

BEING ACCOUNTABLE TO STAKEHOLDERS THE ROLE OF NON-GOVERNMENTAL SOCIAL RESPONSIBILITY COMMUNICATIONS

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PURPOSE
NON Governmental Organizations (NGOs) need to partner and build trust with developmental agencies, community groups and the population they serve. Donors and governments are now requiring a greater degree of accountability on the part of NGOs. One mechanism to ensure accountability for NGOs is through Non-Governmental Social Responsibility Communication (NGSRC).

Design/Methodology/Approach: *In this research, we developed a model of the relationships between socio-cultural values, NGO use of NGSRC, and stakeholders' evaluations of NGSRC. The NGSRC model has been developed based upon the literature, and provides prescriptions to NGOs to help create culturally tailored and effective communications. This model has been applied in the context of three cases in India.*

Findings: *Given the range of stakeholders that NGOs are accountable to, NGSRC can be a complex process. Many NGOs are accountable to international, national, and regional partners and as such their NGSRC policies need to encapsulate a cross-cultural perspective. Furthermore, NGOs are also dependent on resources provided by the various stakeholders, and need to develop NGSRC polices to reflect stakeholders' expectations.*

Practical Implications: *NGSRC involves the dissemination of information that enhances an image of social responsibility; it provides stakeholders and other audience members with disclosure about the organization's procedures, metrics, beliefs, and actions concerning social responsibility.*

Originality/Value: *The NGSRC model is developed based upon impression management and resource dependence theories, and provides prescriptions to NGOs to help create culturally tailored and effective communications.*

Key words: *NGOs, Communications, Culture, Resource Dependency.*

Introduction

Non-government organizations in developing countries exist given the inability of the public and/or private sector to deliver services to the weaker sections of society. Non-government organizations generally rely on funding from foundations, developmental aid agencies, governments, corporations,

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and private parties. These resources carry expectations in terms of delivering benefits to the targeted communities. In addition, in order to access the targeted communities, it is critical that NGOs gain the trust of the local citizenry. Developing trust and meeting expectations requires specialized social responsibility communications.

Thus, for the long-term survival and effectiveness of an NGO, it is critical that they not only invest in tailored communications but also fundamentally create an organizational process to ensure the sustained flow of information.

NGOs may be good in implementing interventions, but generally lack sophisticated business skills. In this research, we provide a framework that can be used as a road map for NGOs in establishing an appropriate level of Non-Governmental Social Responsibility Communications (NGSRC).

The literature for Non-Governmental Social Responsibility Communications (NGSRC) is almost non-existent. In addition, the NGO sector is not regulated such as the financial sector, and as such there are no prescribed templates, format and/or processes that NGOs need to follow.

NGOs that do create of Non-Governmental Social Responsibility Communications (NGSRC) in almost all cases are responding to the requirements of a major donor. Some NGOs will create their own limited NGSRC as a means to reach out to a plethora of donors or as a way to monitor, control, and manage their operations.

Given the sheer size and scale of developmental activity in India and elsewhere, the time has come to develop a model for Non-Governmental Social Responsibility Communications (NGSRC).

In this research, we will first explore the applicable literature to ground our model. A model will then be developed to provide a prescription to NGOs.

Reframing the NGO

NGOs can use NGSRC to projection their reputation and gain legitimacy. Reputation and legitimacy are critical to ensure the continued flow of funds. The construct of reputation is described in both the strategic management and sociological literatures. In the strategic management literature, reputation is defined as an attribute that reflects the extent to which stakeholders see the entity as a good organizational citizen (Roberts & Dowling, 2002); where as in the sociological literature, reputation is defined as a “subjective collective assessment of the trustworthiness and reliability” of an entity (Fombrun & Riel, 1997). Legitimacy is “the generalized perception . . . that the actions of an entity are desirable, proper, and appropriate” (Suchman, 1995); reputation is the relative standing of an organization (Deephouse & Carter, 2005) relative to its mission. In the long run, organizations (including NGOs) are rewarded for having legitimate reputations (Ashforth & Gibbs, 1990); legitimacy is conferred when stakeholders endorse and support an organization’s goals and activities.

As there is limited research in regards to legitimacy and reputation for the developmental sector, we can examine similar constructs in the corporate sector. In the business world Corporate Social Responsibility (CSR) can be considered as representing 25 percent of an organization’s reputation assets (British Telecom, 2002). In the non-governmental sector it can be presumed this ratio may be even more significant. An enhanced reputation influences clients/community satisfaction (Birth et al., 2008) and aids in marketing a “product” (APCO, 2004) to current or potential donors. A “product” in the NGO sector could be a project, intervention or services provided to the vulnerable communities. Furthermore, CSR communicated to employees has been found to increase employee satisfaction and commitment, reduce turnover, and enhance the reputation of the organization as a future employer (Bevan & Wilmott, 2002; Joyner & Payne, 2002). Likewise we can assume that NGSRC would help strengthen NGOs internally.

