Nonprofit Accountability: An Institutional and Resource Dependence Lens on Conformance and Resistance

Bobbi Watt Geer, MS  
Doctoral Candidate  
University of Pittsburgh  
Graduate School of Public & International Affairs  
16 April 2009

Introduction

For the past two decades, there have been a number of scholarly publications regarding nonprofit accountability in the United States, as well as widespread coverage in the news media and legislative hearings highlighting nonprofit accountability failures. (While it has been defined in a number of ways, “accountability” can be succinctly described as being held responsible for performance or reaching organizational goals.) These publications and stories have addressed various aspects of nonprofit accountability, including construct definitions, conceptual frameworks, prescriptions for improving nonprofit accountability and accountability failures. Stories about the lack of nonprofit accountability continue to appear regularly, and in some cases, reappear. Some of the scandals of the early 1990s seem hauntingly familiar in the 2000s—happening again within the same organizations, such as the United Way and the American Red Cross.

Many people readily recall scandals involving the United Way of America in the early 1990s when the executive director misused funds and spent lavishly on business trips and the very similar and more recent scandals at the United Way of the National Capital Area and United Way of the Carolinas, during which the former executives misappropriated funds by taking salary advances and inappropriate reimbursement of business expenses and arranged for
excessive compensation and retirement benefits. The American Red Cross has also suffered harsh criticism for not clearly communicating the use of contributions and for not deploying donor contributions for their intended purposes following 9/11 and Hurricane Katrina. Of course, we easily recall these incidents because the organizations involved have a long history and national profiles. However, accountability lapses appear to be much more widespread. Between 1995-2002, Freemont-Smith and Kosaras documented 152 criminal and civil incidents involving the theft or misappropriation of $1.28 billion from nonprofit organizations.\(^1\) The authors also suggest that this total may be under-reported due to lack of careful oversight in the sector.

Accountability is not just an issue of the contemporary nonprofit sector, but it is one that has its roots in the United States since its founding. Hammack contends that American nonprofits are open to criticism for failures of accountability because of the manner in which the sector developed and evolved historically.\(^2\) He explains that the United States’ belief in limited government and separation of church and state fueled the growth of nonprofit organizations. Oversight of the fledgling U.S. nonprofit sector was originally provided by various religious organizations, but as the sector became larger and more secularized, this oversight was either no longer adequate or present, leading to gaps in accountability.

It is important to note that accountability concerns are not unique to the nonprofit sector. Both the public and the private corporate sectors have struggled with how to hold government officials and corporate leaders accountable for their actions. Public administration scholars are


familiar with the classic accountability debate that was sparked in the 1930s between Finer and Friedrich. Finer strongly believed that public servants needed to be closely supervised through the courts and with disciplinary controls within the hierarchy of administrative departments to the “most minute degree that is technically feasible.” On the other hand, Friedrich believed that public servants should be guided by professional standards and personal responsibility to ensure that they best serve the public interest. Friedrich believed that the work of public officials was too technical and complex for official oversight.3

There are several corporate sector examples of accountability failures, including Enron, Adelphia and Tyco, which led to the passage of the Sarbanes-Oxley Act of 2002, legislation that introduced several new controls, such as audit committees, to increase corporate accountability. More recently, the large bonuses awarded to executives of AIG, following receipt of billions of dollars in federal bail-out money to prevent bankruptcy, sparked national outrage. Clearly, striking the right balance of personal responsibility and appropriate government oversight to ensure accountability has been a vexing question across the public and private sectors throughout American history.

With this persistent focus on accountability, why is it that the nonprofit sector continues to struggle to achieve accountability? Despite all of the intellectual energy devoted to increasing nonprofit accountability, there is a conspicuous lack of reliable data, in the Pittsburgh region and nationally, on the extent to which nonprofit organizations are actually using, and benefiting from, various methods and metrics to hold themselves accountable for their actions and outcomes. There is little information about the degree to which nonprofits are aware of and implementing any of the prescribed best practices or codes of organizational conduct. This awareness and

implementation level is what this study will refer to as “accountability literacy.” There is also a lack of empirical study regarding the motivations for adopting or resisting accountability mechanisms. This research addresses nonprofit accountability by how and why it is practiced.

*Thus, the central focus of this research is twofold: 1) to assess the extent to which nonprofit leaders are familiar with and use the nonprofit accountability frameworks, strategies and mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations—to assess nonprofits’ accountability literacy and 2) to explore the motivations or incentives for instituting or resisting the practices.*

It is important to clarify and appropriately frame these two overarching research questions. The questions seek to quantify the extent to which accountability mechanisms are adopted and used and to explore the underlying motivations for so doing. This can be assessed from a variety of perspectives, including from the board of directors, organization executives, staff, donors, constituents or the public. While the nonprofit board is ultimately responsible for governance, the staff leader is typically the person who is responsible for implementing and monitoring policy within his or her organization on a day-to-day basis. Therefore, this study will seek to assess the adoption and extent to which accountability mechanisms are used from the vantage point of the staff leader. The motivations surrounding whether or not certain accountability mechanisms are adopted will also be examined from the perspective of the staff leader. Other studies (see Ostrower 2007⁴ and Salamon & Geller 2006⁵) have specifically examined board of directors’ knowledge, roles and performance with regard to accountability issues.

---

At the outset of this study, it is also critical to define nonprofit accountability and accountability literacy. Accountability is a broad term and one that has been interpreted in various ways, most commonly in relationship to financial matters. However, this research seeks to study nonprofit accountability from a much broader perspective than just awareness and adoption of financial accountability mechanisms by including accountability for achieving intended outcomes, managing information and human resources. Accountability literacy is a concept developed for this study and is the extent or degree to which nonprofit leaders are aware of and adopt various accountability mechanisms. One cannot assess accountability literacy without clearly defining nonprofit accountability. To better understand the many lenses through which accountability has been studied in the nonprofit sector, a review of the literature is provided.

**Literature Review**

*Nonprofit Accountability Defined*

One of the most difficult challenges of studying the concept of nonprofit accountability begins with the definition. In fact, the concept of nonprofit accountability has been variously constructed and defined by scholars and practitioners. Scholars have proposed broad definitions of accountability, such as “the extent to which one must answer to a higher authority,”⁶ “holding individuals and organizations responsible for objectively measured performance”⁷ and as “a felt responsibility to carry out certain actions.”⁸ Practitioners, as one would expect, tend to focus more on the practical aspects of accountability, such as financial record keeping and program

---

outcomes. Because nonprofit organizations must answer to numerous stakeholders, such as their clients, donors, boards, the community at large, this quest to define nonprofit accountability is becomes more complicated. Further, nonprofit organizations come in many forms and sizes. How can a definition of nonprofit accountability encompass such diversity?

However, if we too narrowly define nonprofit accountability as just keeping good financial records or just making programmatic impact, organizations may remain vulnerable to lapses in the broader aspects of accountability on which they are not focused. Also, all nonprofit organizations, regardless of size and mission, should be accountable for their actions. Therefore, for the purpose of this study, I will use Elnoor Abrahim’s broad definition of nonprofit accountability:

“Accountability may thus be defined 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.”

While this definition does not grapple with the question of how nonprofits achieve accountability or whether or not more should be expected of larger nonprofits versus smaller ones, it does cast a wider net around the concept of nonprofit accountability and sets the stage for a more inclusive dialogue and study of the issue. In particular, this definition provides a framework for what constitutes accountability literacy in the nonprofit sector; building on Ebrahim’s definition, nonprofit organizations can achieve accountability literacy by being aware of and implementing various means to hold themselves responsible to external constituents and for internal performance. Accountability literacy is not a static concept, but can be viewed along

---

a continuum, ranging from awareness to adoption to institutionalization of best practices within a nonprofit organization.

Review of the Theoretical and Empirical Literature

There have been a vast number of articles written about nonprofit accountability during the past two decades. However, the majority of these scholarly works have focused on conceptual definitions, theoretical frameworks and prescriptions for achieving nonprofit accountability and less so on empirical studies to assess various components of accountability within nonprofits.

Because nonprofit accountability is a complex construct, a number of scholars have developed frameworks or conceptual lenses through which accountability can be better understood and managed within nonprofit organizations. A simple way to think about nonprofit accountability is through a framework that considers to whom nonprofits are accountable. Edwards and Hulme have described upward (to donors and regulators) and downward (clients or beneficiaries) accountabilities. One can also consider a horizontal accountability to other nonprofit organizations. However, while this “directional” view of accountability may be at first simple, it very quickly becomes a more complex network of multi-directional accountabilities—with organizations juggling upward, downward and horizontal accountabilities, some of which may be conflicting and others driven by questionable priorities imposed by funding sources.

Many have written about this juggling act and the imbalance or over-emphasis on upward accountability to donors, as well at the need for more downward accountability.

Another useful conception of nonprofit accountability is the distinction between strategic and functional accountability as described by Avina. Functional accountability focuses on short-
term issues, such as accounting for resources and immediate program impact. Strategic accountability considers the impacts that nonprofits’ activities have on other organizations and the wider environment and on long-term change. Kearns has further developed the idea of strategic accountability.

