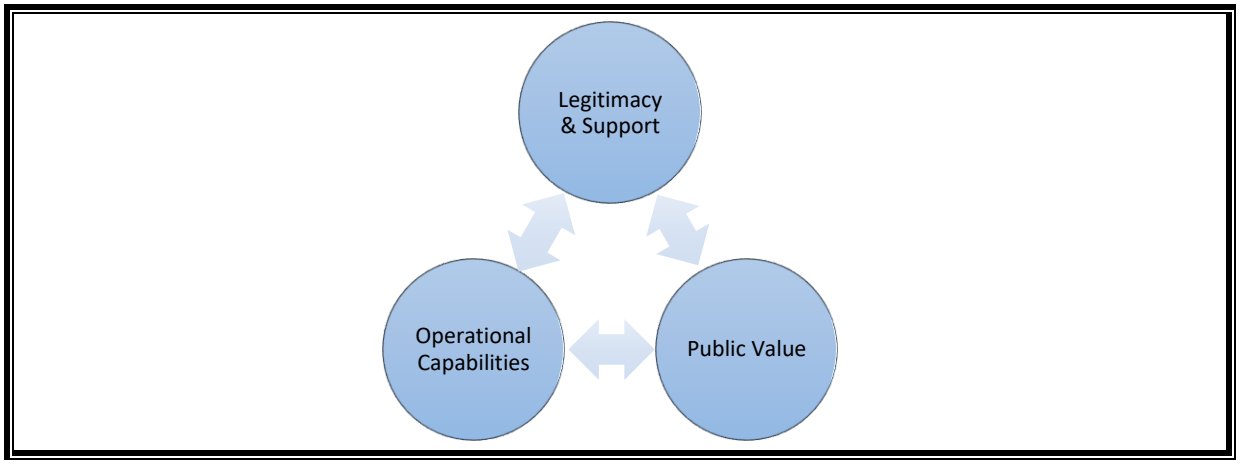

Figure 3.1 The strategic triangle, adapted from Moore, (1995:23).

3.2.1 Dissecting the Public Value Strategy and its use for non-profits

The Public Value Strategy was introduced by Moore (2003) as a hybrid approach that incorporated Moore's (1995) original Public Value Creation theory with Kaplan's (2010) Balanced Scorecard approach to an organisation's strategic and performance management. Kaplan (2001) correctly argues that organisational performance needs to be evaluated beyond financial measures, and also needs to look at non-financial indicators that include the relationship between an organisation's mission and strategy, as well as the relationship that an organisation has with its customers. Kaplan (2001) argued that, in order to increase effectiveness and responsiveness, there also needs to be alignment between strategy and how an organisation creates value for its targeted customers, which Kaplan (2001) referred to as the 'value proposition'.

With the introduction of the Balanced Scorecard, Kaplan (2001) suggested that this measurement framework should detail the mission or primary objective of the organisation (at the top of a pyramid), because "the agency's mission represents accountability between it and society, the rationale for its existence" (Kaplan, 2001:360). Moore (2003:5) referred to this as "the idea that it [is] important to monitor not only ultimate results, but also the state of the relationship and processes that could be expected to lead to the desired ultimate results".

Kaplan (2001) suggested that both donor and service end-users be positioned parallel to one another, because both these stakeholders are important and are an agency's key customers – donors as suppliers of funds that enable an organisation to carry out its activities and end-users as the beneficiaries, recipients or consumers of the goods and services that are produced by the organisation.

Initially, Kaplan (2001) targeted the private sector and developed the Balanced Scorecard with four measures, namely: financial performance; customers; internal processes; and learning and growth. Figure 3.2 on the next page provides the diagrammatic framework proposed by Kaplan and Norton (1992) and is the initial balanced scorecard, targeting private-sector organisations.

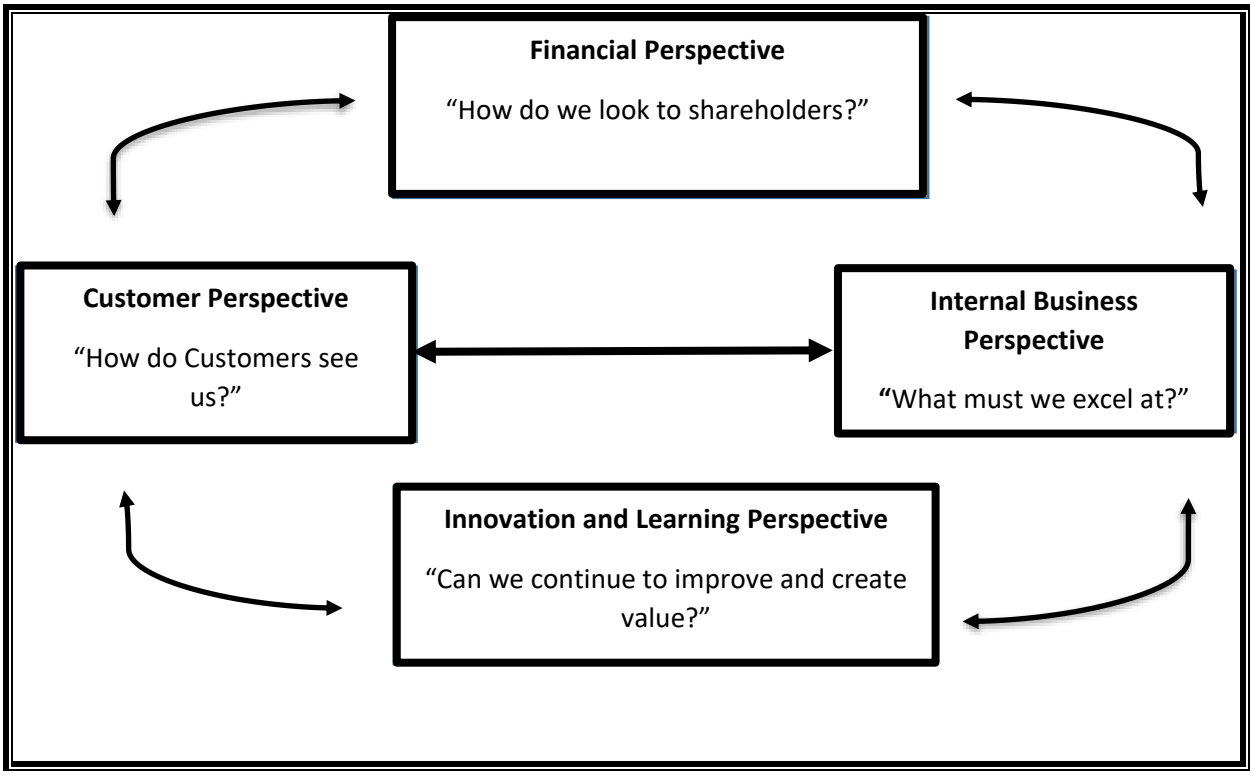

Figure 3.2: The Balanced Scorecard links performance measures (adapted from Kaplan & Norton, 1992:72)

The Balanced Scorecard is a tool that enabled organisations to be intentional and clear about who their key stakeholders were, and to align the collective deliverables and performance targets that would have to be met in order to achieve the organisation's mission and strategic objectives. Kaplan and Norton's (1992) work was pivotal in that it introduced a strong argument for utilising non-financial matrices to measure long-term value creation in an organisation.

To adapt the Balanced Scorecard to the non-profit sector, Kaplan (2001) re-developed the framework to suit NPOs. Kaplan (2001) saw the Balanced Scorecard as a tool to strengthen both the performance and accountability of an organisation, as well as to realign everyday actions to the strategy and mission of an organisation. This depiction of the scorecard was ground-breaking for the non-profit sector as the framework recognised that there were multiple interest groups and stakeholders working with NPOs, each having a legitimate claim for accountability.

Kaplan (2001:253) argued that "success for non-profits should be measured by how effectively and efficiently they meet the needs of their constituencies" – a recognition

of the important role of beneficiaries and end-users. Kaplan (2001:356) further argued that using multiple non-financial measurements would also enable a Non-Profit Organisation to "reflect the role of multiple constituencies" in allowing the organisation to play its strategic role.

Kaplan's (2001) work therefore tied accountability to different stakeholders with organisational performance. The Balanced Scorecard allowed NPOs to define for themselves which stakeholders they needed to be accountable to and clearly identified the indicators to be used to measure this accountability. The adapted Balanced Scorecard for use by the non-profit sector is reflected in Figure 3.3. below.

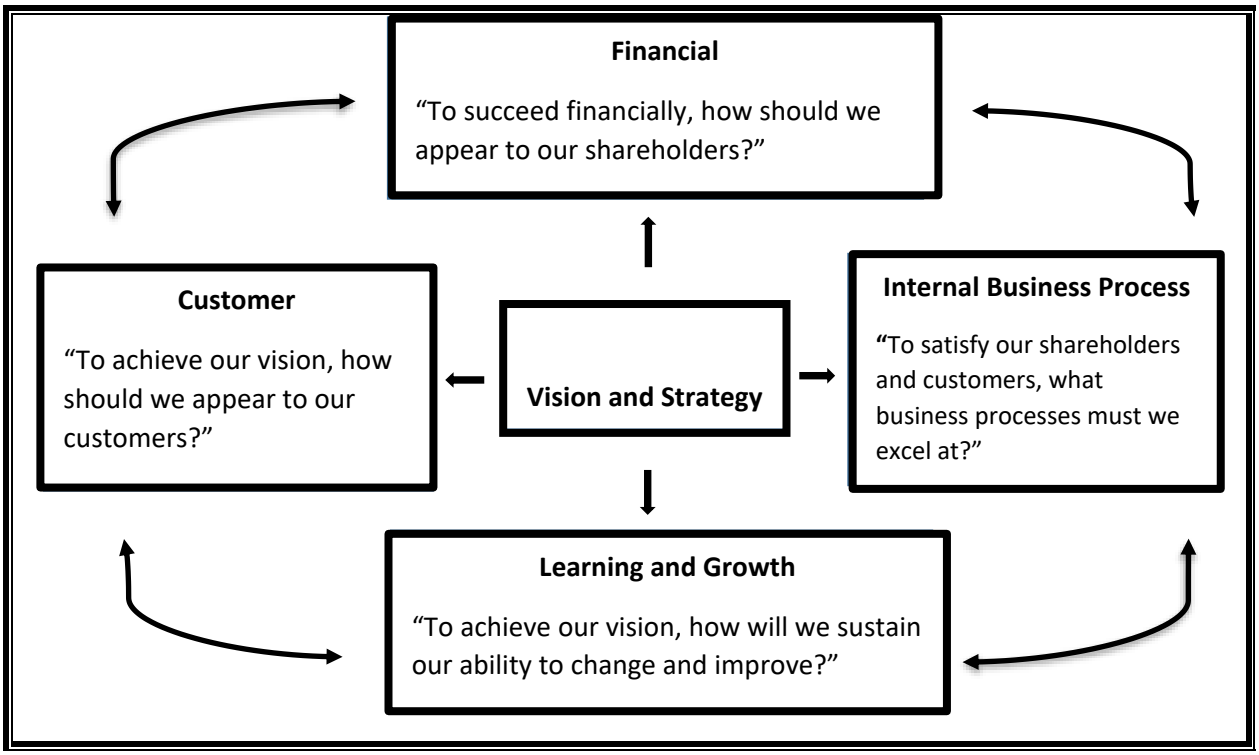

Figure 3.3: The Balanced Scorecard: a framework to translate a strategy into operational terms (adapted from Kaplan, 2001:361)

However, in a critique of Kaplan's work, Moore (2003) argued that the Balanced Scorecard framework still needed to be further contextualised in order for it to meaningfully enable the non-profit sector to measure its performance more accurately in non-monetary terms. Moore (2003) critiqued the hierarchical order of the four measures identified by Kaplan (2001), arguing that, for a Non-Profit Organisation, the financial perspective, although important, would not be paramount. Owing to such

increased debates, as well as the rapidly changing development sector, which saw great interest in how to improve management and efficiency in NPOs, Kaplan further adapted the Balanced Scorecard for efficient use by NPOs, as illustrated in Figure 3.4 below.

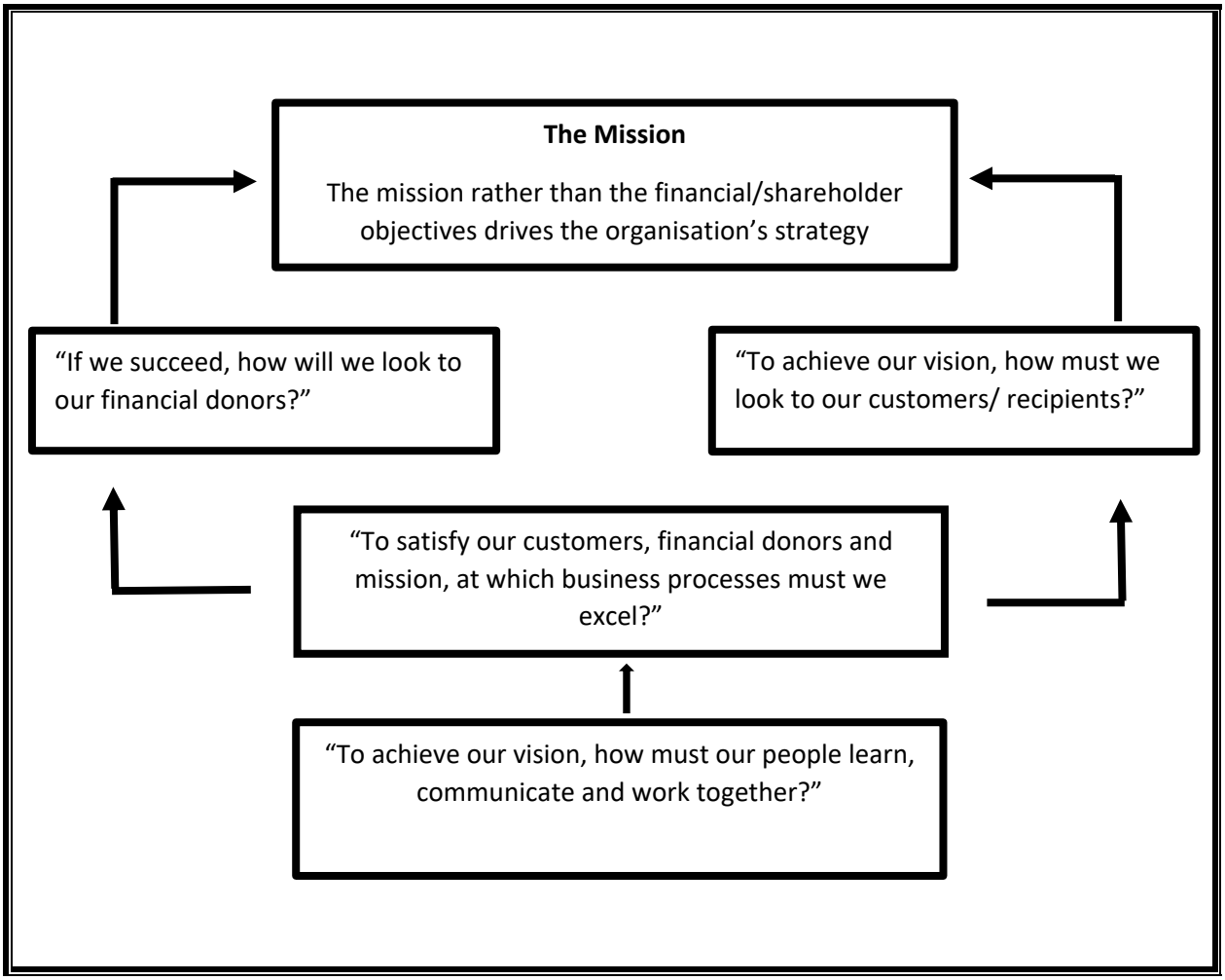

Figure 3.4: The adapted Balanced Scorecard to facilitate use among Non-Profit Organisations (adapted from Kaplan, 2001:361)

Although Moore (2003:8) agreed that increasing organisational performance would help to improve the impact made by an organisation, he argues that:

> "For profit (sic) managers need non-financial measures to help them find the *means* to achieve the *end* of remaining profitable. Non-profit managers, on the other hand, need non-financial measures to tell them whether they have used their financial resources as effective means for creating publicly valuable results [emphasis in the original]."

Moore (2003) was emphasising that for NPOs, focus should primarily be on the social value created by an organisation and how it meets the socially driven mission that has been set in the organisation's strategy. In this way, considering the Balanced Scorecard, Moore (2003:12) extended the Public Value Creation paradigm by introducing the "Public Value Strategy" as a means by which a Non-Profit Organisation could measure its value creation.

Kaplan saw the Balanced Scorecard as a tool for enhancing an organisation's operational effectiveness and responsiveness in playing its social role – more of a performance management tool. The current study focuses on accountability and governance and therefore is more oriented towards understanding social value. As a result, the study relied more on the accountability framework and value-creation model proposed by Moore (2003:15), who has managed to capture the tenets of his own Value Creation framework as well as build on Kaplan's (2001) Balanced Scorecard to develop a tool geared more towards NPOs, called the "Public Value Strategy".

3.2.2 Adapting Public Value Creation for use by the non-profit sector: The Public Value Strategy Framework

In supplying an alternative Public Value Creation tool specifically for the non-profit sector, Moore (2003:15) proposed indicators that can be used to measure the value produced by an organisation and advocated for "a mix of outcomes, output, process and input measures to allow [non-profit managers] to recognise value in what they are doing and find ways to improve their performance". In his adaptation, Moore (2003:26) replaced "public value" with "social mission". The former was articulated for the public sector to emphasise the importance of developing a clear strategy that not only allows the public entity to carry out its purpose, but also allows it to deliver services or goods that are of value to stakeholders, in what Moore (1995:71) stated as "produc[ing] things of value to overseers, clients and beneficiaries at low cost in terms of money and authority". In relation to the non-profit sector, Moore (2003:26) re-termed this 'mission and goals', suggesting that a Non-Profit Organisation's main focus would be on clearly articulating outcomes, outputs and processes that can easily be measured to gauge how well the non-profit is performing in meeting its articulated objectives and goals.

Moore (2003:26) also substituted the original second pillar of "legitimacy and support", articulating this as "expanding support and authorisation" (Moore, 2003:23). In the

original public value framework, this pillar was meant to focus on the public sector's ability to "attract both authority and money from the political authorising environment to which it is ultimately accountable" (Moore, 1995:71). In relation to the non-profit sector, the legitimacy and support pillar refers to two key factors: (i) the likelihood of success and sustainability that the organisation's strategy provides; and (ii) the strength of the relationships between the NPO and its stakeholders, notably its funders, clients, workers and volunteers (Moore, 2003).

The third pillar of the Value Creation Strategy (Figure 3.5 below) is that of the public sector's organisational capabilities, which Moore (1995:71) stated "explains how the enterprise will have to be organised and operated in order to achieve the declared objectives". In the adapted Public Value Strategy for use by NPOs, this third pillar is described as the "operational capacity" of the organisation (Moore, 2003:18) and focuses on the processes, structures, policies and programmes that are put in place to enable the Non-Profit Organisation to operate and meet its articulated objectives and goals.

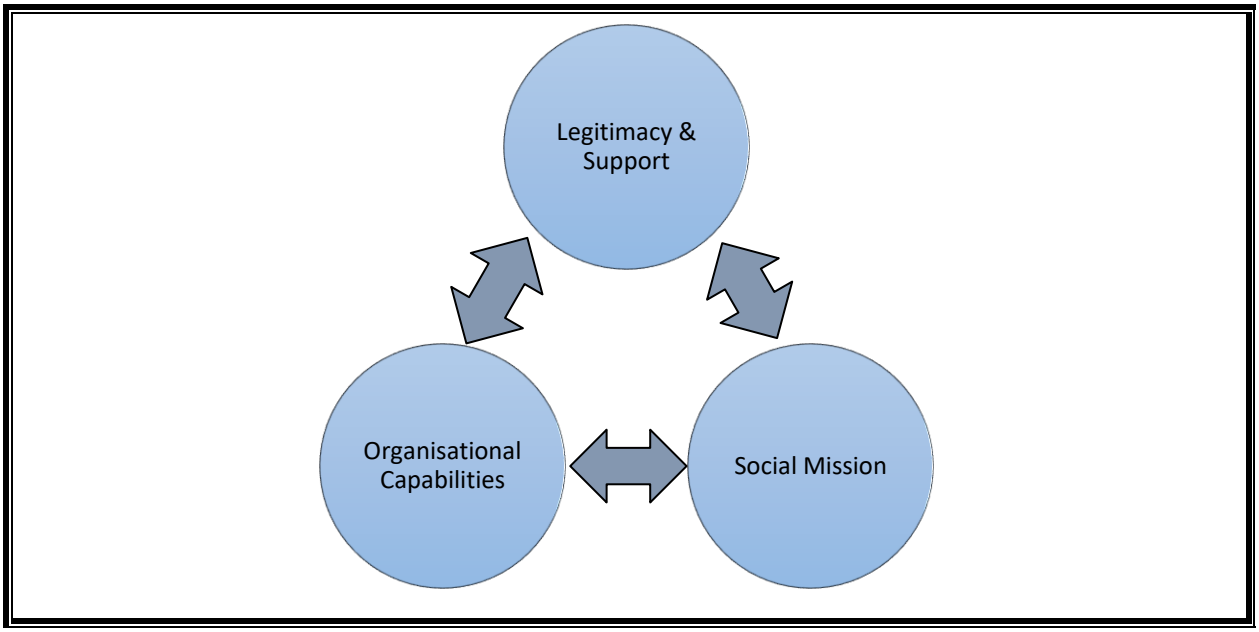

Figure 3.5: The Strategic Triangle adapted for NPO use: The Public Value Strategy Framework (adapted from Moore, 2003:26)

Moore (2003:19) also identified this third pillar of organisational capabilities as that which enables the NPO to impact on people's lives, to "satisfy their clients, but also

help them to change their lives, and to achieve the social outcomes that they intended to achieve". It is also under this pillar that NPOs can ascertain their direct contributions or to assert their attributions to change, because they are able to identify the other stakeholders that operate in the sector that help to co-produce and induce change (Moore, 2003:20).

3.3 THE SIGNIFICANCE OF STRATEGY IN VALUE CREATION

The public value creation theory places great emphasis on strategy development and argues three key points:

(i) Organisational strategy is important for articulating an organisation's purposes;
(ii) The vision and mission drawn from this strategy drive the organisation's daily practices; and
(iii) The actions taken to implement this vision allow an organisation to meet its goals and fulfil its purpose.

According to the Public Value Creation theory, a strategy is paramount for running effective, responsive public institutions (Moore, 1995), and the mission and goals are just as crucial (Brown & Moore, 2001). Moore (2003:17) raised the point that if Non-Profit Organisations view donors ("financial and material supporters") as a means towards achieving the organisation's goals, they will be able to focus on value creation as a by-product of achieving its mission – not as the core objective itself, and that in such a scenario, we would then have "the value of an organisation [lying] 'downstream' in its production processes at the delivery end of the organisation rather than 'upstream' where the organisation raises resources to pursue its objectives" (Moore, 2003:17).

This is an important observation because it suggests that downward accountability and seeing end-users as co-creators of value is a deliberate process – one that can be established during an organisation's strategy development process. This suggests that there is a need to examine the strategies and strategy development processes of organisations, looking specifically into:

(i) Understanding what an organisation's strategy is and how the mission is articulated;

(ii) Dissecting what the organisational strategy is according to the public value framework and establishing the following:

   a. Does the organisational strategy fit into the value creation strategy?

   b. What are the indicators under each of the value creation strategy's three pillars?

(iii) Examining what the strategy development process of the organisation is:

   a. When does it take place?

   b. Who is involved in the process? and

(iv) Analysing this information as a whole and establishing where in the strategic triangle of value creation the organisation bases most of its value creation processes.

3.4 THE ROLE OF STAKEHOLDERS IN CREATING PUBLIC VALUE

The value of a Non-Profit Organisation is created through 'change', namely the change that is brought about by an agency as reflected in the socio-economic or living conditions of the public or interest groups served by the non-profit (Moore, 2003). Impact or long-term change is the measure of that change: how big or small the impact is will illustrate the 'value' that has been created by a NPO. However, this change must be one that can be seen to have added value or made improvements. In the case of socio-economic programmes run by an NPO, the value would therefore be evident in the positive improvements to people's lives. The type of change is defined largely by the target audience: who is the change intended for? If the change sought is for the service beneficiaries or the public, then this would entail changes to their lives, for instance an improvement in living conditions. If the target audience is the organisation itself, then the targeted change would revolve around the improvement of the governance systems, processes, and operations of the Non-Profit Organisation.

Service end-users are important in defining public value because they are a significant interest group whose needs the Non-Profit Organisation is there to address. Service

end-users therefore have the power to affect the organisation's substance in terms of its purpose (what it will do) and operations (how it will function) as well as strategy in terms of what Moore (1995:94) defined as "a set of expectations about the purposes and capabilities of a given public enterprise" To a large extent, beneficiaries lend the agency some degree of legitimacy which compels it to act and it is this that should place them as a priority stakeholder, especially when it comes to NPO governance. That is to say, beneficiaries have an influence on the organisation's mandate and *raison d'etre* – reason for existing. Quoted in Moore (1995:362), Reich states that in a democratic environment, it is important for institutions that are serving the public to maintain accountability to citizens and to develop interactive relationships:

> "… [managers] bring to [their] job certain ideals and values and even some specific ideas of what [they] think should be done. But [they] nonetheless look to the public, and to its many intermediaries as a source of guidance. [Their] relationship is deliberative in the sense that [they] are honest and direct about [their] values and tentative goals, but [they] also listen carefully to how the public responds to [their] agendas and are willing to make adjustments accordingly."

3.4.1 The significance of accountability to stakeholders in creating non-profit organisational value

Even though the public is an important constituent in conferring a mandate to an agency and that often the public is the de facto purpose for the existence of an NPO, there is limited engagement of the public in non-profit governance. According to Moore (1995:53-54), this is the norm in both the public and private sector, because greater importance is placed on funders and not service providers:

> "Private sector managers have two different groups they must satisfy: they must produce a product or service that customers will buy at a price that pays for the costs of production; and they must sell their ongoing capacity to produce valuable products to their shareholders and creditors. A similar situation confronts public managers: they must produce something whose benefits to specific clients outweigh the costs of production; and they must do so in a way that assures citizens and their representatives that something of value has been produced [….] Since governmental activities always engage political authority, the

> relative importance of these two different parts of management shifts. Because authority is involved, the importance of reassuring "owners" that their resources are being used well gains relative to satisfying the "clients" or "beneficiaries" of the program."

This view is echoed by Lloyd (2005) who argues that because NPOs are accountable to multiple stakeholders, each stakeholder grouping has different power levels, and although it is important for NPOs to account to all these stakeholders, the relative weakness of beneficiaries and their inability to make demands on NPOs means that Non-Profit Organisations tend not to focus on being accountable to them. Jordan (2005:8), argued that a major reason is also that "beneficiaries of NGO services, members and the general public seem to ask [questions on accountability] the least often".

As discussed in section 2.6 of Chapter 2, the practice of placing greater emphasis on accountability to donors is a problem that is not confined to the public sector alone. A study of 35 NPOs (Vidal, Torres, Guix & Rodriguez, 2005) found that NPOs are aware of the duality of the role that they play: being transparent with their donors and providing access to information about how resources are being utilised, as well as involving intended service beneficiaries in programme planning and implementation because the organisation's existence is tied directly to it responding to the arising needs of the communities it serves. However, the involvement of beneficiaries was limited to planning for activities and providing opinions and no further mention was made about the organisation's accountability to its beneficiaries (Vidal *et al.,* 2005).

In another study by Lloyd (2005), it was noted that despite the growing trend in the development of self-regulatory practice, NPOs did not view beneficiaries as stakeholders that needed to be accounted to in the same manner that donors and peer agencies are accounted to. Lloyd (2005:4) stated that "[t]he majority of self-regulatory initiatives are principally focused on developing a common position among NGOs on the form and nature of upward accountability, and to a lesser extent inward accountability, while few show similar regard to downward accountability".

However, it is important to note that there are pockets of development agencies that have recognised the linkages between accountability, the provision of responsive

programming and the ability of a Non-Profit Organisation to reach its mandate. The Humanitarian Accountability Partnership (HAP, 2010:1) has noted this, stating:

> "Being accountable to crisis-affected people helps organisations to develop quality programmes that meet those people's needs, and reduces the possibility of mistakes, abuse and corruption. Accountability processes that are managed effectively make the organisations perform better. In this context, the HAP Standard helps organisations to assess, improve and recognise the quality and accountability of their work, and benefits both the organisations and the people affected by crises."

With the findings from these various studies, it can be argued then, that the nature of the relationship between agencies and their service beneficiaries is an important indicator in measuring how accountable an organisation is. Indeed, Ebrahim (2003: 207) emphasised that "accountability is a relational concept [that] does not stand objectively apart from organisational relationships, since the demands for accountability and the mechanisms used to achieve it are constructed by those very relationships".

3.5 UNDERSTANDING THE RELATIONSHIP BETWEEN THE PUBLIC VALUE STRATEGY, STAKEHOLDER ROLES AND ACCOUNTABILITY

Brown and Moore (2001:17) viewed the strategy development process as an opportunity for clearly identifying and defining an organisation's accountabilities in relation to the strategic triangle and argued that "the need to migrate these three circles brings issues of accountability to the fore because each of these circles can be seen as demanding a kind of accountability".

This research focuses on the second arm of Moore's Public Value Strategy – legitimacy and support. This pillar is not the only important one, but it is a significant one that requires greater attention from NPOs. Moore (2003) proposed that to measure legitimacy and support for an organisation, the following indicators should be considered:

(i) The strength of the relationship with donors;

(ii) The relationship between the organisation and the public or service end-user – what Moore (2003:16) terms the “legitimisers and authorisers”; and

(iii) The impact being made by the organisation not only among the individuals it is providing services to, but at a broader societal level.

Moore (2003) argued this because value and legitimacy is established by all stakeholders, including end-users, donors, government and even other non-profit organisations who work towards helping the organisation meet its broader societal outcomes. This research therefore seeks to establish whether Non-Profit Organisations:

(i) Recognise end-users as a stakeholder that helps to provide legitimacy for the existence of the organisation and its mandate;

(ii) Recognise this pillar of the value creation framework and deem it important; and

(iii) Whether, by increasing accountability to end-users, there would be a greater recognition of the role of service end-users in helping an NPO to create public value.

3.5.1 The challenge of multiple accountabilities

Much has been written about ‘multiple accountabilities’ and how competing stakeholder interests make it difficult for NPOs to prioritise to whom they would be accountable. The concept of accountability implies that there are different parties involved. It recognises that different stakeholders will have a claim on the organisation. There has been an increased phenomenon of NPOs justifying, using legal, ethical or moral grounds, to whom they are accountable. There is also a growing number of international NPOs who are acknowledging the skewed power relations between Non-Profit Organisations, donors and end-users, and are increasingly seeking to balance this by not prioritising donor accountability over beneficiary accountability (see Munene & Thakhathi,2017; Brown & Moore, 2001; Ebrahim, 2003).

Brown and Moore (2001) suggested that a way to address this problem is to align these stakeholder demands for accountability by tying these to the organisation’s overall strategy because the Public Value Strategy has already been used to illustrate the linkages between accountability, strategy and the operations of an organisation.

By taking this line of reason, it can be argued that public value creation of a Non-Profit Organisation is dependent on the following;

(i) Strategy (organisational mission);
(ii) Governance and accountability (what the Public Value Strategy identifies as 'legitimacy and support'); and
(iii) An operations framework (what the Public Value Strategy terms 'operational capacity').

The literature review (section 2.4.1.5 in Chapter 2), discussed how the role of NPOs might influence who the accountability stakeholders would be according to the framework proposed by Brown and Moore (2001), who argue that welfare and service delivery organisations derive their value from the beneficiaries who are intended to make use of or consume their products and services.

In their paper on the relationship between international NPO accountability and strategy, Brown and Moore (2001) argued that, ideally, the topological value structure should typically be that the principal stakeholder is the client, then the donor who funds the organisation, then the staff who help to deliver programmes. However, in reality, this is not the case and the principle stakeholder is often the donor, especially for service-providing NPOs who are dependent on donor funding (Ebrahim, 2003).

Brown and Moore (2001:10) suggested that a "moral and ethical basis" can be used by organisations to determine who their primary stakeholders – to whom they would be accountable – would be. Brown and Moore (2001) also argued that from a moral point of view, accountability would entail providing avenues for stakeholders to monitor and analyse the extent to which an NPO is living up to its objectives and delivering on what it has promised. The authors went further to suggest that an organisation's strategy and its core focus (mission), would influence the type of accountability it demonstrates, including the stakeholders to whom it would be accountable. Brown and Moore (2001:9) also cautioned against Non-Profit Organisations viewing funders, donors or financiers as the principal stakeholder because these already hold so much power, and instead argued that organisations should "give their clients and beneficiaries a more powerful claim against the donors, to insist that the funds available to the donor be used for the benefit of the clients in ways that the clients think are best". It seems that Brown and Moore (2001) acknowledged the pressures that NPOs often face in having to prioritise

upward accountability and that this is often at the expense of accountability to their service end-users. They argued that when making this decision, it is important for NPOs to view the importance of downward accountability not just as a matter of practicality or morality, but rather as a strategic decision in terms of how increased accountability helps the organisation to "define and achieve its highest value" (Brown and Moore, 2001:11).

Brown and Moore (2001) promoted linkages between accountability and strategic management, arguing that "accountability is a strategic idea to be formulated and acted upon by an INGO with the goal of better understanding and achieving its strategic purposes" (2001:4). This views accountability as both a moral imperative as well as an issue of governance. This research therefore also sought to establish how NPOs establish who their stakeholders are and whether they make conscious decisions on the hierarchy and prioritisation of accountabilities demanded of them from their donors, end-users, staff and other development organisations.