Towards a Theory of Non-Governmental Social Responsibility Communications

NGOs have a multitude of stakeholders they are accountable to; private donors, foundations, international development agencies, governments, and of course the communities they serve. Each stakeholder will exert a different level of power on an NGO given the level of resource or access they provide. In addition, the various stakeholders view the NGO activity through their specific cultural lens. The flow of resources from a donor to NGO and then to a community may indeed traverse several cultures. In this research, we develop a framework for NGSRC based upon the differences in power and culture. In building this model we first need to identify structural variables that can be combined in a process variable that adequately captures NGSRC properties.

Cultural variation structural variable.

Culture is the “collective programming that distinguishes one group or category of people from another” (Hofstede, 1980) and “beliefs and values that are widely shared in a specific society at a particular point in time” (Ralston et al., 1993). Behaviour of people is determined by their cultures which are manifested in terms of ideologies, values and social roles (Gupta, Sudan, & Verma, 2000). In a vast country like India, cultural differences occur at regional and community level. Hence, tribal communities in rural Andhra Pradesh may have very different shared meanings, values, and norms relative to rag-pickers in the National Capital Region of India. Organisational Culture, or Corporate Culture, comprises the attitudes, experiences, beliefs and values of an organization (Lather, Puskas, Singh, & Gupta, 2010). Culture impact on the motivation level and therefore, the organization needs to nurture and develop the right type of culture in the organization to foster the motivation level of the employees working in the organization (Sinha, Singh, Gupta, & Dutt, (2010). Organizations having a strong/open culture performs better than the organizations having a weak/close culture (Punia & Luxmi, 2005). If the organizations are not able to evolve a fit between the individual work value system and the norms of the organization, employees contribution to the organization becomes negative thereby making the work culture dysfunctional (Singh, 2001)

Cultural values can influence communication practices within NGOs and between organizations and their stakeholders. When an agent reaches a communication point, cultural frames of reference may influence communication intentions and communication (Tata, 2000). Since NGSRC involve interactions between an organization and stakeholders, the NGSRC used by a NGO can be influenced by the socio-cultural frames of reference of organizational decision-makers. Similarly, the interpretation of NGSRC will be influenced by the socio-cultural frames of reference of the target audience, i.e., stakeholders or communities.

Thus, the socio-cultural context in which organizations operate can determine the appropriateness of NGSRC and create potential communication problems between organizations and stakeholders. Communication problems in intercultural contexts can occur because of two types of difficulties:

- 1) people may use inappropriate communicative acts because the norms of communication appropriate in one culture may appear to be inappropriate in another and
- 2) people may negatively react to a communicative act that deviates from culturally acceptable norms of communication (Tata, 2000). As cultural distance increases between NGO and stakeholders (i.e., as their socio-cultural values become more dissimilar), the use of communicative acts inappropriate to the situation and the negative evaluation of NGSRC will also increase.

NGOs need to make implicit predictions about communications necessary to meet the expectations of stakeholders. Based on these predictions they may choose the types of NGSRC that maximize the flow of funds, access to resources and communities. Effective communication occurs when the person receiving the message gives the same meaning to the message as the sender (Triandis, 1994); such attributions are likely to result in positive evaluations of NGSRC. The meaning attributed to NGSRC, however, is often dependant on culture. In cross-cultural communication situations, there is a greater possibility that the target of a message (i.e., stakeholders) interprets the message differently from the organizational decision-makers who formulated the NGSRC, and cultural variance can result in negative evaluations of NGSRC (Tata, 2000). As such NGOs need to invest more in donor/community tailored communications.

Proposition 1: Socio-cultural values influence evaluation of NGSRC, i.e., as the cultural distance between organizational decision-makers and stakeholders increases, NGOs need to invest more in customized communications.

Stakeholders' power structural variable.

Resource dependence conceives an organization operating within an open system that faces environmental uncertainty (Katz & Kahn, 1978). Resource Dependence Theory (RDT) views organizations as embedded in a web of exchange relationships within an uncertain environment and dependent on other entities for survival (Pfeffer & Salancik, 1978). RDT provides an explanation for why stakeholder communities are able to influence the practices of an organization (Maignan & McAlister, 2003), based on the fact that “an organization must attend to the demands of those in its environment that provide resources necessary and important for its continued survival”. Formation of a close long-term relationship is a means of reducing uncertainty and managing dependence. A major implication of RDT is the identification of dependence and uncertainty as critical antecedent variables underlying the formation of inter-organization relationships (Fynes, De Búrca, & Marshall, 2004).