Kearns proposed system of accountability includes a four-cell matrix: compliance (complying with explicit legal requirements), negotiated (negotiating loosely defined regulations that impact the organization), professional (adhering to professional standards of acceptable practice) and anticipatory (anticipating and positioning the organization for eventual compliance to new regulation). Kearns outlines how this matrix can be used to strategically manage both implicit (generated by the agency’s strategic environment) and explicit (legally required) accountability within nonprofits. Kearns further develops this framework and how it can be incorporated in nonprofit organization strategic planning by providing numerous case examples and practical organizational assessment questions.

Evelyn Brody details another practitioner-friendly conception of nonprofit accountability. Brody attempts to “unpack” the nonprofit accountability issue by examining it from multiple perspectives. She first identifies that the broad meaning of nonprofit accountability includes four components: financial accountability, good governance, adherence to donor direction and mission, and program effectiveness. Brody then views the components of nonprofit accountability through the alternative spheres of accountability, including government regulation, self-regulation and other charity constituencies, such as donors, staff and the public,

---

offering some assessment of various accountability mechanisms, such as mandated reporting, accreditation programs and assessing program effectiveness.

Other scholars have framed nonprofit accountability issues through existing theory. For example, Ebrahim asserts that principal-agent theory significantly contributes to understanding nonprofit accountability. The essence of principal-agent theory is that principals have their agendas carried out by other individuals or agents. In the nonprofit sector, Ebrahim notes that principal-agent theory helps us understand accountability by focusing attention on relationships between the actors, the principals and agents and the strategies used by principals to achieve their agendas. This theory becomes problematic because nonprofit organizations have multiple principals (donors, clients, the public) with conflicting or incongruent interests. However, Ebrahim provides a useful schematic that outlines the various principal-agent relationships that nonprofits need to navigate.

Ebrahim also asserts that accountability in nonprofit organizations depends on the context of the relationships and the type of nonprofit organization involved. He differentiates accountability mechanisms and to whom organizations are accountable by organization type. For example, he notes that service organizations are accountable to funders, sector regulators and clients (the principals) by using mechanisms such as reports and evaluations. However, a network organization that seeks policy change would be accountable to its members (the principals) and by using mechanisms such as lobbying and fact-finding. Conversely, Brown and Moore suggest that the types of services or programs provided by a nonprofit organization determines the “principals” or to whom the organization will be most accountable, and that the

---

accountability system employed by a nonprofit organization is a moving target based on program and mission.\textsuperscript{16}

Dicke and Ott propose a public organization accountability framework for government agencies that contract out with nonprofit organizations for human services.\textsuperscript{17} Their framework is adapted from one initially developed by Romzek and Dubnik\textsuperscript{18} and includes five areas of accountability: bureaucratic/hierarchical (hierarchical relationships, close supervision and compliance with clearly stated directives), legal (tasks carried out in accordance with laws), professional (discretion is exercised by those with expertise), political (demand for responsiveness and satisfaction of key stakeholders) and moral/ethical (standards of good behavior arise from conscience). Dicke and Ott use this framework as the basis for assessing various accountability mechanisms used when governments contract for human services.

Their study concluded that when governments contract out to human service agencies, the accountability mechanisms utilized were overly focused on the hierarchical, legal and political aspects of the framework versus the moral/ethical aspects of accountability. The authors assert that accountability is being confused with control. To overcome this problem, Dicke and Ott suggest government contracts be structured as treaties instead of contracts, which would allow for some negotiating room for parties to adapt to changing circumstances. This approach is similar to the internal perspective supported by Friedrich in the early accountability debate.

Dicke and Ott have also proposed that stewardship theory can provide another conceptual lens through which to better understand accountability, again in the instance of government contracting with nonprofit organizations for human services.\(^{19}\) Stewardship theory is based on a steward whose behavior is ordered such that pro-organizational, collectivist behaviors have higher utility than individualistic, self-serving behaviors.\(^{20}\) This theory builds on the principal-agent theory understanding of accountability. Stewardship theory does not require that the principal-agent roles be altered; however, it suggests that when the principal and agent share the same core values, or values convergence, an internal sense of responsibility is created and accountable behavior is likely to result. While their study did not refute the assumptions of stewardship theory, the findings also did not support that higher quality provider organizations result when the values in government contracting agencies and its contractors converged and when altruistic values predominated in the contracted organizations, as was suggested through stewardship theory. The authors recommend that further study of accountability grounded in stewardship theory needs to occur.

Jordan writes about nonprofit or nongovernmental organization accountability from the stakeholder theory perspective.\(^{21}\) She emphasizes that nonprofit organizations have multiple stakeholders, people or organizations that have an interest in and impact on the agency, and suggests that organizations and academics develop mechanisms that ensure accountability to these various stakeholders. She further explains that these mechanisms must answer several types of accountability questions, such as questions of effectiveness, reliability and legitimacy,

---


depending on which stakeholders are demanding accountability. For example, donor and
government stakeholders ask questions about effectiveness whereas political opponents might
ask questions of legitimacy.

There has been a great deal of scholarly work and writing that illustrates potential ways in
which accountability can be better conceptualized and strategically used within nonprofit
organizations. This work becomes the foundation from which to assess current accountability
practices within nonprofit organizations. Prior to doing so, however, it is also necessary to
review what has been written about various accountability mechanisms used by nonprofit
organizations.

Accountability Mechanisms

The accountability mechanisms of nonprofit organizations have been intensely scrutinized
over the past 20 years, not just in scholarly journals, but also in the news media and in the United
States Senate Finance Committee hearings devoted to nonprofit sector oversight. Largely as a
result of these hearings and the increased attention given to the issues of nonprofit
accountability, the Independent Sector recently released a comprehensive best practice guide,
Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations,
which outlines 33 practices that nonprofits should adopt with regard to finance, fundraising,
governance and legal issues.\(^2\) Given this increased call for and need for accountability, how
have accountability mechanisms been studied and reported in the literature?

Much of what has been written about nonprofit accountability has been conceptual in nature
or an after-the-fact reporting of accountability failures such as the assessment of what transpired

The Independent Sector. Washington, DC.
at The Nature Conservancy, a controversy that involved allegations of selling environmentally sensitive land for development. Less attention has been devoted to empirically assessing the use of conceptual frameworks and specific nonprofit accountability mechanisms, or accountability literacy. However, some scholars and practitioners have studied these mechanisms.

Empirical study of nonprofit accountability is less common, and the empirical research that has been conducted tends to focus on narrower aspects of nonprofit accountability, such as financial, programmatic and legal accountability, rather than the broad conception of accountability as defined for this research project. Several scholars have studied how program evaluations are used to achieve greater accountability. Fine, Thayer and Coghlan investigated why and how nonprofits are conducting program evaluation, what influence stakeholders have on the process and what factors contribute to credible evaluations. The investigators used a mixed method design in three phases, which included a mail survey distributed to 302 nonprofit agencies (178 respondents, 59% response rate), follow up telephone interviews and in-depth profiling of agencies. They found that evaluations that contain recommendations and provide a tool for planning are more useful and those that use valid evaluation designs and involve stakeholders are more credible.

Poole, Davis, Reisman, and Nelson used path analysis to evaluate 180 outcome measurement plans developed by nonprofits and found that the quality of nonprofit outcome evaluation plans can be predicted by variables such as agency culture, technology, management support and involvement and suggest that nonprofit managers consider the impact of these factors to improve

---

their agency’s accountability.\textsuperscript{25} Hoefer also examines how program evaluations are used within nonprofit agencies to increase accountability by surveying 160 human service agencies in the Dallas area. His research concluded that while program evaluations were widely used within his sample, the quality of the research methods employed by nonprofits was low and did not provide the level of accountability possible.\textsuperscript{26} Campbell reaches this same conclusion in his qualitative and quantitative study of outcomes assessment and nonprofit accountability.\textsuperscript{27}

Scholars have also examined financial accountability in the nonprofit sector. Keating and Frumkin critically assess the IRS Form 990 and question whether or not this form is the most appropriate foundation for nonprofit financial accountability.\textsuperscript{28} They propose an alternate system of financial oversight modeled after the corporate sector, including the establishment of an organization to oversee nonprofits like the role the Securities and Exchange Commission plays in the corporate sector. Lampkin and Boris have also studied the IRS 990 and its ability to increase financial accountability.\textsuperscript{29} They conclude that the data on nonprofits is hampered due to a lack of standards and suggest that future research focus on in-depth analysis of nonprofit finances to better understand trends, strengths and weaknesses in the sector.

Taking yet another perspective, Young, Bania and Bailey have researched nonprofit accountability as a function of organizational structure.\textsuperscript{30} They surveyed 829 national nonprofit organizations (183 responses, 22\% response rate) to determine how the organizations provided

self-regulation between the national organization and its affiliates and what differences existed among various types of national organizations. They conclude that organization structure as a tool for self-regulation deserves further attention.

While these more focused studies may help organizations improve functionally, they only address a fraction of the issue. If nonprofits do not balance all aspects of accountability, failures and indiscretions can occur in the areas on which they have not focused. A recent study conducted by Salamon and Geller begins to address nonprofit accountability more broadly and empirically. In their survey of 443 nonprofit organizations (207 respondents, 47% response rate), they examined the board of director functioning in relationship to several areas of governance and accountability practices, including board roles, financial disclosure, ethics protections, adherence to best practice standards, organizational changes and nonprofit awareness. The researchers concluded that the evidence documented in their study suggests that the media has exaggerated management and accountability problems.