3.6 USING THE PUBLIC VALUE STRATEGY AS A GUIDE FOR IDENTIFYING ACCOUNTABILITY INDICATORS IN NON-PROFIT ORGANISATIONS

When looking at the project management chain, the focus for value creation would be at the output and outcome levels. The output level would comprise two components: (i) the process that involves the activities and inputs and; (ii) the implementation component, which involves how implementation is undertaken, who is doing the implementing, as well as the models, tools and approaches used. The outcomes level would be where the change is seen and measured according to how big or small it is, and the negative and unintended consequences. Focus should then be placed on the value brought about by positive change and the following considerations should be taken into account:

(i) Whether the change is measurable;
(ii) If there is an evident improvement in existing conditions;
(iii) If the impact can be independently verified; and
(iv) If the change is at outcome level (long term and sustainable).

3.6.1 Non-Profit Organisation conceptualisation of the end-user as a stakeholder

Apart from defining whether the change is intended for the organisation or the public and whether it is positive, it is also imperative that organisations learn to define the audience and to distinguish whether the beneficiaries are viewed as stakeholders. Non-Profit Organisation perceptions of end-user or service beneficiary are mostly as 'recipients of services'. Beneficiaries are seen as those benefitting from the organisation and the NGO will focus on meeting their immediate needs, but if the public are viewed as stakeholders, then the NGO primarily sees itself as an enabling agent that is facilitating processes that will result in the public not only receiving support and its needs being addressed, but also where the public is perceived as an agent in that change process – actively participating in programming processes and helping to bring about change. The differentiation between beneficiary and stakeholder is crucial because governance by its very nature recognises that there is a set of players with interest groups (stakeholders), who help to shape or define the objectives and influence the responses of an organisation, and therefore an assumed accountability to these stakeholders exists (Bossert, 2009).

Accountability is also evident at an operational level: the trend is to involve communities or targeted programme beneficiaries to input into the programme design and plan of action. Research, however, also shows that end-users themselves do not always act to hold the non-profit organisation accountable (Jordan, 2005). Downward accountability is therefore rare, although with increased emphasis on results-based programing and outcomes-based programme design, more organisations are paying attention to the vital role played by end-users and the resulting accountability imperative that exists because of having end-users involved in designing and implementing programmes that have a high impact.

The extent of public involvement in implementation depends on the nature of activities being undertaken by an agency, but current trends show – with the increased use of accountability models that involve public engagement in monitoring, reviewing and demanding minimum service standards to be met – that through their processes, NPOs are increasingly engaging the public in participation and accountability exercises (Ebrahim, 2010; Kilby, 2006; Handy, Shier & McDougle, 2014). This makes the

examination of NPO-end-user accountabilities relevant within the value creation strategy paradigm.

3.7 SUMMARY

This research assumes that in promoting accountability to end-users, NPOs will be encouraged to develop and implement strategies and programmes that are clearer and more responsive, and that this would help the organisation to create its value. In order to establish how Non-Profit Organisations produce value, this research asks whether the public is seen as a stakeholder in development processes and whether NPOs are intentional in using the broad definition of the public as a stakeholder and not merely a beneficiary. These questions help to identify whether, in the various levels of accountability (governance and policy framework, programming approaches and targets, as well as accountability framework), the public is seen as a stakeholder. Three main factors helped to establish the importance placed by NPOs on beneficiary accountability: (i) how the organisation defined value; (ii) how this value is produced; and (iii) who the accountability stakeholders are.

This research also looked at how the promotion of accountability through the use of measurable, results-based indicators would lead to more accountability and better defined *process indicators* for achieving high impacts in programming (Luecking, 2013). In addition to examining Non-Profit Organisations' strategies, mission statements and relationships with stakeholders, the above three questions examined the areas identified in the literature review (how accountability is reflected in non-profit structures, policies, values and practices), and Non-Profit Organisations' views of their stakeholders' roles in value creation. This chapter detailed the theoretical paradigm that informed the research. The next chapter explains the methodological approach that was used to carry out the study.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

This chapter provides details of the research design and methodology that was used in the study. The sample that was used, as well as the data tools, data collection process and methods of analysis are explained in detail. The chapter also discusses the risk factors and ethical considerations that guided the research.

This research used a mixed methods approach and is exploratory in nature. It involves interrogating the concept of creating Public Value set out by Moore (1995), as well as examining theories around improving Non-Profit Organisations' downward accountability. Guided by the Public Value Strategy theoretical framework (Moore, 1995), the research set out to examine the following three areas:

Firstly, where the Public Value Strategy theory (Moore, 1995:71) refers to "organisational capabilities", the research investigated the governance frameworks of the NPOs and how these promote accountability. This made it possible to establish to whom the NPOs feel accountable, and what this accountability entails.

Secondly, where the theory talks of "legitimacy and support" (Moore, 2013:103), the research examined the relationships that each NPO had with its stakeholders. This included establishing who the NPO viewed as its primary stakeholder, and identifying the roles ascribed by the NPO to stakeholders at different stages of the programme cycle. The latter helped to identify the role of stakeholders in helping to create organisational value, and particularly establishing whether NPOs recognised end-users as a stakeholder that helps to provide legitimacy for the existence of the organisation. The research investigated accountability processes and how the two NPOs account to their stakeholders. This involved examining the NPOs' internal mechanisms, processes and structures, and how these produced accountability outcomes. The process also involved looking into the accountability frameworks and processes put in place by the two organisations being examined, and identifying relationships between the NPOs and various stakeholders, including the communities that they work in and the intended end-users of their programmes and services.

Thirdly, where the Public Value Strategy refers to social mission (Moore, 2003), the research analysed the impact or perceived positive changes that the NPOs are thought to have brought to communities and their direct service users. This involved examining the two organisations' strategies to establish whether impact on communities as end-users was articulated and considered.

4.2 RESEARCH QUESTIONS

The research question was divided into primary and secondary questions. The questions are detailed in section 1.3 of Chapter 1 and the sections below detail the rationale behind the questions.

4.2.1 Primary Research Question

The primary research question helped to identify whether NPOs promoted accountability to their beneficiaries through their governance, policy frameworks and programming approaches. It also sought to identify whether NPOs viewed beneficiaries as a significant stakeholder. The broad question that arose was about establishing how accountability practices of NPOs promoted beneficiary participation in creating organisational value and examined whether service end-users were perceived as stakeholders in development processes, and whether NPOs had put in place mechanisms that enabled or promoted the end-users to engage in programming processes that resulted in enhancing the value of the NPO. The processes in question were those that were aligned to the project management cycle phases, which include programme planning and design, implementation and monitoring, learning and evaluation.

4.2.2 Secondary Research Questions

The secondary questions provided an opportunity to explore thematic issues in depth. In particular, these questions allowed the research to probe in further detail the factors that had been raised in the primary research question. The three secondary questions detailed under section 1.3.2 in Chapter 1 also helped to delineate the scope of study. The questions provided an opportunity for the research to focus on accountability practices, service end-users' roles as stakeholders, as well as identifying the two NPOs' value creation perceptions and processes.

4.3 RESEARCH DESIGN

Though common to quantitative studies mostly, as a mixed methods study incorporating both qualitative and quantitative design elements, this study had a list of variables demonstrating the relationship between several concepts. This is not a deductive study, the depiction allowed the researcher to present the key concepts covered in the literature review, which were explored in more detail in both the conceptual framework as well as the data collection process. These are illustrated in Figure 4.1 below. The variables were also identified because the research was based on an existing theoretical framework.

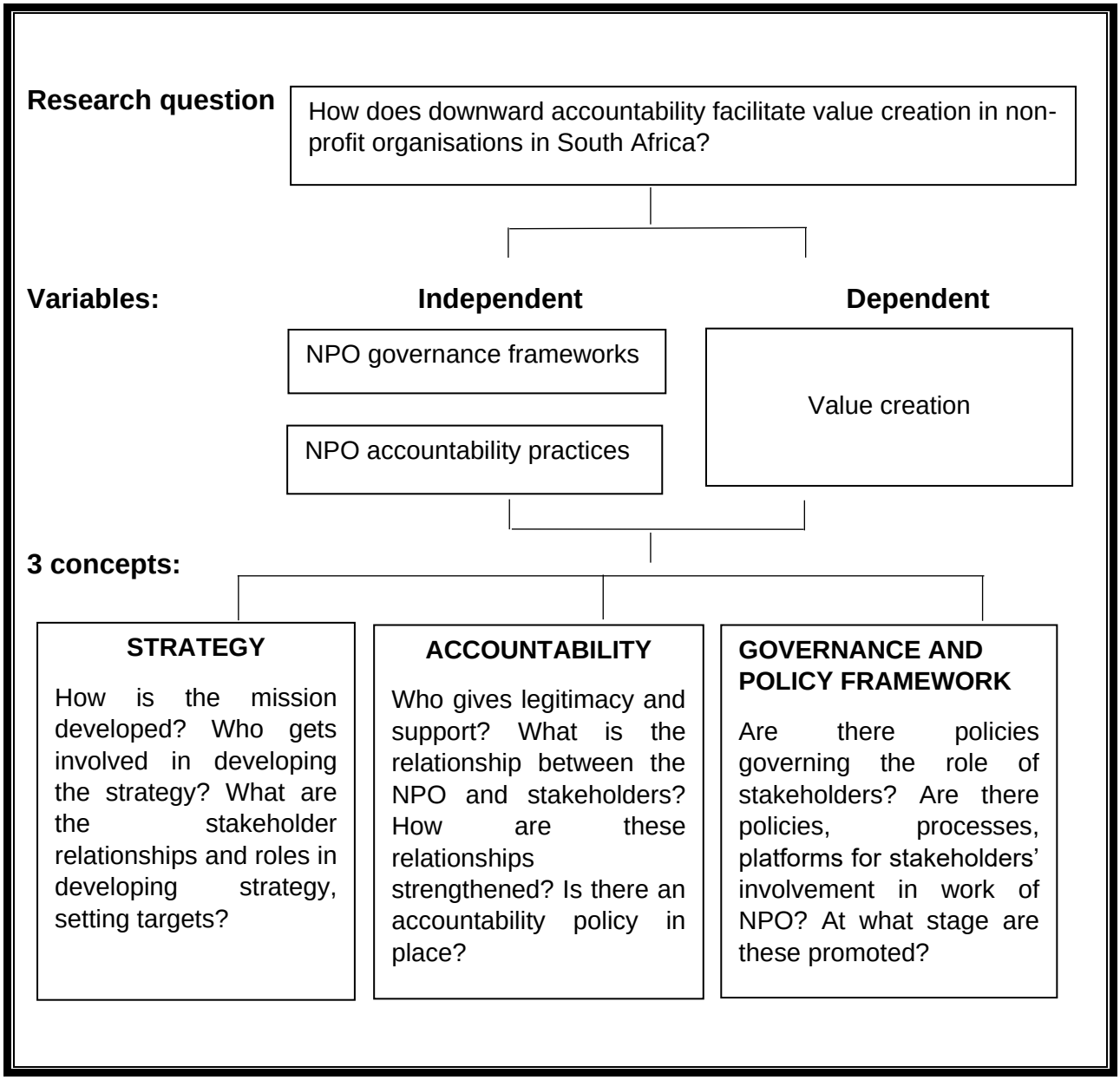

Figure 4 1: Diagrammatic representation of research variables and concepts explored in the research, developed by the author

4.3.1 Philosophical underpinnings of the research: Ontology and epistemology

Ontology refers to the study of reality – what exists (Neuman, 2011). This is often subjective and influenced by one's experiences and world view. According to Neuman (2011:93), this approach argues that knowledge is produced inductively because we "observe, interpret, and reflect on what other people are saying and doing in specific social contexts while we simultaneously reflect on our own experiences and interpretations". This study cautiously adopted a nominalist position, which argues that the realities being studied are informed by our perceptions, views and interpretations and therefore the research analysis presents an interpretation of NPO accountability practices, as informed by the researcher's observations and own experiences – known as an emic perspective (Morris, Leung, Ames and Lickel ,1999).

An advantage of the emic approach is that it allows the researcher to research a phenomenon in relation to a broader context – a holistic, systemic review unlike the etic approach, which focuses on identifying causal factors of a specific phenomenon and testing a hypothesis of, how two or more factors are relate to each other. Emic studies are also often context specific, whereas etic approaches are more generalisable and apply across various contexts and settings (Morris *et al.,* 1999). A disadvantage of the emic approach is the potential for bias because of the researcher relying on his or her personal experiences. The study was also based on the researcher's values of the importance of accountability as a governance imperative, what is identified as the axiology, or one's understanding and perceptions of what is valuable (Cassim, 2021).

Epistemology is the study of knowledge, how it is produced and re-created, and can be viewed as a scientific method of establishing a truth (Neuman, 2011; Moon & Blackman, 2017). For this study, this entailed determining whether or not accountability practices had a bearing on NPO value creation by drawing out good evidence that could support this assertion.

The study also fluctuated between interpretive social science and critical social science in that whereas the former emphasises that people have the power to create meaning and to interpret their social contexts, as described by Moon and Blackman (2017), there are elements of acknowledging the power dynamics that exist between an NPO and its end-users, and a recognition of the transformative change that can be driven by community awareness and ability to demand accountability from NPOs, as noted by Neuman (2011). This research therefore sought to develop an understanding of how the

two NPOs understood the concept of end-user relevance to NPO value creation, whilst also describing the potential power that there was to change the way in which NPOs worked, and whether end-users were aware of the significant role they play in defining and influencing the work of a Non-Profit Organisation.

An alternative epistemology that could have been adopted includes approaching the research as an ethnographic study and focusing rather on observation and being descriptive about NPO practice. This approach was not favoured because it is immersive and would focus on what NPOs did (how they worked) and not how their policy influenced actions and NPO outcomes – which was the main aim of this study.

4.3.2 Mixed methods research framework

This research was conducted using both quantitative and a qualitative approach. It involved an examination of how the two NPOs understood the concept of accountability and investigated the processes that were adopted by the NPOs to account to their stakeholders. The research also examined the various roles played by stakeholders in the work done by the two Non-Profit Organisations. The mixed methods approach that was utilised enabled the researcher to identify and compare any discrepancies, similarities or causalities between quantitative and qualitative data. The study collected qualitative data that described a phenomenon and the questionnaire that was used had some multiple choice questions and Likert scales, for ease of data collection (to provide choices to the respondent) and also to collect quantitative data (Polkinghorne, 2003). and the questionnaires still contained many questions requesting narrative data.

By utilising a mixed methods approach, the research used design tools that enabled the researcher to go deeper into identifying the factors that influence NPO decision-making around stakeholder engagement and accountability. These approaches are in keeping with both a qualitative methodology to research (Bogdan & Biklen, 2007) in that there was an emphasis on appreciating the respondent's understanding of accountability and conceptualisation of value creation and in the use of case studies, as well as drawing on the strengths of a quantitative approach, which enabled the use of quantitative data to triangulate information (Hesse-Biber, 2010). The quantitative aspect allowed the use of Likert Scales and Multiple Choice Questions with closed-ended questions in the data collection process and enabled the use of use of graphs, bar charts and pie-charts in

the data analysis, to identify patterns and display data (Howie, 2019; Creswell & Creswell, 2018, Kumar, 2011).

The research adopted a convergence model to the mixed methods approach, where one type of data was not prioritised over the other (Howie, 2019; Creswell & Creswell, 2018). Equal importance was given to the quantitative and qualitative data, and data was collected and analysed concurrently and merged in the analysis. In this way, different facets of the research question could be answered from both a quantitative and a qualitative perspective (Creswell & Creswell, 2018:318).

In line with the Value Creation Strategic Framework, it was also important for the study to establish the linkages between strategy (organisational mission) and organisational capacity (governance frameworks and accountability practices). This was important because the Value Creation Strategic Framework (Moore, 2003) emphasises that the relationship between an NPO and its stakeholders' impacts on how the organisation can meet its strategic targets and deliver on its mission. The mixed methods approach therefore contributed towards a deeper understanding of the research findings (Leeman, Voils, & Sandelowski, 2015).

4.3.3 The critical perspective in mixed methods research

The research utilised some aspects of a critical perspective. The critical approach to research is one that is aimed primarily at raising awareness of unequal power relations and influencing change in these dynamics by highlighting how power and privilege distort opportunities for meaningful engagement and change in society (Merriam and Tisdell, 2016). In the case of this research, this distortion is reflected in access to knowledge that is biased towards donors, while there are limited or no opportunities for communities and programme beneficiaries to participate in decision-making around development programmes that impact on their lives.

The value of a critical perspective is in the opportunities that it provides to interrogate how NPOs decide on prioritising upward accountability over other types of accountability (Merriam & Tisdell, 2016). This interrogation is an exercise that will be undertaken by both the researcher as an 'outsider' to the organisation, and also by the NPO and its staff. At a minimum, the research expects to instil a sense of self-reflection among NPOs, as noted by Neuman (2011), so that they can critically analyse their accountability practices and seek to improve their downward accountability.

The critical perspective is about advocating for changes in the way NPOs are currently accounting to end-users and it fits well into the mixed methods approach because the qualitative component of the research is principally about studying how meanings are construed and understanding how people's experiences and world views influence their behaviour, as described by Merriam and Tisdell, (2016). In the context of this study, the qualitative aspect is about understanding how NPOs define and understand their mandate in relation to their relationships with communities and beneficiaries, and how these perceptions influence their accountability practices.

4.4 DATA COLLECTION PROCEDURES

The research utilised both primary and secondary data because this is important for triangulation – the use of multiple sources of data to verify the data being generated by the research, as noted by Merriam and Tisdell (2016). This is crucial because triangulation would provide greater internal validity, what Guba (1981:80) refers to as "truth value". That is, it would provide credibility and promote the integrity of the findings as being in line with the issues being studied (Merriam & Tisdell, 2016).

4.4.1 Secondary data collection and document analysis

Data from other studies and research findings were utilised to inform the literature review, choice of theoretical framework as well as the research design. The process involved collating and synthesising literature and research findings from other studies published in South Africa and globally, peer-reviewed journal articles, books as well as publications from professional magazines. This data was used in juxtaposition with the primary data from this study. The value of combining primary and secondary data was the opportunities that were provided to identify similarities as well as discrepancies. The ability to confirm or contest secondary data through the primary data findings also helped to improve the understanding of the research topic.

Secondary data was also sourced from the two organisations' strategy documents and policies. Taking guidance from the Strategic Value Framework, the researcher specifically examined each organisation's medium-term strategy documents, covering a period of three to five years. The organisations' mission statement was analysed to get a sense of how the two organisations articulated their stakeholder relationships, as well as examining the organisations' policies to see whether these mentioned any guidelines for stakeholder engagement, particularly on how the organisations and their staff should

liaise, account to and work with communities. This data was used, together with the qualitative and quantitative questionnaire data, to gauge the way in which the NPOs positioned themselves in relation to their stakeholders and how they defined their stakeholder relationships and accountability patterns. The data was also used to gauge the roles and responsibilities ascribed by the NPOs to their stakeholders.

4.4.2 Primary data collection

Due to the Coronavirus (COVID-19) outbreak, restrictions on travel and requirements for social distancing, it was not possible to hold focus group discussions in person as originally planned. Face-to-face interviews were also not conducted as initially planned. The University's Research Ethics Committee on Social, Behavioural and Education Research (Stellenbosch University, 2020) sent out a communiqué with research guidelines during Alert Level 1 of the COVID-19 pandemic. Under Article 2.2., the Committee recommended that, beyond 01 October 2020 and into the foreseeable future, researchers "consider alternative ways of collecting data that do not involve physical contact or being in undue physical proximity with participants or communities. These alternative activities may include desktop research, literature reviews, secondary data analysis, online or virtual data collection activities, individual or group interviews conducted via online meeting or web conferencing tools, such as Zoom, Skype, Microsoft Teams, etc."

This was due to the continued threats of Coronavirus infections and the need for researchers to take all necessary precautions not to pose a risk of infection to respondents and also for researchers not to become infected in the data collection process. Instead, an online self-administered questionnaire was sent out to each respondent – community end-users, NPO programming staff members, and Board members of the two Non-Profit Organisations. The questionnaires could be completed on a cellphone or a computer and could therefore be completed remotely. The researcher therefore distributed questionnaires online either by email or text. Questionnaires were either emailed to respondents or sent through the social media platform WhatsApp®. A degree of anonymity was retained because questionnaire links were sent out to several respondents at the same time and, often, the responses came in at around the same time, making it difficult to link an individual to their response. The use of Google Forms© may have compromised anonymity, but this programme was selected over other options such as Survey Monkey® which would have been more

anonymous, because Google Forms® was free and more accessible. Google Forms® did not have limits on the length of questionnaires, which was the principal reason that was used to determine its use over Survey Monkey®.

The advantage of sending questionnaires and responses online, on WhatsApp®, included that very little data was required to go online. Furthermore, because WhatsApp® is commonly used – owing to South Africa's mobile phone penetration of over 90% (Independent Communications Authority of South Africa [ICASA], 2020), this is a popular and quick way of administering questionnaires in a manner that is convenient to the respondent because the questionnaire is easily accessible from the respondent's phone and can be completed at any time.

Apart from limiting health risks of contracting or spreading COVID-19, self-administered online questionnaires proved to be a cost effective manner of collecting data. Another advantage was that, by using Google Forms®, the data was captured online and safely stored on a cloud. Google Forms® also contained electronic responses, which meant that the researcher saved time and did not have to transcribe raw data. The Google Forms® had the option to aggregate the data as it came in, including being able to draw graphs and pie charts from the responses, which made the data analysis easier.

The key advantage of using technology and online-based data gathering tools is that these methods allowed respondents to take the questionnaire at their own time and convenience, within a set time frame as the online link was activated for a maximum of five days. It is also a relatively cheaper format of conducting research as it does not involve travel. However, a key disadvantage was the loss of an opportunity to collect even richer data, for instance, since focus group discussions could not be held with community respondents, the researcher had to rely on individual responses only.

4.4.3 Use of case studies

As detailed in section 1.8.3 of Chapter 1, the study utilised a holistic multiple case study design with the NPO as the main unit of analysis. The research used two case studies, not just for comparative purposes, but also because using multiple case studies generates richer data, which, in turn, can be used to generate findings that can be applied more broadly. Merriam and Tisdell (2016:40) argue that using multiple case studies "enhances the external validity or generalisability of [the] findings". This was

important because the qualitative aspects of the research meant that there were limitations on the extent to which findings could be generalised (Yin, 2003; Lichtman, 2013). However, the results could potentially be relevant to other NPOs that work with end-users and seek to enhance their accountability. This means that the in-depth information gathered from the two NPOs can be used to provide "analytic generalisations" about downward accountability and its impact on NPO value creation, more than it can be used for "statistical generalisation" (Yin, 2003:10). This is important to note, as the study is primarily of a phenomenon common to NPOs, that of downward accountability patterns.

Secondly, the case study was useful because it is a method that relies on multiple sources of data to provide a more comprehensive picture of why and how a phenomenon occurs (Yin, 2003). For this research, although the study was about each NPO's accountability practices, data was collected not just from the NPO staff who were the practitioners of the NPO's policy and programmes, but also from those responsible for developing the NPO strategy (Board members) as well as those intended to benefit from the NPO's work (service end-users).

Thirdly, multiple case studies were used by utilising data from two NPOs instead of just one. This approach enabled the researcher to enhance "construct validity" (Yin, 2003:34) because multiple sources of evidence were utilised. This also meant that dissonances and congruences in the data could be identified, which made it possible to identify trends or patterns in the data. This in turn enhanced the internal validity of the findings (Yin, 2003), because the research topic infers a relationship between accountability and value creation and, as such, it was important to establish as many possible explanations for the phenomenon of downward accountability as there could be.

4.4.4 Reliability and validity

Reliability refers to the extent to which errors and biases are eliminated from a study and its findings can be replicated (Yin, 2003). A study is therefore said to be reliable if another researcher, following the same procedures, would generate the same conclusions and findings from their research. To increase the reliability of this study, the researcher documented in detail the research design and procedures that were undertaken.

External validity refers to whether, when the espoused theory is tested with other NPOs, the results generated would be the same, even if there are contextual differences with the Non-Profit Organisations, as described by Yin (2003) and Wong, Oong and Kuek (2012). Triangulation of the data is also important because it helps to improve the reliability of the data by establishing how consistent the results were, based on the data that was collected (Merriam and Tisdell, 2016).

4.5 QUESTIONNAIRE DESIGN

The questionnaire was designed around a list of sub questions that were derived from the primary and secondary research questions, as well as the problem statement as illustrated in Table 4.1 below.

Table 4.1: List of sub-questions derived from the problem statement

Four areas identified in the problem statement	**Sample of list of questions contained in the questionnaires**
NPO perception of who a stakeholder is and whether end-users are viewed as stakeholders	i. What are Non-Profit Organisations perceptions of who a stakeholder is?
The roles ascribed to different stakeholders	ii. What are Non-Profit Organisations' perceptions of the role of end-users as stakeholders in the programming cycle? iii. At which point are end-users involved?
The accountability practices of an NPO, including the extent to which opportunities are provided for beneficiaries to participate	iv. What policies, structures and programming approaches influence Non-Profit Organisations perceptions of stakeholder roles and end-user participation?

How NPOs perceive value creation processes and whether end-users play a role in this	v. How do Non-Profit Organisations understand the concept of value creation? vi. What are the perceptions of the role of stakeholders in contributing towards creating organisational value? vii. What are end-user perceptions of the Non-Profit Organisation's value and how this is created?

Questionnaires were designed for all the respondents: one for Board members, another for NPO programme staff, and another for NPO service end-users. Similar questions were developed for each target population but customised according to their role or position in the organisation, that is, end-users of NPO services, programme staff as implementers and Board members as those helping to define the NPO's strategy and policies. This allowed for the triangulation of data because all three had similar questions around three areas: Strategy, Accountability and Value Creation.

True to the mixed-methods approach, the questionnaires included a mixture of types of questions, including multiple choice questions, closed-ended and open-ended questions as well as Likert scales. To test the ease of use, the questionnaire for NPO programing staff, which formed the basis for the other two questionnaires developed for end-users and Board members, was pre-tested in a pilot in Romania with two NPOs that were operating in the human rights and civic education space, as well as the social services sector. The questionnaire was piloted in English. Romania has a history similar to that of South Africa's: it is a young democracy, having emerged from a socialist regime and Non-Profit Organisations play a significant role in the socio-political and economic development of the country. The researcher was posted there for a three-month learning exchange programme and chose to utilise the time to draft and test the questionnaire that was designed for NPO programming staff. The questionnaire was piloted in English.

The pre-testing of questionnaires allowed for the researcher to test the following: (i) whether the questions were easy to understand; (ii) whether the questionnaire format flowed; and (iii) in multiple choice scenarios, whether an appropriate and exhaustive list of possible answers had been provided. The feedback included the need to include an open-ended response, with “other” as an option, in order to allow respondents to include responses that the researcher may not have catered for. Another recommendation was to shorten the number of questions; this was done, taking the total number of questions for the programme staff to 50, which was significantly less than the 70 questions that were initially drafted. The programme staff’s questionnaire is presented in Appendix A.

4.5.1 Questionnaire for NPO programme Staff and Directors

A self-administered online questionnaire was emailed to each organisation’s management and programming staff. The questionnaire had 50 questions and was expected to take a maximum of 45 minutes to complete. The questionnaire focused on understanding the accountability practices of the two Non-Profit Organisations and contained both multiple choice questions and open-ended questions under five sections. The first section collected demographic data about the organisation to establish the mission, size and structure of the organisation. The second section contained questions on programme management to establish the organisation’s programmatic areas of work and how each NPO set targets and measured impact. The third section was on accountability practices, to establish the processes, platforms or policies the two NPOs used to promote downward accountability. The fourth section of the questionnaire was on strategy development, to obtain a sense of the processes and actors that the organisation involved in developing and articulating strategy. The fifth section was on value creation, to establish how the organisation viewed and defined value creation. The questionnaire can be accessed in Appendix A.

4.5.2 Questionnaire for end-users

The questionnaires were semi-structured and included multiple choice questions, closed-ended and open-ended questions. The questionnaire was also divided into three sections covering the same three topics. Questions around strategy focused on developing a sense of the community’s understanding of the organisation’s mission, and establishing whether the community member played any role in informing the development of the NPO’s strategy. The section on value creation focused on

establishing the perceptions of community members about the value that the organisation added to them or their community.

The section on accountability practices focused on establishing the platforms, processes and practices in which organisations involve their end-users, to establish which of these provided opportunities for accountability. The survey questions were few (12 questions in total) in recognition of the fact that the survey was self-administered, could be undertaken over WhatsApp® and therefore should not take up much of the respondent's time or data. This encouraged completion of the questionnaire, which in turn led to a higher response rate of 90%.

Like the pilot test that was conducted in Romania, the questionnaire was administered in English and the terminology was explained in simple, easy language in order to ensure that respondents fully understood the nature of the questions and could engage meaningfully in answering the questionnaire. There were options to have the questionnaire professionally translated into Afrikaans, isiXhosa or isiZulu, should the need arise, in order not to leave out community members, although none of the respondents made use of this option. The questionnaire is available as Appendix B.

4.5.3 Questionnaire for NPO Board members

Like the end-user's questionnaire, the Board member's questionnaire also had three sections covering the following topics: strategy, value creation and accountability practices. In the strategy section, questions were meant to establish who on the Board developed the strategy and what roles they played in the strategy development process. Questions under value creation were centred on understanding how Board members understood the concept of value creation and how the organisations they were leading were responsive in adding value to the communities in which they worked. Questions on accountability practices focused on establishing Board members' perceptions of the organisation's primary stakeholders and how accountability to these could be promoted. The questionnaire had 14 questions and more details about it are available in Appendix C.

4.6 TARGET POPULATION

A sample was drawn from the target population and comprised individuals who were directly involved with the NPO either in defining strategy, implementing programmes or utilising the NPO's services. In order to increase sample representivity, an equal number

of respondents was sought from each province. Table 4.2 below shows the targeted distribution of respondents. Although a total of 24 respondents were targeted, a final total of 19 respondents and several informal discussions with two subject matter experts were held. The number of respondents was less than 24 mainly due to low response rates from programming staff, which is detailed further in Section 5.1 of Chapter 5. The selected sample of respondents was representative of the diversity within the larger target population as it drew representatives from all levels within the NPO, a form of stratified sampling (Merriam & Tisdell, 2016).

The sampling strategy (Guest, Namey and Mitchell, 2017) was determined by the research topic as it informed how these respondents would be involved in the study. The qualitative nature of the research provided opportunities to include views of different groups of people. The recruiting technique that was used to involve respondents in the study involved a reliance on the NPOs to identify eligible respondents, particularly those from the community, and inviting these community members through WhatsApp® to voluntarily participate in the study. Programming Staff and Directors, as well as Board members, were emailed and invited to participate in the study.

Table 4.2: Targeted sample size of individual respondents, developed by the author

Province	NPO Board	NPO programming staff	Community end-users	Subject matter experts
Gauteng	2	3	4	1
Western Cape	2	3	5	1
Sub-total	4	6	9	2
Total number of respondents		19		2

4.7 SAMPLING

The section below details the sampling approaches used in the study, providing a justification of the methods and how they were incorporated into the study.

4.7.1 Purposive sampling approach

The two Non-Profit Organisations were identified through purposive sampling and, consistent with a qualitative approach, this would allow for in-depth analysis of a specific organisation, as noted by Merriam and Tisdell (2016). A typical case approach was utilised (Guest, Namey & Mitchell, 2017), because the sample was illustrative and offered insights into a common phenomenon. Purposive sampling, a non-probability sampling method, was also used to identify and select respondents to participate in the study, because they too had met specific criteria (Guest *et al.*, 2017). Although the samples were not statistically representative (Ritchie, Lewis & El am, 2003), they were based on criteria developed from factors predominantly identified in the literature review, the research design and questionnaires that were developed. This sampling approach made it easier for the case study component of the research, since the organisations were chosen because they met specified criteria, as suggested by Merriam and Tisdell (2016).

An advantage of purposive sampling is that only those respondents who are relevant to the topic of study are involved. This factor was especially important because the research was specifically about accountability processes in NPOs, which is a well-defined social process and, therefore, to get a better picture of the accountability practices of the two selected NPOs, people involved in defining, implementing or who are affected by the practice had to be selected. Ritchie *et al.,* (2003:89) refer to this as selecting “homogenous samples” of respondents, because these respondents share a common characteristic.

A disadvantage of purposive sampling is that it is believed to lend itself to extreme bias (Ritchie *et al.,* 2003), that is, that respondents are not objectively selected. To guard against this, a systematic process for identifying and selecting individual respondents was put in place. The two NPOs identified which communities the community end-users would come from, and provided a list of potential respondents who could take part in the study. To limit the potential bias of the NPOs nominating people who would evaluate them favourably, the researcher then randomly selected six respondents each from the long list that was supplied by the NPOs, and these were chosen to take part in the study.

A potential weakness of purposive sample is that it may not be randomised enough and may end up only including a specific category of respondents. To improve diversity, the sample of respondents was taken from two organisations operating in two different provinces, namely Gauteng province and Western Cape province. This approach was important in that it helped to promote what Ritchie *et al.,* (2003:83) refer to as "opportunities to investigate interdependency between variables"; that is, the diversity assisted the researcher to identify various factors that could influence downward accountability, because of the diversity of views and experiences that came about as a result of selecting respondents from different contexts and settings (Guba,1981).

4.7.2 Snowballing approach

Throughout the research process, the researcher had informal discussions with two subject matter experts. These were not participants to the study and their purpose was to share ideas and their reflections with the researcher, on the question of accountability in the NPO sector. Purposive sampling was deployed to identify the first respondent, and thereafter a snowballing approach was utilised to identify another expert respondent (Schwandt & Gates, 2018). This is because the field of downward accountability in South Africa is not that extensive and there are few scholars who are working in it. The advantage of a snowballing approach was that it was easier to receive recommendations from other field specialists or academics with an interest in this field. However, although it was easier to access respondents to whom the researcher would otherwise not have access, this could also be a disadvantage, as it could mean relying heavily on the subjective views of those experts making the recommendation. Finding a subject-matter specialist could also be time-consuming.