Stakeholders are identified in the literature as any group of individuals that can affect or is affected by the achievement of the organization's objectives (Achterkamp & Vos, 2008). A number of stakeholders provide key resources to NGOs. NGOs are dependent on these stakeholders for their long-term survival in terms of access, funds, and supplies. Relevant stakeholders include private donors, foundations, developmental agencies, government entities, local community leaders and even the recipients themselves. For NGOs, communications is a key part of a sustained partnership with their respective stakeholders. As the relative power of stakeholders increases (e.g., concentration of funds) the NGO will have to provide more complex knowledge to maintain the relationship.

Proposition 2: The relative power of stakeholders influences the form of NGSRC, i.e., as the stakeholders' power increases, NGOs need to provide more complex information.

NGSRC information specialization process variable.

In this research, we apply the typology building methodology whereby we can assemble two or more structural variables into a process variable. Cultural variation variable within the NGO network can be classified as low, medium or high. Low variation occurs when all the stakeholders and the NGO belong to the same or similar community within a country. Medium variation would occur when there is one variation either in terms of community or country within the network. Finally, high variation occurs when there are players in the networking hailing from three or more different communities or countries.

The resource dependence structural variable can be classified as low, medium or high. Low power occurs when the NGO financially is generating a predominate amount of resources internally as in the case of micro-credit institutions. Medium power occurs when there are multiple donors and access to recipient communities is rather open. Finally, high level of power occurs when there is a

concentration of funds coming through a single or few donors, partnerships with the government are necessary, and access to the communities is difficult.

Based upon these two structural variables we can create a process variable with nine (3x3) cells defined as *NGSRC information specialization* accounting for cultural variance and power difference (Figure 1). Types of NGSRC information specialization “products” include disclosure about the organization’s procedures, metrics, and R&D. The degree NGSRC information specialization can be defined by the following properties: breadth of domain (single vs. multiple), rate of change of domain(s) (low vs. high), depth of domain (common vs. expert), comprehensiveness of systems outputs (limited vs. extensive), breadth of information inputs (limited vs. range), and ambiguity of information inputs (low vs. high) (Table No. 1).

Table No. 1: NGSRC Information Specialization Properties with Examples

Properties	Definition	Degree of NGSRC information specialization (with examples)		
		Low	Medium	High
Breadth of domain Hackathorn and Karimi (1988) Meyer and Curley (1991)	Number of specific fields of expertise employed	Single <i>education</i> <i>health care</i>	Multiple	<i>development</i> <i>supply chain</i>
Rate of change of domain(s) Meyer and Curley (1991) Xia and Lee (2004)	Rate at which knowledge becomes obsolete	Low <i>established</i> <i>methods</i>	High	<i>best practices</i> <i>current literature</i>
Depth of domain Hackathorn and Karimi (1988), Meyer and Curley (1991)	Educational level and duration of study	Common <i>college degree</i> <i>annual report</i>	Expert	<i>specialist/ graduates</i> <i>multi-year</i>
Domain penetration Meyer and Curley (1991)	Degree of computerization in specific domains	Little <i>word processing</i>	Partial/Moderate <i>spreadsheet templates</i>	Complete <i>macros</i> <i>database business intelligence/ analytics</i>
Comprehensiveness of system outputs Meyer and Curley (1991)	Range of outputs, e.g., problem diagnosis recommend actions, actual solutions hypothesis testing	1 2-3 <i>anecdotal evidence</i>	4 <i>trends</i> <i>metrics</i>	<i>dynamic patterns</i> <i>interactions</i> <i>identify relationships</i>
Breadth of information inputs Meyer and Curley (1991)	Range of sources of information	1-2 inputs <i>qualitative</i>	3-4 inputs <i>quantitative</i>	5 or more <i>mix methods</i> <i>hierarchic</i>
Ambiguity of information inputs Meyer and Curley (1991)	Ambiguity of raw data inputs	Low	Moderate	High <i>complex systems</i> <i>non-linear</i>

Discussion

Based upon the typology in Figure No. 1, we can now classify different NGO interventions. In this study, we examine the three different social responsibility interventions.