In another national study on board roles with regard to performance and accountability, Ostrower investigated the circumstances and extent to which nonprofits adopted the six practices outlined in the Sarbanes-Oxley legislation: having an external audit, establishing an independent audit committee, rotating audit firms and/or lead partners every five years, having a written conflict of interest policy, having a formal process for employees to report complaints whistleblower policy) and having a document retention policy. Ostrower received responses from 5,115 nonprofits nationwide (41% response rate), and she asserts that there are many factors that impact how engaged board members are in adopting various accountability

---

mechanisms, such as board and organization size, diversity of board membership and types of funding sources. Ostrower concludes that boards are not actively engaged in basic governance activities and that emphasis must be placed on both performance and accountability.

While much has been written about various specific nonprofit accountability mechanisms, with the above exceptions noted, not many scholars have conducted research or have written about it in an over-arching manner. However, Ebrahim provides a comprehensive analysis of five broad types of nonprofit accountability mechanisms, including disclosure statements and reports, performance assessment and evaluation, participation, self-regulation and social auditing. He first distinguishes each category of mechanism as either a tool (discrete devices or techniques that can be documented and repeated) or a process (more multifaceted and broad than tools, as well as less time bound). With this distinction, he classifies disclosures and reports and performance assessments as tools and participation, self-regulation and social auditing as processes. Ebrahim provides descriptions and critiques each mechanism. While reports seem to be the most widely used accountability mechanism, they emphasize an upward form of accountability, which can ignore the needs of the beneficiaries of the organization’s services. What should be measured with performance assessments can be subject to disagreement (outputs or numbers served versus measuring long-term impact or change), and performance evaluation can be too difficult for smaller organizations to manage due to limited resources.

Participatory accountability mechanisms, as described by Ebrahim, involve community members or clients in planning programs and in providing feedback about the program. However, a potential problem arises when organizations neglect some views or provide more power to dominant groups by using participatory processes. Self-regulatory programs are

---

developed by organizations within the nonprofit sector to establish acceptable codes of conduct and standards of practice within nonprofit organizations. Self-regulation programs can help nonprofits improve accountability to all of its stakeholders, but Ebrahim says that these standards need to be coordinated and be viewed as legitimate. Finally, Ebrahim reviews social auditing, a process that combines a number of the previously mentioned accountability mechanisms, particularly stakeholder dialogue, to improve performance and ethical behavior. Social auditing is not commonly used in the nonprofit sector because it is a resource intensive process, but because it combines a number of accountability tools with accountability processes, Ebrahim believes that social audits hold promise as an accountability mechanism.

In assessing these accountability mechanisms, Ebrahim suggests that there is an imbalance in the tools and processes currently employed, that the most commonly used accountability mechanisms focus on functional, rather than strategic purposes, and measure short-term impacts. He suggests that self-regulation and social auditing are two strategic mechanisms that can be used to re-balance nonprofit accountability.

Ebrahim’s assessment of accountability mechanisms provides an important overview of existing tools and processes. It differs from much of the accountability literature to date because it addresses the nonprofit accountability construct in a holistic, albeit theoretical, fashion. It outlines several elements that can be incorporated into an empirical study examining what mechanisms nonprofit leaders are using.

This literature review demonstrates that there has been much thought, research and writing about nonprofit accountability over the past 20 years. What seems to be missing, however, is an attempt to answer the question, “To what extent have these accountability frameworks, practices or mechanisms been adopted and why?” As the nonprofit sector continues to struggle with
multiple accountability crises and increased scrutiny, one must ask what we have learned from these past two decades of research, how literate is the nonprofit sector with regard to accountability, and how it has impacted practice? The literature provides many conceptual frameworks based in theory, prescriptions for better nonprofit accountability systems and some study of specific accountability mechanisms. However, there is a distinct gap in the literature—a lack of empirical study of the broad concept of nonprofit accountability from the staff leader perspective, examining the potential motivations, incentives or disincentives for adopting or not adopting various accountability mechanisms. Further, what have nonprofits done in response to the changing and challenging accountability landscape over the past two decades, and why have they chosen to do so?

**Theoretical Framework**

While knowing the degree to which accountability mechanisms have been adopted by nonprofit organizations would provide valuable data, a theoretical framing that addresses why the practices have been adopted or ignored and investigation of the networks used in disseminating this information is essential. The construct of accountability has been studied and framed through a variety of theories as outlined in the previous literature review, most notably principal-agent, stakeholder and stewardship theories. The focus of these perspectives has been on the roles and relationships between actors and their interests in the organizations. However, with the vast growth of in the number and types of nonprofits in the past 20 years and the creation of nonprofit associations that represent the interests of various segments of the sector, such as the Independent Sector, statewide nonprofit associations and regional nonprofit alliances, other theoretical lenses seem appropriate to investigate the extent to which nonprofits adopt accountability mechanisms and why.
Specifically, institutional theory offers a promising lens through which to study the state of nonprofit accountability. Institutional theory asserts that organizations in a particular field, in this case the nonprofit sector, will mimic the practices of others to achieve legitimacy, improve the likelihood of survival and increase social support and prestige (Meyer and Rowan, 1977\textsuperscript{34} and DiMaggio and Powell, 1983\textsuperscript{35}). Institutional theorists suggest that this structural isomorphism is not necessarily driven by a desire to increase organizational efficiency or effectiveness, but practices are adopted because they are accepted as “social facts.” Scott (1995)\textsuperscript{36} outlines a framework of three “pillars” of institutions—regulative (laws), normative (social obligations) and cognitive (taken for granted actions)—explaining why organizations adopt common practices.

Institutional theory focuses on why organizations make decisions within the context of institutional pressures, such as those from government, laws and professions. However, the explanatory power of institutional theory can be constrained by its limitations. Institutional theory does not consider active agency—that organizations make choices that are impacted by exchange relationships with external constituents. Noting this, Oliver (1991)\textsuperscript{37} suggests that resource dependence theory is a complementary theoretical viewpoint—that organizations respond to institutional pressures with varying degrees of passivity and conformance (institutional theory) and resistance and manipulation of the technical environment (resource dependence theory). Oliver outlines this continuum of strategic responses to institutional pressures: acquiesce, compromise, avoid, defy and manipulate. According to Oliver, the

response depends on five institutional factors and antecedents, including the organizational context (the degree of uncertainty and inter-connectedness in the organizational environment), control (how are institutional pressures being exerted, by laws or norms?) constituents (what party or parties exert the pressure to conform?), cause (why is the organization being pressured to conform?) and content (to what norms or requirements is the organization being pressured to conform?)

Resource dependence theory focuses on how organizations survive in an environment characterized by scarce resources. Resource dependence theorists suggest that organizational behavior is predicted by the context or environment in which it dwells.38 The primary concern from a resource dependence perspective is for organizations to maximize power by minimizing dependence on others. This theory rests on three key assumptions: that organizations are comprised of internal and external coalitions which emerge from social exchanges that are formed to influence and control behavior, the environment contains scarce and valued resources essential to organizational survival and that organizations work toward gaining control over resources that minimize their dependence on other organizations and control over resources that maximize the dependence of other organizations on themselves.39 Pfeffer and Salancik assert that resource dependence theory focuses on how organizations survive, which seems to be a particularly relevant lens for studying nonprofit organizations in the current environment characterized by almost a million and a half nonprofits and limited resources.40

Oliver thus combines institutional and resource dependence theories. Rather than merely focusing on conformity to institutional norms, Oliver extends the discussion of institutional theory to address organizations’ strategic responses to institutional pressures and the conditions under which organizations will conform (institutional theory) or resist (resource dependence theory) institutionalization. Given that neither the degree to which nonprofit organizations have adopted accountability mechanisms promulgated in the academic literature and from nonprofit sector professional organizations nor the reasons for adoption or resistance is known, Oliver’s strategic response approach to institutional pressures, combining institutional theory and resource dependence theory as complementary explanations, is a more nuanced lens through which to study the central research questions. Thus, this study will investigate the combined role of institutional and resource dependence theories in the adoption and use of accountability mechanisms in the nonprofit sector.

Oliver has proposed a set of ten hypotheses, related to institutional and resource dependence factors including cause, constituents, content control and context, some of which can be tested relative to the adoption of nonprofit accountability mechanisms. Oliver also suggests that there is a continuum of strategic responses to institutional pressure, ranging from passive conformity to defiance and manipulation. For example, Oliver suggests that the lower the degree of social legitimacy, economic gain and inter-connectedness in the field, the greater the resistance to institutional pressures. Although her initial work was published in 1991, only a few empirical studies have been pursued to test Oliver’s framework (Corcoran and Shackman 2007). Corcoran and Shackman apply Oliver’s framework to investigate the proliferation of the Occupational Health and Safety Administration’s Voluntary Protection Program. However,

---

several studies have incorporated a combined or multi-theory approach using institutional theory, resource dependence theory, network theory and market forces to explain organizational change (D’Aunno, Succi & Alexander 200042, Peng 200443 and Lucas, Avi-Itzhak, Robinson & Morris 200544).