4.7.3 Respondent sample sizes

The research generated data from the following list of respondents:

Community end-users. These were individuals who benefited from the services and support of the non-profit organisations;

Board members. These are individuals who had strategic oversight over the organisation and who helped to develop and steer the organisation's strategy, mission and policies. They were also subject matter specialists working in the NPO space, with experience in NPO management, governance, accountability and socio-economic rights; and

Organisational programme Staff and Directors. These were responsible for the day-to-day running of the NPOs, ensuring that policies were implemented and that programmes were running to help meet the objectives of the NPO. They were also the main interface between the non-profit organisation, and the community and end-users that utilised the NPO's services.

4.7.4 Sample sizes of Organisations

The sample size in this research was limited to two organisations: one international organisation registered in South Africa and one South African NPO. In this way, it was possible to assess whether the global roots of an organisation influenced the accountability practices and policies of the organisation. The reason why two organisations were chosen for case studies was because these exemplified the 'typical' Non-Profit Organisation in terms of structure, ways of working and in the social development roles that they play. One of the organisations was an international development agency with a regional (southern Africa) presence and its parental roots on another continent, and the other was an indigenously established, autonomous organisation with a national footprint.

There was value in utilising two different organisations for case studies, as comparisons could be made that could yield data that could be applied across a wider range of organisations. This, in turn, increased the external validity of the findings as the findings demonstrated the likelihood that, were a similar study conducted, the resulting findings could be consistent with those found in this study, although exact findings would depend on the context in which that study was being undertaken (Merriam & Tisdell, 2016; Yin, 2003). Section 4.4.4 in this chapter provides more details about this study's validity.

The other differentiating factor between the two organisations was location: one organisation was chosen for its work in Johannesburg, Gauteng province, and the other in Cape Town, Western Cape province. Different sites were selected because although the development approaches used by the two organisations might have been similar, the operating contexts of the NPOs varied and this would influence the way in which they demonstrated accountability practices. In addition, the choice of two different organisations, in two different locations, provided opportunities for comparisons.

The final distinguishing factor between the two NPOs was their areas of work: the international NPO had a more human rights oriented, advocacy and campaigning

mandate, whilst the other NPO was national and focused more on service delivery, although its values were underpinned by a human rights approach towards realising socio-economic rights. This distinction was important because the literature section 2.4.1.5 of Chapter 2 illustrated the relationship between an NPO's mission and its accountability practices, meaning for this research, it was important to document the way in which each NPO articulated their mission and how this impacted on their governance and accountability approaches.

4.7.5 Organisation profiles

The sample size was small, which is characteristic of a qualitative study: it is rich in data and has in-depth reflections of downward accountability practices. An advantage of the qualitative approach was that the sample size, being small, was targeted (Merriam & Tisdell, 2016). The approach also allowed the researcher to review secondary documents as sources of data, ask questions in an open-ended manner in order to document the respondent's personal accounts and thereby generate rich, in—depth data. Profiles of the two Non-Profit Organisations that agreed to take part in the study are provided below.

4.7.5.1 Profile of South African Non-Profit Organisation

The South African NPO that was selected to take part in the study was established in 1985 and is a philanthropic organisation that provides grants to community-based organisations, as well as promoting social justice, human rights, equity, food security and rural development. The organisation utilises a model where it provides financial and technical support to 30 organisations in mostly rural communities of the Free State, Eastern Cape, Northern Cape and Western Cape provinces.

The organisation is structured in a traditional way: it is donor funded and has a Board of Directors, a senior management team that is led by the director, senior programme and finance managers, and programme staff that go out into the field and oversee implementation, as well managing relationships with the community-based organisations that are receiving grants from the organisation. The end-users are identified as 'community members' or 'beneficiaries' of the sub-grantee's programmes. The organisation does not only rely on its 30 community-based partner organisations to provide services and support; the organisation also provides direct service to

communities, working directly with communities as end-users and also offers training and support to smaller NPOs.

4.7.5.2 Profile of International Non-Profit Organisation

The organisation that participated in the study was established globally in 1961, with the southern Africa regional offices established in 2013. This regional organisation works in nine southern African countries, including South Africa. Its objectives are to investigate human rights abuses, mobilise the public for campaigns and provide education and training so that communities can claim their rights. The organisation identifies itself as an International Non-Governmental Organisation (INGO) and is an advocacy and human rights organisation that is driven, expressly, to seek public accountability from governments, companies and organisations.

The organisation is not structured in the conventional manner. It is a global movement comprising over seven million members, who make individual contributions to fund the work of the organisation. The organisation's highest strategic decision-making body is a General Assembly that comprises representatives from the individuals, networks and groups that make up the army of volunteers and activists that support the organisation in its work. These representatives work under a national or regional section, which is overseen by a director. The directors are the senior management that liaise and work with the secretary general to direct and oversee the work of the international secretariat. The southern and East Africa regional office, as a section, has individuals that act as Advisory Board members to the regional director. The organisation uses the terms 'rights-holders' to identify and define its end-users.

4.8 SAMPLING CRITERIA

The section below details the factors that were considered in identifying and selecting the sample of respondents. The criteria used to include or exclude individual respondents as well as the two organisations, is also explained.

4.8.1 Sampling criteria used for end-users

Community members were selected from each organisation's contacts, with the only criterion being that they were direct recipients of the organisation's services. The NPO's existing database of end-users was used and a sample frame drawn up from existing NPO sources as suggested by Ritchie *et al.* (2003). The sample frame was therefore

not specifically developed for this study. Although there was a potential for bias, the approach taken to work through the two NPOs, who were providers of support and services to the selected end-users, was deemed appropriate because the research sought to investigate, among other things, the relationship between NPOs as service providers and their end-users and it was imperative to gain access to these end-users. The main criterion for selecting end-users was that they directly access the organisation's services. The second criterion was that end-users needed to have access to internet or WhatsApp® to participate in the study. This is because the questionnaire was online and could only be accessed either through email or WhatsApp®.

The theory used to inform participant selection was that of Human Centred Design, which posits that end-users' understanding, insights and experiences best inform programme planning, development and implementation, as described by UNICEF (2019). It is argued that utilising this approach could most likely result in responsive, higher impact programmes that meet the needs of end-users (Van der Bijl-Brouwer & Dorst, 2017), leading to the view that the NPO was delivering value.

4.8.2 Sampling criteria used for organisational representatives: Programme staff, directors and Board members

Individual, self-administered online questionnaires were sent out to each selected organisation's programming staff, management and Board members. A Google Forms® link was shared with them, which was valid for five days and could be completed in their own time.

4.8.3 Sampling criteria for subject matter experts

Open-ended discussions were held with two experts in the field of social development. These were informal discussions and took place remotely, via telephone or electronically through a medium such as Zoom® or Skype®, because of in-contact restrictions due to the Coronavirus pandemic. These subject matter experts were from the fields of NPO governance, accountability or socio-economic rights. They also included a donor representative, in order to capture a dimension of their views on downward accountability and the mechanisms that they use to promote accountability in Non-Profit Organisations. Their views were used to shape the research from the scope of literature that was reviewed, to the data collection process.

4.8.4 Sampling criteria used for the Non-Profit Organisations

The criteria for selecting the INGO included that it operates internationally, has an operational entity in South Africa and that it implements programmes that support the provision of direct social services to beneficiaries. The selected national NPO was 'indigenous' and not a local affiliate to an international organisation. It too needed to support the provision of social services.

4.8.4.1 Inclusion criteria for the Non-Profit Organisations

The three main inclusion criteria used to identify the organisations were:

Firstly, the organisation had to be operating at a national level and not be a Community-Based Organisation (CBO), although it could have local level initiatives. This is because, by nature, CBOs are closer to the people they serve and the likelihood of prioritising accountability to end-users is high as it is almost automatically built into their structure and ways of working. The same could not be said of larger organisations that are operating at a national, regional or global level, because these tend to have competitive stakeholder interests and therefore accountability to end-users is not a given; it could be more compromised.

The second criterion was that the organisations had to have direct implementation at a local level and therefore have direct interaction with community members. The selected Non-Profit Organisations had to be supporting the provision of direct socio-economic services, because this meant that the organisations actually worked with communities and had some direct contact with end-users (their intended programme beneficiaries). These could include advocacy and awareness programmes, the provision of para-legal services or health and education support services and work on nutrition or climate justice.

Finally, the NPO had to be working on advocacy or human rights programmes because governance and accountability impinge on socio-economic rights issues. An assumption being made is that if the NPOs being interviewed viewed themselves as human rights-centred organisations, we would expect to find a reflection of this in their strategy and accountability practices.

4.8.4.2 Exclusion criteria for organisations and NPO respondents

The diagram below (Figure 4.2) illustrates the exclusion framework that was used in order to narrow down the sample. The circles on the left illustrate the effective target population at organisational and individual respondent levels. The squares on the right reflect the list of exclusion criteria that was used to narrow down the list of eligible respondents as well as the list of organisations.

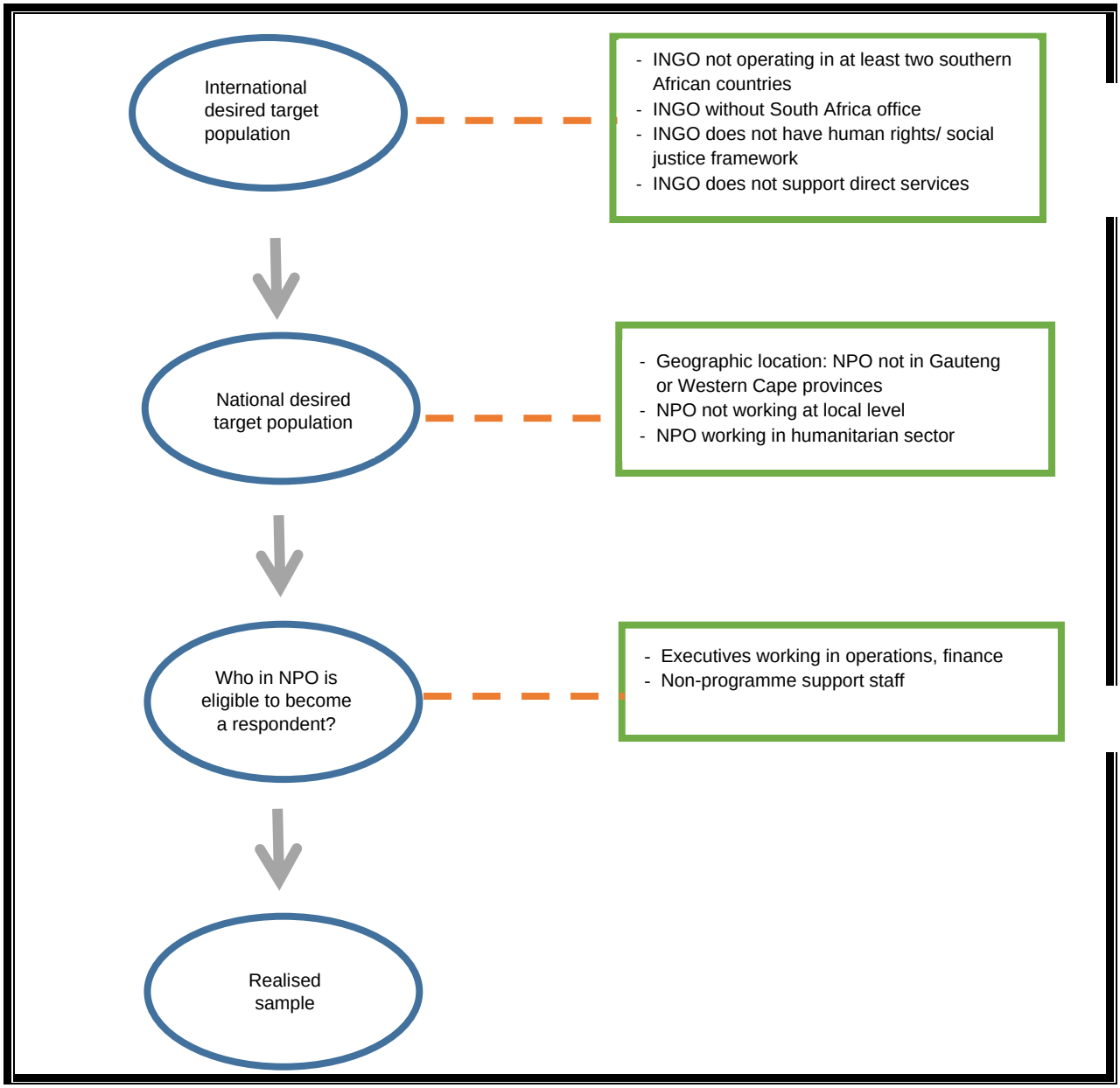

Figure 4.2: Exclusion criteria for organisations and NPO respondents, developed by the author

4.9 SAMPLING AND QUESTIONNAIRE BIAS

Sampling bias refers to when a selected research sample does not accurately reflect the target population that is being researched (Bloor & Wood, 2011), and leads to a distortion of the results (Galdas, 2017). Sampling bias can be a result of non-responses, with fewer participants responding and therefore the returned responses not representing a wider demography, or it could be a result of errors in the researcher's sampling frame. Sampling bias was managed by ensuring a two-step selection process of the end-user participants: the NPOs drew up the initial list of potential participants and the final participants were randomly selected from this by the researcher. This approach however, provided a risk of the NPO being biased in selecting people who were more likely to be positive about it (see section 4.11.2 of this chapter). To improve the rate of responsiveness, the researcher allowed for the short questionnaire's online link to be active for up to five days, giving the respondents flexibility to answer in their own time. The questionnaires for community end-users and Board members were also short and could be completed within a ten-minute timeframe. To compensate for the length of the programme staff and director's questionnaire, which had 50 questions and could take up to 45 minutes to complete, the questionnaire had a mixture of multiple choice, open-ended and closed-ended questions, which were designed to hold the interest of the respondent as the questionnaire did not have a predictable format.

4.9.1 Self-reflexivity and bracketing

Bias can be reflected in the questionnaire and the way questions are designed and asked, particularly if they are leading questions (Galdas, 2017). This was managed by the researcher keeping notes where reflections and observations were made around the topic of study and understanding how personal experiences and privileges had the potential to create bias (Cassim, 2021). It is because of this awareness that the researcher was able to pose questions that were informed largely by the literature review, theoretical framework and other similar studies. Piloting the questionnaire also helped to check if there was bias and allowed the researcher to identify any preconceptions or subjective perspectives that may have influenced the research, what Cassim (2021:133) and Bogdan and Biklen (2007:25) term "bracketing".

4.10 DATA ANALYSIS AND INTERPRETATION

The primary data collected was mostly in narrative form, that is, it was contextual and provided details of why or how things happen (Bailey & Jackson, 2003). This narrative enquiry guided the data analysis approach of the research and was informed by Polkinghorne's (2003:5) "analysis of narrative" to identify common themes and present these in an integrated form, thus giving them meaning. The data analysis process therefore involved collating data from all respondents around a specific theme, identifying similarities or deviations, narrating possible meanings and articulating plausible reasons for these congruences and differences (Polkinghorne, 2003). This was then consolidated, presented as information in the research findings and analysed in relation to the literature and theoretical framework.

Polkinghorne (2003) refers to narrative analysis as a process of synthesising data gathered from "combining elements into an emplotted story". In the case of this research, discourse around thematic areas on strategy, accountability and value creation were provided in the context of a questionnaire, which formed the backdrop of a plot for the story to be told. The 'plot of the story' was provided by the two NPO case studies and focus was not on documenting events, but documenting courses of action that respondents had taken and how these could be used to give an explanation about the accountability decisions and actions taken by the two NPOs.

There was also secondary data analysis of the NPO strategy documents. This was to identify strategy development processes and to establish how the concept of downward accountability was articulated. It was also an opportunity to understand the narrative framing of the NPO's mission statement and to identify themes important to the research, such as participation and representation in the strategy development process.

4.10.1 Strategies for validating findings

Two strategies were utilised to validate data: the first was through triangulation (Merriam and Tisdell, 2016) and the use of different sources of data from three groups of respondents: community members, programme staff and Board members. The second strategy involved the research tools: respondents were asked similar questions in the three areas of study with questions tailored to each respondent group. There were three questionnaires with questions on strategy, accountability and value creation asked within the respondents' context and positionality in terms of the respondents' relationship with the NPO. In this way, we could also better understand the context or

situation that helped to inform the accountability and value creation actions taken by the respondents.

4.10.2 Comparative analysis

The study provided opportunities for comparison, with the first level of comparison entailing the interrogation of findings at an organisational level between the two NPOs that were selected. The second level of comparison was conducted at a more localised level, comparing feedback received from the NPOs to that received from service end-users. These two levels of analysis (first between organisations and secondly between NPOs and beneficiaries) allowed for a more nuanced identification of iterations and themes that arose.

4.11 ETHICAL CONSIDERATIONS

The University of Stellenbosch's ethics policy was followed. In particular, the Research Ethics Committee: Social Behavioural and Education Research (REC: SBE) guidelines version 1.6 of 2020 were followed in order to promote and protect the safety, dignity and wellbeing of all respondents.

The ethics application process involved first submitting an ethics application request to the School of Public Leadership's (SPL) Department Ethics Screening Committee (DESC). It was then submitted to the University's Research Ethics Committee (REC). Data collection could only commence when ethics clearance was granted by the University.

Permission to conduct the research also had to be sought from the International Non-Profit Organisation's Advisory Committee (which acted as a board to the INGO) and the Board of the local NPO. This consent was available in electronic format as an email and it sanctioned approval for the research to take place. It also committed the organisation to assist the researcher, particularly in gaining access to staff and communities benefiting from the organisation's programmes. Organisational consent was only valid if approved by the organisation's director or Board, as these individuals have the authority to provide the sanction. The sanction was important because Board members (advisors in the case of the INGO), staff members and service end-users of the two organisations were going to take part in the study and it was imperative to provide details of the scope and purpose of the research, as noted by Creswell and Creswell (2018). Doing this was particularly important not just to get buy-in to participate in the research, but also to

demonstrate the significance of the research to the two organisations. Emmanuel, Wendler and Grady (2000:2703) refer to this as “social value”, because by participating in the study, the NPOs would have gained insights and valuable knowledge that they could use to transform their practice.

4.11.1 Informed consent

All participants were informed about the purpose of the study (Creswell & Creswell, 2018). The online questionnaires all had sections where, to begin taking the questionnaire, participants had to select an option to proceed in order to commence with the questions. A screen would come up where in a few lines, the researcher was introduced and brief information on the research topic and purpose of the research was provided. A question asking respondents to agree or disagree to proceed with the research was available and only when the respondent selected “OK” could they proceed to the actual questions. The consent form was imbued in the questionnaire – as per the University’s guidelines (Stellenbosch University, 2019) for online research tools and contained the following details:

(i) A clear explanation of what information was being collected, and why;
(ii) What would happen to the data that was collected;
(iii) A stipulation that individuals would not be identified or singled out and that responses would not be attributed directly to them; and
(iv) An explanation that although the study findings might be shared publicly, beyond South Africa, for example in publications or conferences, participant anonymity would be ensured.

The researcher committed to ensuring that all participants would receive feedback on the findings at the end of the study, as suggested by Creswell and Creswell (2018), so that respondents could understand what the research outcomes were. For the two NPOs, their Board and management had the liberty to decide how to further disseminate or utilise the findings to enhance the work undertaken by the organisations, particularly as they engaged with their end-users.

4.11.2 Managing the Risk of Harm and Maximising Benefits to Respondents

The research provided an opportunity for the two NPOs involved to receive firsthand information on how to strengthen their programming initiatives to make these more

responsive. This study therefore has the potential to influence the process of programme design, external engagement with communities and promote user-centred design that is responsive to community needs, as suggested by Stellenbosch University (2019). The research also has the potential to influence the development of programmes in a manner that will ultimately strengthen organisational strategy development processes and governance practices. For the NPOs' service end-users taking part in the study, the research provided an avenue to voice themselves and potentially influence the design and implementation of programmes from which they are meant to benefit. In this way, the study hopes to be of value to the respondents and their communities. Since some of the respondents were from under-resourced communities, it was critical that any potential harm be mitigated, for instance, by acknowledging that their voices and opinions were not misrepresented. It was also important to consider the existing power imbalances and to avoid any actions that may have been construed as efforts to influence or subjugate, the opinion of the respondent.

In the initial proposal that was submitted to the Research Ethics Committee, the researcher had proposed awarding all end-users with data (at the end of successfully completing the survey). The respondents were not informed about this prior to participating in the research and it was proposed that such an arrangement would be facilitated by the two Non-Profit Organisations. However, this incentive posed a potential risk of being viewed as perverse. There was also the possibility of a response bias (Stake, 2010) that it could generate in encouraging respondents to provide responses that they thought the researcher wanted to hear, namely that respondents could provide biased communication, providing untruthful or misrepresented data. The Research Ethics Committee questioned the principles of implementing this incentive and the suggestion was therefore not implemented. In addition, the impracticalities of purchasing and distributing multiple pre-paid data bundles meant this idea was not feasible. Due care was also taken to manage power dynamics, especially considering that some end-users might have felt threatened that if they told the truth about their experiences, it might impact on them benefitting from the organisations. There was therefore a risk of biased communication (Stake, 2010).

4.11.3 Managing grievances

Both end-users and organisational staff were provided with a complaints mechanism: a recourse for any concerns that they may have with the researcher or research process.

This was undertaken by providing the researcher's email, WhatsApp® number and PhD supervisors' email details. Providing these contact details was important for transparency, so that if any of the respondents had a concern with the researcher or the research process, there was an alternative contact detail of the PhD supervisors, who could attend to their concerns. It was also important to provide an email address so that a record could be kept of any concerns raised. Utilising the PhD supervisors' official email addresses, and not their cellphone numbers, meant that the supervisors' privacy was also protected and it prevented the supervisor being inundated with correspondence.

4.11.4 Privacy, Confidentiality and Data Protection

Data that was collected was stored safely on a hard drive and backed up on a cloud, as recommended by Creswell and Creswell (2018). Access to the cloud storage was controlled with a password and this password protection meant that the data could not be accessed by anyone but the researcher. Data will be stored for at least five years, as per standard practice in data protection procedures and as stipulated in Stellenbosch University's policy on research ethics (Stellenbosch University, 2020b). After this period, the data will be duly disposed of.

Since questionnaires were completed individually and were online, there was a minimised risk of misinformation and of participants publicly divulging other respondents' sentiments (Guest *et al.*, 2017). This is a typical risk that is common to focus group discussion participants as a researcher cannot guarantee, in such cases, that all focus group participants would keep discussions confidential and not tell outsiders of proceedings and what was discussed. There is therefore heightened privacy associated with anonymous online individual questionnaires.

4.12 LIMITATIONS OF THE STUDY

This section deals with the limitations associated with the research design and methodology only. Broader limitations related to time and resource constraints and the paucity of information on the topic of study were detailed in Section 1.11 in Chapter 1.

4.12.1 Small sample size means findings cannot be generalised

The small sample size was due to several factors: it was the researcher's first time doing a study on this topic, which was relatively under-researched and although there was a

desire to collect as much data about the topic as possible, so that avenues for future studies could be identified, this inexperience rendered it impractical to conduct a large scale study. There were also difficulties faced in identifying and securing the participation of an INGO. The first organisation that was approached did not respond at all to emails, telephone calls and requests to participate in the research. The INGO that finally agreed to participate was selected because this organisation came across the researcher's work, was interested in the topic and saw the value in contributing to such research, particularly as a rights-based organisation. The small sample size, therefore, meant that findings could not be generalised. Although the adoption of a mixed methods approach meant that rich qualitative and quantitative data was collected (Creswell & Creswell, 2018), this does not fully compensate for the smallness of the sample size.

4.12.2 Managing the potential for response bias

The end-users were selected from a list that was consolidated by the two NPOs. There was a likelihood that the two organisations could act as gatekeepers to respondents and only forward participant details for those respondents who were likely to portray the organisation and its work in a positive light. To manage the risk of selecting respondents who could be biased towards the organisations, the researcher randomly selected the final list of respondents from that which was provided by the organisations. In this way, the two organisations had limited control on who the final respondents were.

4.12.3 Coronavirus and changes to design methods

The global pandemic meant that the research could not proceed as initially designed. For instance, face-to-face interviews could not take place with Board or staff members, and focus group discussions were also cancelled, in favour of self-administered online questionnaires. This had an impact on the data that was collected as it was not as rich as it could otherwise have been.

4.12.4 The relevance and appropriateness of incorporating qualitative methods

Although qualitative methods allow the researcher to reflect on behaviours, experiences, processes and people's perceptions of the world around them, the use of these methods is also deemed a costly exercise (Stake, 2010). This is particularly true when one compares the amount of time and resources utilised, and how many more responses,

for instance, a researcher could have gathered if a purely quantitative approach was utilised instead.

Another limitation that is associated with the use of a qualitative method is the risk of creating what Stake (2010:29) refers to as “entrapment” for the respondents. This arises when research raises questions that a participant had never questioned or considered before and, by virtue of participating in the study, is forced to reflect on the question in order to provide answers. Feedback from some of the programme staff raised this as a concern: some respondents stated that they found themselves pausing to reflect on their programming practice and to try and make sense of why they did things the way that they did. This was not necessarily a bad thing.

There were also challenges associated with incorporating a qualitative approach: because the sample size was small, findings could not be generalised to larger populations. Although the use of two case studies allowed comparisons to be made which, to some extent, increased the generalisability, -- what Yin (2013:325) refers to as “analytic generalisation” – this was still greatly limited compared to a quantitative study, as noted by Merriam and Tisdell (2016). However, as a mixed methods study, the research was able to draw on the strengths of the quantitative design and minimise the disadvantages emanating from the qualitative approach.

4.13 SUMMARY

The research aims were two pronged: to establish the downward accountability practices of two NPOs in South Africa, and to determine if the NPOs’ end-users played a role in creating organisational value. The study sought to achieve this through researching objectives in three areas: organisational accountability practices, NPO relationships with end-users and establishing the two NPOs’ understanding of how organisational value is created. This chapter also detailed the ethical principles that were considered in the implementation of the study. The chapter detailed the concerns around respondent consent, managing harm, bias, grievances, and promoting privacy and integrity of the data. The limitations of the research design were also explained, particularly limitations associated with having a small sample size and making changes to the research design and data collection procedures due to the threats posed by the Covid-19 pandemic.

The research used self-administered online questionnaires that contained a mix of multiple choice, open-ended and closed-ended questions that were tailored to the three groups of respondents: end-users, NPOs' Board members, and the NPOs' programming staff and directors. This allowed the research to document the perspectives and experiences of each respondent group. It also made it easier to compare findings across respondents. The two organisations' strategy documents were also reviewed, and this was an effort made to analyse how the NPOs positioned themselves in relation to end-users, and specifically, to determine how the accountability question was articulated in the organisation's guiding documents.

The study utilised qualitative methods of data collection and analysis to understand the accountability and value-creation practices of two NPOs in South Africa. This chapter detailed the factors informing the research design and methodologies used in the research to ensure that the objectives of the study were met. The next chapter presents the data that was collected within this background and research design context.

CHAPTER 5

RESEARCH FINDINGS AND DISCUSSION

5.1 INTRODUCTION

The primary objective of the study was to determine the relationship between downward accountability and value creation in two Non-Profit Organisations in South Africa. Specifically, the study sought to establish whether there was a direct causal relationship or indirect relationship between downward accountability and NPO value creation.

To achieve this, the research examined three secondary objectives covering three areas: strategy, accountability, and value creation. This chapter presents the data that was collected as well as an interpretive analysis of the findings. These results are compared to the literature, theoretical framework and other similar studies.

Typical of a self-administered questionnaire, there were not only initially low response rates, but also delays in receiving completed responses, especially since this was an online questionnaire, and it was conducted during the COVID-19 pandemic. As a result, data was collected over a four-month period from November 2020 to March 2021. Several reminders had to be sent to organisational staff to complete their questionnaire, and follow-ups were done with those staff members who facilitated access to the NPOs' service end-users to collect data from community members.

There were three primary categories of respondents: (i) community members, who were end-users of NPO services; (ii) NPO programming Staff and Directors; and (iii) NPO advisors or Board members. Each respondent group had a tailored online, self-administered questionnaire that could be completed through a Google Forms® link. The questionnaires were structured and therefore provided opportunities to compare responses from each of the NPOs, as well as to compare the primary data findings with secondary data from the literature review. The research adopted the use of questionnaires in which there were close-ended and open-ended questions. The close-ended questions provided quantitative data and the open-ended questions provided qualitative data.

The responses from the three different groups of respondents were also compared and this level of triangulation helped to identify key themes around the findings. This chapter provides the findings from a secondary data review – specifically the review of the two NPOs' strategy documents. It then provides the findings on strategy, accountability and value creation, with similarities and distinctions made based on the data collected from each of the three categories of respondents.

5.2 DATA FROM COMMUNITY MEMBERS OR SERVICE END-USERS

It was necessary to interview end-users (community members) because they are the primary users of NPO services and are best positioned to help establish the efficacy and responsiveness of the services provided by these NPOs. They would best be able to describe the extent to which NPOs are deemed to be accountable and their experiences and opinions would provide an assessment of the meaning and value ascribed to the NPOs being studied. Their feedback has made this research relevant because it has enabled the researcher and the participating NPOs to generate data that can support efforts to improve NPO accountability to the communities they set out to serve. This could result in changes to NPO governance and accountability practices.

It was also necessary to include community members as end-users of NPO services to deconstruct the notion that only NPO programme staff and donors are knowledgeable experts best placed to establish or determine the effectiveness and meaningfulness of NPO interventions. Community members' involvement provided an opportunity for the research to be more inclusive, and for an important constituency to inform our understanding of NPO value creation in communities. This is part of a process of what renowned scholar Ndlovu-Gatsheni (2015) refers to as the democratisation of knowledge and decolonisation of research, knowledge production and intellectualism. The approach taken in the current research is an attempt to be inclusive by involving the relevant stakeholders and their voices.

5.3 DATA FROM NPO BOARD MEMBERS OR ADVISORS

Board members and advisors assist with defining the strategic direction of an organisation. It was imperative to gather data from this group because they are at the forefront of developing the organisation's strategy and are crucial in articulating the NPO's mission and vision. The Board and advisors of an NPO help to drive the mission

of the organisation: they are crucial in leading the development of strategy, which informs the work of the NPO and its relations with stakeholders.

5.4 DATA FROM NPO PROGRAMMING STAFF AND DIRECTORS

This category of respondents was responsible for the actual operationalisation of NPO policies and for implementing programmes. These individuals are the interface between the NPO and stakeholders, including the service end-users, and would therefore be in a better position to provide data on how the NPO operationalised its strategy.

5.5 SECONDARY DATA ANALYSIS: NPO STRATEGY DOCUMENTS

An analysis of the two NPOs' strategy documents was undertaken to establish whether accountability was mentioned in the organisations' guiding policies. Efforts were also made to determine the way accountability was promoted – whether through policy, practice or if it was mere rhetoric.

The international NPO positioned itself as a human rights organisation with a global vision of ensuring that every individual can enjoy their fundamental human rights. The organisation had baseline research as far back as 2013 that measured the levels of participation of end-users in programme planning and implementation. Strategy documents indicated that end-users were expected to be consulted at every stage of the project cycle, and that the organisation had to move away from focusing on end-user participation in activities, and rather focus more on the end-user's engagement in all the INGO's planning processes. The organisation also separately tracked and monitored the extent of end-users' participation, making a distinction on whether the end-user fully engaged in programme processes and jointly took decisions with NPO programme staff, or was merely kept informed of the work and progress of the organisation.

The INGO also tracked and reported quarterly and annually in its global reports on the level of engagement with stakeholders, particularly end-users, referred to by the organisation as 'rights holders'. This was a standalone indicator in a self-assessment tool where programme staff had to use a four-point scale indicating whether their end-users were: (i) not involved; (ii) informed; (iii) consulted; or (iv) jointly made decisions. This data was collected and used as a proxy indicator for measuring the organisation's

levels of impact. Accountability, including downward accountability, was therefore clearly articulated in the INGO's strategy and programming documents. Accountability was viewed as imperative in the work of the INGO and influenced stakeholder engagement and the relationships that the organisation had with its end-users.

The local NPO's mission is to partner with local agents in rural communities to build vibrant, sustainable rural communities. The organisation's strategy documents had built-in mechanisms for promoting accountability, particularly through policies and providing training to the Board and staff. For instance, timelines and budgets were set aside for regular review of organisational policies on sexual harassment, conflicts of interest and preventing corruption and gender-based violence. The strategy also articulated a partner capacity-building programme where community-based organisations would be trained on how to promote and implement community participation in order to obtain 'buy-in' and ensure sustainability of project interventions. Community member participation was therefore built into the strategy of the organisation and informed not only the way in which the NPO worked with its community partner organisations, but also individual community members. The local NPO strategy was also specific about increasing the participation, especially, of women, youth and minority population groups. The strategy also has a component of supporting stakeholders to demand accountability from supply-side agencies, including the government, and to put in place policies, systems and procedures that enhance good governance and accountability.

The common feature of both organisations' strategies was the importance that was placed on stakeholder representation, particularly on end-users' participation in NPO strategy and programming processes. Both NPOs specifically mentioned, in their strategies, the need to involve community members in the planning and implementation of programming activities. Table 5.1 on the next page summarises the key findings on accountability that were drawn from a review of the two organisations' strategy documents. This review involved examining the two organisations' strategies to establish whether impact on communities as end-users was considered and articulated.