<i>NGSRC Information specialization</i>		Cultural variation		
		Low	Medium	High
Stakeholders' power	High	1,3 Medium	2,3 Medium-high	3,3 High <i>Hub n' spoke</i>
	Medium	1,2 Low-Medium	2,2 Medium <i>IPCA-IDS Rag-picker education</i>	3,2 Medium-high
	Low	1,1 Low <i>IPCA-solid waste</i>	2,1 Low-Medium	3,1 Medium

Figure No. 1: Typology of NGSRC Information Specialization.

Case 1: *Providing integrated education (grades 1 through 10) to tribal children in rural Andhra Pradesh through a hub and spoke program.* A number of network stakeholder partners are involved in providing these services. Specifically, a US based non-for profit organization (India Development Service) provides much of the funding. In tandem, at Visakhapatnam based NGO (Global Aid) provides the administrative support, while locally Lions Family Welfare Planning Trust provides local infrastructure and access. This intervention requires a high degree of coordination with the *panchayats* in the respective tribal hamlets and *mandal* level school officials. Within this network there is a diversity of cultures including US, mainstream Andhra Pradesh and tribal. As such there is a high degree of cultural variance and the NGOs need to invest more in customized communications. In addition, the administrative system of the network needs to generate more complex information given high degree of stakeholder power within the network. As such the NGSRC information specialization of this intervention would be classified as high (3,3).

Case 2: *Providing basic primary education to the children of rag-pickers in the NCR region of India.* In this intervention there only two main parties involved. The India Development Service provides funding for direct expenditures (direct staff, material) where as an India Pollution Control Association (IPCA) provides the necessary indirect resources and access to the rag-picker communities. India Development Service is a US based organization, while IPCA is based in the National Capital Region of India. The rag-picker community primary hails from Bengal and Bihar but over time has culturally adapted to many of the Northern Indian norms. In this intervention, there is some degree of cultural variance (medium) and a shared distribution of power among the three parties (IDSUSA, IPCA, rag-picker communities). As such, we can classify this intervention requiring a medium level (2,2) of NGSRC information specialization.

Case 3: *Organizing the informal sector in the solid waste flows in the NCR region of India.* Thousands of “rag pickers” working in the informal sector manually collect, pick, sort, transport solid waste from households/businesses or from mountains of waste being deposited by municipal corporations. India Pollution Control Association (IPCA) coordinates the flow of material, information, and money to create organized networks. This organized network has an additional efficiency resulting in greater recycling yields and improved incomes. In this intervention IPCA works independently of any other major stakeholders and is financially self-sustainable. As such there is minimal stakeholder power over the IPCA operation. Furthermore, there is the minimal degree of cultural variance as the rag-picker community primary hails from Bengal and Bihar but over time has culturally adapted to many of the Northern Indian norms. As such, we can classify this intervention requiring a low level (1,1) of NGSRC information specialization.

Based upon the level of NGSRC information specialization, NGOs need to be cognizant of the corresponding properties (see Table No. 1). For example, in the case of a high degree of NGSRC information specialization, a donor might ask the NGO to conduct Research and Development (R&D) for a possible

health care intervention. In conducting R&D, it can be safely assumed that the breadth of domain is often multiple (health care, developmental sector, supply chain), rate of change of domain(s) is generally high (findings from recent literature), depth of domain is usually at the expert level, comprehensiveness of systems outputs tends to be extensive (preventative rural health care), and breadth of information inputs might have a larger range with a high degree of ambiguity (qualitative and quantitative methods).

Developing a dedicated sophisticated Non-Governmental Social Responsibility Communications (NGSRC) program could be quite a burden for a small NGO. Thus, NGSRC should be developed as part of an overall strategy where the necessary resources are in place for the overall NGO operation, but called upon when a key stakeholder requests a certain type of communication. Alternatively, NGOs could develop a strategy to relying upon multiple local donors as opposed to large overseas ones. This strategy would require less demanding Non-Governmental Social Responsibility Communications (NGSRC).

Future Research

In this research we develop a model based upon the salient literature and couple it with case study analysis. The case studies provide us with sufficient external validity but lack the necessary precision. Researchers could conduct an empirical survey, whereby it would be possible to test out the properties (through items in an instrument) and measure the relationships among variables. Furthermore, it would be possible to assess if any interactions exist between stakeholder power and cultural variation variables.

Conclusion

NGOs are dependent on the goodwill of the recipient community, relationships with government institutions, and donor agencies. Non-Governmental Social Responsibility Communications (NGSRC) is a critical tool for the continued access to communities, resources, and funds. The NGSRC information specialization is a function of the cultural variance and relative power of the various stakeholders in the network. In a cultural diverse network where the power is concentrated among a few donors, the NGO will have to invest time, money, and resources in NGSRC.

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