Institutional theory contends that there is an agreed upon, taken for granted, social fact quality about organizational affairs. Resource dependence theory suggests that active agency and resource interdependence influence an organization’s strategic decisions.45 By using a combined, or rival theory, framework, this study will investigate the degree to which institutional elements and resource interdependence is the motivation behind the adoption of accountability mechanisms. At the same time, the study will also provide insight regarding how institutionalized the nonprofit sector is, investigating the role of the profession or field in diffusing accountability practices.

**Methodology**

The U.S. nonprofit sector is large and diverse, including over 1.2 million organizations nationally, such as those dedicated to arts and culture, education, health, environment and human services. Nonprofit organizations can be very small with operating budgets of $100,000 or less and one or two staff or very large with multi-million dollar budgets and hundreds of staff.

Furthermore, recall that Ebrahim and others have asserted that accountability is a function of the

---

context of the particular nonprofit’s relationships. Brown and Moore have noted that the types of services that particular nonprofits provide determine who the stakeholders shall be, or those to whom that organization is accountable.

As these scholars suggest, accountability is a moving target based on the type and size of nonprofit organization involved; stakeholders are varied depending on context. It is thus prudent to bound this research to provide some focus on the contexts and relationships that emerge within a particular nonprofit sub-sector. Therefore, this research project examines human service organizations within seven counties in the southwestern Pennsylvania region. Counties included are those in the Pittsburgh Metropolitan Statistical Area (MSA): Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland and are illustrated in darker gray in the map below.

**Figure 1: Geographic Area of Study**

---


The most current listing of human service organizations located in this region, including contact persons and addresses, is available through the National Center of Charitable Statistics, which is compiled from the Internal Revenue Service form 990. Because hospitals and health systems are very large and quite different from other human service agencies, these organizations are excluded from this study. Further, small, recreation-based associations, such as soccer leagues and parent-led sports associations that are un-staffed and loosely organized were also excluded. There are approximately 550 human service organizations that meet these criteria within the seven-county region, and all were invited to participate in the mailed survey component of the study.

To address the central research questions of this study, which are: 1) to assess the extent to which nonprofit leaders are familiar with and use the nonprofit accountability frameworks, strategies and mechanisms that have been proposed in the literature and through nonprofit sector leadership organizations, i.e. accountability literacy and 2) to explore the motivations or incentives for instituting or resisting the practices, an exploratory study with a mixed-method design was conducted, including quantitative and qualitative methods, as well as network analysis. The first portion of the study was a mailed survey that assesses the degree to which various nonprofit accountability mechanisms outlined in literature and best practice documents are implemented in human service organizations, as well as from whom organizations learn about these mechanisms.

Mailed Survey

It should be noted that there are challenges surrounding mailed surveys, particularly the issues of low response rates, raising the problem of non-response bias, and selection bias. Baruch suggests that a benchmark response rate for surveys of organizational leaders, such as
those to be surveyed in this study, is in the range of 36%, +/- 13%. In other studies directed toward organizational leaders, and in particular, other studies of nonprofit organizations, response rates have ranged from 10-100%. While these survey response rates may not be entirely encouraging, it is important to note that the nonprofit sector does not maintain a database of information related to issues of accountability practices, and thus, there is no existing resource from which to readily draw and analyze data. In fact, most widespread nonprofit data relates exclusively to financial status and is derived from the IRS 990. The form 990, even though newly revised, does not capture extensive information regarding nonprofit best practices.

There are few alternatives to collecting the data required from such large numbers of regional human services agencies.

Further, the potential for selection bias also exists. For example, larger human service agencies that are more aware of, support and have adopted a greater range of accountability mechanisms may be more likely to respond to the mailed survey. Therefore, there is the likelihood of a higher response rate from the largest human service agencies through this self-selection bias, and the non-responders are more likely to be the smaller agencies. In this scenario, “causes may be assigned in a way that reinforces preexisting differences among the human service organizations.” The most effective way to address these potential biases is to achieve a higher response rate, while paying particular attention to the response rate of smaller agencies (those with budgets under $1 million). Strategies employed to minimize the likelihood

---

of a low response rate included a series of follow up contacts, by phone and electronic mail, with the agency executive directors.

To provide additional legitimacy to this survey, Joseph Geiger, the executive director of the Pennsylvania Association of Nonprofit Organizations (PANO), a statewide membership organization devoted to education and advocacy for nonprofits, endorsed the study. PANO currently has approximately 800 members across the state and members, as well as non-members, participate in PANO programs and are aware of the organization; for these reasons, those who received the survey were further encouraged to respond due to PANO’s endorsement. Mr. Geiger’s cover letter of support, reproduced on PANO letterhead, that will accompanied the survey.

Along with vigorous efforts to ensure the highest possible survey response rate, non-response bias can be assessed by evaluating the early wave of responses with the second wave and final waves of responses. Each survey was stamped with the date of receipt. Early responses can then be compared to middle and late responses to assess potential non-response bias, as late responders may be similar to non-respondents.52

Components of the Mailed Survey

Accountability Literacy Scale

The mailed survey (Appendix A) included four sections, each tailored to address some aspect of the extent to which accountability mechanisms have been adopted and why adoption has or has not occurred. A pre-test of the survey was conducted with human service agency directors in counties contiguous to those chosen for the survey, but not in the survey region (Greene,

---

Lawrence and Cambria Counties). The pre-test was conducted in this manner because executives of human service agencies just outside the study area are similar to those within the study region, avoiding the need to exclude executive directors within the survey region from participating in the research project because they participated in the pre-test. Following the pre-test, minor modifications were made and approved by the Institutional Review Board (IRB) prior to full distribution.

Following the cover letter and brief instructions, the first section of the survey included the components of the accountability literacy scale for regional human service nonprofits. The scale included legal and normative accountability mechanisms. However, the mechanisms are not coded by these categories to avoid influencing the responses. Legal accountability mechanisms are those explicitly required by local, state or federal laws. Normative accountability mechanisms are not explicitly required, but they are implicitly considered best practices established through various nonprofit sector industry groups, such as Independent Sector or statewide nonprofit trade organizations. All mechanisms included on the scale were drawn from the nonprofit accountability literature and best practice guides, such as the Independent Sector’s *Principles for Good Governance and Ethical Practice*\(^{53}\) and PANO’s Standards for Excellence Program\(^{54}\).

The mechanisms that comprise this accountability literacy scale cover several areas of nonprofit operations, such as financial, governance, program and information management accountability mechanisms. In so doing, survey results can be analyzed to determine more specifically where accountability strengths and gaps may exist within human service

---


organizations. For example, respondents may indicate a high level of awareness and practice related to legally mandated financial accountability, but they may have low accountability literacy regarding normative information management mechanisms.

Respondents were asked to rate each accountability mechanism on an ordinal scale with responses ranging from “not familiar with this strategy/mechanism,” (1) to “this strategy/mechanism has become institutionalized in our organization,” (6). The levels on this scale were developed based on Bloom’s Taxonomy (cognitive domain), which classifies six levels of learning: knowledge, comprehension, application, analysis, synthesis and evaluation.55 The levels of Bloom’s Taxonomy build upon one another to form a hierarchy. For example, the second level of the accountability literacy scale is “aware of this strategy or mechanism (2),” which would be the “knowledge” level of Bloom’s Taxonomy, indicating that the organization’s leadership can recall or recognize that particular strategy. Moving up the hierarchy, “knowledge of & can describe the strategy/mechanism,” would be the “comprehension” level on Bloom’s Taxonomy. Since its original conception, Bloom’s Taxonomy has been revised, by suggesting that evaluation precedes synthesis and by changing the names of the hierarchy levels from nouns to verbs.56 In either the earlier or updated versions of the taxonomy, however, the scale element “this strategy has been institutionalized in our organization (6),” includes elements of both evaluation and synthesis as organizations decide how a particular accountability mechanism applies to the agency and how to incorporate it into its way of doing business.


An important methodological issue to consider is that not all mechanisms rated on this scale may be of equal value or utility in strengthening nonprofit accountability. In other words, a staff leader may have high accountability literacy with regard to mechanisms that don’t provide as much impact on overall organizational accountability and lower accountability literacy with regard to mechanisms that have greater impact on overall accountability. Recall that Ebrahim (2003) addresses this issue by recommending that nonprofit accountability mechanisms need to be focused on strategic versus functional accountability tools. However, a specific weighting system or value for each item has not yet been proposed in the literature. Currently, it is not known if legal accountability mechanisms should be assigned a higher weight or value than normative mechanisms. Further, we do not know if the nonprofit sector values strategic accountability mechanisms, such as the use of program logic models and accreditation programs, more than functional mechanisms like the adoption of gift acceptance and financial policies.

Using the results of this study, a group of nonprofit leaders could be convened in a focus group to discuss and assign values to each item.

Given that there is no clear guidance or rationale for valuing accountability mechanisms in the literature, the responses to the survey’s accountability literacy scale questions, the numerical ratings from the scale (1-6) were equally valued for data analysis in this study. The scores for each item were totaled and became the organization’s accountability literacy score. There are 41 items on this section of the survey. The maximum accountability literacy score was 246, and the minimum score was 41.
As noted previously, Oliver (1991) proposed a set of ten hypotheses to examine the relationship between institutional theory and resource dependence theory relative to an organization’s strategic choices. Several of her hypotheses are quite relevant to the study of why nonprofit organizations choose to adopt or not adopt certain accountability mechanisms. The mailed survey specifically examines two of Oliver’s hypotheses.