Table 5 1: Key findings on accountability derived from NPO strategy documents

	INGO findings	Local NPO findings
Organisations' strategic focus	- Human rights and activism	- Social justice and service provision
Strategy mentions accountability	Yes. - Strategy promotes end-user participation in programme planning, implementation and evaluation - Strategy documents required end-user consultation at every stage of the project cycle	Yes. - Strategy promotes end-user participation in programme planning and implementation
Accountability framework	- At a global level, INGO signed up to HAP accountability framework - Accountability indicators developed, regularly tracking and reporting on end-user participation through the organisations' Monitoring and Evaluation plans	- Finance and governance policies promote accountability - Organisation provides training to staff and Board on accountability
Accountability practices	- Stakeholder representation - End-user participation - Downward accountability prioritised	- Stakeholder representation - End-user participation - Downward accountability promoted

Both organisations' strategies did not mention impact as a standalone factor that would be used to gauge or measure the extent of the NPO's progress in meeting set objectives. There was no direct mention of any relationship between the desired programmatic impact, and the accountability practices of the organisation. Both NPOs' strategy

documents did, however, mention the organisation's intentions towards making significant impact, through the actions adopted, in the lives of their end-users.

5.6 FINDINGS ON STRATEGY

The Value Creation Framework by Moore (2003) emphasises the role that strategy plays in enabling an organisation to define the parameters of its work (mission, vision and purpose). The Framework considers how strategy impacts on how well the organisation can respond to the demands and needs of the community it serves. Strategy also informs the collective efforts of implementing an organisation's vision and mission. The Value Creation Framework (Moore, 2003) was used to inform the design of this research. To answer the primary research question, the research had to establish who the NPOs perceived as stakeholders in development processes, including that of strategy creation and participation at various stages of the project cycle. To establish how strategy impacted NPO accountability and value creation, this research asked the following key questions: who does the NPO involve in strategy design and implementation? Who sets the targets? What role do different stakeholders play in helping to develop the NPO strategy?

The research findings showed that, across all respondent groups, the importance of a strategy on the work of an NPO was understood. The findings from the questionnaire administered to Board members showed that the Board's understanding of the local NPO's mission was also aligned to that articulated in the organisation's strategy documents. Questions around strategy that were presented to community members showed that the two selected NPOs did indeed create platforms for community members to participate in developing and implementing strategy. The programming staff saw their organisations' strategies reflected in the NPOs' programming approaches, as both NPOs were viewed as human rights and social justice-centred organisations – even the local NPO, which primarily provided direct social services to communities. This might be attributed to the NPO's strategies and how the work of the organisations was articulated. The key themes around strategy development and implementation are discussed in more detail next.

5.6.1 Organisational programming approach and impact on strategy

There was congruence in each of the NPO's articulated strategies and how service end-users understood the role and mission of the NPO. This was reflected in the way

respondents articulated their understanding of the organisation's mission and vision. It was also reflected in response to questions posed on how programming staff understood the NPO's core purpose and the organisation's programming approach. Figures 5.1 and 5.2 below illustrate this, based on responses from programming Staff and Directors.

Figure 5.1 below shows that half of the respondents from the programming Staff and Directors viewed capacity building as their NPO's core purpose, whereas a third felt that policy and institutional influencing were the main priorities for their NPO.

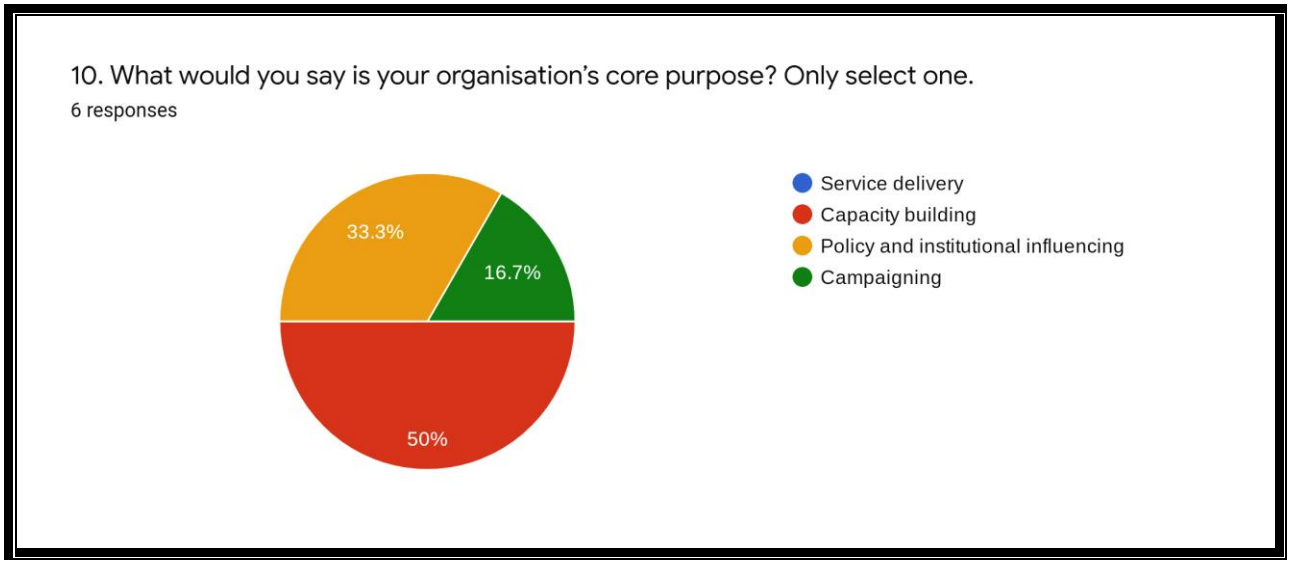

Figure 5.1: Programming Staff and Directors identifying the purpose of the NPO

All six of the programming Staff and Directors primarily saw their NPOs as being driven by human rights and social justice imperatives. Although the local NPO provided direct social services to communities, it was not viewed as a welfare organisation as illustrated in Figure 5.2 on the next page.

Figure 5.2: Programming Staff and Directors description of the core approach used in programming

5.6.2 Community members' understanding of NPO strategy, vision and mission

There was congruence in the two NPO's articulated strategies and the way their service end-users understood the role and mission of the NPOs. Some responses quoted verbatim below, with no changes to the grammar and spelling, in order to maintain authenticity, included that it was the NPO's duty to undertake the following:

> *"Protect, promote and investigate human rights violation."*

> *"Service disadvantage community members."*

> *"Empower communities on Human Rights Education & Awareness, HIV & AIDS and community development."*

> *"To develop and assist [communities]."*

> *"To strengthen the demand supply for public resource accountability among the general public."*

> *"To strengthen the capacity of members so they are able to plan, develop, implement, monitor and evaluate effective programmes designed to benefit [communities]."*

> *"To strengthen the capacity of members so they are able to plan, develop, implement, monitor and evaluate effective programmes designed to benefit persons with [disabilities]."*

The study found that the way in which local NPO staff understood the vision and mission of the NPO (Figure 5.1) correlated with the role that was given to end-users. For instance, there was mention of "partnership" and "involvement" of local communities. This outlook might have influenced the inclusion of end-users in the NPOs' strategy development and programme implementation processes. The local NPO Board's understanding of the NPO's mission was also aligned to that articulated in the organisation's strategic frameworks and secondary documents. Programme Staff and Directors from both organisations reported that community members were involved in strategy development processes.

These findings therefore suggest that the two NPOs enjoyed significant buy-in of their organisational mission and that the organisations were perceived to be adding value to the communities in which they worked. These findings also suggest that NPO Staff and Directors understand the linkages between governance, accountability and value creation, as one of the hypothesis statements was to establish whether, from its relationship with end-users, an NPO could make such linkages.

5.6.3 Community participation on Boards

Community participation on Boards might have occurred because programming staff viewed community end-users as their primary stakeholder (Figure 5.3 below). This data can be used as an indication that the NPO leadership viewed the participation of end-users as crucial in helping to develop and implement the strategy of the organisation. Furthermore, community participation is an indication of the organisation's commitment to accountability. This is similar to findings from the programming staff questionnaires (see Figure 5.3 on the next page), where 66% of the six programming staff overwhelmingly identified community end-users as the primary stakeholder.

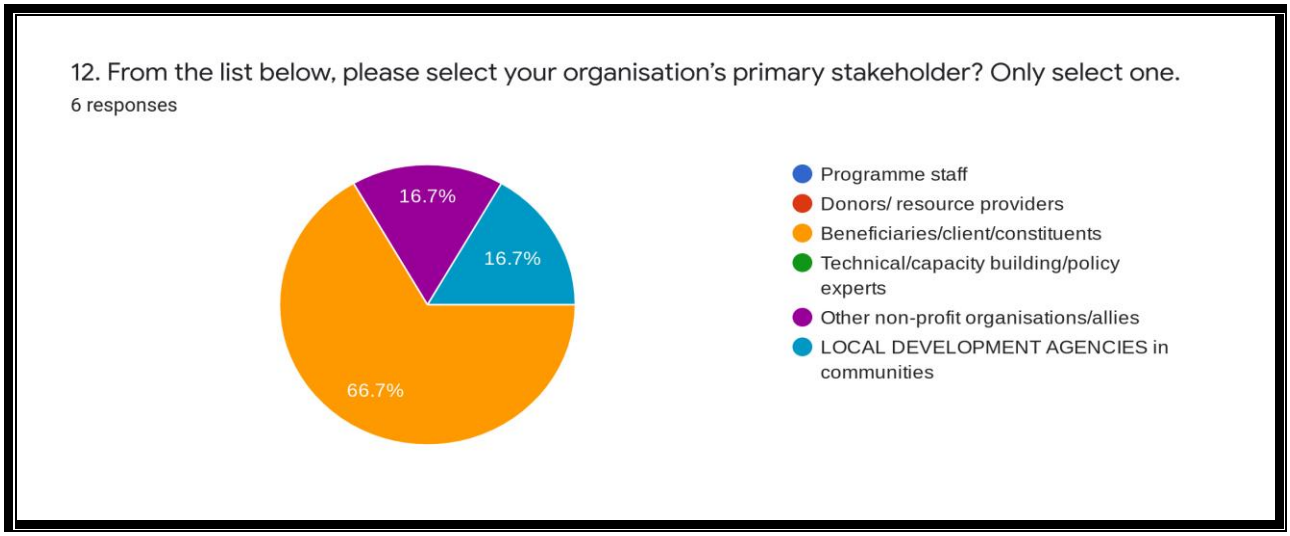

Figure 5.3: Programming Staff and Director's identification of the NPO's primary stakeholders

5.6.4 Stakeholder participation in strategy development processes

The research sought to establish which stakeholders were involved in the two NPOs' strategy development processes, as illustrated in Figure 5.4 below. It also sought to determine at which stage of the project cycle these stakeholders were involved. In the strategy development process, programming Staff and Board members from both NPOs indicated that community representatives sat on their Boards – the highest decision-making and policy development structures of the NPOs. This is the forum at which decisions were made regarding the strategy and direction of the NPO, the scope of its work, mission and utilisation of funds and resources.

Figure 5.4: Stakeholders involved in the two NPOs' strategy development processes

5.6.5 Identifying levels of community participation

For an organisation to effectively undertake its mandate, particularly executing its mission at a community level, community awareness is important. The community members who took part in the study understood the roles being played by the two NPOs and there was an alignment in the way community members articulated the NPO's mission and how the respective NPOs articulated their strategies. This congruence is important because it illustrates a level of buy-in for the NPO's work, which is crucial for lending legitimacy to the organisation. Moore (2003:23) refers to this in the Public Value Framework as "legitimacy and support".

The literature review (sections 2.3.2.2 and 2.3.3.2) highlighted the significance of community member participation in the various stages of the programming cycle: from programme inception and planning to programme implementation and evaluation. The study sought to establish who was involved in the two NPOs' strategy making and project cycle implementation processes and included establishing whether there were platforms for different stakeholders to participate (self-representation), which stakeholders participated, which processes they participated in and how frequently they participated. The findings are detailed in the sub-sections below.

The levels of participation were corroborated with all nine respondents to the questionnaire sent to community members reporting participating in strategy and NPO mission development and 77% (seven out of nine community members) reporting sitting on the NPO's Boards (Figures 5.6 and 5.7, respectively). These findings were supported by the findings from community member questionnaires. All nine community members reported participating in developing the mission and strategy of the NPOs. However, only seven respondents (77.8%) reported being a member of the NPO's Boards, as indicated in Figure 5.5 on the next page.

Figure 5.5: Percentage of community members who have participated in NPO strategy development

A similar number of respondents (77.8%) reported also participating in developing the organisation's mission, as shown in Figure 5.6. These findings affirmatively answered two key questions derived from the problem statement: they helped to establish the two NPOs' perceptions of who a stakeholder is and whether beneficiaries are viewed as stakeholders, as well as establishing where, in the programme cycle, the NPOs involved their end-users.

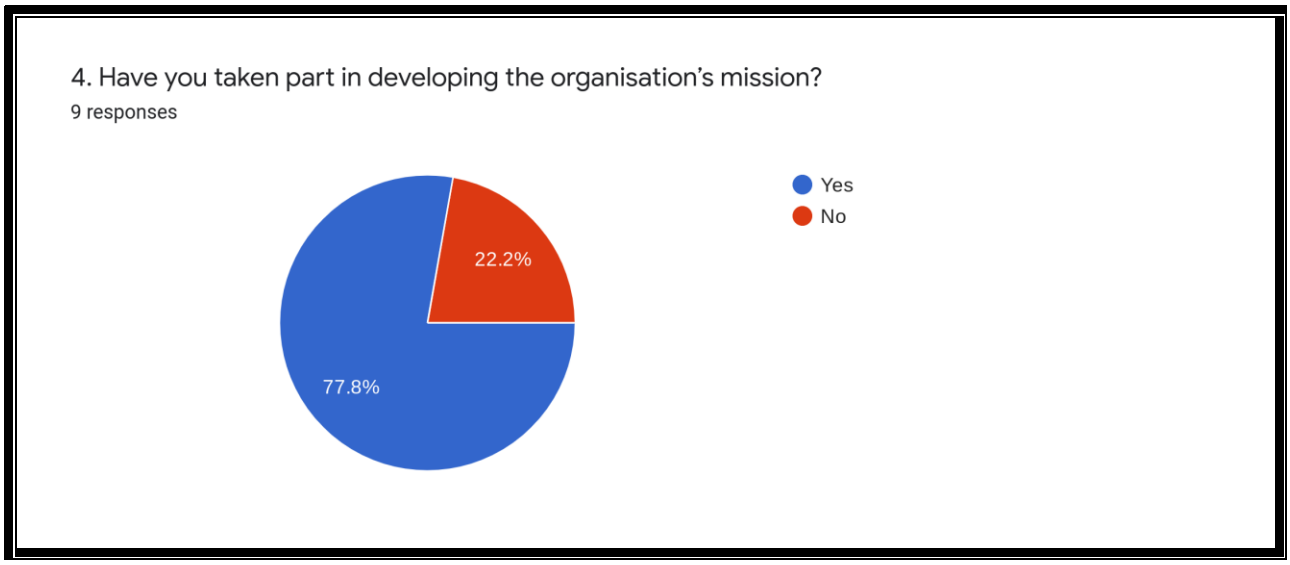

Figure 5.6: Percentage of community members who have participated in developing the NPO mission

In addition to sitting on the Board, community members and other NPOs were identified as the other stakeholders (apart from the NPO Board and staff members) who took part in the strategy development process. Here, 83% of programming Staff and Directors (five out of six respondents), and 66% of Staff and Directors (four out of six respondents) reported involving community members and other NPOs, respectively (see Figure 5.7 below).

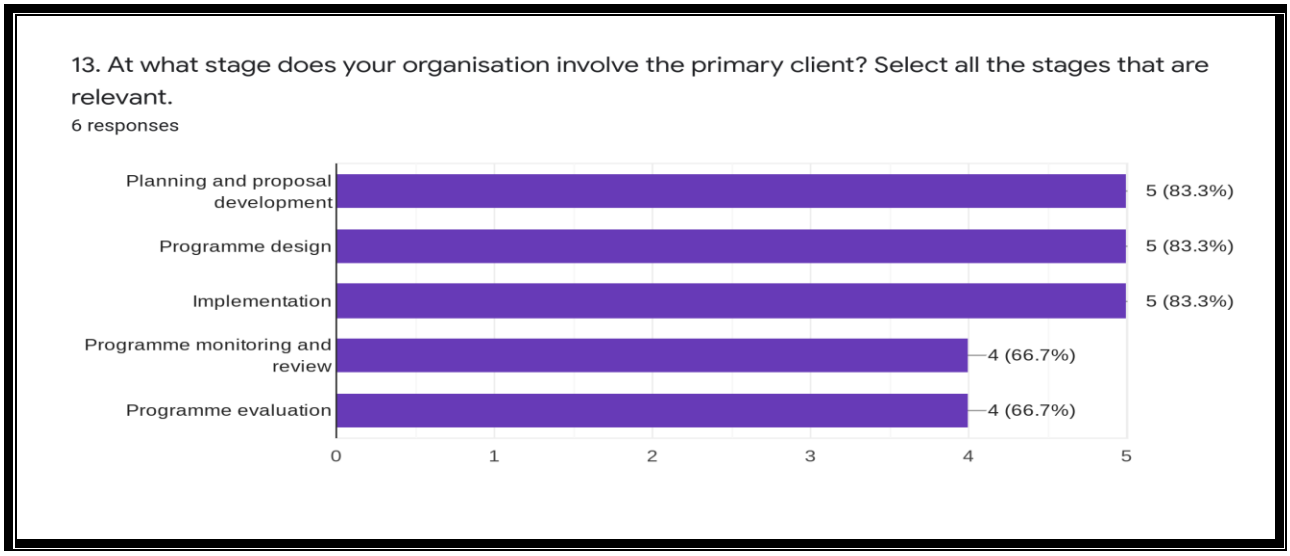

Figure 5.7: Programme cycle processes in which NPOs involve community end-users

5.6.6 Stakeholder participation in programming

The standard project or programme cycle process involves five key stages: (i) planning and proposal development; (ii) design; (iii) implementation; (iv) monitoring and review; and (v) evaluation. The literature review (see sections 2.3.2.2. and 2.3.3.2. in Chapter 2) identified the participation of stakeholders in the NPO's programme cycle processes as important for strengthening the development and articulation of strategy, as well as impacting on the implementation of the NPO's strategy. There was also a link made between stakeholder involvement (particularly end-users) and the provision of responsive, high impact programming (Moore, 1995).

Community members (end-users) corroborated the findings from the NPO programme staff that they participated in programming activities. Out of the nine community member participants, eight respondents (89%) indicated participating in the implementation of activities; seven (77%) reported on participating in programme

planning and proposal development; and five (55%) reported participating in programme design, monitoring and evaluation, as indicated in Figure 5.8 below.

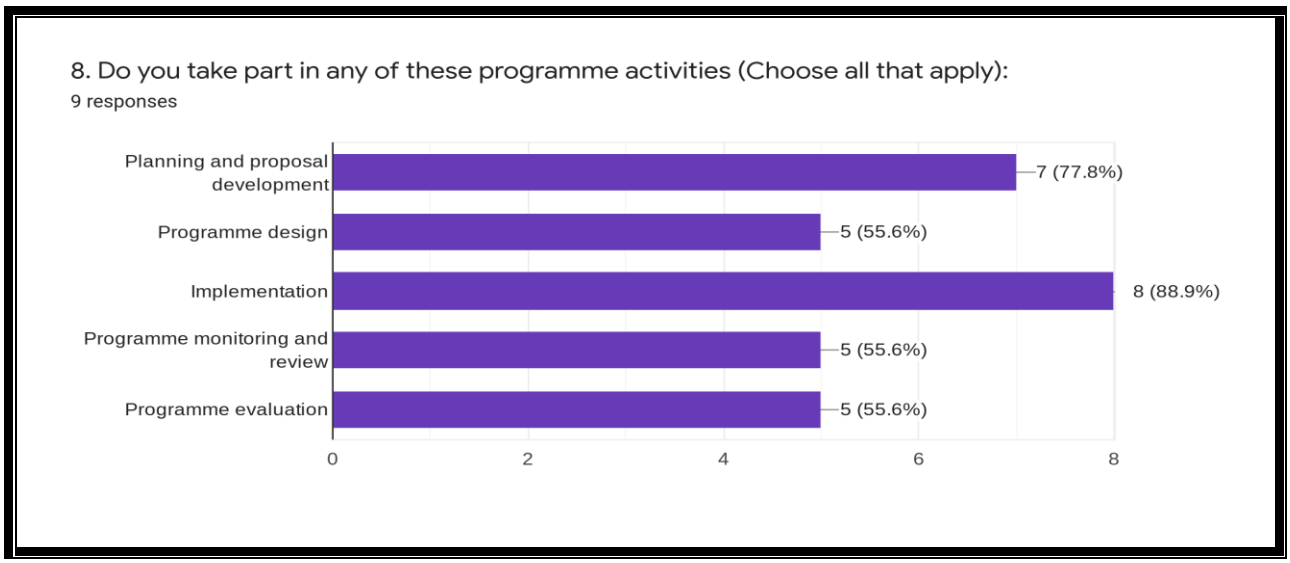

Figure 5.8: Community members' participation in NPO programme activities

The literature review (see section 2.4.1.2 in Chapter 2) argues that the importance placed on a stakeholder will ultimately influence whether a stakeholder is viewed as significant and having influence in the organisation and its work, as well as impacting whether or not the NPO prioritises accountability to this stakeholder. The significance of a stakeholder also impacts on the role that is ascribed to the stakeholder in the strategy development process. Most programming Staff and Directors from the two NPOs (five out of six, or 83%) reported involving community members, specifically, in the first three stages of the programme cycle, that is, planning and proposal development, programme design and implementation. Only four out of six respondents (66%) reported involving end-users in all five stages of the programme cycle (which includes programme review, monitoring and evaluation), as illustrated in Figures 5.7 and 5.8 above.

The findings on participation from community member and programming staff questionnaires were different from the Board members' responses. Compared to the programming staff, who said that community members should be involved mainly in programme design and implementation, Board members saw the need for end-users to be involved at every stage of the project cycle, from programme design to implementation.

The Board members' feedback revealed that all four Board representatives from the two NPOs prioritised the participation of community members in all five stages of the programme cycle. Figure 5.9 below shows that three of the four Board members indicated that they saw the role of end-users and community members as that of active participation in helping the NPO to fulfil its mandate and articulated mission, with one respondent articulating it thus: "Active partnership in solving problems and realising our mission and vision".

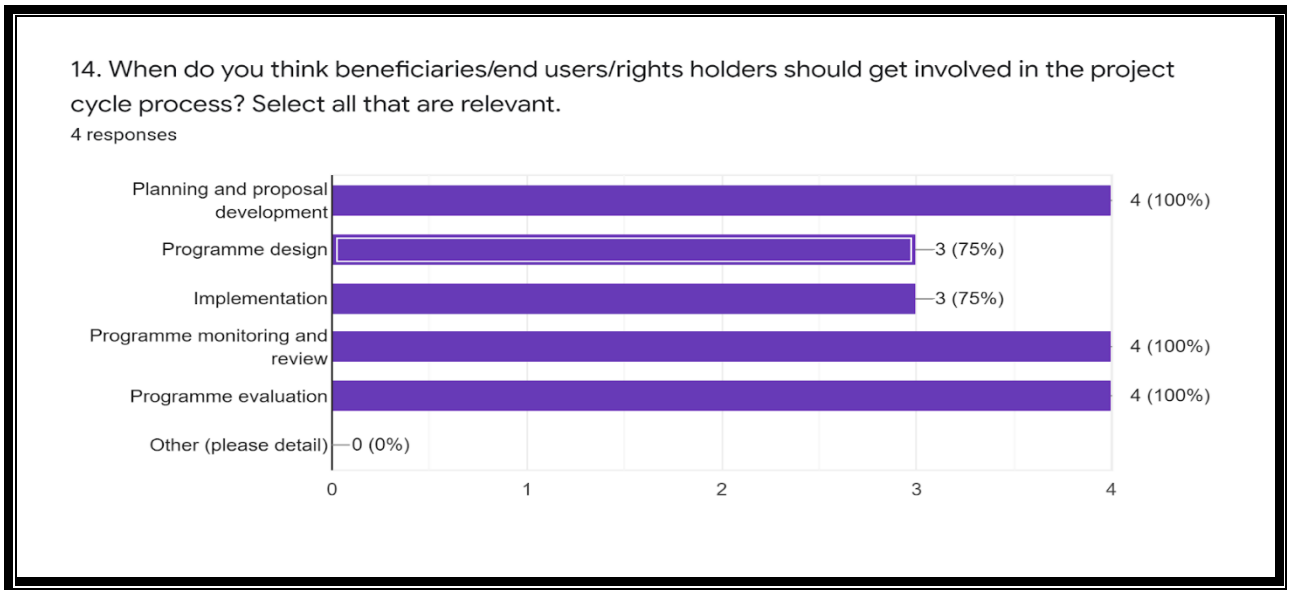

Figure 5.9: Board members' perceptions of end-user participation in the project cycle

Figure 5.9 shows a discrepancy between how the Board and programming staff viewed the role of community members. This slight discrepancy with findings from the programming staff indicates that the role of community end-users in the work of the NPOs is prioritised differently depending on whether one is overseeing strategy (such as the Board) or undertaking implementation (such as programming Staff). The perspectives of the Board members and programming Staff and Directors are not so divergent as to undermine the extent to which end-users are valued, but they do indicate that there is a need for all members of an organisation to agree on who their primary stakeholder is, and to clearly articulate the role that this stakeholder should play in the work of the organisation. Again, this is important because one of the objectives was for the study to establish how NPOs perceive the role of the end- user.

5.6.7 Perceptions of Government as a stakeholder

Overall, programme staff reported that beneficiaries and community members, Staff, Directors and the Board are their most significant stakeholders. Government was identified as the least significant stakeholder, with only one out of six programme Staff and Directors (16% of the respondents) identifying government as having influence (Figure 5.10 below).

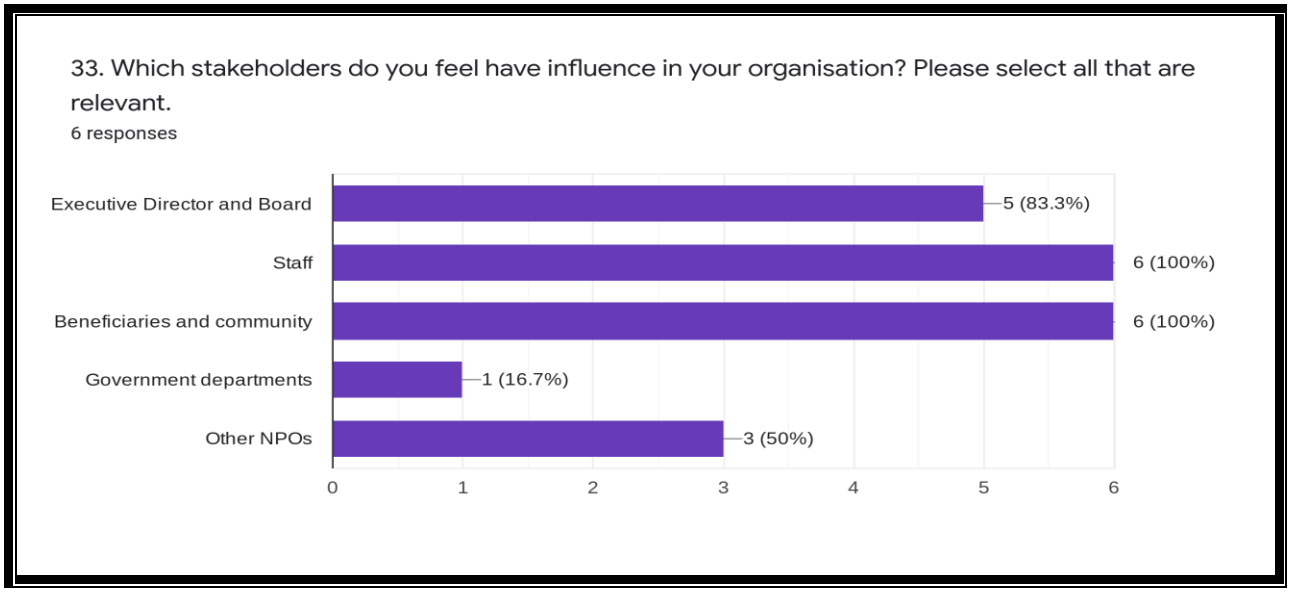

Figure 5 10: Most significant stakeholders, as identified by programme staff

Of the six programming Staff and Directors that responded to the questionnaire, 66% (four out of six respondents), identified government as the least significant stakeholder in the work that they do, as indicated in Figure 5.11.

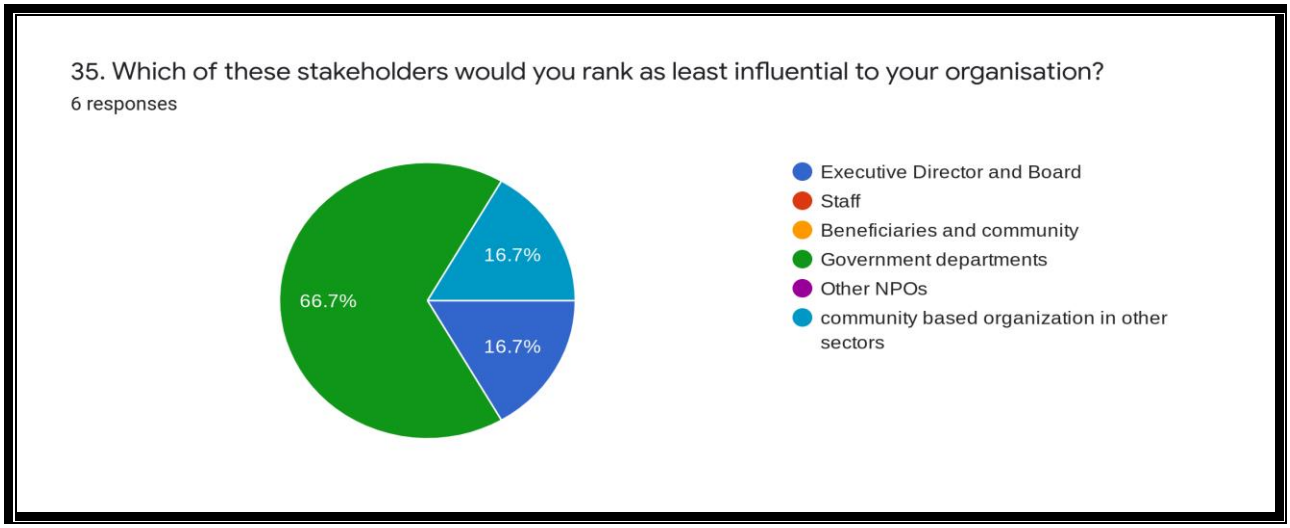

Figure 5 11: Least significant stakeholders identified by programme staff

It is worth noting that government departments are not only viewed as not an important stakeholder by programme Staff and Directors, but that they are also not involved in NPO strategy development processes. Only one out of six programming staff (16% of the respondents) identified government as having any influence in the work of the NPO, whilst most of the programming staff (four out of six, or 66%), viewed government as the least significant stakeholder (Figures 5.10 and 5.11 above). This is of concern because, for development to be sustainable and to have a broader, long lasting impact, especially where social services are being provided, it is important that NPOs design and implement programmes that are not only responsive to the needs of their end-users and communities that they serve, but that are also aligned to the developmental targets of the State, particularly at local government level, so that a collective contribution is made towards development.

5.6.8 Documenting participatory practice

Out of the six programme Staff and Directors, all respondents reported that they documented instances where community members provided input or feedback. Most respondents (five out of six, or 83%) reported that they also kept records on the following participatory processes:

(i) How beneficiaries or target populations are identified and selected for programmes;
(ii) How beneficiaries and community members participate at various stages of a project; and
(iii) How beneficiaries and community members can provide input or feedback to the NPO.

Most programme Staff and Directors reported keeping records of some of the participatory processes in which the NPO's stakeholders participated (see Figure 5.12). Eighty-three per cent of the respondents (five out of six programming staff) kept records on how programme beneficiaries and target populations were identified and selected as well as how end-users participated in programming processes.

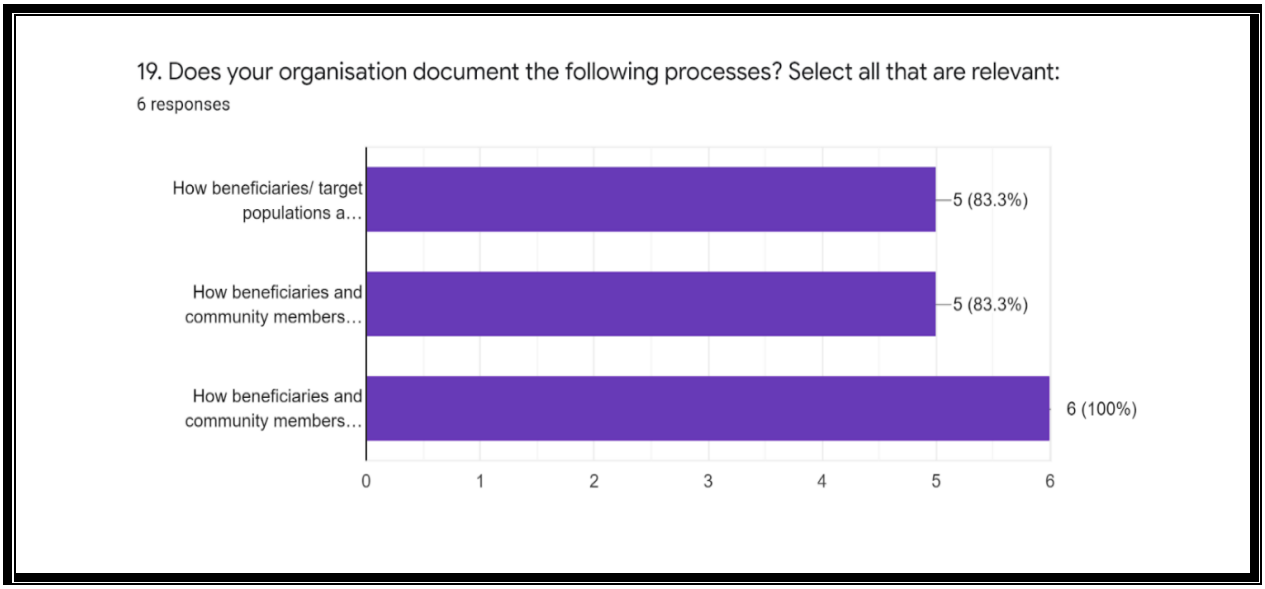

Figure 5 12: NPO's documentation of participatory practice

All six programme Staff and Directors reported keeping records on how community members provided input and feedback to the NPOs. These findings illustrate that the two NPOs' practices tacitly promote downward accountability. The motivation for these practices might not be articulated by the NPO as promoting accountability and the practices might be seen rather as a good practice, or 'the way of doing things'.

