ABSTRACT

In the recent past, NGOs have got considerable success in the development arena and have solidified their role as watchdog over government. On the other hand, NGOs are also accused of mis-management, fraud and idiosyncratic behavior (Baviskar 2001). Hence scholars have called the NGO sector to put its house in order before asking the state to be accountable (Pai 2004).

In NGO management studies, there are four major theoretical perspectives on accountability, namely public reporting theory, public trust argument, principal-agent theory and stakeholder theory. The latter acknowledges the dynamics of complex relationships between organizations and their stakeholders and that these relationships involve responsibility and accountability (Grey et al 1996). Thus it offers a comprehensive base to study NGOs. As far as the literature is concerned, there have been linear arguments as to whom NGOs are accountable. Some scholars propose donor accountability framework (Jacobs and Wilfred 2007; Benjamin 2008), while other vehemently oppose it and argue for beneficiary participation framework (Kilby 2006; Poonam 1995; Chanrith). Few others propose accountability to staff as prerequisite to good governance. Edward and Hulme (2003) have summarized and classified this traditional discourse as upward, downward and horizontal accountability. They along with Tandon (2002) plead the scholars/practitioners to reject this linear approach and embrace multiple stakeholder accountability (i.e being equally accountability to donors, beneficiaries, staff and other stakeholders).

The commonwealth foundation framework is an India centric multiple stakeholder accountability model. The assumption of the model is that the cumulative practice of accountability in three spheres, namely at governance, program management and resource management will help in establishing accountability of NGOs towards multiple stakeholders.
Though the framework is very useful to the Indian conditions, there are seldom any studies based on it. There are also many gaps in the literature regarding how the NGOs practice accountability and what are the perception of different stakeholders on the practices of NGOs. These questions have not been adequately addressed by previous studies. Hence it is imperative to study these aspects.

Hence, the objectives of the study were to explore the accountability practices of NGOs with multiple stakeholders and also to understand the perceptions of multiple stakeholders on NGOs’ accountability. Based on the objectives, Sequential Exploratory Mixed Methods Design was chosen for the study. Consequently, data collection was carried out in two stages.

The data from the study reveal that most of the organisations try accountable in terms of dissemination of achievements; developing programs in relation to the vision and mission; having a HRM policy, following basic recruitment procedures; and having regular financial accounting and auditing, etc.

But in key areas such as beneficiary participation in decision making, performance appraisal of board members and chief functionaries, having regular elections for the governing board, inducting beneficiaries in the project planning process, institutionalising grievance/complaints management systems, financial control and staff welfare, the NGOs are not able to practice accountability. So there is accountability deficit. The literature on these areas also suggests that NGOs are generally weak in showing accountability to multiple stakeholders.

By combining the Commonwealth Foundation Framework, Adil Najam’s classification and the findings from this study, a new framework is developed. Through this effort, the study has filled the major gap in the area of accountability of NGOs. It has also opened doors for new areas of research and intervention in the field.