Oliver suggests that the lower the degree of interconnectedness in an organizational environment, the greater the likelihood that the organization will resist institutional pressures. This suggests that organizations that do not interact with other organizations in their environments are less likely to adopt the practices or social norms of that particular field, that they do not adopt practices to be similar to agencies in their field or to gain legitimacy through mimicking these practices. The inverse of this hypotheses would be that the greater the degree of interconnectedness in an organizational environment, the greater the likelihood that the organization will conform to institutional pressures or norms. For purposes of this study, I will test Oliver’s hypothesis framed inversely as such:

**H1: The greater the degree of interconnectedness in the organizational environment, the greater the likelihood of conformity to accountability mechanisms, or higher accountability literacy within the organization.**

To explore the degree of interconnectedness in regional human service organizations, a network analysis was conducted. The network analysis focused on organizational ties between nonprofits and their information sources for accountability best practices, with the organization

---

being the actor. The specific relation to be measured is accessing information about accountability mechanisms.

In this section of the survey, organizational leaders were asked from whom do they learn about accountability mechanisms. The survey questions included a list of potential organizational sources of information, such as Grantmakers of Western Pennsylvania, PANO, Independent Sector, Greater Pittsburgh Nonprofit Partnership, the Internal Revenue Service, government funding agencies and foundations. Respondents were also given the option to write in up to three other responses per section not included on this list. This approach is a mix of roster (providing some agency names) and free recall. By providing space for limited free recall, organization names that may have been omitted from the roster were captured. This approach combined fixed and free choice.

The resulting network analysis was a two-mode, one relation network assessing the interconnectedness of human service agencies with each other and with other organizations that might be sources of accountability information. Organizations seeking accountability information from a nonprofit industry agency are likely not going to provide accountability information to the agency that holds the expert knowledge. Further, because the survey was not sent to the sector organizations that serve as sources of accountability information, such as Independent Sector or PANO, most network relational ties will be one-way. Thus, the network will include a number of organizations that are named by directors but who are not participating in the survey. Also, the network analysis was dichotomous, indicating that a relationship exists, but not assigning value the relationship.

This data was used to conduct a network analysis to assess from whom accountability information is accessed by the human service organizations included in the study. Measures of
centrality in the human service network were analyzed. Another benefit of conducting network analysis is that the structural holes, or gaps or a lack of connection in an organization’s network structure, may also be assessed to develop strategies for better diffusing information about accountability mechanisms.\textsuperscript{58}

Thus, the survey instrument not only assessed the degree to which accountability mechanisms have been adopted, but it also asked respondents to indicate from whom they obtain information about accountability practices, i.e. nonprofit industry groups, foundations, etc. This portion of the survey is a network analysis of human service agencies relative to accountability practices and provides information search and retrieval data that can potentially shed considerable light on how accountability practices are diffused and institutionalized in the nonprofit organizations studied. The value of this portion of the study is that it can provide some insight regarding how institutionalized this segment of the nonprofit sector is; if institutional theory is to be a plausible explanation for why accountability mechanisms are adopted, it is critical to understand how institutionalized the sector truly is.

\textit{Organizational Relationships & Dependence}

The mailed survey also explores a second Oliver hypothesis. Oliver proposes that the lower the degree of external dependence on pressuring constituents, the greater the likelihood of organizational resistance to institutional pressures to conform. This suggests that those organizations that do not depend on their constituents for funding, information or other resources are less likely to conform to or adopt the practices and social norms of that particular field. The inverse of this hypotheses would be that the greater the degree of dependence in an organizational environment, the greater the likelihood that the organization will conform to

institutional pressures or norms. For purposes of this study, I will test Oliver’s hypothesis framed inversely as such:

**H2:** The greater the degree of external dependence on pressuring constituents, the greater the likelihood of conformity to accountability mechanisms, or higher accountability literacy within the organization.

Oliver suggests that organizations that are not as dependent on their constituents will have less motivation to adopt certain practices common to that field. Other scholars have also suggested that organizations with multiple funding sources will model themselves after successful organizations and that having more diverse revenue sources increases an organization’s tendency to seek legitimacy and recognition through its work.59 While “pressuring constituents” would include more than the number and size of agency’s funding sources, the diversity of funding sources is an important component in measuring organizational dependence.

Chang and Tuckman (1994) have developed a nonprofit revenue diversity index that considers that number of organizational revenue sources as well as the dispersion of funding among the sources.60 Their index is comprised of nine revenue sources derived from the IRS 990, including direct and indirect public support, government grants, interest income, fund raising, membership dues, sale of assets, program revenue and other income. They suggest that an organization has a lower diversity index when it has many sources of revenue that are fairly equally dispersed. If an organization has a number of revenue sources, but one or more of the sources provides a disproportionately large share of the total revenue, the organization has a

higher, or less diverse revenue index. A more modest measure of revenue diversity that includes
direct and indirect public support as well as government grants, based on the Chang and
Tuckman index, has been developed to test H2.

The mailed survey measures the degree of this external dependence (independent variable) in
regional human service organizations by assessing the degree to which these organizations
depend on others for funding and other technical support. Funding sources and membership
organizations, such as the United Way, foundations, (indirect public support) corporations (direct
public support), government grants, affiliations with a parent agency and membership in
professional associations are listed on the survey. Because individual donors do not typically
exert collective or coordinated control over nonprofit organizations, they are not included on the
list. Further, sale of assets, fundraising, interest, program service revenue, membership dues and
other income sources are not included.

Similar to the accountability literacy score in the first section, survey responses will be used
to calculate an “external dependence score.” If the organization relies on any one of its funding
sources for 10% or more of its operating budget, it will receive one point. However, if the
organization relies on any one funding source for more than 50% of its budget, ½ or .5 will be
deducted from its score. The rationale for deducting a half point for a large funder is based on
Chang and Tuckman’s assertion that concentration of revenue reduces diversity, and thus, if
diversity of revenue sources is decreased, there is less overall institutional pressure to conform.
Organizations will also receive one point for each affiliated agency and/or professional
association membership. The total points received in this section of the survey is the “external
dependence score.” To test H2, the external dependence score will be regressed on the
accountability literacy score (dependent variable) to determine if a predictive relationship exists.
The purpose of the final section of the mailed survey is to collect demographic information about the organizational leader and the organization which can be examined to determine patterns. Organizational questions include organization budget size, age, number of staff and board size. Leader questions include years in position, title and education level. The county in which the organization is located is also asked because there may be some differences between the urban and suburban/rural human service agencies. Even though the study focuses on one nonprofit sub-sector—human service organizations—in one specific region—southwestern Pennsylvania, significant differences may exist among these organizations that may be associated with the organizational or leader variables. Analysis of variance in accountability literacy scores based on these organizational and leader variables was conducted to assess any significant differences.

**Qualitative Survey**

Following the mailed survey, semi-structured interviews with nonprofit executives from 20 human service agency leaders who responded to the initial mail survey were conducted. The qualitative survey complements the mailed survey, and it explores why accountability mechanisms are adopted or not adopted within these human service agencies. It also explores three additional hypotheses proposed by Oliver.

Qualitative interview participants were purposively selected from the original list of participating human service agencies to ensure that interviews were conducted with small (under $1 million budgets), medium ($1 million to $5 million budgets) and large (over $5 million budgets) from both Allegheny and more rural counties. This approach clearly defines the various categories of organizations and will ensure that sub-sets of human service agencies by
size and geographic location will be included, providing control and variation. Since the mailed survey is confidential, but not anonymous, participants were selected from completed surveys.

The purpose of the qualitative research is to pursue questions about the reasons why the organizations have adopted or not adopted accountability mechanisms in their agencies, as well as to further investigate the how information about nonprofit accountability is shared within this sample of nonprofit agencies. Additionally, several questions about organizational environment were posed to explore theoretical explanations for adoption or resistance to adopting accountability mechanisms.

**Components of the Qualitative Survey**

While the mailed survey assesses the extent to which certain accountability mechanisms have been adopted within human service agencies, as well as assess organizational relationships and dependencies, it cannot address the question, “Why do organizations adopt or not adopt?” To better assess the motivations or incentives for adopting accountability mechanisms and to assess when institutional or resource dependence theory is the more appropriate theoretical framework in the context of human service organizations, a series of questions were addressed in semi-structured interviews. The structured interview protocol is attached as Appendix B. The interviews were scheduled at the leader’s convenience and were typically conducted at the organization’s office or a public venue, such as a coffee shop or restaurant. All interviews were audio-taped and transcribed verbatim.

---

The interview protocol specifically examines three additional hypotheses relative to institutional and resource dependence theories as proposed by Oliver. Oliver hypothesized that the lower the degree of social legitimacy, economic gain and legal coercion perceived to be attainable from conforming to institutional pressures, the greater the likelihood of organizational resistance to adopt institutional norms. For the purposes of this study, I will test these three hypotheses accordingly:

**H3:** The greater the degree of social legitimacy perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

**H4:** The greater the degree of economic gain perceived to be attainable from adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

**H5:** The greater the degree of legal coercion behind adopting accountability mechanisms, the greater the degree of organizational adoption of accountability mechanisms.