5.7 FINDINGS ON ACCOUNTABILITY

This section of the questionnaires sought to establish what policies, platforms and frameworks the two NPOs utilised to promote accountability. It asked respondents questions to determine from where the NPO derived its mandate. The Strategic Value Framework (Moore, 2003: 26) refers to this as "legitimacy and support". The study sought to determine how the accountability practices of the selected NPOs promoted beneficiary participation in creating organisational value. Key findings on how NPO Staff understood the concept of accountability, how it is manifested, the role played by stakeholders in promoting accountability and challenges faced in promoting downward accountability are all discussed in Sections 5.8.1 to 5.8.11 below.

5.7.1 The nature of an NPO and its impact on the accountability approaches adopted

Brown and Moore (2001) found that the purpose of an organisation and its key deliverables dictate to whom and how the NPO is accountable. These findings are echoed by Ebrahim (2003), who argued that:

> "Membership organizations, however, are structurally distinct from service organizations since their clients are their members, thus enabling a member-centered accountability. Network and advocacy organizations are also unique in that they display a collective accountability that is issue focused, which enables them to make demands of policymakers and elected officials, who are viewed as the agents of a dispersed membership".

However, the findings from this research question the assertions made by Brown and Moore (2001) as well as by Ebrahim (2003). The findings from this research show that although the INGO was a membership organisation focusing on human rights and advocacy, and the local NPO was more social justice and service delivery oriented, both organisations viewed downward accountability as important and put in place mechanisms to enable the implementation of accountability practices towards the NPO's stakeholders. This could suggest that, over the years, significant progress has been made by NPOs in embracing accountability as a crucial component of civil society governance, so much so that it has become part of standard practice. There is a potential to study further the nuanced changes that have taken place with NPOs, in order to understand the changes that have taken place in NPO strategies and processes that have enabled the adoption of this approach to accountability.

5.7.2 Signs of accountability in an NPO

One of the questions that arose from the problem statement was to identify the policies, structures and programming approaches that would influence the two Non-Profit Organisations' perceptions of stakeholder roles and participation. The study identified three key factors demonstrating accountability of the two NPOs: (i) the organisations being formally structured; (ii) the NPOs having reporting systems with accessible reporting methods; and (iii) the two organisations' having in place policies

for communicating, sharing feedback and receiving inputs. These are discussed respectively below.

5.7.2.1 Formal registration

Both organisations demonstrated formal accountability mechanisms as they were formally registered with the relevant authorities. The legal structures therefore represented a level of accountability, as identified in Figure 2.1 in Chapter 2. The local NPO was also registered for tax exemption status, as well as meeting its legal obligations by submitting regular reports to the Department of Social Development (DSD), Figure 5.15. The INGO was registered as a South African subsidiary of a global organisation and, although it operated as an NPO, it was registered as a company (Figure 5.13).

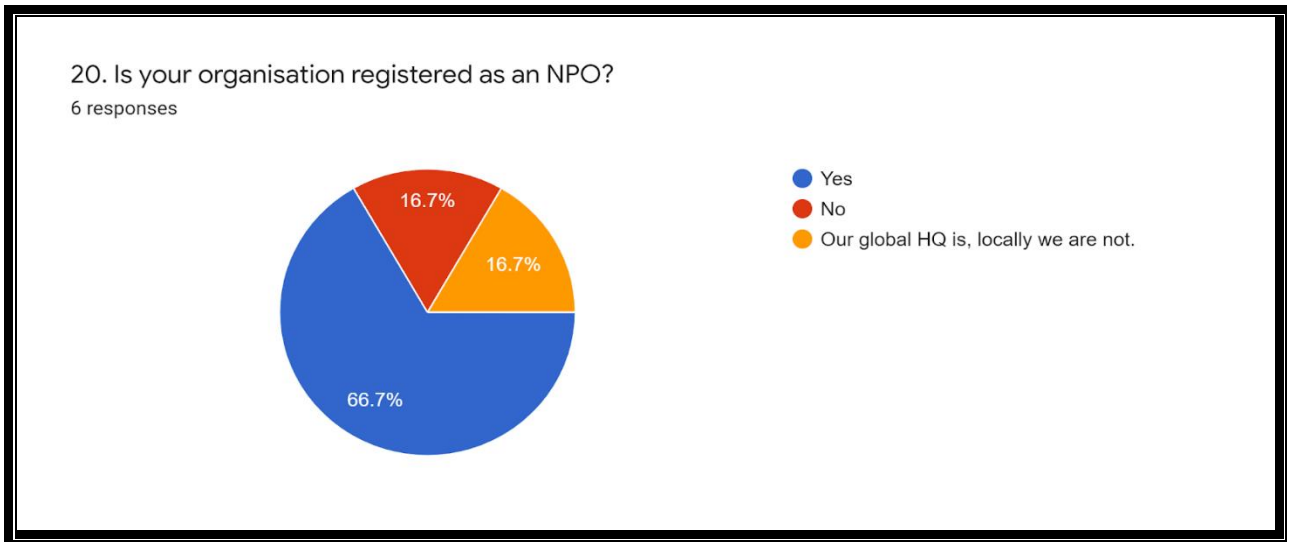

Figure 5.13: Registration of Non-Profit Organisation

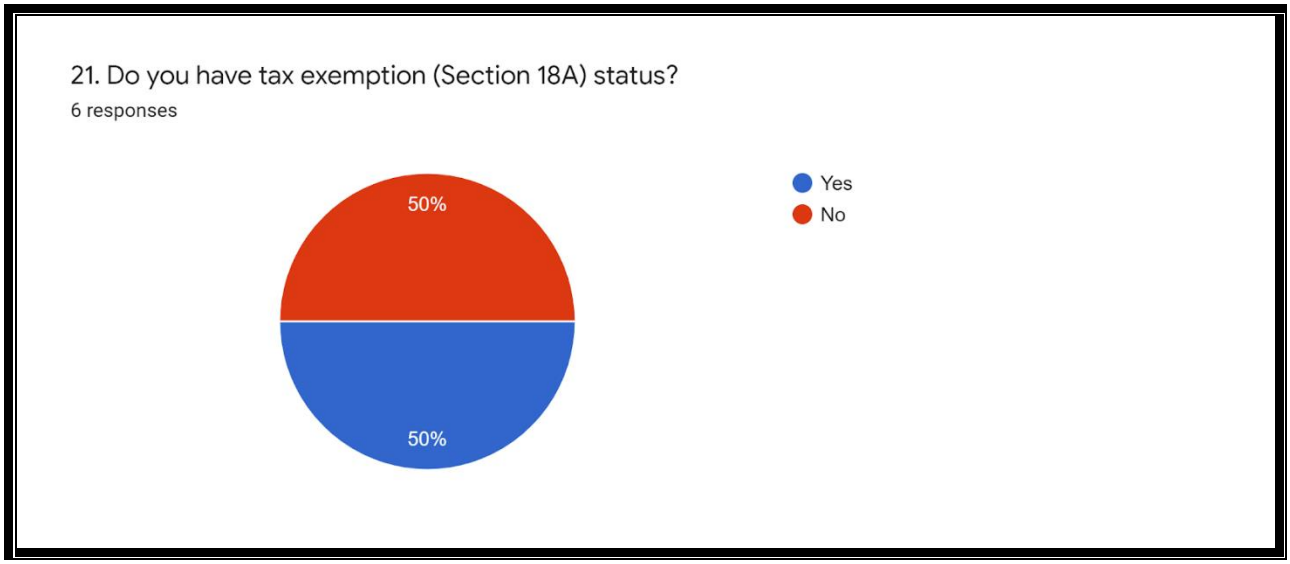

Figure 5.14: Non-Profit Organisations' tax exemption status

Only the local NPO was registered as a non-profit, with tax exemption status, and the INGO was only registered as an NGO at a global level, with a local subsidiary registered as a company in South Africa, although the organisation identifies and operates as an NPO, as illustrated in Figures 5.13 and 5.14 above.

5.7.2.2 NPOs having accessible reports

Community members felt that downward accountability was demonstrated by the two NPOs through meetings and the provision of reports and financial statements. Respondents felt that this demonstrated that the NPO could withstand scrutiny about the work it did, the resources used to undertake projects, as well as the progress being made to achieve set objectives.

Only the local NPO reported that it submitted reports to DSD, a legal requirement for all registered NPOs, as indicated in Figure 5.15. This reporting requirement is not an obligation for the INGO as it is not registered with DSD.

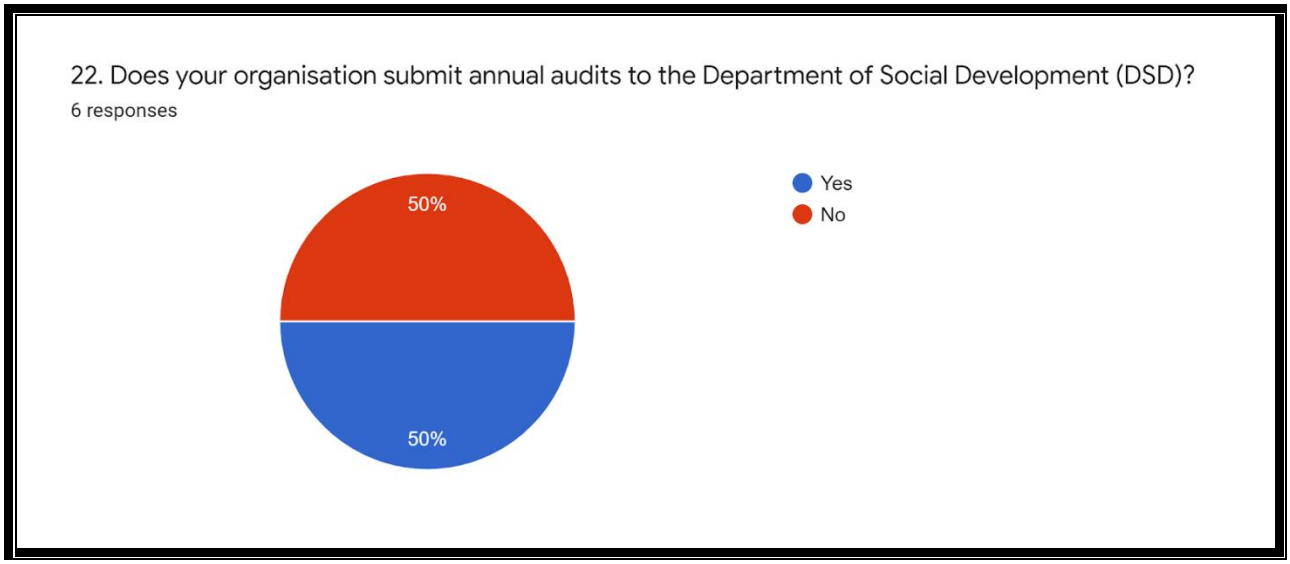

Figure 5.15: NPO submission of reports to the Department of Social Development

Not publicly sharing reports of the NPO's work and its reach undermines transparency and efforts for the organisation to be more accountable.

5.7.2.3 Provision and use of feedback mechanisms

Accountability can also be reflected in the policies, platforms and mechanisms that organisations put in place to promote stakeholder engagement, particularly in providing input into project design or feedback mechanisms for reviewing and evaluating programme implementation. A significant part of the programme cycle process involves providing feedback mechanisms not only at the evaluation stage, but built into all the other programming cycle stages, in order to provide opportunities for stakeholders to provide input as well as feedback. The following quotations illustrate responses received by the six NPO programme Staff and Directors regarding the mechanisms through which the NPOs receive feedback from end-users about the NPOs' programmes:

> *"Regular monitoring exercises; involvement of beneficiaries in planning, mid and annual programme reviews; project and intervention specific evaluations; online open feedback channels."*

"We engage Local Development Agencies (LDAs) in workshop. We also get information through monthly, quarterly reports. LDAs - forward letters reflecting about our work and engagement."

"So "beneficiaries" is not a term we use. we are member led organisation. So every strategy we develop is member led, designed and structured to have input of the members of [the organisation] globally, then we seek input of [the organisation] partners in civil society, rights holders and Human Rights Defenders themselves, in order to ground truth our assumptions so that by the time a global assembly of [the organisation] members adopt a strategic plan, or strategy it is globally significant and locally relevant."

"Through written and verbal feedback."

"Letters, emails, conversations. we are very intimately involved with our beneficiaries."

"Reporting, Regional and national training events. We have also in the past organised appreciative inquiries

Feedback mechanisms are important not only for accountability purposes, but also because such mechanisms enable organisations whose staff self-identified their work as being underpinned by social justice and human rights values, to provide some sort of mechanism to serve as platforms for receiving feedback, ideas and grievances. This answers one of the secondary research questions, which was to determine how the accountability practices of the selected NPOs promoted beneficiary participation.

Findings also show that respondents were aware of the learning opportunities that arose from providing opportunities to end-users to give information and feedback to the NPOs. The opportunities for programming staff to develop more responsive programming, particularly, were noted:

"[….] The local development agencies and citizens have first hand knowledge about their daily experiences and they are more capable

> *of knowing relevant responses to various challenges that they are encountering. It is also about respect and care. It provide a space for engagement, learning and development."*

This is important to note because literature indicates that increased organisational value can emanate from an organisation being aligned to the needs of the community it operates in and seeks to serve (Murtaza, 2012). This is because the NPO is more inclined towards providing responsive programming that meets the expressed needs of the community that is being served by the NPO. This recognition was also noted in a response received from a programme staff member:

> *"[….] If we carry out activities without being accountable, we are wasting their time and our relationship with communities could be extractive."*

The study hypothesis sought to establish how the NPO perceives its duty of accountability towards stakeholders, including its end-users. Although this study has established the above three examples of how the two NPOs under study demonstrated accountability, particularly to their end-users, it is clear that these practices were not necessarily the result of a deliberate approach where NPOs sat down, strategised and articulated what their accountability practices would be and what actions would be taken to demonstrate accountability practices. It could perhaps be a result of the purpose and values that underpin the work of the NPO – see literature Section 2.4.1.5 where Brown and Moore (2001) argued that the purpose, role and functions of an NPO influence the accountability approach and practices that are adopted by the organisation.

5.7.3 NPO accountability practices

Community end-users identified the following as practices that demonstrated accountability by the two NPOs:

(i) Meetings, including Annual General Meetings, were held with stakeholders; and

(ii) The following information was shared with stakeholders:
   (a) Funding that was received and how it was being utilised;
   (b) Grant agreements that were signed;

(c) Activities and programmes being implemented;

(d) The NPO using accounting programmes where payments are made online and can be traced; and

(e) The NPOs having in place Finance Officers.

The section below addresses these two main points in more detail.

5.7.3.1 Engagement with community members

The programming Staff and Director's questionnaire sought to establish, under section three on accountability practices, whether the presence or absence of an Accountability Policy influenced programme staff's engagement with community members. Figure 5.18 next illustrates that, despite not having an explicit Accountability Policy in place, 83% of respondents (five out of six programme staff or directors) held meetings with community members. It was at these meetings that vital information was shared by the two NPOs with their stakeholders.

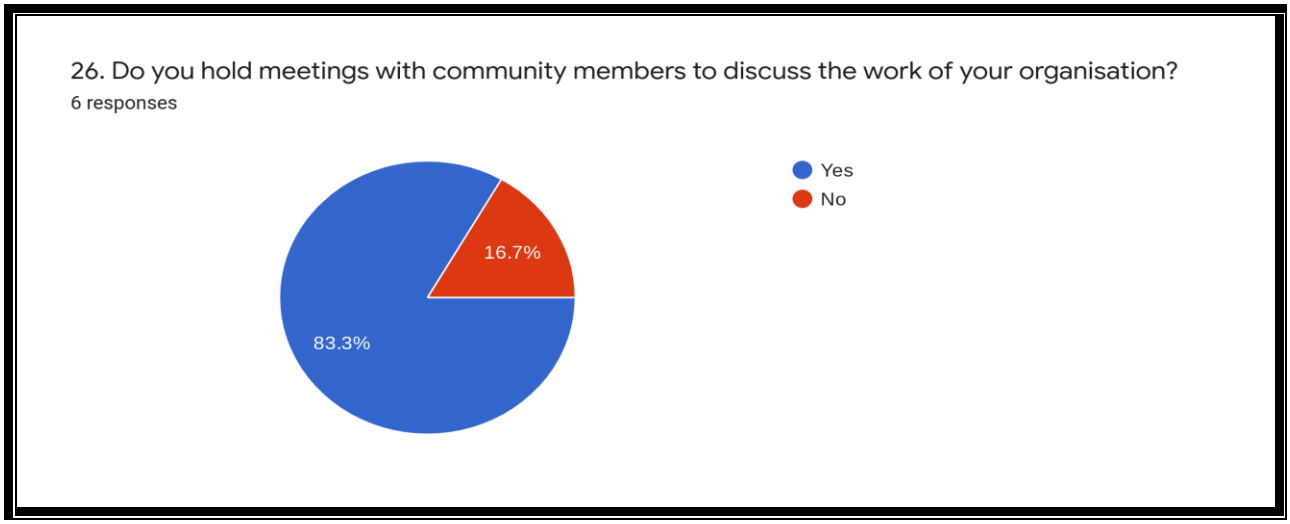

Figure 5.16: An indication of programme staff's engagement with community members

Two thirds of community end-users (six out of nine end-users) corroborated the above findings, responding that the NPOs held regular meetings with them, as shown in Figure 5.17.

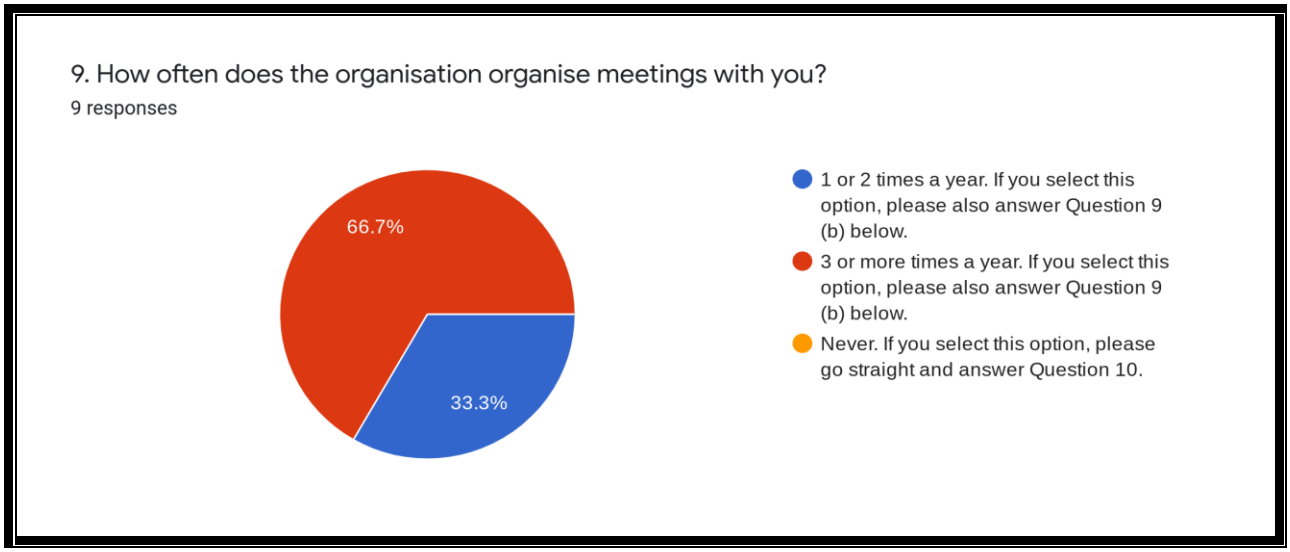

Figure 5.17: Frequency of NPO engagement with community members

Two thirds of the end-users (six out of nine community respondents) stated that the two NPOs held regular meetings with them (Figure 5.17 above) and also provided opportunities for communities to provide input and feedback to the organisations. These findings indicated that both the INGO and local NPO had end-users participate in project and activity planning, strategy development, as well as programme reviews and evaluations. These meetings are important for ensuring accountability, although, for effective and strong accountability, NPOs need to do more than just hold meetings with end-users.

5.7.3.1.1 How participation impacts accountability levels

The literature (section 2.4 in Chapter 2) demonstrated that a significant contribution towards downward accountability occurs when NPOs have a structured approach promoting end-user participation, access to information and engaging with stakeholders. Findings from the questionnaire administered to NPO programming Staff indicated that external engagement with community members was not impacted by whether or not the NPO had an explicit Accountability Policy (Figures 5.20 and 5.21), and that both NPOs continued to hold meetings and to engage with stakeholders, including community end-users. These findings answer one of the key research questions that were identified in the problem statement, which was to establish the accountability practices of an NPO, including the extent to which opportunities are provided for beneficiaries to participate.

5.7.3.2 Information sharing with community members

The findings showed that the two NPOs did not readily provide information such as the staff code of conduct, how to deal with sexual harassment involving the NPO and its staff, or complaints mechanisms (Figures 5.18 and 5.19). All six programme Staff and Directors reported sharing information with community members, particularly contact details, as well as the NPO's mission, goals and programmes. However, only a minority (two out of six respondents), shared information on the complaints mechanism or staff code of conduct. Only one respondent reported sharing information with community members on staff roles and responsibilities or the NPO's sexual harassment policy, as illustrated in Figure 5.18. This is of concern, especially taking into account that human rights abuse, fraud and sexual harassment are rife in the non-profit sector, as highlighted by Gibelman and Gelman (2001 & 2004) and Carman (2010). In the past few years, especially, there have been massive nationwide and global scandals of poor NPO behaviour and treatment of communities – for instance the sexual abuse of women and girls by UN Peacekeepers in Haiti (Lee & Bartels, 2019), UN and EU troops committing sexual abuse in the Central African Republic (UN General Assembly, 2016); or sexual abuse of community members by OXFAM staff in Democratic Republic of Congo (Dodds, 2021).

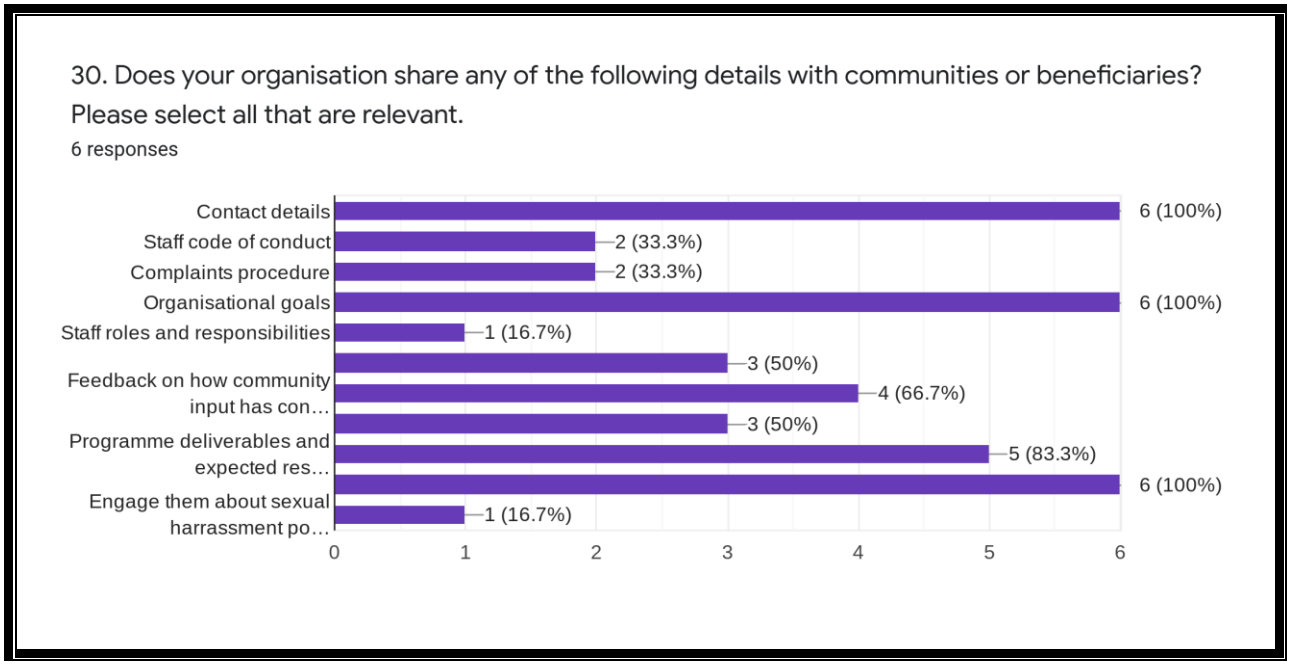

Figure 5.18: List of information shared by NPO with community members

The above findings from the questionnaire with NPO programming staff are corroborated by those from the questionnaire completed by community members. Although community members reported that the two NPOs shared information with them, important information for enhanced accountability, such as complaints mechanisms, staff codes of conduct and the criteria used for identifying programme impact targets and beneficiaries, ranked low (only four out of nine respondents or 44% of community members reported receiving this information). Both NPOs being studied seem to provide information more readily around broad areas such as staff roles and contact details, organisational goals, programme deliverables and expected results, as well as NPO feedback to community end-users on how their inputs have contributed to the organisation's decision-making, as illustrated in Figure 5.19 below. Not providing this information to end-users can undermine the human rights and social justice imperatives of an NPO, as well as undermine the accountability levels of the NPO. This point is strongly argued by Brown and Moore (2001:2), who state that "[a]ccountability choices should advance the strategy […]" that an organisation is trying to achieve – therefore linking the importance of strategy, accountability and value creation.

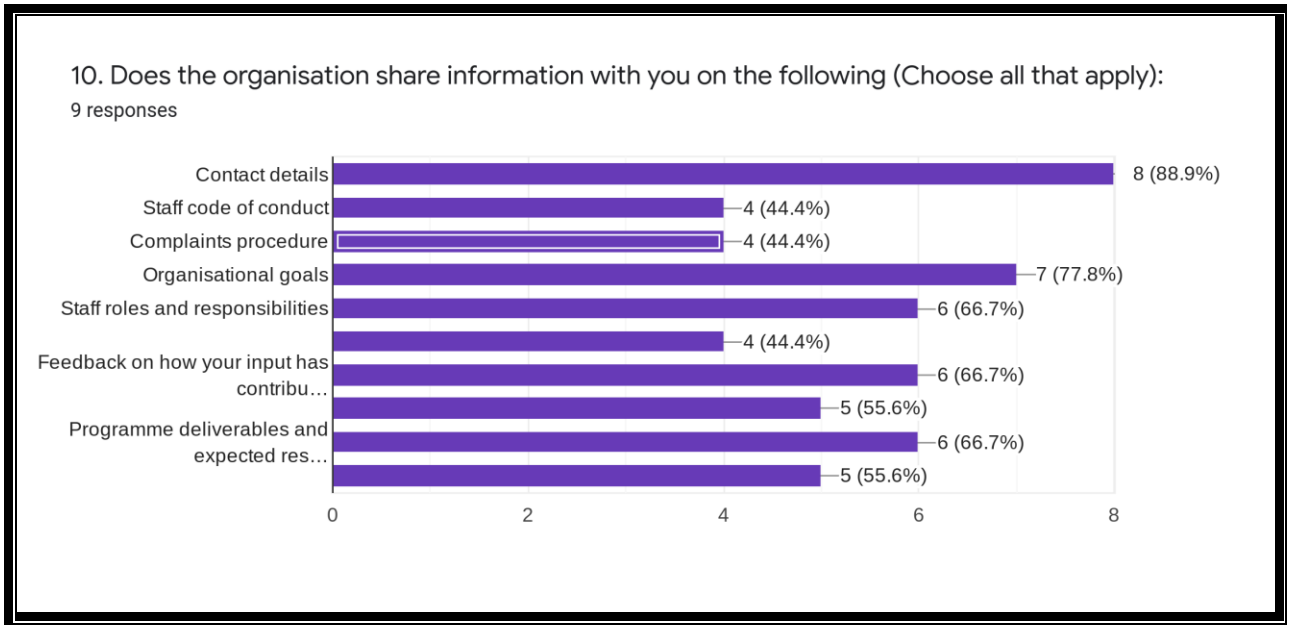

Figure 5.19: Percentage of community members who receive information from the two NPOs

Findings from the questionnaires completed by community members indicate that meetings between NPOs and end-users were structured, and were a platform for sharing information that included the following, quoted verbatim:

> *"The NPO's finances, plans, budgets, fundraising strategies and the funding received."*
>
> *"Programme reviews, monitoring and follow ups on recommendations."*
>
> *"Identifying emerging programming issues and community needs to which responses were necessary."*
>
> *"Progress and performance of the organisation."*
>
> *"Management and development of the organisation."*
>
> *"Criteria for selecting target groups and deliverables."*
>
> *"Feedback from the NPOs to community members on how their input has contributed to the organisation's decision-making."*

It should be noted that providing this information is not enough because there are power imbalances between NPOs and community members, which may make it difficult for the community to report fraud and abuse. However, providing information on where community members can seek assistance and support is an important step in providing alternative avenues for grievance mechanisms, a finding that was also made in a study by Noor (2015), who found that downward accountability practices affect NPO effectiveness. Noor (2015) specifically established that sharing information and having a complaints mechanism in place does affect organisational effectiveness, service quality and end-user satisfaction.

5.7.4 Having an accountability policy in place

Questions were also asked about the NPO's relationship with stakeholders and, specifically, how downward accountability was promoted to community members. Half of the programme Staff and Directors reported that their NPO did not have an accountability policy in place (see Figure 5.20 below).

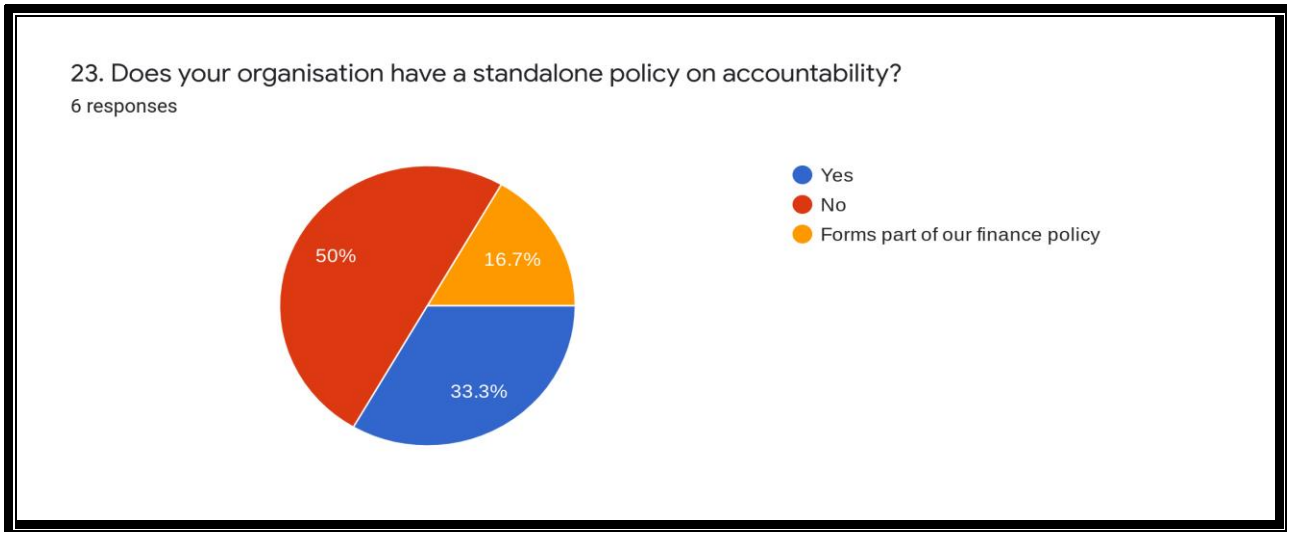

Figure 5.20: Establishing whether NPOs had a standalone accountability policy

Five out of six programme staff or directors (83%) stated that, in the absence of a standalone Accountability Policy, provisions were contained in another policy, as shown in Figure 5.21.