To explore these hypotheses, a series of open-ended questions are posed. These questions include: Why have you adopted the accountability mechanisms that are in place at your organization? What factors have influenced your decision NOT to adopt certain accountability mechanisms or best practices promulgated by the nonprofit sector? A small subset of six specific accountability mechanisms were used in this section of the interview, and the questions above were asked separately with regard to each specific mechanism. Answers to these questions shed some light on which theory—institutional or resource dependence—is likely playing a dominant role in accountability decisions in the human service organizations.
Further, responses can be gauged by the various levels of conformity and resistance as described by Oliver (from acquiescence to manipulation).

For example, the agency could respond that they adopt certain accountability mechanisms because other organizations like theirs have adopted them, because they bring them more respect and prestige or because nonprofit sector groups or accrediting bodies require them; these responses would be consistent with an institutional theory perspective. Alternately, the organization could respond that they adopt accountability mechanisms because they give them a competitive edge in their service industry or that they give their organization more power and donations than other organizations, which would be consistent with resource dependence theory. Institutional theory responses are characterized as “we have to do so,” while resource dependence theory responses can be described as, “we choose to do so.” The interview protocol (Appendix B) includes the questions, as well as some anticipated potential answers, which were not provided to the interviewee but were used to assist with coding responses.

An additional nuance that is explored in the interviews is whether or not human service leaders are not adopting accountability mechanisms because they are ambivalent about these best practices. While the hypotheses focus on institutional (we must do this) versus resource dependence (we choose to do this) explanations, there is another possibility—that human service leaders are ambivalent towards these best practice mechanisms. It could be that executive leaders are neither passively adopting nor actively resisting accountability mechanisms, but they are merely ambivalent about them. This sentiment is not one that can be assessed through the mailed survey, but it will be pursued in the interviews.

Understanding the organization’s environment with regard to human and financial resources, as well as the overall political or policy environment, can reveal information that is
relevant to social legitimacy, economic gain and legal coercion as outlined in the hypotheses. Therefore, the interview protocol includes questions that assess the organization’s environment or context in which it operates. These questions include: Would you characterize your environment as one with low, medium or high competition for financial resources? Why? Would you characterize your environment as one with low, medium or high competition for human resources? Why? How does your organization engage in competition for resources? Is your organizational environment one of low, medium or high uncertainty? Are there elements in your political, economic or social climate that threaten your organization’s ability to continue its mission work? How do you respond to these threats? Do you think the level of diffusion (how widespread) of accountability mechanisms/best practices the nonprofit sector is low, medium or high? Why? Other questions in this section of the interview protocol ask about the organization’s funders and what their accountability requirements might be.

Another set of questions explores the reasons for the organization’s memberships and/or accreditation status. Questions in this section include: Why did your organization pursue this accreditation? What is the value of your participation? Again, these questions elicit responses that may point to an institutional theory perspective—that organizations adopt accountability best practices because they can gain social legitimacy or because others in their industry are doing it—or the responses may point more to a resource dependence theory perspective—that organizations belong and adopt because they want to gain control over their environments and garner more resources.

Although the mailed survey includes a section to assess the interconnectedness of nonprofit organizations, these relationships are further explored in the interview protocol. Learning and information sharing questions include: From what sources do you learn about
nonprofit accountability mechanisms? How often do you turn to each source? How would you rank your information sources? Likewise, how often and with whom do you discuss or share information about nonprofit accountability mechanisms? Can you name a person or group who in the last year you gave information about accountability?

Summary of Methodology

By employing a mixed-method design of a quantitative survey, including a network analysis component, as well as follow-up semi-structured interviews with respondents, sufficient data will be collected to conduct a variety of analyses. Regression analysis was conducted to predict accountability literacy; network analysis assesses agency connections in the human service organizations surveyed, and analysis of variance was conducted with respect to organizational and leader variables to yield information about significant differences in accountability literacy based on organizational characteristics. Text data was transcribed, coded and analyzed that to shed some light on the motivations surrounding the adoption of accountability mechanisms and the contexts and theoretical explanations about why these mechanisms are adopted or not.

This study provides important data, from the staff leader perspective about the extent to which accountability mechanisms are adopted, how information is transmitted and the motivations for adopting these practices. The construction of the database of eligible survey participants and results of the field research are addressed in the following sections.
Special Note to Discussant:

While the field research has been completed and data analysis conducted, I have not finished writing the results, conclusions and policy implications for my dissertation. Therefore, I am providing a brief summary of the data analysis and results with the hope that this will provide you with adequate information for your role at the colloquium. Thank you.

--Bobbi Watt Geer

Summary of Quantitative Results

(Mailed Survey and Qualitative Interview protocol are included as appendices A & B).

- Mailed Survey response rate – 28%
- N= 156
- 20 Qualitative interviews conducted

<table>
<thead>
<tr>
<th>Respondent Agencies</th>
<th>Organization budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>up to 500K</td>
<td>50</td>
</tr>
<tr>
<td>500K to 1M</td>
<td>24</td>
</tr>
<tr>
<td>1M to 5M</td>
<td>44</td>
</tr>
<tr>
<td>5M to 10M</td>
<td>16</td>
</tr>
<tr>
<td>Over 10M</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
</tr>
</tbody>
</table>

- Responses were modestly skewed to larger organizations, but nearly 50% came from agencies with budgets of $1m or less.
- Responses to Likert-type scale of accountability mechanisms were summed to create the accountability literacy score for each agency.
- Accountability literacy score descriptive statistics appear below.
To identify potential differences in accountability literacy scores among groups of survey respondents, analysis of variance was conducted with seven of the categorical (demographic) variables included on the mailed survey. ANOVA results indicate that there are no significant differences in accountability literacy scores based on two of the seven categorical variables: years of experience of the staff leader and county in which the organization is located. Specifically, most significant differences in accountability literacy scores were noted in organizational budget. ANOVA results appear below, indicating significant differences in the smallest organizations as compared to all other budget levels.

**ANOVA**

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>236.624</td>
<td>4</td>
<td>59.156</td>
<td>13.322</td>
</tr>
<tr>
<td>Within Groups</td>
<td>670.509</td>
<td>151</td>
<td>4.440</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>907.133</td>
<td>155</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Range</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Literacy</td>
<td>156</td>
<td>199</td>
<td>47</td>
<td>246</td>
<td>196.48</td>
<td>2.787</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>156</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34.809</td>
</tr>
</tbody>
</table>
### Post Hoc Tests

#### Multiple Comparisons

<table>
<thead>
<tr>
<th>(I) Organization budget</th>
<th>(J) Organization budget</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 500K</td>
<td>500K to 1M</td>
<td>-1.73567</td>
<td>.52329</td>
<td>.010</td>
<td>-3.1805</td>
<td>-.2909</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1M to 5M</td>
<td>-2.38018</td>
<td>.43558</td>
<td>.000</td>
<td>-3.5828</td>
<td>-1.1775</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5M to 10M</td>
<td>-2.20719</td>
<td>.60526</td>
<td>.003</td>
<td>-3.8783</td>
<td>-.5361</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 10M</td>
<td>-3.45778</td>
<td>.53912</td>
<td>.000</td>
<td>-4.9463</td>
<td>-1.9693</td>
<td></td>
</tr>
<tr>
<td>500K to 1M</td>
<td>up to 500K</td>
<td>1.73567</td>
<td>.52329</td>
<td>.010</td>
<td>.2909</td>
<td>3.1805</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1M to 5M</td>
<td>-.64451</td>
<td>.53473</td>
<td>.748</td>
<td>-2.1209</td>
<td>.8319</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5M to 10M</td>
<td>-.47152</td>
<td>.68011</td>
<td>.958</td>
<td>-2.3493</td>
<td>1.4063</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 10M</td>
<td>-1.72211</td>
<td>.62198</td>
<td>.049</td>
<td>-3.4394</td>
<td>-.0048</td>
<td></td>
</tr>
<tr>
<td>1M to 5M</td>
<td>up to 500K</td>
<td>2.38018</td>
<td>.43558</td>
<td>.000</td>
<td>1.1775</td>
<td>3.5828</td>
<td></td>
</tr>
<tr>
<td></td>
<td>500K to 1M</td>
<td>.64451</td>
<td>.53473</td>
<td>.748</td>
<td>-.8319</td>
<td>2.1209</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5M to 10M</td>
<td>.17299</td>
<td>.61518</td>
<td>.999</td>
<td>-1.5255</td>
<td>1.8715</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 10M</td>
<td>-1.07760</td>
<td>.55024</td>
<td>.292</td>
<td>-2.5968</td>
<td>.4416</td>
<td></td>
</tr>
<tr>
<td>5M to 10M</td>
<td>up to 500K</td>
<td>2.20719</td>
<td>.60526</td>
<td>.003</td>
<td>.5361</td>
<td>3.8783</td>
<td></td>
</tr>
<tr>
<td></td>
<td>500K to 1M</td>
<td>.47152</td>
<td>.68011</td>
<td>.958</td>
<td>-1.4063</td>
<td>2.3493</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1M to 5M</td>
<td>-.17299</td>
<td>.61518</td>
<td>.999</td>
<td>-1.8715</td>
<td>1.5255</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 10M</td>
<td>-1.25059</td>
<td>.69236</td>
<td>.374</td>
<td>-3.1622</td>
<td>.6610</td>
<td></td>
</tr>
<tr>
<td>Over 10M</td>
<td>up to 500K</td>
<td>3.45778</td>
<td>.53912</td>
<td>.000</td>
<td>1.9693</td>
<td>4.9463</td>
<td></td>
</tr>
<tr>
<td></td>
<td>500K to 1M</td>
<td>1.72211</td>
<td>.62198</td>
<td>.049</td>
<td>.0048</td>
<td>3.4394</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1M to 5M</td>
<td>1.07760</td>
<td>.55024</td>
<td>.292</td>
<td>-.4416</td>
<td>2.5968</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5M to 10M</td>
<td>1.25059</td>
<td>.69236</td>
<td>.374</td>
<td>-.6610</td>
<td>3.1622</td>
<td></td>
</tr>
</tbody>
</table>

* The mean difference is significant at the 0.05 level.