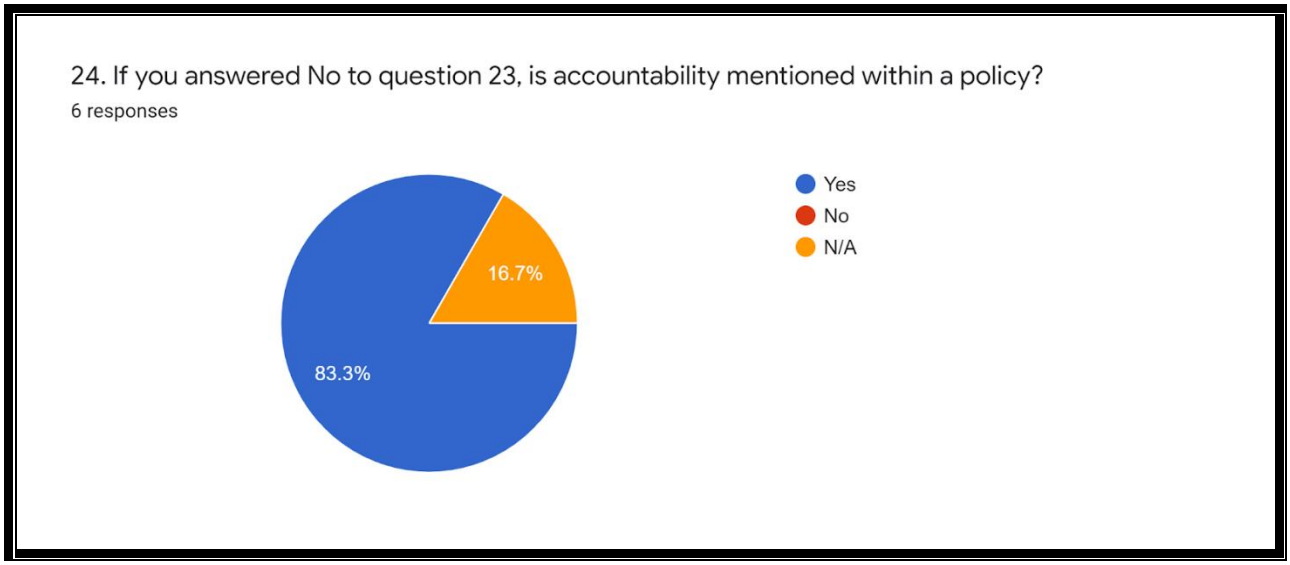

Figure 5.21: Participants' responses to whether accountability is mentioned in other policies

The INGO had an explicit Accountability Policy and had signed up to the international INGO accountability framework (HAP). It also had organisational guidelines to operationalise this global policy. The local NPO did not have a standalone Accountability Policy and the accountability framework was detailed in human resources and finance policies (Figure 5.21). The absence of a standalone Accountability Policy did not deter the sense of responsibility for ethical and credible behaviour, as the findings illustrated that 83% of programme Staff and Directors (five out of six respondents) held regular meetings with communities and end-users (Figure 5.16). This finding demonstrates that the presence or absence of an Accountability Policy does not impact on downward accountability practices, particularly the extent to which communities were engaged with. It seems, from this study's findings, that downward accountability was practised because the NPOs adopted the practice as a standard of working.

5.7.5 Measures taken in the absence of an Accountability Policy

Not having an Accountability Policy or even clear structure is a threat to good governance of the NPOs. Accountability is one of the corner stones of good governance. Programme Staff and Directors reported that accountability provisions and guidelines were contained in the following list of policies, quoted verbatim:

> *"[The organisation] has strict accountability, sterwardship and due digiace polcies govenrmening mamngement of funds and decsion making, delgatted authority and reporting. At a global board level it has the Finance and Audit Commmitte while on Staff various offices are responsiblie fror accountability from finance to programme".*
>
> *"It is implied in our HR and Finance policies."*
>
> *"Finance policy."*
>
> *"We are signatories to the INGO Accountability and internally we have Behaviour Framework which explicitly covers accountability".*

Not having a specific accountability policy also did not affect what information the NPOs provided to community members, particularly those pertaining to NPO staff contact details, organisational goals and mission, programme deliverables and targets

or programme progress reports. The two NPOs also shared extensive information with end-users on the work of the NPO, funding received, activities and programmes being implemented as well as expenditure (see section 5.8.12). There was therefore no significant relationship between the presence of an Accountability Policy and the level of transparency around programming objectives and target deliverables.

Although some responses suggested an implicit understanding of the ways in which accountability could impact on good governance, there is no evidence from the study findings that NPO Staff expressed a clear connection between accountability to service end-users and governance.

5.7.6 NPOs' downward accountability practices

The concept of downward accountability was well understood by programme Staff and Directors and responses demonstrated the need to account to different stakeholders equally, particularly having a balance between end-users and donors. There was a clear understanding of the concept of downward accountability involving the creation of opportunities for community members to participate meaningfully in project activities. This opportunity was identified primarily as the NPO providing support and NPO staff playing a role in enhancing community members' performance in order to meet organisational objectives. This is evidenced in the quotations below:

> *"The process by which an organization is held accountable by the communities they serve."*

> *"It is the ability and space to be responsible to people that you often see as beneficiaries of your programmes, those who appear to have no power on a day to day basis, but are vital to your organisation's mission. It is accounting for the manner in which programmes have been implemented, strategy is developed and which results are or have been achieved, not only to the power structure above, but the legitimate owners of the programmes who in fact call the shots."*

> *"Accountability to the beneficiaries of the services and support given by the organization."*

"Being accountable to people at lower levels [….] It is my job to enable their performance through listening and communicating clearly as well as through implementing the organisation's vision. if I fail in these duties, then i must be held accountable."

"That we are also accountable to the partners we serve, our beneficiaries as much as to donors."

5.7.7 The importance of downward accountability

In the questionnaire responses among programme Staff and Directors, there was a good understanding of the need for downward accountability. Some responses, quoted verbatim below, detail the need to account to communities and end-users. Key findings relating to downward accountability include the following:

(i) Accountability was deemed important for transparency, trust and managing unequal power relations between NPOs and communities:

"NPOs predominantly use public funds and proceeds from individual giving to fund their work and so by accounting to communities they evidence impact, promote trust and generate support for their mission and programmes. NPOs also sometimes wield significant power in communities they serve and accounting to communities is key to ensure they remain on mission and do not abuse their power. Accountability also grows support from constituencies which is important for NPOs in their ability to raise more funds as well as prove legitimacy for their causes."

"[…] this ensures that organizations are transparent and accountable for the use of public funds received by the organization."

(ii) Downward accountability enables NPOs to source information and learn from communities, which could assist the NPO in making its programmes more responsive:

> "*There is a great benefit because this is also enrich your projects and programs. The local development agencies and citizens have first hand knowledge about their daily experiences and they are more capable of knowing relevant responses to various challenges that they are encountering. It is also about respect and care. It provide a space for engagement, learning and development.*"

> *"The validity of any NPO depends on whether it is locally relevant to the context in which it operates, and whether there are results being achieved that drive social change without which those communities would suffer."*

(iii) Downward accountability promotes the participation of communities in NPO programmes and this, in turn, increases impact:

> *"[…] So that they know that their participation means something in terms of achieving positive change. If we carry out activities without being accountable, we are wasting their time and our relationship with communities could be extractive. communities need to know that when we conduct research in their communities for example, they have a right to know what has happened with that research. They are volunteering their time and therefore it is important for them to know that their efforts mean something."*

(iv) Downward accountability promotes good stewardship in the use of resources:

> *"I think it could help to reduce corruption."*

Downward accountability was understood by programming Staff and community members as crucial in the work of an NPO. Downward accountability was deemed important in promoting transparency in the utilisation of funds and resources. It was also seen as being crucial in helping to manage unequal power relations, particularly between NPOs and communities, as well as helping to build trust between the NPO and its stakeholders:

> *"NPOs also sometimes wield significant power in communities they serve and accounting to communities is key to ensure they remain on mission and do not abuse their power."*

Downward accountability was also seen as essential in helping an NPO to legitimise its work:

> *"[… downward accountability] is important for NPOs in their ability to raise more funds as well as prove legitimacy for their causes."*

> *"The validity of any NPO depends on whether it is locally relevant to the context in which it operates…"*

There is therefore an understanding of the extent to which end-users influence the organisation's strategy, mission and ability to undertake this mission, and an appreciation of the importance of downward accountability.

5.7.8 Community members' perceptions of downward accountability

In the accountability section of their questionnaire, under questions nine to 12, community end-users were asked whether they felt that the two NPOs were accountable to them, and to explain how this accountability was demonstrated. The findings show that levels of accountability are influenced partially by the level at which the NPO is operating. If it is a global organisation, such as the INGO, it is more removed from local populations, although the organisation may actually be implementing programmes at a local community level. One respondent articulated this sentiment in the following way:

> *"The visibility and coordination at country level is weak, difficult to sustain […;] that creates a gap in terms of being accountable to the local community."*

Another response affirmed that because they were part of a local monitoring team, the respondent was privy to accessing information, which meant that the NPO had to demonstrate some level of accountability to the respondent who was part of this platform:

> "*As I am part of the [committee], everything is discussed on the meetings Implementation and review, funding received and how its being used, grant agreements."*

Community end-users also feel that the NPOs demonstrate accountability to them in how meeting platforms, such as Annual General Meetings, are utilised to provide feedback on programming. Respondents indicated that the availability and accessibility of paper trails and audits, which showed how finances were utilised and distributed, are a sign of accountability.

5.7.9 Challenges that NPOs face in implementing downward accountability

The research findings pointed out that NPO staff faced challenges in implementing downward accountability, which emanate from various factors. Some of the challenges noted by programme Staff and Directors regarding the difficulties in implementing downward accountability included, in particular, the financial costs associated with implementing actions that promoted accountability, as well as "political interference" in the work of the organisation when the NPO embarked on implementing practices to promote greater accountability. The following explanations were provided:

5.7.9.1 Non-Profit Organisations not having sufficient resources

Some respondents reported not having enough resources to undertake accountability processes, document the lessons learned from these processes or incorporate these lessons into their programmes:

> *"Limited resources might be a big challenge. Documentation of the inputs and facilitation of processes that incorporate inputs in organizational projects and programs."*

Some respondents raised concerns about the cost of implementing downward accountability practices. It was unclear why increased accountability was associated with prohibitive costs, particularly when it came to downward accountability. This response made it clear that downward accountability was not a standard approach to working – it was viewed as a separate add on. This is consistent with the literature, which indicates that priority is given to upward accountability to donors and that this form

of accountability is built into the ways of working of the NPO (see Carman, 2010) For instance, it is formally incorporated in the submission of regular formal reports and engagements between the NPO and the donor.

The difficulties in documenting accountability practices and incorporating these into the NPOs' ways of working were also raised by some programming staff. Respondents felt that the NPOs did not have enough resources to facilitate participatory processes, in particular, in project activities. This is important to note, because literature (see section 2.3.3.2) has indicated that the participation of stakeholders, particularly end-users, at various stages of the project cycle – whether it be planning, design, implementation or evaluation – not only increased the chances of an NPO's interventions having greater impact, but was also essential for increased buy-in of the NPO and its work, thus improving the NPO's credibility and perceptions of its value to the community in which the NPO was working.

5.7.9.2 The Non-Profit Organisation having limited skills to implement accountability practices:

> "*The entry point and how to introduce this. It could perhaps form part of a broader capacity building programme.*"

A lack of knowledge on how to put accountability into practice was raised. Some respondents highlighted that there were insufficient skills to implement downward accountability and noted the need to strengthen the capacity – through training of NPOs – to do so. This was an interesting perspective as it demonstrates that, generally, the concept of accountability is not viewed or understood holistically. Again, accountability is narrowly understood as an imperative for donors and downward accountability, in particular, is viewed as requiring additional knowledge, training and expertise. This may be viewed as a problem, but it also demonstrates an opportunity to raise public awareness in the NPO sector of different types of accountability practices and the importance of promoting these.

The findings were also interesting because, generally, the NPO sector is vocal about the need for accountability and vociferous in its demands for accountability from government and other stakeholders. The assumption would be that the NPO sector itself

therefore understands the concept of accountability well and that, as they make such demands on other stakeholders, they themselves are in a position to meet such demands. The findings from this research suggest otherwise: that there is a dearth of knowledge and capacity in implementing accountability, not only from government and the private sector, but also among NPOs, who happen to be strong proponents of accountability as a good governance imperative. This finding was consistent with the Humanitarian Accountability Partnership downward accountability framework, which explains the importance of an NPO being a learning organisation (HAP 2010) in order to assist staff to learn from their practice, identify skills constraints and training needs around accountability processes, reflect on ways of working, and actively and consciously make decisions around accountability in their day-to-day programming – what Chynoweth.*et al.* (2018:153) refer to as "socializing accountability", particularly in instances where accountability practice was not formalised.

5.7.9.3 Difficulties in being representative of all stakeholders' views:

> *"[…] NPOs can only survey a given number of beneficiaries and samples may not necessarily be representative. Cost of carrying out thorough and broad enough surveys or other qualitative and/or quantitative exercises. Bias and accusations of bias - seeking feedback from constituencies they have served and are likely to give positive feedback. Political interference in contexts of constricted civic space."*

5.7.9.4 Non-Profit Organisations may have ulterior motives and be driven by considerations other than a focus on human rights:

> *"There is an asymmetrical relationship with communities around power and resources. It is an area that NPOs are either blind to or ignore. It is important to eliminate any notions of any "savior mentality" and have transformative solidarity with communities in which their agency is strengthened and their rights are protected through self organising. Accounting to communities requires a genuine culture shift."*

The limited understanding of downward accountability among NPO staff as well as the general public was also seen as an impediment to successfully implementing this form of accountability. In particular, the processes and roles of stakeholders were viewed as possible areas of contention, particularly where community members could overreach their mandates and start interfering with the operations and day-to-day running of the NPOs.

5.7.9.5 Community unwillingness to buy into the process:

> *"Apathy and a sense of hopelessness, particularly in cases where communities feel a lot of organisations come and go and nothing seems to change for the better."*

There was acknowledgement in one of the programme staff's responses, that for downward accountability to be successful, it also needed the buy-in of communities. This further reinforces the fact that any form of accountability is a process involving multiple stakeholders: accountability cannot work if it is solely driven by the NPO and other stakeholders are not involved.

5.7.9.6 Non-Profit Organisations may misunderstand the purpose of downward accountability and the role played by communities:

> *"[NPOs] may be misunderstood by the communities who think that they [communities] have a say in the day to day running of the organization.*"

Finally, the possibility of misconstruing the purpose of downward accountability or abusing its outcomes was also noted by programme Staff and Directors. Respondents raised the possibility of ulterior motives driving NPOs to implement downward accountability – motives that could be driven by a perpetuation of unequal power relations between NPOs and their end-users, and utilising downward accountability not to strengthen or transform communities, but to further perpetuate stereotypes of an organisation being the principal agent of change. In other words, there were real

threats of the process of downward accountability being tokenistic, and perpetuating unequal power relations between NPOs and their service end-users.

5.7.10 Community member recommendations on how NPOs can enhance downward accountability

It is because of the challenges listed above in section 5.8.10 that the most insightful recommendation on how to enhance downward accountability was made by a community member, namely that for this form of accountability to work, it had to be institutionalised, with processes clearly documented so that the accountability can truly be practised and ultimately enjoyed. There was a call to ensure that accountability became a practice that was promoted as a standard way of working and not subject to individual programming staff members' opinions or sentiments.

Community members made recommendations on how accountability to end-users can be enhanced. Recommendations included the institutionalisation of accountability practices and frameworks being put in place to promote accountability, as detailed in the quotation below:

> *"The organisation is accountable to me however because not all human beings are rational and recognising the fact that not all people have the passion to serve, the accountability has been dependent on the person in charge of it at it's office. With this background, I would like to see officers realising that accountability should be an office responsibility and not a personal choice."*

A response from a programming staff member also illustrated that programming staff are aware of the power dynamics that exist between different stakeholders, which prevents some stakeholders from demanding accountability. Part of the quotation reads:

> *"[Downward accountability] is the ability and space to be responsible to people that you often see as beneficiaries of your programmes, those who appear to have no power on a day to day basis, but are vital to your organisation's mission […,] the legitimate owners of the programmes who in fact call the shots."*

This response also indicates that there is an understanding among some programming staff of the linkages between end-users and the organisation being able to undertake its work and provide the organisation with a degree of legitimacy, identified in the literature review (see section 3.2) as one of the trio of pinnacles under the Value Creation Framework proposed by Moore (2003). This concept will be discussed further in section 5.9 of this chapter.

The above quotation is important to note because the literature review (section 3.5.1) argued that one of the difficulties in promoting and practising downward accountability, was the presence of multiple accountabilities or having to account to various stakeholders (Williams & Taylor, 2013; Brown & Moore, 2001). The literature showed that in such cases, NPOs had difficulties in unlearning the practice of developing an 'accountability hierarchy', where the donor's accountability needs were prioritised over other forms of accountability, particularly downward accountability, as suggested by Ebrahim (2003).

Downward accountability was visible in both organisations; however, the way it was practised differed according to the level at which the NPO was operating. That is, respondents from the INGO felt that they needed mechanisms such as stronger visibility and coordination at a local level in order to translate the global accountability commitments that the organisation had signed up to, in particular the HAP at a national and local level. The local NPO did not raise similar concerns, since it was working at a local level, implementing projects that brought it in direct contact with community members. This finding could suggest that the type of accountability practices and mechanisms that are in place are affected by the level at which the NPO is registered and operating.

5.8 FINDINGS ON VALUE CREATION

Value creation is a concept that considers the capacity of an organisation to add value and make an impact in society and the communities in which the organisation works (Moore, 1995). It is a concept that focuses on the ability of an organisation to be responsive in providing services and resources that are required by the targeted community. The problem statement (in section 1.3 of Chapter 1), identified the need for the study to answer the following three questions: (i) How do Non-Profit Organisations understand the concept of value-creation?; (ii) What are the perceptions

of the role of stakeholders in contributing towards creating organisational value?' and (iii) What are end-user perceptions of the value of Non-Profit Organisations value and how this value is created?

Respondents were also asked how they, through the NPO they were associated with, created value for the communities that the NPO operated in as well as for other NPOs in the sector. All respondents were asked to identify who they viewed as stakeholders in the value creation process. Community members were asked specifically what role they felt they could play in helping the NPO serve the community better, while NPO programming Staff, Directors and Board members were asked to rank those stakeholders they felt were most or least important in helping the NPO to create value. The following were the key findings.

5.8.1 The relationship between organisational mission and value-creation

As articulated in the literature review (see Table 2.2. in Chapter 2) organisations identifying themselves as human rights-centred were most likely going to prioritise end-users and policy makers as value-creating stakeholders, as suggested by Brown and Moore (2001). The findings of this study corroborate Brown and Moore's (2001) assertions, it was found that the NPOs not only identified end-users as their significant stakeholders (see Figures 5.11 and 5.12), but the NPOs also saw the end-users as playing a role in helping the organisation to deliver responsive services, thus helping the organisation to add more value in the communities in which the NPOs were operating.

5.8.2 Identifying stakeholders in creating NPO value

Findings from programming staff illustrated that the stakeholders identified in creating NPO value were the Board, staff members, community members and other NPOs. Staff identified themselves, their Board members and community members as the most significant stakeholders in creating value for an NPO, as shown in Figure 5.22 on the next page.

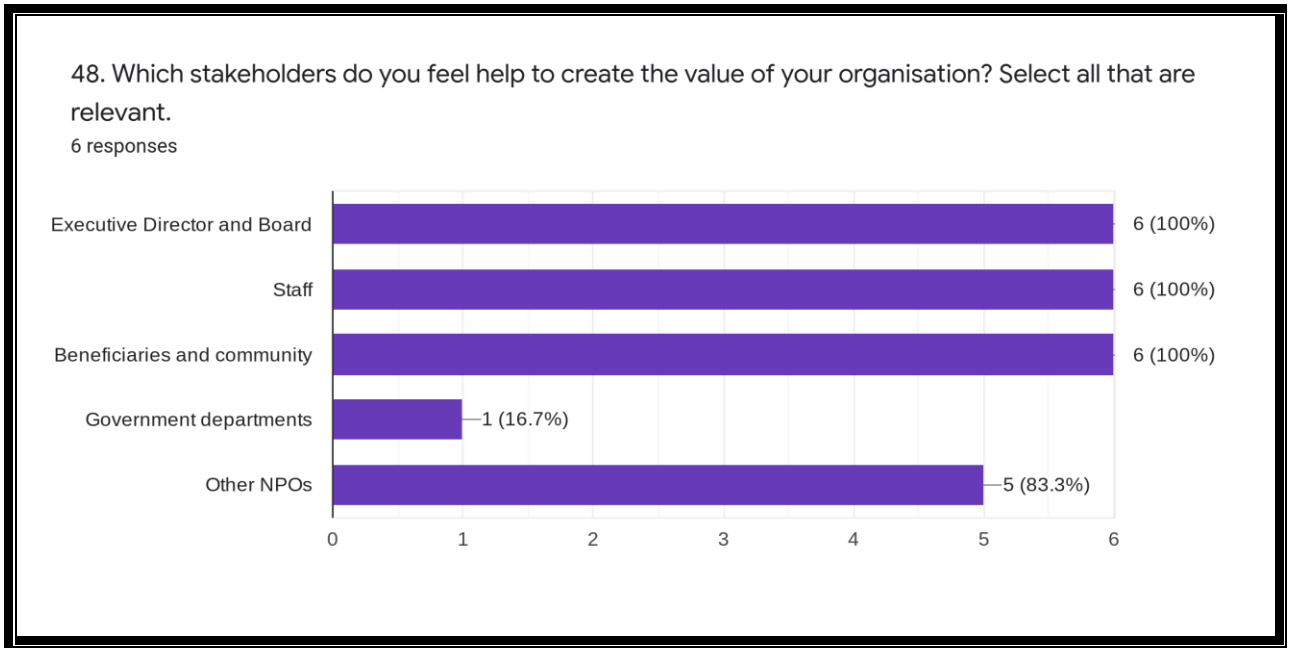

Figure 5.22: Stakeholders in creating value, as identified by NPO programming Staff

Half of the respondents (three out of six programming staff) felt that the most important value-creating stakeholders were NPO staff, whereas the other half identified community end-users as the key value creation stakeholders (Figure 5.23). This is an interesting finding, because although programme staff said that they recognise the significance of end-users in creating organisational value, the broader picture in the NPO sector is that there are low levels of accountability to end-users – even though the two NPOs taking part in this study demonstrated higher levels of accountability to community end-users.

The findings from community members painted a different picture from that of programming staff about the role of government. Community members felt strongly that government was the key value creating stakeholder for an NPO. Six out of the nine community members (66%) felt this way (Figure 5.11). The opposing findings on the role and significance of government is interesting: programming staff might have this perception because they may view government as only being responsible for developing the operating framework for NPOs to operate in, whereas end-users might be viewing government as the main provider of services, and have an acute understanding that the NPOs are there to fill a gap where government is unable to fulfil

its obligations, hence their deference to government as the key value-creating stakeholder. This is a finding that can be explored in further research.

Other NPO value-creating stakeholders identified by community members included end-users, other NPOs, businesses and faith-based organisations. Board members from the local NPO prioritised other NPOs as the key value creating stakeholders and Board members of the INGO felt that their organisation's staff members were the key value-creating stakeholders. The study findings resonate with those by MacIndoe and Barman (2013), whose study found that the level of importance placed on an external stakeholder (including end-users) influenced an NPO's efforts to work more effectively and the organisation's use of outcome measurements to measure its work, particularly if the NPO was providing direct services.

Programming Staff identified the most important value-creating stakeholders as beneficiaries and community members, and NPO staff (Figure 5.23 below). Three out of the six programme staff (50%) felt that staff were most important, and the other 50% felt that community end-users were key value-creation stakeholders.

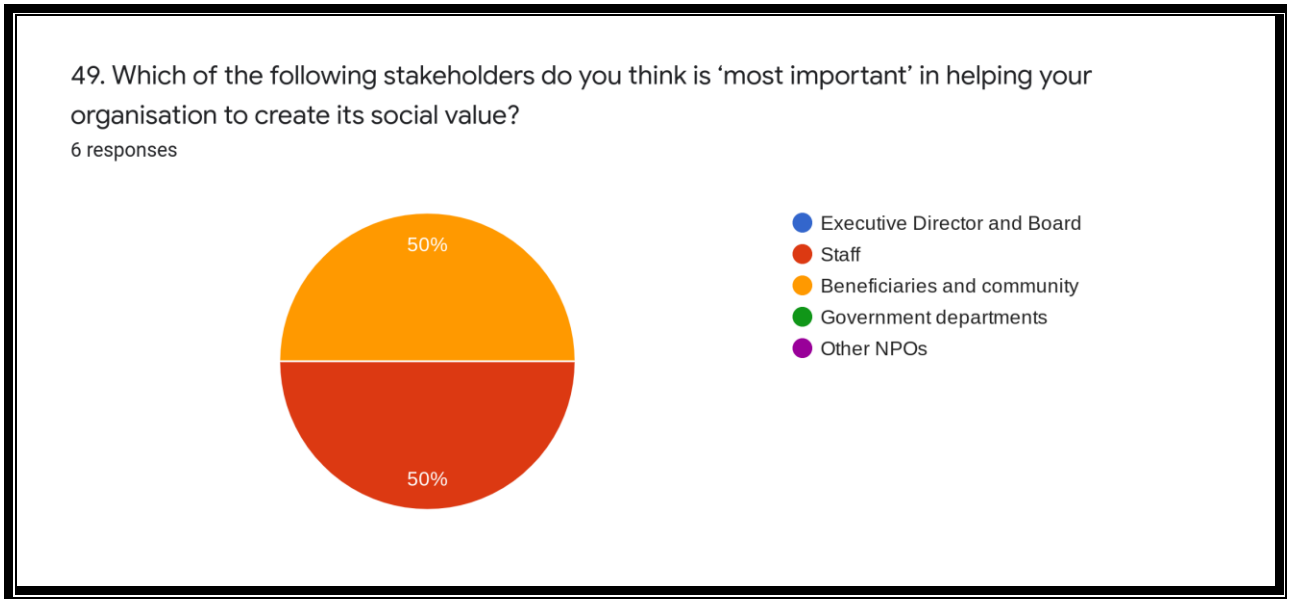

Figure 5.23: Pie chart showing most important stakeholders in creating value, as identified by programming staff

Out of the nine community respondents, six respondents (66%) identified government as a key value-creation stakeholder. This is in stark contrast to the NPO Staff and

Directors' responses, which indicated a minor role for government in an NPO value-creation process and ranked government as the 'least significant' stakeholder. Community respondents saw themselves creating NPO organisational value by playing a participatory role, particularly in the following activities:

(i) Involvement in strategic planning;
(ii) Marketing the organisation and the work that it does, including acting as "ambassadors" and "role models" to the broader community;
(iii) Volunteering and sharing their skills with the NPO; and
(iv) Assisting the NPO to raise funds.

Board members of the local NPO identified their primary stakeholders as other local organisations and the INGO identified its staff and end-users as the primary stakeholders.

The least important stakeholder identified by programme Staff was the government, followed by other organisations and the Executive Director and Board (Figure 5.24 below). This is consistent with previous findings in Figure 5.11, where the government was not viewed by programming Staff and Directors as being a significant stakeholder.

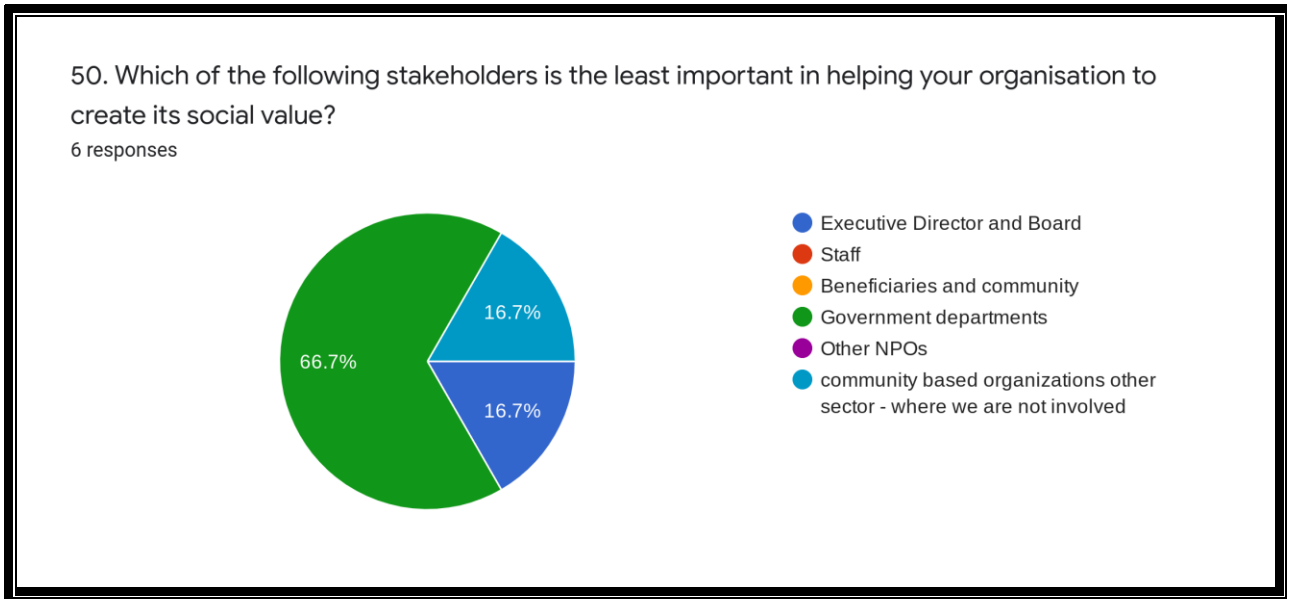

Figure 5 24: List of stakeholders programming staff deemed least important in creating organisational value

5.8.3 How is value created? Perceptions of how NPOs create value

In the current study, questionnaires completed by programme Staff and Directors showed that these respondents identified themselves as adding value to the communities in which they work, not through the relationships they build with stakeholders, but primarily through the services that they provided to end-users.

Programming staff from the two NPOs saw their value-add to the broader community (not to their direct service end-users or beneficiaries) emanating from the two NPOs playing a facilitatory role. This role involved facilitating relationships between communities and other stakeholders, facilitating learning and skills sharing, providing resources, strengthening the capacity of community members to respond to the challenges facing them and supporting change at a local level through research and advocacy efforts. This is consistent with the value-creation theoretical framework, where Moore (2003) suggests that a vision and mission of an organisation, as articulated in the organisation's strategy, is crucial for creating value. What an organisation brings to the community – the services and resources it provides – were therefore deemed to be significant factors in helping an organisation to establish what would be feasible to achieve, sustainable and most important to implement to enable the organisation to create value (Moore, 1995).

A Non-Profit Organisation's value addition was seen by community members, as end-users of the NPO's services, as emanating from the services provided by the organisation. This is reflected in the following statements, quoted verbatim:

> *"By facilitating development activities through workshops & awareness campaigns and creates job opportunities for key populations and vulnerable groups in our communities."*

Participants perceived that the Non-Profit Organisation created value by playing a role as a facilitator to enable community members to access services or partner with other stakeholders:

> *"Strengthening collaboration with other stakeholders."*

> *"Capacity building through its training programmes of the general public."*

> *"Support with food security and other skills development."*

One respondent out of the nine community members felt that the NPO created value through the use of *"Bottom up approaches"*. This is perhaps an allusion to the NPO's ability to provide responsive services to meet the needs that had arisen in the communities being served. Some end-users felt that the NPO created value through its ability to promote the human rights and dignity of the populations being served:

> *"It values the lives of vulnerable and minority groups […] by continuously lobbying and advocating for their rights."*

> *"By helping everybody who needs help and respect, not treating us as beggars and helping struggling CBO like us."*

> *"The service we deliver are needed in the community and relevant to the communities needs."*

Board respondents identified the value creation role of NPOs to communities and other organisations as resulting from the NPO's role. Value-creation was understood by the local NPO's Board members as resulting from the NPO providing a specific service – articulated as "capacity building" and "finances" – to other NPOs and direct services and support to communities. The INGO Board felt that its NPO created value by providing "leadership" on human rights issues to local community-based organisations and end-users as well as providing "evidence-based research", particularly to governments, to inform government policy implementation.

Board members of the two NPOs had differing views on what helped the NPOs to create value, although both Boards agreed that NPO value arose out of the role played by the organisation. The INGO Board felt that NPO value was created by the NPO

providing leadership and evidence-based research to inform policy implementation. The local NPO Board saw organisational value as emanating from the NPO providing capacity building and financing services. This differentiation in identifying NPO roles could be underpinned by the underlying strategic focus of each organisation. As articulated in the literature review (section 2.4.1.5 of Chapter 2), organisations identifying themselves as human rights-centred were most likely to focus on institutional capacity building or policy development and its implementation (Brown & Moore, 2001). This finding has been supported with the current research.

5.8.4 Respondents' perceptions of their roles in NPO value-creation

Community members were probed to establish what role they saw themselves playing in the value-creation process. This was important to establish, particularly since other respondents, namely Board members and programme Staff, identified community members as significant role players in an NPO's value creation process (see section 5.6.7). Community members felt that they could participate in strategic planning processes (data in section 5.6.5), market the work of the organisation, volunteer at the NPO and assist the NPO in its fundraising efforts. End-users therefore primarily saw their value-creation capacities as lying in the skills and support that they could share with the NPO, particularly by participating in strategic planning, promoting the work of the NPO, volunteering at the NPO and fundraising for the organisation.

Questionnaires completed by programming Staff and Directors showed that these respondents identified themselves as adding value to the communities in which they work, through the services that they provided to end-users. Some of these responses are provided below:

> *"[We create value] by bringing our key competencies in research, campaigning, media and communications to joint initiatives with community and local organisations."*

> *"We link organizations with relevant stakeholders. We provide much needed resources. We facilitate learning and development."*

> *"We bring much needed funds and capacity that make an impact in promoting social justice."*

Programming Staff and Directors corroborated the Board members' sentiments: staff saw their value-creation role as lying in the services that they provided to community members. There was little emphasis placed on the importance of value-add by the NPO to its peers (other NPOs) or other stakeholders. This was a finding that was reinforced when the study sought to establish the type of relationships that the two NPOs had with other stakeholders, such as donor organisations, end-users, the broader community and other NPOs. In terms of NPO relationships with donor agencies, programme staff had mixed responses, which reflected that although it was largely positive, the relationship with donors was sometimes tenuous owing to tensions between the donor agency and the NPO. This was particularly the case for the INGO, which sometimes had to 'compete' with local NPOs for resources and had to demonstrate that it was not "displac[ing] local voices" (see section 5.9.5.3 for the full quotation).

5.8.5 Establishing the authorisation and support of the two NPOs

A key pillar in creating value has been identified in the Public Value Strategic Framework as support and authorisation – what was identified in the original Public Value Creation Theory by Moore (1995), as legitimacy and support. This looks at the strengths of the relationships between the NPO and other stakeholders, particularly those that have an interest in the work of the NPO, and that would impact on the functioning of the organisation. The section below discusses the study findings on the two NPO's relationships with stakeholders.

5.8.5.1 NPO relationships with their end-users

Both the INGO and the local NPO programme staff shared that they had "good" relationships with the end-users of their services, seeing them as "partners in development". The INGO laid particular emphasis on the individual membership of the organisation:

> *"[The organisation's] strength is its membership base, its ability to be accountable to rights holders and speaking truth to power. These are the basis upon which trust building with HRDs, rights holders and communities we work with are built."*

The local NPO staff emphasised their organisation's relationship with communities:

> *"Our core mandate is to serve communities and individuals, beneficiaries are therefore some of our strongest allies and supporters of our work."*

Programme Staff and Directors from both NPOs stated that they added value to their end-users and made the following assertions:

(i) The NPO brought about change in their targeted end-users' lives:

> *"Change in the real lives of real people. When we support victims of torture to heal and to have their cases campaigned around for justice to be served, when we free prisoners of conscience, when those facing death penalty are removed from death row and even released, when we amplify the voices and experiences of women HRDs and women facing harsh laws for their bodily autonomy and connecting young people of the world in varies movements and campaigns and when we make an individual story of injustice a global campaign, we add value to the rights holders and communities."*

(ii) The NPO is responsive and provides the required resources or services:

> *"Assess capacity and find ways to close gaps […] Assist in finding solutions."*

> *"It provides the funds so that organisations that serve them can render a service."*

> *"Empowering them to claim their rights ad in some cases actually delivering relief for immediate needs."*

(iii) The NPO promotes the realisation of human rights:

"By promoting, protecting and defending the human rights of individuals and their formations."

(iv) The NPO provides platforms for co-creation and joint identification of solutions with community members:

"[....] In the process of designing programs and project we invite them and convene session where they can discuss and contribute in the processes."

Owing to the nature of their work, there were slight differences on who the NPO viewed as an end-user. The local NPO emphasised its relationship with individuals and the communities that it served, whilst the INGO focused on its relationship with its individual members and membership bodies, as these were the structures that enabled the organisation to successfully carry out work at a local level. Findings around the two NPOs' relationships with end-users demonstrated a positive outlook: programme staff from both the INGO and the local NPO indicated that they had "good" relationships with end-users.

One of the research questions that was raised (section 1.4 in Chapter 1), was whether the two NPOs recognised end-users as a stakeholder that helped to provide legitimacy for the existence of the organisation and the study findings have affirmed this. Programme staff from the two NPOs saw themselves adding value to their end-users by being responsive in meeting the expressed needs of the end-user, in providing services and resources that resulted in a real, positive change in the lives of the NPOs' targeted end-users, and in providing opportunities for end-users to participate jointly in the identification of solutions. Stakeholder engagement and opportunities to make inputs or share views are considered a key tenet in the value-creation process (Moore, 2003; Grant, Tan, Ryan & Nesbitt, 2014).

5.8.5.2 Non-Profit Organisations' relationships with other NPOs

As with the relationship with donors, programme staff from the two NPOs expressed having a mixed relationship with other NPOs and thus their value add to other organisations was questioned. This was not due to a failure in establishing partnerships with other NPOs, but rather from a sense of misaligned interests emanating from different objectives and areas of focus, or an acknowledgement that other NPOs were

better placed to provide a specific service. Respondents reported having better relationships with other NPOs where the organisations had proved their "strategic value" and were viewed as "a strategic partner for joint implementation" (see full quotation in section below).

> *"Depending on their mission, good."*
>
> *"We have a wide network and have been party to joint programmes in the past and currently."*
>
> *"Within the human rights movement, [the organisation] has a healthy place that it occupies. It works effectively to build mutually reinforcing relationships with local partners, global partners and other human rights organisations. Important [the organisation] determines when it can effectively lead, when it can follow, when it can accompany and when it can be removed from a situation in view of the presence of more competent and viable actors."*
>
> *"Mixed. A few, particularly local/national organisations view us as competition for resources while for those we have been able to work with we have proven our strategic value and they see us as a strategic partner for joint implementation, as allies making impact in areas that enable them to achieve their own goals and some see us as loyal resourcing partners for their work."*

Both organisations' programme staff expressed mixed views about their relationship with other NPOs, acknowledging the partnerships they had with other stakeholders. However, programme staff also acknowledged tensions resulting from having differences in focus or the objectives that they want to meet to bring about change:

5.8.5.3 Non-Profit Organisations' relationships with donor organisations

The two NPOs' programme staff shared similar views on their organisation's relationships with donors, describing that relationship as "excellent", "very good" and

having “mutual respect and benefit”. The INGO, however, outlined the tensions between donors at a global and national level, as demonstrated in the verbatim quotations below:

> *“[The organisation’s] primary donors are its members. However we also work with trusts and foundations, who contribute an important part of the resources needed to do its work. That relationship is based on evidence of our capacity to work differently, to mobilise embers for action, to account for and manage resources and ensure that results are achieved. While the International Secretariat has a global fundraising team there is growing relationship being forced by regional offices and sections with Donors on the ground. It is work in progress, but important, [The organisation] has a very sound relationship with donors, and engage in the reduction of gaps in understanding between donors and recipients through mutual sharing, robust exchanges and learning.”*

> *“We are a respected organisation which has traditionally relied on individual giving but increasingly turning to donor funds. Donors recognise our track record and view us favourably where funding us does not dispalce local voices.”*

5.8.6 Value-creation through impact

The value created by an NPO can be measured by the change or impact made in end-user’s lives. The Public Value Strategy refers to ‘social mission’, (Moore, 2003) and the research analysed the impact or perceived positive changes that the NPOs are thought to have brought to communities and their direct service users. Programme staff were asked how they measured impact to ascertain the value creation of their NPOs. The quotations in the section below provide evidence that the two NPOs viewed impact and the changes made to their end-users’ lives as important. Some of the responses are provided below:

> *“The organisation is implementing a major global transition programme, […] in order to ensure that it has presence where human right are needed and change is vital. There are four ways in which we*

are measuring impact - 1) increased Volume of Work; 2) Speed of response to human rights violations on the ground; 3) Local relevance of the [organisation's] Mission & programmes with civil society, rights holders etc; 4) Real change in the lives of real people (policy, law, attitude, services)."

"It is hard to measure impact because most of our campaigns are qualitative, however, anecdotally, we receive hundreds of messages from constituents thanking [the organisation] and other times, we actually see changes in law and policy based on some of our research and campaigns."

"The number of people that our beneficiaries have reached as a result of our support and capacity building. Secondly, the sustainability of our NPO beneficiaries to be able to continue rendering much needed social justice services in their respective communities."

"We carry out ongoing monitoring and evaluation for all our programming, including regular baseline studies that inform our programme monitoring, evaluation, accountability mechanisms and learning."

"Conduct field assessment session and we receive activity reports which reflect on their performance of activities. Interview community members in their locality."

"The quality of service the staff in the beneciary organisations deliver."

The study findings also confirm a Humanitarian Accountability Partnership. (HAP) (2010) objective on the significance of organisational learning on impact: the HAP Framework recognises organisational learning as an important component of downward accountability. In section 5.9.7, the study articulates how the two NPOs used learning, reporting and reflection tools as a means of establishing whether there had been any changes brought about by the NPO to their end-users' lives, thereby enabling the NPO to report on its impact.

5.8.6.1 Non-Profit Organisations adding value to the broader community

The following verbatim quotations from the six programming Staff and Directors of the two NPOs illustrate key themes that emerged about the organisations' value to society:

(i) The NPOs were seen as playing a facilitatory role to bring about change:

> *"We link organizations with relevant stakeholders. We provide much needed resources."*

> *"We facilitate learning and development. We are able to listen, learn and advise. We create space for peer learning to occur. We organize events that can foster peer learning where leaders share their story. We take projects from one community to visit other communities and learn from other leaders. We celebrate success and assist in perfecting the story with peer leaders."*

(ii) The two NPOs shared skills and competencies:

> *"A voice of support, transfer of campaigning and research skills, support to relief for human rights defenders and giving and strengthening agency of communities."*

> *"We bring much needed funds and capacity that make an impact in promoting social justice."*

> *"We campaign with them. we also build their capacity to conduct their own campaigns."*

> *"Ensuring that the organizations that we support in these communities, are sustainable and have the capacity to render much needed social justice services and to respond to the challenges experienced by their respective communities."*

(iii) The NPOs viewed themselves as stakeholders, partnering with local agents of change, to address challenges:

> "*By bringing our key competencies in research, campaigning, media and communications to joint initiatives with community and local organisations. By supporting and amplifying the voice of singular and groups of activists and human rights defenders. By providing critical relief support to activists, human rights defenders and their formations when they are under attack."*

5.8.7 Tools used to measure impact

Programme staff reported using the following tools and strategies to measure the change and impact made to end-users' lives:

> *"Real change is not a blue box or framework. So the above indicators constitute the broad framework indicators that we collect. We use both Quantitative tools which looks at numbers, and Qualitative tools which look which looks at laws, processes and policy change. [The organisation] uses human campaign stories to drive change and measure impact. On a quarterly basis, we collect data that inform us of change and progress, or barriers and problems in order to plan better and revise targets and work to be done."*

> *"We have a Learning and Impact division which does this work. I am not particularly involved but we try to track changes in law, policy and practice based on our campaigns."*

> *"Periodic visits to our NPO beneficiaries, beneficiary monthly and quarterly reports, annual assessment of our beneficiaries."*

> *"Data analysis, internal and external evaluations."*

> *'We use outcome based reporting to assess impact."*

> *"Appreciative inquiry (asset based instruments)."*

Respondents were able to articulate their perceptions of how NPO value is created and were able to identify the various stakeholders that helped to create this value. There was clarity of the role that the NPO played towards other stakeholders and how

this role contributed towards external perceptions of the NPO being a value-creating entity.

5.9 SUMMARY

The table below presents a summary of the key findings from the questionnaires, and reflects responses received on key themes according to each of the three respondent groups.

Table 5 2: A summary of key findings according to the questionnaire respondents

	Respondent group		
Theme	**Community members**	**Programme Staff or Directors**	**Board members or advisors**
Strategy	Aligned to understanding of the organisation's mission and vision	Understanding of strategy aligned to organisation's programming approach	Congruence with Board's understanding of NPO's mission and role
Downward accountability	Understood concept and viewed it as important for NPOs to implement	Viewed as important for NPO's ways of working	Viewed as imperative principle to be implemented
Value creation	NPO value derived from organisation supporting or assisting community by providing services, and helping to strengthen capacity	Value is derived from NPO playing a facilitatory role between stakeholders and, providing skills and competencies	Value is derived from services provided by NPO to stakeholders

	of community level actors		
	Respondent group		
Theme	**Community members**	**Programme Staff or Directors**	**Board members or advisors**
Key stakeholders in value creation process	Community members, government, other NPOs, businesses and faith-based organisations	End-users, community members, and NPO staff	Community members
Least important stakeholder in value creation process	Not identified	Government	Government
Participation of end-users in the five project cycle processes	Participation in all stages	Participation in all stages	Participation in all stages

All respondents demonstrated a knowledge of the concept of downward accountability, its purpose and how it can be promoted. There were varying results regarding who was deemed an important stakeholder to the NPO, and the roles ascribed to different stakeholders varied according to whether one was designing strategy (for instance, Board members and advisors) or implementing programmes (for example programme Staff and Directors). End-users were viewed as stakeholders in the work of the NPOs and, even in the absence of explicit accountability policies, the NPOs had operating frameworks that promoted stakeholder participation and accountability.

The Public Value Framework demonstrated the relationship between an organisation, its authority from various stakeholders and the tasks or practices undertaken by

organisational staff to create public value (Grant *et al.,* 2014). By isolating any one of these three areas as value producing nodes, we are able to identify where in the organisation efforts need to be made to improve the organisation's value creation.

According to Moore's (2003) Value Creation Strategy, legitimacy and support derived from an NPOs' relationships with its stakeholders is one of the factors that can be worked on to improve the public value of the NPO. Accountability is one of the things that inform the relationship between an NPO and its stakeholders and should therefore be prioritised. Furthermore, accountability should not be seen merely as an outcome measure to gauge the impact of an NPO (MacIndoe & Barman, 2013), as it is commonly viewed, but should be approached as a key component of NPO governance and practice. Guided by the pillars of the Public Value Strategy framework, this research therefore looked at the following three areas:

Firstly, the research determined to understand what an NPO's strategy is and how the mission is articulated. This involved dissecting what the organisational strategy is according to the public value framework and identifying the indicators under each of the Value Creation Strategy's three pillars. The process also entailed examining what the strategy development process of the two organisations was, when the process took place and who was involved in the process. Analysing this information as a whole and establishing where in the strategic triangle of value creation, the organisation based most of its value creation processes, led to a better understanding of the organisation's strategic objectives and social mission.

Secondly, the research looked at the complex relationship between NPO and end-user, examining the nature of the partnership, how NPOs decided where to work, identified their beneficiaries, and how the organisation promoted the actual participation of beneficiaries in NPO work. The latter included establishing the extent to which beneficiaries were involved in the programme cycle – a cycle that includes inception and planning, implementation, monitoring and oversight and measuring programme outcomes in terms of the impact made in beneficiaries' lives. By examining these areas, the research sought to establish whether accountability, legitimacy and support had been achieved by the Non-Profit Organisations. Added to these, the research also examined the policies and processes of accountability that the two organisations had put in place and were utilising. This assisted in establishing whether the organisations recognised the legitimacy and support pillar of the value creation framework and

deemed it important. The findings also led to establishing whether, by increasing NPO accountability to end-users, there would be a greater recognition of the role of service end-users in helping an organisation to create public value.

Responses to questionnaires that were sent to NPO staff assisted with examining how accountability to end-users, beneficiaries or communities (downward accountability) may impact on the value creation of a Non-Profit Organisation. The process also included asking questions such as: What form of public engagement does the organisation employ? How does the organisation communicate with end-users? Are there feedback mechanisms for end-users in the form of (i) processes? (ii) policies and (iii) platforms or structures? and at what stage do end-users get involved – project planning, implementation, monitoring or evaluation? In utilising this approach, it was possible to position our understanding of how NPO downward accountability practices influenced value creation.

Finally, the research looked into the two organisations' governance frameworks to examine whether the NPOs had put in place policies and mechanisms that promoted accountability to their beneficiaries – what the Public Value Strategy Framework refers to as 'organisational capabilities'. The research undertook this by examining the factors that drive accountability to stakeholders.

On value-creation, the study sought to establish whether the two NPOs that are taking part in the research put in place mechanisms that enabled or promoted end-users' participation in programming processes that resulted in enhancing the value of the NPO. The findings confirmed the existence of participatory practice targeting end-users that was initiated by both organisations. The study also found that end-users positively viewed the NPOs and found the organisations to be adding value not only to the end-user, but to the general public as well.

Findings into the research objectives were achieved by using a research design that allowed the topic of study to be critically analysed, particularly the accountability practices of NPOs, the decisions made by NPOs on who to account to and analysing how end-users understood their relationship with the NPO. This was in line with the researcher's epistemological efforts to identify how the study participants understood the concepts of accountability and NPO value-creation. This was also in line with a qualitative methodology, which seeks to document the practices and experiences of a

phenomenon. To achieve this, a case study approach was used, where the two NPOs provided a backdrop to the study. Primary data was collected through questionnaires from community members who were identified as the end-users or recipients of the NPO's services, Board members of the NPOs and programming staff and directors at the NPOs. Having multiple sources of data assisted with the validation of the findings, particularly as the study sought to establish the reality or truth of the two NPOs' accountability practices.

The study findings did not illustrate a direct causal relationship between downward accountability and NPO value creation. Rather, the study showed an indirect relationship and showed that being accountable to end-users – who are an NPO's external stakeholders and recipients of the organisation's services – creates opportunities for the NPO to obtain information and feedback on what their target population wants or needs. Accountability to end-users also provides spaces for NPOs to receive complaints that, when acted on, may lead to remedial action to correct errors. Finally, accountability practices provide opportunities for external stakeholders to engage and provide feedback or input that, when adopted, can contribute to the NPO implementing more responsive programmes. These in turn lead to the NPO being viewed more favourably with perceptions of its positive contributions and impact made. This creates an impression of the NPO being a value-creating entity.

CHAPTER 6

PRESENTATION OF A DOWNWARD ACCOUNTABILITY MODEL

6.1 INTRODUCTION

This chapter presents some factors that have been identified as key in establishing an NPO downward accountability model to contribute towards enhancing NPO value. As a qualitative study, this research was inductive and involved developing a downward accountability model. This was based on information from the literature and evidence from fieldwork of what factors constitute and promote downward accountability, as suggested by Azungah (2018). The current study's findings are consistent with literature and the information was used to inform the development of a model for increasing downward accountability in NPOs. Community members also made recommendations on how accountability to end-users could be enhanced. Recommendations included that accountability can be enhanced if it is institutionalised and frameworks are put in place to promote accountability, as indicated in the quotation below, taken from an end-user:

> *"The organisation is accountable to me however because not all human beings are rational and recognising the fact that not all people have the passion to serve, the accountability has been dependent on the person in charge of it at it's office. With this background, I would like to see officers realising that accountability should be an office responsibility and not a personal choice."*

The researcher, in section 2.4.1 of Chapter 2, developed a framework of factors to consider to enhance and strengthen NPO accountability, and this included having policy frameworks in place to build accountability into an organisation's governance practices This is consistent with literature (for instance see The World Bank, 2014; Murtaza, 2012; O'Dwyer & Unerman, 2010; Wellens & Jegers, 2014; and Chynoweth, Zwi & Whelan, 2018), which showed, among other things, that in order to enhance or demonstrate greater accountability, NPOs needed to put the following five things in place:

(i) **A governance framework**. This could be strategy documents, policies or procedures, which would define and articulate the accountability aspirations and standards of the organisation.

(ii) **Organisational environment and work culture** that promotes and enables accountability from Staff, Board and associated stakeholders.

(iii) **Clear programming targets:** The NPO is able to articulate its outcomes and impacts.

(iv) **Clear development plan and targets**: Beyond the NPO's strategic focus, identifying the planned outcomes in relation to broader development goals such as those articulated by the community, municipal or district development plan. That is, these targets set by the NPO are articulated within a broader development framework and are not stand-alone; the targets contribute towards reaching a larger goal.

(v) **Understanding who the NPOs' stakeholders are** and the role that they play.

The findings from the research have shown that an NPO needs more than the above five things in order to promote downward accountability. Findings show that if an NPO wants to further reach its targets, as articulated in the NPO's strategy, and do so in a manner that yields a high impact for the organisation's key stakeholders, the following additional five considerations are also important:

(vi) **Formal registration as a legal entity.** This is particularly important when we consider that there are thousands of so-called 'briefcase NGOs' – fly-by-night entities that are not formally registered and are led by unscrupulous people who view the NPO as a money-making scheme. The importance of formal registration is that there is a level of accountability that is required of the NPO, and the NPO is often responsible towards another legal entity other than itself.

(vii) **The NPO having a clear policy and practice around transparency and information sharing**. This particularly involves the NPO identifying who its stakeholders are, and articulating how these will be kept informed of the work and progress made by the NPO. This entails being intentional and clearly expressing the tools and avenues that will be used by the organisation, to systematically share information about its work, to the relevant stakeholders.

(viii) **The NPO articulating the roles of stakeholders** throughout the various processes of the programme cycle.

(ix) **The NPO having clear external engagement avenues for stakeholders**, particularly feedback and review mechanisms.

(x) **The organisation's objectives being aligned to the developmental needs** that are expressed by the targeted community.

The most important, however, is having all of these processes and platforms articulated so that the NPO approaches the subject of accountability in a coherent, consistent way. This is also to ensure that the concept of accountability is not arbitrarily applied, but that there is a logical approach used across the organisation. The last five factors were identified through the research findings and this indicates that an organisation's purpose, impact levels and overall value to the community that it serves can indeed be enhanced if downward accountability is promoted. Most of the suggestions are in the realm of organisational policy and practice, and thus within the reach and control of the organisation. In other words, the suggestions are easily implemented within the means and capacity of an NPO: limited specialised, external expertise or resources are necessarily required in order to put these in place and to implement effective downward accountability practices. Table 6.1 below summarises the factors identified in enhancing downward accountability towards an NPO's end-users. These factors are like those identified in the Humanitarian Accountability Partnership (HAP) Framework (2010:10), which identified stakeholder participation; sharing information; handling complaints, being a learning organisation, and having a competent staff to deliver on organisational objectives, as being key signs of downward accountability.

Table 6 1: Factors identified in enhancing NPO downward accountability, developed by the author

	Compliance framework	**Performance**	**Process**
Purpose	Define the accountability aspirations and standards of the organisation through strategy documents, policies or procedures.	Articulate the NPO's programming targets, its outcomes and impact.	Detail the practices that demonstrate accountability.
Factors identified from literature			
	A governance framework. This could be strategy documents, policies or procedures, which would define and articulate the accountability aspirations and standards of the organisation.	Clear development plan and targets.	Understanding who the NPOs' stakeholders are and the role that they play.
		Clear programming targets: the NPO is able to articulate its outcomes and impacts.	Organisational environment and work culture that promotes and enables accountability from Staff, Board and associated stakeholders.

Factors identified from the finding of this research			
Principles	Formal registration as a legal entity.	The organisation's objectives being aligned to the developmental needs that are expressed by the targeted community.	The NPO having clear external engagement avenues for stakeholders, particularly feedback and review mechanisms.
			The NPO articulating the roles of stakeholders throughout the various processes of the programme cycle.
			The NPO having a clear policy and practice around transparency and information sharing.

6.2 A DOWNWARD ACCOUNTABILITY MODEL

From Table 6.1 above, a model can be developed illustrating the factors and processes that an NPO would need to put in place in order to enhance downward accountability and value-creation. Under the performance factors identified in the literature, it is important to note that an organisation's development plans and strategy do not operate in a vacuum, and that therefore, NPOs should be encouraged to put in place programming objectives that contribute to a broader societal developmental goal. The study findings identified a communication policy as a process indicator. This particularly involves the NPO identifying who its stakeholders are, and articulates how stakeholders will be engaged with, which this study has found, is an important factor.

The five factors identified through the research findings are an indication that an organisation's purpose, impact levels and overall value to the community it serves, can indeed be enhanced by improving accountability practices. This is particularly true when we consider that many of the suggested interventions relate to an NPO's practices and not so much on policies. Figure 6.1 below illustrates the downward accountability model that has been developed from a consolidation of the factors identified in both the literature and the study findings.

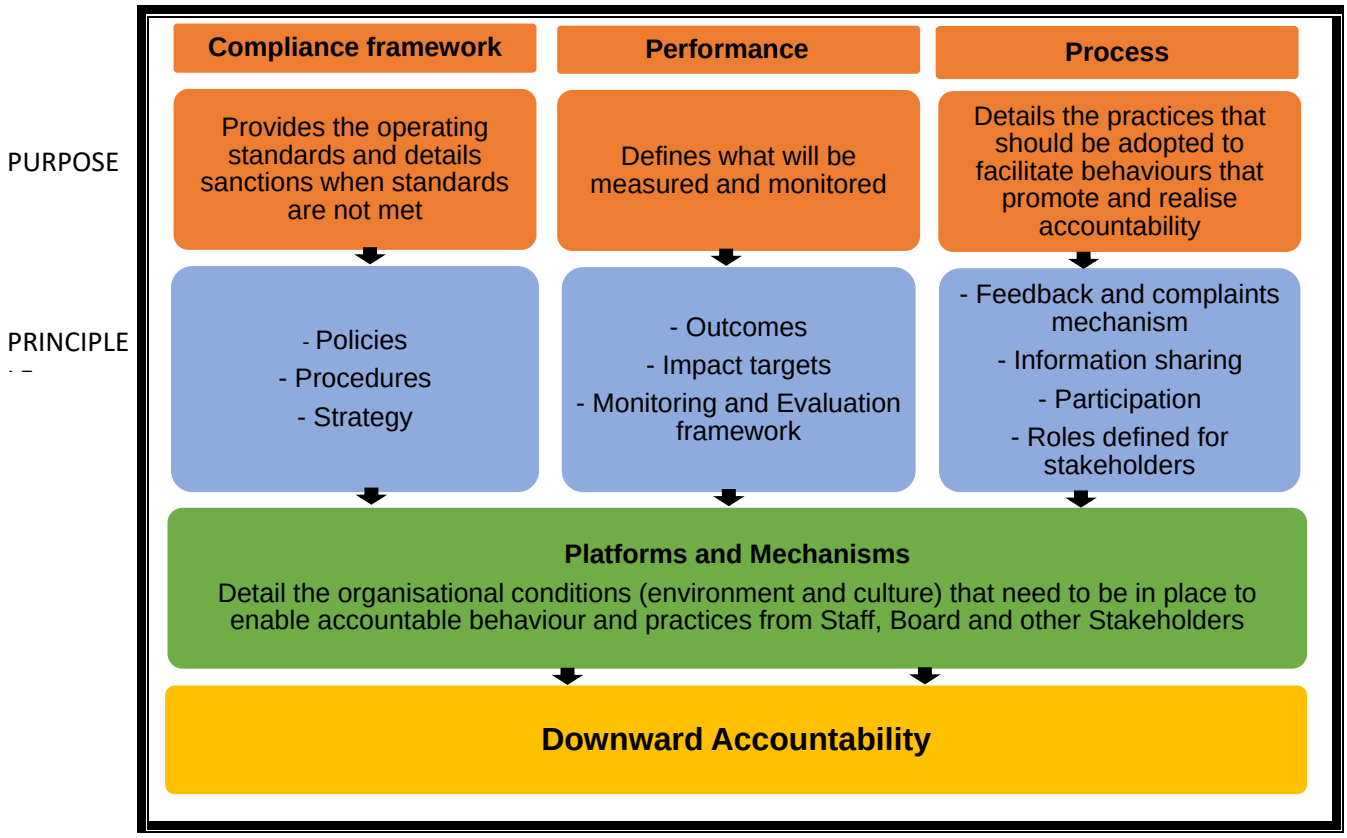

Figure 6.1: A model for downward accountability, developed by the author

The downward accountability model that has been developed identifies three critical factors that need to be put in place to instill the practice of downward accountability in an NPO. These are: (i) a compliance framework to provide operating standards and procedures; (ii) performance measures that are articulated; and (iii) defined processes to promote accountability practices. These three factors are underpinned by platforms and mechanisms that define the environment, culture and operational parameters of the organisation, and would help to promote accountability behaviours among NPO

stakeholders, particularly Staff and Board members. By having these things in place, it is assumed that a culture of downward accountability will be adopted in the day-to-day practices of the NPO, enabling the organisation to establish relationships with end-users whilst providing responsive programming, which in turn helps to position the NPO as a value-creating entity, particularly for the organisation's primary stakeholders.

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

7.1 SUMMARY

The study was divided into seven chapters. Chapter 1 provided a background to this study on how NPO accountability practice impacts organisational value-creation. The background outlined the research questions that informed the research inquiry. The chapter gave an overview of the methodology used to reach the two research aims of determining end-user perceptions of NPO value-creation and efforts made towards identifying factors for developing a downward accountability model. Chapter 1 also provided the study hypothesis, objectives and limitations.

Chapter 2 explored the myriad changes that have led to a metamorphosis in the definitions and roles of Non-Profit Organisations. This chapter explained the changes that have taken place over a period spanning from pre-colonial times to the current millennium. These changes have also been characterised by the NPO repositioning itself in its relations with stakeholders such as community end-users, government and the private sector.

Chapter 3 introduced the theoretical framework underpinning the study. The Public Value Strategic Framework provided a paradigm that enabled the researcher to explore the concepts of participation and value creation, and how these contributed towards an NPO realising meaningful change, particularly for its targeted external stakeholder – the end-user. The Public Value Strategic Framework is an adaptation of the Public Value Creation Theory. Developed specially for the non-profit sector, it explains the relationship between strategy, the organisation's operational framework and the NPO's relationships with its stakeholders.

The research design was detailed in Chapter 4 and focused on articulating the parameters in which the study was undertaken. This included the philosophical underpinnings informing the qualitative nature of the study, the primary data collection methods and sampling criteria used to identify and recruit study respondents, as well as the ethical considerations that guided the study. The chapter also details measures

taken to promote the trustworthiness of the study particularly through the data collection and analysis methods that were utilised.

Chapters 5 presented the study findings and a discussion on the potential meaning of these findings, and suggested that there was a relationship between downward accountability and NPO value creation. Out of the findings, suggested factors for NPOs to consider to enhance their accountability to end-users were identified, and out of these factors, a downward accountability model was developed and articulated in Chapter 6.

The usefulness of the Public Value Strategy Framework towards improving the governance, performance and outcomes of an NPO should not be overlooked. Since the primary research question sought to establish the relationship between downward accountability and value creation, there was also considerable descriptive data generated as this helped to explain the existing practices of the two NPOs.

This study has offered insights into each of the three pillars of the Framework. Firstly, where the framework speaks about legitimacy and support – the leg that provides support and some degree of legitimacy and authority for the organisation to conduct its work – the study findings showed that the nature of an NPO's relationship with its stakeholders is indeed important. The study found that perceptions of NPO value are indeed a factor that is influenced by an NPO's relationship with its end-users. The study confirmed that the levels of support that are enjoyed by an NPO, as well as perceptions of how well the organisation is meeting its objectives, are influenced by the way in which the organisation engages with the stakeholder.

Secondly, the Public Value Strategy Framework states that an organisation's social mission, as articulated in an NPO's strategy, is important for defining what accountability means to an organisation. The strategy also details the steps to be taken by NPO Staff in order to help realise the purpose of the NPO, including how to involve the relevant stakeholders in developing a strategy that enables the NPO to design and implement responsive interventions. To determine this, the study reviewed the two organisations' strategy documents and the organisations' mission statements in order to get a sense of how the two organisations articulated their stakeholder relationships, as well as examining the organisations' policies to determine whether these mentioned any guidelines for stakeholder engagement, particularly on how the organisations and their staff should liaise, account to and work with communities. This data was used, together

with the questionnaire data, to gauge the way in which the NPOs positioned themselves in relation to their stakeholders.

Thirdly, regarding the third pillar of the Public Value Strategy Framework, the operational capacity of the organisation defines the policy and processes that help the NPO to operate in a way that enables the organisation to meet its objectives. The study has confirmed this by identifying key factors that are crucial in promoting downward accountability and had identified these factors as critical components for enhancing the way an organisation works and how it achieves programming outcomes. That is, downward accountability has been found to be an important component of an NPO's operational framework. The results can have significance considering the way that NPOs establish relationships with external stakeholders, particularly those of accountability towards their end-users.

7.2 A REVIEW OF THE RESEARCH QUESTION AND PROBLEM STATEMENT

The problem statement (see section 1.3 in Chapter 1) read as: *Non-Profit Organisations in South Africa demonstrate low levels of downward accountability, which may affect their value creation,* and was informed by the absence of obligatory accountability standards for the NPO sector. The study findings demonstrated that despite the absence of universal accountability standards that detailed the downward accountability imperatives for NPOs, the two organisations that took part in the study still demonstrated some levels of accountability towards their stakeholders, including their end-users. The study found that the two organisations, despite not having policies that explicitly detailed an accountability framework, actually applied several actions and practices that did promote downward accountability. This indicates that the problem of low levels of downward accountability does not lie in the absence of a global framework that compels all NPOs to institute such practice. Rather, the answer lies in organisational values, which in turn influence the practices adopted by the NPO. The study findings therefore disputed the assertions made in the problem statement.

The hypothesis of the research (see section 1.5 in Chapter 1) was: *Accountability to beneficiaries helps a Non-Profit Organisation to create value.* The study sought to establish this by asking questions such as whether NPOs see a link between governance, accountability and value creation, and how the two NPOs understood what accountability was and what form this would take when being accountable to end-users.

The research also established the NPO's understanding of the value-creation process and the stakeholders involved in helping the organisation to create its value. The study findings proved the hypothesis to be correct as the findings demonstrated that the value of an NPO was perceived in the impact that the NPO made in its end-users' lives, and in the NPO having a relationship with its end-users. This is because the accountability relationship between the NPO and end-users was demonstrated through the NPO's engagement with its stakeholders, particularly through practices that provided opportunities for the end-user to sit on the organisation's Board, make contributions to strategy development, attend organisational meetings, receive information and provide input or feedback on budgets, activities and other programming matters. Since the data findings support the hypothesis, the study could be said to have a high construct validity because the questionnaires successfully tested the hypothesis (Cassim, 2021).

The study had several secondary research questions, which were centred on the primary question and sought to investigate how downward accountability facilitated value creation in the two selected Non-Profit Organisations. Questions included establishing whether the NPOs viewed their end-users as stakeholders in development processes, if the NPOs provided platforms to inform the participation of these end-users and establishing what the NPOs' accountability practices were. All the research questions were answered: the findings established who the two NPO's viewed as stakeholders and the most significant stakeholders were identified, namely end-users, organisational Board members and Staff. The findings identified the least significant stakeholders as government and Community Based Organisations working in other sectors. The study findings also identified the roles that NPOs ascribed to their stakeholders in the programing cycle: programming Staff and Directors viewed stakeholder participation as necessary in only three processes (planning and proposal development, programme design and implementation), whilst the Board felt that stakeholders ought to participate in these three processes as well as in programme reviews, monitoring and evaluation.

The study reviewed the two NPOs' strategy documents to establish how the strategies helped to frame the organisations' approach to policy and programming, and how these informed the participatory practices of the NPO's stakeholders. The study findings illustrated that although there was an absence of an explicit Accountability Policy, the two organisations' core values reflected human rights principles and this is what

informed their approach to accountability and led to the organisations implementing downward accountability practices, even in the absence of a downward accountability framework.