- Differences in accountability literacy scores were used to select participants for the qualitative interviews.
• H1 and H2 were assessed by using regression analysis to determine if the degree of interconnectedness and dependence on external pressuring constituents are significant predictors of accountability literacy.

• Interconnectedness measure was constructed by using network analysis to calculate the organization’s eigenvector centrality score. Dependence measure was constructed using funding and affiliation data collected on the mailed survey.

• H1 and H2 suggest that accountability literacy is a function of organizational interconnectedness and external dependence on pressuring constituents, or as stated in the following regression equation:

\[ ACCTLITIII = B \text{netcentral} \times \text{netcentral} + B \text{depscore} \times \text{depscore} + e \]

• Regression results indicate that both independent variables are significant predictors of accountability literacy. Regression results follow:

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCTLITERACYTHREE</td>
<td>8.4539</td>
<td>2.41919</td>
<td>156</td>
</tr>
<tr>
<td>DEPSCORE2</td>
<td>.4827</td>
<td>.20324</td>
<td>156</td>
</tr>
<tr>
<td>network central minus irs</td>
<td>.06306</td>
<td>.049477</td>
<td>156</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correlations</th>
<th>ACCTLITERACYTHREE</th>
<th>DEPSCORE2</th>
<th>network central minus irs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>ACCTLITERACYTHREE</td>
<td>1.000</td>
<td>.268</td>
</tr>
<tr>
<td></td>
<td>DEPSCORE2</td>
<td>.268</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>network central minus irs</td>
<td>.413</td>
<td>.293</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>ACCTLITERACYTHREE</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>DEPSCORE2</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>network central minus irs</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>ACCTLITERACYTHREE</td>
<td>156</td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>DEPSCORE2</td>
<td>156</td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>network central minus irs</td>
<td>156</td>
<td>156</td>
</tr>
</tbody>
</table>
## Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R Square</td>
<td>Change</td>
<td>F</td>
<td>df1</td>
<td>df2</td>
</tr>
<tr>
<td>1</td>
<td>.441</td>
<td>.194</td>
<td>.184</td>
<td>2.18560</td>
<td>.194</td>
</tr>
</tbody>
</table>

### ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>176.275</td>
<td>2</td>
<td>88.137</td>
<td>18.451</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>730.859</td>
<td>153</td>
<td>4.777</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>907.133</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), network central minus irs, DEPSCORE2
b. Dependent Variable: ACCTLITERACYTHREE

## Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Correlations Correlations Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>6.403</td>
<td>.465</td>
<td></td>
</tr>
<tr>
<td>DEPSCORE2</td>
<td>1.910</td>
<td>.903</td>
<td>.160</td>
</tr>
<tr>
<td>network central minus irs</td>
<td>17.911</td>
<td>3.710</td>
<td>.366</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ACCTLITERACYTHREE

- This model accounts for 18.4% of the variance in accountability literacy. While the percentage of variance explained by the independent variables is modest, there are only two variables in the model.
The regression model illustrates that as the level of organizational interconnectedness and external dependence on pressuring constituents increases, so too does the accountability score. However, there are clearly other predictive variables that explain accountability literacy scores.

Qualitative Results:

I am currently in the process of coding the 20 qualitative interviews and am not ready to present results in this summary. However, I anticipate being able to comment on the qualitative interview findings during the colloquium. Below is a chart summarizing the types and sizes of agencies interviewed. Agencies were purposively selected by organizational budget size (low, medium and high) as well as accountability literacy score (low through high) to achieve variation.
## General Description of Human Service Organizations Interviewed
11 December 2008 through 13 February 2009
*Interviews conducted with staff leaders

<table>
<thead>
<tr>
<th>Brief description</th>
<th>Budget Size</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social, education and housing services to improve self-sufficiency</td>
<td>$10+ million</td>
<td>M</td>
</tr>
<tr>
<td>Multiple human services, including counseling, prevention and training for children, adults and seniors</td>
<td>$10+ million</td>
<td>M</td>
</tr>
<tr>
<td>Continuum of retirement, assisted living and nursing home services for older adults</td>
<td>$10+ million</td>
<td>M</td>
</tr>
<tr>
<td>Services for adults with mental illness and substance abuse problems</td>
<td>$10+ million</td>
<td>M</td>
</tr>
<tr>
<td>Multiple services to promote community health and vitality, including education and economic development</td>
<td>$5-10 million</td>
<td>M</td>
</tr>
<tr>
<td>Vocational and educational training services for adult and juvenile offenders</td>
<td>$1-5 million</td>
<td>M</td>
</tr>
<tr>
<td>Senior center and adult daycare services</td>
<td>$1-5 million</td>
<td>F</td>
</tr>
<tr>
<td>Services for children and adults with learning disabilities</td>
<td>$1-5 million</td>
<td>M</td>
</tr>
<tr>
<td>Services for disadvantaged teens</td>
<td>$1-5 million</td>
<td>F</td>
</tr>
<tr>
<td>Training and daycare services for single parents and their children</td>
<td>$1-5 million</td>
<td>F</td>
</tr>
<tr>
<td>Services for survivors of sexual assault and domestic violence and advocacy for violence-free communities</td>
<td>$1-5 million</td>
<td>F</td>
</tr>
<tr>
<td>Supportive services for survivors of sexual and domestic violence</td>
<td>$500 K-$1 million</td>
<td>F</td>
</tr>
<tr>
<td>Child care services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency food, shelter and clothing as well as counseling services</td>
<td>Less than $500 K</td>
<td>M</td>
</tr>
<tr>
<td>Pregnancy support services, including testing, counseling and newborn supplies</td>
<td>Less than $500 K</td>
<td>M</td>
</tr>
<tr>
<td>Homeless shelter, counseling and job training services</td>
<td>Less than $500 K</td>
<td>F</td>
</tr>
<tr>
<td>A local United Way</td>
<td>Less than $500 K</td>
<td>M</td>
</tr>
<tr>
<td>Social services for offenders and their children</td>
<td>Less than $500 K</td>
<td>F</td>
</tr>
<tr>
<td>Supportive services for people with developmental disabilities</td>
<td>Less than $500 K</td>
<td>F</td>
</tr>
<tr>
<td>Services for older adults and their caregivers living in the community</td>
<td>Less than $500 K</td>
<td>F</td>
</tr>
</tbody>
</table>

*Interviewed 11 female and nine male leaders*
APPENDIX A—MAILED SURVEY

Management Practices within Nonprofit Organizations:

The purpose of this research is to explore the degree to which management and accountability practices have been adopted, as well as how these practices are learned and shared. Human service agencies in southwestern Pennsylvania are invited to participate by completing this approximately 20-minute survey. If you are willing to participate, you will be asked about practices in place at your organization and to indicate from what organizations or sources you learn about accountability practices. This is a confidential survey; your answers will not be attributed to you or your organization, and completed surveys will be kept under lock and key. Breach of confidentiality is the only foreseeable risk associated with this project, and there are no direct benefits to you. Your participation in the survey is voluntary, and you may withdraw at any time. Bobbi Watt Geer, doctoral candidate at the University of Pittsburgh Graduate School of Public and International Affairs, is conducting this study. If you have any questions, she can be reached at bwgeer@comcast.net.

PART ONE: Management & Accountability Practices

Please use the following scale to rate the use of each management/accountability practice within your organization:

<table>
<thead>
<tr>
<th>Practice</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not familiar with this strategy/mechanism</td>
<td>1</td>
</tr>
<tr>
<td>Aware of this strategy/mechanism</td>
<td>2</td>
</tr>
<tr>
<td>Knowledge of &amp; can describe this strategy/mechanism</td>
<td>3</td>
</tr>
<tr>
<td>Our organization has considered adopting this strategy/mechanism</td>
<td>4</td>
</tr>
<tr>
<td>Our organization has adopted this strategy/mechanism</td>
<td>5</td>
</tr>
<tr>
<td>This strategy/mechanism is institutionalized or routine in our organization</td>
<td>6</td>
</tr>
<tr>
<td>This strategy/mechanism is not applicable to our organization</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Registration & Reporting:
- IRS 1023 available to the public: 1 2 3 4 5 6 NA
- Permanent 501(c)(3) determination letter obtained & available to the public: 1 2 3 4 5 6 NA
- IRS 990 filed annually & available to the public: 1 2 3 4 5 6 NA

Financial & Fundraising:
- Financial audits for organizations w/revenues of $300k or more: 1 2 3 4 5 6 NA
  - Financial reviews for revenues of $100-300k: 1 2 3 4 5 6 NA
  - Financial compilations for revenues of $50-100k: 1 2 3 4 5 6 NA
- PA Bureau of Charitable Organizations disclosure statement on fundraising materials and receipts: 1 2 3 4 5 6 NA
- Disclosure of fair market value when donors receive anything in exchange for their gifts: 1 2 3 4 5 6 NA
- Written acknowledgements are sent for gifts of all sizes: 1 2 3 4 5 6 NA
- Operating budget and audit approved by board of directors: 1 2 3 4 5 6 NA
- Financial policies that detail handling of all funds: 1 2 3 4 5 6 NA
- No organizational loans are made to board or staff: 1 2 3 4 5 6 NA
- Gift acceptance policies that detail specific types of gifts accepted: 1 2 3 4 5 6 NA
and not accepted, as well as procedures for determining acceptance
Contributions are used according to restrictions placed by the donor
Fundraisers are not compensated based on commission/percentage of funds raised
Donor privacy policy in place that allows donors to give anonymously

**Information Management:**
Whistleblower protection policy—protection of employees who report suspected wrong-doing
Document retention policy
Confidentiality policy for clients (for compliance with HIPPA & other laws)
Disaster management policies to protect agency assets & documents
Appropriate level of directors and officers liability insurance in force
Organizational information regarding operations & activities made available to the public

**Governance & Human Resources:**
Executive compensation policy to justify salary level
Compliance with Equal Employment Opportunity laws
Compliance with Americans with Disabilities Act
Conflict of Interest policies for board and management staff
Board members serve without compensation
Board member term limits are documented in the organizational bylaws
Board reviews appropriateness of organization’s overall compensation structure
Board has a minimum of five un-related directors
Grievance policies for handling client & staff complaints
Confidentiality policies regarding donor, client, staff & volunteer information
Written personnel policies

**Public Policy & Advocacy:**
Prohibition against electioneering
Adherence to lobbying expenditure limits
IRS 501 (h) election for organizations that engage in lobbying

**Mission/Program Outcomes:**
Output evaluation (tracking number of clients served)
Outcome evaluation (measuring program impact in terms of change in awareness or behavior)
Use of logic models to define indicators of mission accomplishment  1  2  3  4  5  6  NA
Board reviews and modifies mission (if necessary) every 3-5 years  1  2  3  4  5  6  NA

**Self-Regulation:**

Codes of ethics and standards of practice drafted and adopted by your organization or your affiliate organization  1  2  3  4  5  6  NA
Adoption of codes of ethics and standards developed by industry-specific groups (such as CARF, JCAHCO & Council on Foundations)  1  2  3  4  5  6  NA
Adoption of codes of ethics and standards developed by sector-wide organizations (such as Pennsylvania Association of Nonprofit Organizations, the Better Business Bureau Wise Giving Alliance, or principles developed by the Independent Sector)  1  2  3  4  5  6  NA

**PART TWO: Learning About Management & Accountability Practices**

Please indicate from what sources your organization learns about nonprofit management & accountability mechanisms by checking and writing in all that sources that apply to your organization:

- _____ Other human service nonprofits
  - Name three: ____________________________
  - ____________________________

- _____ Nonprofits representing other sub-sectors (the arts, education, health, etc.)
  - Name three: ____________________________
  - ____________________________

- _____ Nonprofit Industry groups
  - _____ Independent Sector
  - _____ Council on Foundations
  - _____ Pennsylvania Association of Nonprofit Organizations (PANO)
  - _____ Grantmakers of Western Pennsylvania
  - _____ Greater Pittsburgh Nonprofit Partnership
  - Other Industry Groups: ________________

- _____ Foundations
  - Name three: ____________________________
  - ____________________________

- _____ Other Funding Sources
  - Name three: ____________________________
  - ____________________________

- _____ Regulatory agencies
  - _____ Internal Revenue Service
  - _____ Pennsylvania Bureau of Charitable Organizations
  - _____ Other: ____________________________

- _____ Public (governmental) agencies
  - Name three: ____________________________
  - ____________________________
PART THREE: Organizational Relationships

Please check all organizations with whom your agency has a funding relationship. Please indicate the approximate percentage of your agency budget that organization’s support represents:

- United Way Partner (____% of agency budget)
- Government contracts (____% of agency budget)
- Foundation support (____% of agency budget)
- Corporations (____% of agency budget)

Please check all affiliations or experiences (within the past year) for your agency:

- Affiliated with a Parent Agency (local unit of a regional, state or national organization)
- Accredited by professional organization(s)
- Member of one or more professional association (ex. Greater Pittsburgh Nonprofit Partnership, PANO)
- Experienced negative media coverage for your organization or like organization in the nonprofit sector (at least one story)

PART FOUR: Organizational Information

Please answer the following questions about you and your nonprofit organization by selecting the single most appropriate response:

1. What is your job title?
   1. ___ Executive Director  2. ___ President  3. ___ Chief Executive Officer
   4. ___ Chief Operating Officer  5. ___ Chief Financial Officer  6. ___ President/CEO
   7. ___ Other: ____________________

2. How many years have you held your current position?
   1. ___ 0-3 years  2. ___ 3-6 years  3. ___ 6-10 years  4. ___ 10-15 years  5. ___ 15+ years

3. Please indicate your highest education level.
   1. ___ High school diploma  2. ___ Associate degree  3. ___ Bachelors degree  4. ___ Graduate degree
   5. ___ Doctoral degree

4. What is your organization’s age?
   1. ___ Less than 5 years  2. ___ 5-10 years old  3. ___ 10-15 years old  4. ___ 15-20 years old
   5. ___ 20+ years old

5. What is the size of your organization’s current operating budget?
   1. ___ up to $500,000  2. ___ $500,000 to $1 million  3. ___ $1 million to $5 million
   4. ___ $5 million to $10 million  5. ___ over $10 million

6. How many full-time equivalent staff does your organization employ?
   1. ___ 0-5  2. ___ 6-10  3. ___ 11-25  4. ___ 26-100  5. ___ 101+
7. How many non-staff directors serve on your organization’s board?
   1. _____ Less than 7     2. _____ 7-12     3. _____ 13-16     4. _____ 17-20     5. _____ 21+

8. In what county is your organization located?
   ________________________________________________

All information provided in this survey will remain confidential. It will not be attributed to you or your organization.

Your Name:______________________________________________________
Organization:_____________________________________________________

Bobbi Watt Geer 52
APPENDIX B—SEMI-STRUCTURED INTERVIEW PROTOCOL

Qualitative Research: Interviews with approximately 20 human service organization executives who have participated in the mailed survey.

Why have you adopted (or not) the following accountability mechanisms: filing 990, financial audits, conflict of interest policies, outcomes evaluation, executive compensation policy and self-accreditation at your organization? (Mechanisms selected from mailed survey.)

Possible answers…

Other organizations (similar mission/programs) have adopted them

Other nonprofits (outside of our sub-sector) have adopted them

Nonprofit sector groups have recommended them

They are the “right” thing to do

They are recognized best practices

We have always done it this way

Industry groups have recommended them

It is the law

They will bring us respect

We have to

We choose to

They make us more competitive

They will help us survive

They reduce uncertainty in our work

To have better control of our environment

They give us power, or advantage over other organizations

They will make us more efficient
It is what our stakeholders/constituents require

They will make us more effective

They will garner us more financial resources (donations, grants, contracts etc.)

**What factors have influenced your decision NOT to adopt certain accountability mechanisms or best practices promulgated by the nonprofit sector?**

Possible answers…

No incentives:

- financial gain
- respect
- efficiencies
- effectiveness

Didn’t know about them

No penalties (legal or reputational)

Conflicting priorities of multiple constituents (would please some, but not others)

Lack of capacity to implement (human and financial resources)

Our board does not consider it a priority

**How salient or important are these accountability issues to you and your organization?**

**From what sources do you learn about nonprofit accountability mechanisms? Can you name someone who in the last year gave you some information about accountability? Please rank the sources you turn to for accountability information. Likewise, with whom do you discuss or share information about nonprofit accountability mechanisms? Can you name someone who in the last year you gave information about accountability?**

Possible answers…

- Other nonprofits in our industry (human services, etc.)
- My circle of local nonprofit executives (in human services)
Nonprofits in general
Other staff in my agency
My board members
Staff from other nonprofits
Industry groups (Independent Sector, Council on Foundations, PANO, GWP)
Corporations
Foundations
Other Funding Sources
Academic literature/journals
Regulatory agencies (IRS, Bureau of Charitable Organizations)
Public (governmental) agencies
News media (television, news papers, radio, etc.)

Organizational Environment/Context Questions:

Would you characterize your environment as one with low, medium or high competition for financial and human resources? Why?

How does your organization engage in competition for financial resources?

Is your organizational environment one of low, medium or high uncertainty?

Are there elements in your political, economic or social climate that threaten your organization’s ability to continue its mission work? How do you respond to these threats?

Do you think is the level of diffusion (how widespread) of accountability mechanisms/best practices the nonprofit sector is low, medium or high? Why?

What accountability mechanisms are required by your funding sources?

To what nonprofit industry groups do you/your organization belong?

Adoption of formal best practice codes:

Why did your organization pursue this accreditation? What is the value of your participation?