Finally, the study answered questions around value-creation – how the two NPO's understood the concept and whether they saw a role for stakeholders, particularly the NPO's end-users, in helping the organisation to create value. The findings demonstrated that NPO Staff understood the meaning of value creation and correctly associated it with the impacts made by the NPO, particularly in the lives of the organisation's targeted end-users. The study findings also demonstrated that there was an indirect, non-causal link between the NPO being accountable to end-users, and the perceptions of NPO value. This is in line with the use of a questionnaire, which is correlational and does not show causal relationships. Therefore, although downward accountability practices were found to influence the relationship between the NPO and its end-users, and this helped to shape the way in which the end-user perceived the NPO as a value-adding organisation, a direct link between downward accountability and value-creation was not established by the study.

7.3 CONTRIBUTIONS OF THE STUDY TO THE NON-PROFIT SECTOR

Within a Public Value Strategy Framework, this research has illustrated the significance of downward accountability on NPO governance, impact and stakeholder perceptions of an NPO's value-creation. The findings helped to establish whether, by increasing NPO accountability to end-users, there would be a greater recognition of the role of service end-users in supporting an organisation to create public value. Interviews with NPO staff assisted with examining how accountability to end-users, beneficiaries or communities (downward accountability) may impact on the value creation of an NPO. The process also included asking questions, such as: What form of public engagement does the organisation employ? How does the organisation communicate with end-users? Are there feedback mechanisms for end-users in the form of (i) processes; (ii) policies; (iii) platforms or structures; and (iv) at what stage do end-users get involved – project planning, implementation, monitoring or evaluation?

The research has shown an indirect relationship between downward accountability and NPO value creation and thus challenges the current convention in governance approaches where NPOs continue to prioritise upward accountability to donors and may

sometimes limit the role of end-users, although end-users are a significant external stakeholder. The research also established that although the two NPOs taking part in the study did not necessarily have explicit Accountability Policies or articulate in their strategies the concept of downward accountability, they nevertheless demonstrated downward accountability traits, particularly in their daily practice and engagement with end-users.

The research demonstrated that additional funding is not required to put in place an accountability framework that promotes and enables downward accountability practices. Findings demonstrated, rather, that an articulate organisational strategy, an accountability policy and clear practice guidelines on what constitutes downward accountability in the work of the NPO are key factors in promoting and implementing downward accountability.

The research revealed the need for a recognition of the outward-facing nature of NPO work, particularly where an organisation provides some form of service to an end-user. The innovation of the study lies in the application of the Public Value Creation Theory to the non-profit sector and in recognising the theory's potential in enhancing an NPO's governance, performance and service delivery.

7.4 RECOMMENDATIONS FOR FUTURE RESEARCH

The following recommendations on future research and potential areas of study can be made:

(i) The study found that the role of government and its value-creating capacities were viewed differently by programming Staff and end-users. Whereas end-users saw government as an important stakeholder, programming Staff saw government as the least significant stakeholder. The perceptions of government as a stakeholder in NPO value-creation is therefore a topic that can be further explored.

(ii) The study findings demonstrated that operationalising downward accountability is not a difficult task and can easily be implemented with minimal resources that are at the disposal of the NPO. To support this, the study developed a downward accountability framework to assist NPOs with the process of putting in place mechanisms for promoting and implementing downward accountability. This is a

practical tool that can lend itself to further testing to establish its capabilities, strengths and weaknesses.

(iii) Mobile technology (devices and apps) are shifting the power of programme designing, reviewing, providing feedback and other accountability mechanisms. The general public can develop these on their own at a local level and put any organisation 'under review'. Power is therefore shifting from organisations to the public who now have greater control over programme review or analysis and are able to challenge the very purpose of an NPO. It is therefore crucial for NPOs to regularly conduct internal reviews and assessments that include their end-users. NPO research into who their primary stakeholders are and what role these should play in the work of the organisation needs to become standard as part of an NPO's reflective practice. This could be an area for further research.

(iv) Amartya Sen's Capabilities Approach could have been used to compare, critique or support aspects of Moore's Public Value Creation Theory, particularly since Sen's theory argues that by creating an enabling environment and increasing freedoms, people are better able to participate in life and in their communities (Sen, 2001). The role played by Non Profit Organisations in creating an enabling environment for communities to participate in order to promote development, is therefore a possible area of future study.

(v) The following methodological recommendations can be made:
   (a) A future study can increase the sample size in order for findings to be more generalisable;
   (b) The scale of the study can be increased by utilising more of a quantitative approach so that more NPOs can participate in the research; and
   (c) The scope of a similar study can be increased by including Non-Profit Organisations from a wider sector, for instance those working in humanitarian settings, as well as the environmental, education, religious or health sectors.

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APPENDIX A: PROGRAMMING STAFF AND DIRECTOR'S QUESTIONNAIRE

Questionnaire for Directors and Programme Staff

My name is Nikiwe Kaunda, a student at the School of Public Leadership, and I would like to invite you to take part in a survey, the results of which will contribute to a research project in order to complete my PhD.

This research is about understanding the accountability practices of Non-Profit Organisations (NPOs). The questionnaire has 53 questions and should take 45 minutes to fill in. Only fill it in if you are an Executive Director or Programme staff.

Your participation is also entirely voluntary and you are free to decline to participate. If you say no, this will not affect you negatively in any way whatsoever. You are also free to withdraw from the study at any point, even if you do agree to take part.

All information that you share will be kept private and you will remain anonymous. Any information you share will not be attributed to you directly.

If you have any questions or concerns about the research, please feel free to contact the researcher Nikiwe Kaunda nikiwekaunda@gmail.com or on WhatsApp 084 7920 358 and/or the co-Supervisors, Dr Ishmael Theletsane at: ishmael@ma2.ac.za or Prof. Zweli Ndevu at zwelinzima@spl.ac.za.

Thank you for your participation.

SECTION I: DEMOGRAPHIC INFORMATION

1. In your own words, what is the organisation's mission?

2. What do you understand the organisation's vision to be?

3. How many staff members does your organisation have?
   - 0-5
   - 6-10
   - More than 15
   - More than 20
   - 25+
   - Other, please specify

4. Currently, do you have any volunteers working with you?
   - Yes
   - No
   - Other, please specify

5. If you answered Yes in question 4 above, how many volunteers does your organisation currently have?

6. Does your organisation have a Board?

7. If you answered Yes to question 6 above, please list the sub-committees on your Board?

8. Are there any community members who are part of your Board?
   - Yes
   - No
   - Other, please specify

9. If you answered No to question 8 above, how do you promote community representation on your Board?

SECTION II: PROGRAMME MANAGEMENT

10. What would you say is your organisation's core purpose? Only select one.

- ☐ Service delivery
- ☐ Capacity building
- ☐ Policy and institutional influencing
- ☐ Other, please specify

11. Which of the following principles best describe what your organisation's programming approach is based on? Only select one.

- ☐ Human rights
- ☐ Social justice
- ☐ Social development/ welfare
- ☐ Other, please specify

12. Who would you say is your organisation's primary stakeholder? Please rate them from 1 – 5, with 1 being the main stakeholder and 5 being a secondary stakeholder.

Programme staff	1	2	3	4	5
Donors/ resource providers	1	2	3	4	5
Beneficiaries/client/constituents	1	2	3	4	5
Technical/capacity building/policy experts	1	2	3	4	5
Other non-profit organisations/allies	1	2	3	4	5

13. At which stage does your organisation involve the primary client, (the one you rated 1 in question 12 above)? Select all the stages that are relevant.

- ☐ Planning and proposal development
- ☐ Programme design

- Implementation
- Programme monitoring and review
- Programme evaluation
- Other, please specify

14. Impact can also be defined as the actual change that takes place in a beneficiaries' life. How does your organisation measure this change?

15. What tools or frameworks does your organisation use to measure impact?

16. Do beneficiaries help to set your impact targets in the organisations' strategy?

- Yes
- No
- Other, please specify

17. Do beneficiaries help to set the organisations' programme targets?

- Yes
- No
- Other, please specify

18. How do you receive feedback about your programmes from beneficiaries?

19. Does your organisation document the following processes? Select all that are relevant:

- How beneficiaries/ target populations are identified and selected?
- How beneficiaries and community members can participate at any stages of a project?
- How beneficiaries and community members can provide input or feedback?
- Other, please specify

SECTION III: ACOUNTABILITY PRACTICES

20. Is your organisation registered as an NGO?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

21. Do you have tax exemption (Section 18A) status?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

22. Does your organisation submit annual audits to the Department of Social Development (DSD)?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

23. Does your organisation have a standalone policy on accountability?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

24. If you answered No to question 23, is accountability mentioned within a policy?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

25. If you answered Yes to question 24, please name the organisational policy that mentions accountability.

_____

26. Do you hold meetings with community members to discuss the work of your organisation?

- ☐ Yes
- ☐ No
- ☐ Other, please specify

If you answered Yes to question 26, please answer questions 27 to 29. If you answered No, please go to question 30.

27. How often do you meet with community members?

_____

28. Who attends these meetings?

_____

29. What do you present or discuss with community members?

_____

30. Does your organisation share any of the following details with communities or beneficiaries? **Select with an X all that are relevant.**

- ☐ Contact details
- ☐ Staff code of conduct
- ☐ Complaints procedure
- ☐ Organisational goals
- ☐ Staff roles and responsibilities
- ☐ Criteria for selecting target groups and deliverables
- ☐ Feedback on how input from community participation has contributed to the organisation's decision making
- ☐ Financial summary
- ☐ Programme deliverables and expected results
- ☐ Progress reports

- Other, please specify

31. Does your organisation have a schedule detailing how the organisation will share information?

- Yes
- No
- Other, please specify

32. Does your organisation have a schedule showing when information will be shared?

- Yes
- No
- Other, please specify

33. Which stakeholders do you feel have influence in your organisation? Mark with an X all that are relevant.

- Executive Director and Board
- Staff
- Beneficiaries and community
- Government departments
- Other NPOs
- Other, please specify

34. Please rank these stakeholders in order of 'most influential' to 'least influential': where (1) marks the stakeholder with the most influence and (5) marks the stakeholder with the least influence:

Executive Director and Board	1	2	3	4	5
Staff	1	2	3	4	5
Beneficiaries and community	1	2	3	4	5
Government departments	1	2	3	4	5
Other NPOs	1	2	3	4	5

35. Do any of your organisational policies mention how the following will be promoted (select all that are relevant from the list below):

- ☐ Stakeholder participation
- ☐ Feedback or complaints mechanism
- ☐ Stakeholder input into programming
- ☐ Sharing information about the organisation's strategy and programmes
- ☐ Sharing information about the organisation's budget
- ☐ Other, please specify

36. Do your organisational policies *specifically* mention how the following will be promoted (select all that are relevant):

- ☐ Beneficiary or community participation
- ☐ Feedback or complaints mechanism for beneficiaries or communities
- ☐ Beneficiary input into programming
- ☐ How the organisation's strategy and programme information will be shared with beneficiaries or communities
- ☐ How information about the organisation's budget will be shared with beneficiaries or communities
- ☐ Other, please specify

37. What do you understand by the term 'downward accountability'?

_____

38. Do you think there are any benefits for non-profit organisations to promote downward accountability? Please explain.

_____

39. What do you think are the challenges non-profits may face when promoting downward accountability?

_____

40. From the challenges that you have shared above, which ones have affected your organisation?

SECTION IV: STRATEGY DEVELOPMENT

41. Which stakeholders are involved in your organisation's strategy development process? Please select all that may be relevant.

- ☐ Executive Director and Board
- ☐ Staff
- ☐ Beneficiaries and community
- ☐ Government departments
- ☐ Other NPOs
- ☐ Other, please specify

42. Does your organisation belong to any network that promotes the following: (select all that are relevant):

- ☐ Learning and sharing
- ☐ Peer accountability
- ☐ Fundraising
- ☐ Statutory and legal compliance
- ☐ Donor compliance
- ☐ Other, please specify

43. Please list these networks (and on the side please indicate what the primary purpose of the platform is. If a platform promotes more than one purpose, please indicate this. You can use the categories in Question 42 above to guide you).

SECTION V: VALUE CREATION

Value creation is a concept that says an organisation brings meaning to society through the work that it does.

44. How would you define what makes your organisation “valuable’ to the following sectors:

- The non-profit sector

_____

- The community you work in

_____

- The direct beneficiaries of your programmes and services

_____

45. Which stakeholders do you feel help to create the value of your organisation? Select all that are relevant.

- Executive Director and Board
- Staff
- Beneficiaries and community
- Government departments
- Other NPOs
- Other, please specify

46. Please rank these stakeholders in order of ‘most important’ to ‘least important’ in helping your organisation to create its social value: where (1) marks the stakeholder who is most important and (5) marks the stakeholder who is least important in creating value:

Executive Director and Board	1	2	3	4	5
Staff	1	2	3	4	5
Beneficiaries and community	1	2	3	4	5
Government departments	1	2	3	4	5
Other NPOs	1	2	3	4	5

47. How would you describe your organisation's relationship with donors?

48. How would you describe your organisation's relationship with beneficiaries?

49. How would you describe your organisation's relationship with other non-profit organisations?

Thank you for taking time to complete this questionnaire.

APPENDIX B: COMMUNITY MEMBERS/END-USERS' QUESTIONNAIRE

Online questionnaires for beneficiaries/ community members / end-user

Thank you for taking time to answer this survey. It is anonymous and all your answers will be kept confidential. The questionnaire is part of a study conducted by me, Nikiwe, and I am a student at Stellenbosch University. The study is trying to find out more about how Non-Profit Organisations (NPOs), work with you and your community. If at any point, you no longer want to take part in the research, you can choose not to answer the survey.

If you have any questions or concerns about the research, please feel free to contact the researcher Nikiwe Kaunda nikiwekaunda@gmail.com or on WhatsApp 084 7920 358 and/or the co-Supervisors, Dr Ishmael Theletsane at: ishmael@ma2.ac.za or Prof. Zweli Ndevu at zwelinzima@spl.ac.za.

A. STRATEGY

A 'strategy' is a plan of how an organisation is going to do its work. It also explains the activities that an organisation is going to do. The following questions will ask you about some of the important things that are important in an organisation's strategy.

1. What do you understand is the mission of this organisation – what are they here to do for you or your community?
2. Are you a board member of this organisation?
3. Have you ever taken part in developing the organisation's strategy?
4. Have you taken part in developing the organisation's mission?

B. VALUE CREATION

Value creation is an idea that says an organisation brings meaning (value) to society through the work that it does. The next questions will ask you about what you think about the NPO that works with you, and if the NPO is able to make a difference in your life or in your community.

5. How would you say this organisation makes a difference to you and your community?
6. Who would you say are the stakeholders that should be involved in helping the organisation to do its work better (create value)?
7. What role do you think you can play in helping this organisation serve the community better?

C. ACCOUNTABILITY PRACTICES

Accountability means being able to explain things, and to be responsible for one's actions. The following questions will ask you about the way in which the NPO works with you, shares information with you and provides you with a chance to help develop its plans.

8. Do you take part in any of these programme activities:

- Planning and proposal development
- Programme design
- Implementation
- Programme monitoring and review
- Programme evaluation

9. How often does the organisation meet with you?

(b) What do you discuss at these meetings?

10. Does the organisation share information with you on the following:

- Contact details
- Staff code of conduct
- How to make a complaint when things are not going well
- Organisational goals
- Staff roles and responsibilities
- Criteria for selecting target groups and deliverables

- Feedback on how your input has contributed to the organisation's decision making
- Financial summary
- Programme deliverables and expected results
- Progress reports

11. How do you provide feedback, suggestions or make complaints to the organisation?

12. Do you think this organisation is accountable to you? If Yes, why do you feel this way (what type of practices are demonstrated by the organisation), and if No, what would you like to see the organisation do to make them more accountable?

APPENDIX C: BOARD MEMBERS' OR ADVISORS' QUESTIONNAIRE

Thank you for taking time to answer this survey. It is anonymous and all your answers will be kept confidential. The questionnaire is part of a study conducted by me, Nikiwe, and I am a student at Stellenbosch University. The study will collect information on the ways in which organisations (NPOs) are accountable to their beneficiaries. It will involve interviews with both organisational representatives as well as community members who are benefiting from the work of the organisation.

All information that you share will be kept private and you will remain anonymous. Any information you share will not be attributed to you directly.

If you have any questions or concerns about the research, please feel free to contact the researcher Nikiwe Kaunda nikiwekaunda@gmail.com or on WhatsApp 084 7920 358 and/or the co-Supervisors, Dr Ishmael Theletsane at: ishmael@ma2.ac.za or Prof. Zweli Ndevu at zwelinzima@spl.ac.za.

A. STRATEGY

1. Please share your Board profile: (a) how many people do you have on your Board; and (b) how many male and female?

2. Please list the sub-committees that you have on your board.

3. Are community members represented on your board?

4. What, in your own words, do you see as your organisations' vision?

5. What, in your own words, is your organisation's mission?

B. VALUE CREATION

Value creation is a concept that says an organisation brings meaning (value) to society through the work that it does.

6. How would you say your organisation creates value to the NPO sector?

7. How would you say your organisation creates value to the communities that you work in?

8. Who would you say are the stakeholders involved in creating value for your organisation?

9. How is your strategy developed? **(Take note of process, frequency and stakeholders involved).**

C. ACCOUNTABILITY PRACTICES

10. Who do you view as the organisation's primary stakeholder?

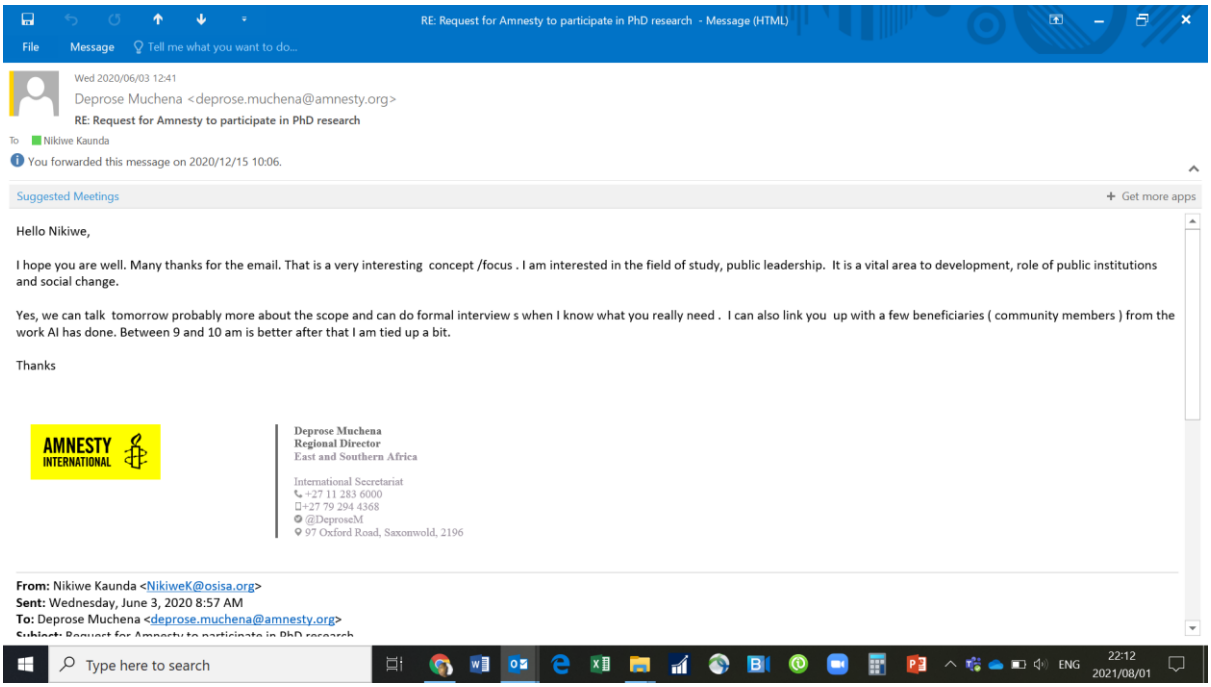
11. How does your organisation promote accountability to stakeholders?

12. How does your organisation promote accountability to the communities it serves?

13. What do you see as the role of service beneficiaries and community members in the work of the organisation?

14. When it comes to the project cycle processes, when do you feel beneficiaries/ end-users/ rights holders should get involved?
    - Planning and proposal development
    - Programme design
    - Implementation
    - Programme monitoring and review
    - Programme evaluation
    - Other

APPENDIX D: ETHICAL REQUEST



RE: Request for Amnesty to participate in PhD research - Message (HTML)

File Message Tell me what you want to do...

Wed 2020/06/03 12:41

Deprose Muchena <deprose.muchena@amnesty.org>

RE: Request for Amnesty to participate in PhD research

To Nikiwe Kaunda

You forwarded this message on 2020/12/15 10:06.

Suggested Meetings + Get more apps

Hello Nikiwe,

I hope you are well. Many thanks for the email. That is a very interesting concept /focus . I am interested in the field of study, public leadership. It is a vital area to development, role of public institutions and social change.

Yes, we can talk tomorrow probably more about the scope and can do formal interview s when I know what you really need . I can also link you up with a few beneficiaries (community members) from the work AI has done. Between 9 and 10 am is better after that I am tied up a bit.

Thanks

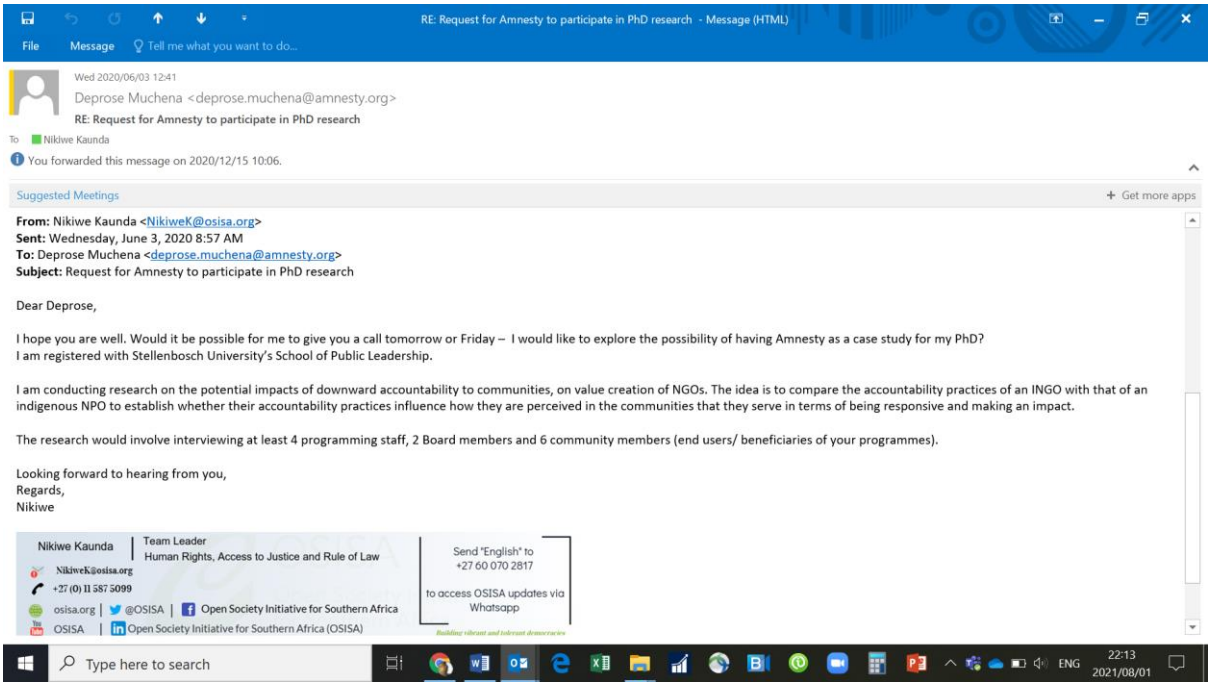
AMNESTY INTERNATIONAL

Deprose Muchena
Regional Director
East and Southern Africa

International Secretariat
+27 11 283 6000
+27 79 294 4368
@DeproseM
97 Oxford Road, Saxonwold, 2196

From: Nikiwe Kaunda <NikiweK@osisa.org>
Sent: Wednesday, June 3, 2020 8:57 AM
To: Deprose Muchena <deprose.muchena@amnesty.org>

Type here to search ENG 22:12 2021/08/01



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Deprose Muchena <deprose.muchena@amnesty.org>

RE: Request for Amnesty to participate in PhD research

To Nikiwe Kaunda

You forwarded this message on 2020/12/15 10:06.

Suggested Meetings + Get more apps

From: Nikiwe Kaunda <NikiweK@osisa.org>
Sent: Wednesday, June 3, 2020 8:57 AM
To: Deprose Muchena <deprose.muchena@amnesty.org>
Subject: Request for Amnesty to participate in PhD research

Dear Deprose,

I hope you are well. Would it be possible for me to give you a call tomorrow or Friday – I would like to explore the possibility of having Amnesty as a case study for my PhD?
I am registered with Stellenbosch University's School of Public Leadership.

I am conducting research on the potential impacts of downward accountability to communities, on value creation of NGOs. The idea is to compare the accountability practices of an INGO with that of an indigenous NPO to establish whether their accountability practices influence how they are perceived in the communities that they serve in terms of being responsive and making an impact.

The research would involve interviewing at least 4 programming staff, 2 Board members and 6 community members (end users/ beneficiaries of your programmes).

Looking forward to hearing from you,
Regards,
Nikiwe

Nikiwe Kaunda | Team Leader
Human Rights, Access to Justice and Rule of Law
NikiweK@osisa.org
+27 (0) 11 587 5099
osisa.org | @OSISA | Open Society Initiative for Southern Africa
OSISA | Open Society Initiative for Southern Africa (OSISA)

Send "English" to +27 60 070 2817 to access OSISA updates via Whatsapp

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APPENDIX E: INSTITUTIONAL PERMISSION

SOCIAL CHANGE ASSISTANCE TRUST
Partners in rural change

Stellenbosch University Research Ethics Committee

RE: Permission to Ms Nikiwe Kaunda, Student Number SU21042675 to conduct research with Social Change Assistance Trust (SCAT) Staff, Board Members and Programme beneficiaries

This letter serves as authorisation for Ms Nikiwe Kaunda, a PhD student with the Stellenbosch University School of public Leadership, to conduct her research and interviews with Social Change Assistance Trust. Her research is a qualitative study that will involve electronic interviews with Staff, Board Members and Communities that SCAT serves. We understand the research to be on how non-profit organisations create value and whether accountability to end users (beneficiaries of the organisation) plays a role in this.

The researcher has shared copies of the draft questionnaires and we understand the scope and purpose of the research. The researcher will also be covering all costs associated with the study, although SCAT will provide support in helping to access programme beneficiaries to arrange for interviews.

The Board and Management of SCAT is happy to work with Nikiwe Kaunda on this research and our organisation sees this as vital in generating content about NGO practices that can have both a national and regional impact. This letter therefore serves as permission for Nikiwe Kaunda to undertake the study.

For further information, I may be contacted at: Joanne@scat.org.za

Yours sincerely,

Joanne Harding
Director

H301 |Buchanan Square|160 Sir Lowry Rd|Woodstock| Cape Town South Africa | 7925
T: +27 (0) 21 4182575 | F: +27 (0) 21 4186850|E: info@scat.org.za |W: www.scat.org.za
NPO: 009-983 | PBO: 930013962 | VAT: 4130242987

APPENDIX F: ETHICAL CLEARANCE APPROVAL

UNIVERSITEIT
STELLENBOSCH
UNIVERSITY

NOTICE OF APPROVAL

REC: Social, Behavioural and Education Research (SBER) - Initial Application Form

5 November 2020

Project number: 15543

Project Title: Downward accountability and value creation: an examination of two Non-profit organisations in South Africa

Dear Miss Nikiwe Kaunda

Your REC: Social, Behavioural and Education Research (SBER) - Initial Application Form submitted on 2 October 2020 was reviewed and approved by the REC: Social, Behavioural and Education Research (REC: SBE).

Please note below expiration date of this approved submission:

Ethics approval period:

Protocol approval date (Humanities)	Protocol expiration date (Humanities)
5 November 2020	4 November 2023

GENERAL REC COMMENTS PERTAINING TO THIS PROJECT:

INVESTIGATOR RESPONSIBILITIES

Please take note of the General Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

If the researcher deviates in any way from the proposal approved by the REC: SBE, the researcher must notify the REC of these changes.

Please use your SU project number (15543) on any documents or correspondence with the REC concerning your project.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

CONTINUATION OF PROJECTS AFTER REC APPROVAL PERIOD

You are required to submit a progress report to the REC: SBE before the approval period has expired if a continuation of ethics approval is required. The Committee will then consider the continuation of the project for a further year (if necessary).

Once you have completed your research, you are required to submit a final report to the REC: SBE for review.

Included Documents:

Document Type	File Name	Date	Version
Investigator CV (PI)	CV - Nikiwe J. Kaunda MAY 2020	27/05/2020	1
Research Protocol/Proposal	Proposal - ETHICS Clearance 21042675	27/05/2020	1
Informed Consent Form	Electronic consent form	28/05/2020	1
Data collection tool	Self-administered online questionnaire for Directors and Programme Managers	28/05/2020	1
Data collection tool	Interview guide for Board Members	28/05/2020	1
Data collection tool	Online survey questions - community end users	28/05/2020	1
Proof of permission	SCAT permission to conduct research	28/05/2020	1
Request for permission	Invitation for OXFAM SA to participate in PHD research on downward	28/05/2020	1

	accountability		
Default	Nikiwe Kaunda SU21042675 response letter to Ethics Review Committee - 3 JUNE 2020	03/06/2020	1
Default	Self-administered online questionnaire for Directors and Programme Managers	17/09/2020	Version 2
Default	RESC response letter - REF 15543 - SEPT 17 SEPT 2020	17/09/2020	Version 2
Default	Proposal - ETHICS Clearance 21042675 revised 17 SEPT 2020	17/09/2020	Version 2
Default	Online survey questions - community end users - REVISED 17 SEPT 2020	18/09/2020	Version 2
Default	RESC response letter - REF 15543 - OCT 02 2020	02/10/2020	1
Default	Proposal - ETHICS Clearance 21042675 revised 02 OCT 2020	02/10/2020	Version 3
Default	Online survey questions - community end users - REVISED 02 OCT 2020	02/10/2020	Version 3

If you have any questions or need further help, please contact the REC office at cgraham@sun.ac.za.

Sincerely,

Clarissa Graham

REC Coordinator: Research Ethics Committee: Social, Behavioral and Education Research

National Health Research Ethics Committee (NHREC) registration number: REC-050411-032.
The Research Ethics Committee: Social, Behavioural and Education Research complies with the SA National Health Act No.61 2003 as it pertains to health research. In addition, this committee abides by the ethical norms and principles for research established by the Declaration of Helsinki (2013) and the Department of Health Guidelines for Ethical Research: Principles Structures and Processes (2nd Ed.) 2015. Annually a number of projects may be selected randomly for an external audit.

Principal Investigator Responsibilities

Protection of Human Research Participants

As soon as Research Ethics Committee approval is confirmed by the REC, the principal investigator (PI) is responsible for the following:

Conducting the Research: The PI is responsible for making sure that the research is conducted according to the REC-approved research protocol. The PI is jointly responsible for the conduct of co-investigators and any research staff involved with this research. The PI must ensure that the research is conducted according to the recognised standards of their research field/discipline and according to the principles and standards of ethical research and responsible research conduct.

Participant Enrolment: The PI may not recruit or enrol participants unless the protocol for recruitment is approved by the REC. Recruitment and data collection activities must cease after the expiration date of REC approval. All recruitment materials must be approved by the REC prior to their use.

Informed Consent: The PI is responsible for obtaining and documenting affirmative informed consent using **only** the REC-approved consent documents/process, and for ensuring that no participants are involved in research prior to obtaining their affirmative informed consent. The PI must give all participants copies of the signed informed consent documents, where required. The PI must keep the originals in a secured, REC-approved location for at least five (5) years after the research is complete.

Continuing Review: The REC must review and approve all REC-approved research proposals at intervals appropriate to the degree of risk but not less than once per year. There is **no grace period.** Prior to the date on which the REC approval of the research expires, **it is the PI's responsibility to submit the progress report in a timely fashion to ensure a lapse in REC approval does not occur.** Once REC approval of your research lapses, all research activities must cease, and contact must be made with the REC immediately.

Amendments and Changes: Any planned changes to any aspect of the research (such as research design, procedures, participant population, informed consent document, instruments, surveys or recruiting material, etc.), must be submitted to the REC for review and approval before implementation. Amendments may not be initiated without first obtaining written REC approval. The **only exception** is when it is necessary to eliminate apparent immediate hazards to participants and the REC should be immediately informed of this necessity.

Adverse or Unanticipated Events: Any serious adverse events, participant complaints, and all unanticipated problems that involve risks to participants or others, as well as any research-related injuries, occurring at this institution or at other performance sites must be reported to the REC within **five (5) days** of discovery of the incident. The PI must also report any instances of serious or continuing problems, or non-compliance with the RECs requirements for protecting human research participants.

Research Record Keeping: The PI must keep the following research-related records, at a minimum, in a secure location for a minimum of five years: the REC approved research proposal and all amendments; all informed consent documents; recruiting materials; continuing review reports; adverse or unanticipated events; and all correspondence and approvals from the REC.

Provision of Counselling or emergency support: When a dedicated counsellor or a psychologist provides support to a participant without prior REC review and approval, to the extent permitted by law, such activities will not be recognised as research nor the data used in support of research. Such cases should be indicated in the progress report or final report.

Final reports: When the research is completed (no further participant enrolment, interactions or interventions), the PI must submit a Final Report to the REC to close the study.

On-Site Evaluations, Inspections, or Audits: If the researcher is notified that the research will be reviewed or audited by the sponsor or any other external agency or any internal group, the PI must inform the REC immediately of the impending audit/evaluation.