

NGO ACCOUNTABILITY FROM AN NGO PERSPECTIVE: PERCEPTIONS, STRATEGIES, AND PRACTICES

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SUMMARY

Extant research in the nonprofit literature focuses on non-governmental organization (NGO) accountability, framing it relationally. We examine the interplay of several constitutive elements of NGO–donor relationships based on narratives of NGO executives and other staff: NGO perceptions of accountability and of their donors, their assumptions about donor perceptions of the NGO role and expectations of NGO accountability, and their responses to shifts in donor funding. We argue that perceptions and practices of accountability do not only determine to whom an NGO should be primarily accountable but also shape NGO behavior and alter dependence on donors. As such, accountability is not necessarily a consequence of a relationship, but more likely a constitutive element of the relationship. While a favorable response to donor interests might signify upward accountability, it might also suggest that NGOs are more assertive about managing their institutional environments, thereby mitigating their dependence on donors. Copyright © 2016 John Wiley & Sons, Ltd.

KEY WORDS—accountability; NGOs; donors; perceptions; Middle East; Lebanon

INTRODUCTION

Individuals' behaviors are influenced by how they see the world around them and how they feel they are perceived by others (Golden, 2011). Organizations, as groups of individuals, are not different; their behaviors can be determined by their own perceptions as well as perceptions of others toward them.

This notion applies to the discussion on accountability. Extant research has focused on accountability as a relational concept and practice, in both formal and informal settings (Brown and Moore, 2001; Ebrahim, 2003a; Mcloughlin, 2011; Romzek *et al.*, 2012; Dubnick, 2013; Romzek *et al.*, 2014). However, we have yet to focus on perceptions of non-governmental organization (NGO) managers as they could affect both formal and informal accountabilities.

In this study, we expand the research on accountability, moving beyond the frames of formally and informally structured relations and less formal and influential ties, to explore perceptions. We pursue two subjects: (i) the most influential and powerful actor NGOs have to deal with, that is donors, a main source of funding and a main focus of existing research on accountability, and (2) the perceptions of NGO managers, a potentially fruitful but less explored area of research and practice.

While we acknowledge that perceptions are formed through experiences within NGOs and through their interactions with various stakeholders, including donors, we isolate the relationships of three NGOs with one common donor to examine the interplay of five constitutive elements of NGO–donor relationships: NGO perceptions of accountability, their perceptions of donors, their assumptions about donor perceptions of the NGO role, their expectations of NGO accountability, and their strategies or responses to shifts in donor funding. Despite their common donor's power to control funding priorities, the behaviors and accountability practices of three local,

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indigenous, formally registered, membership-based Lebanese NGOs in the environmental sector vary. Perceptions matter.

ACCOUNTABILITY: CONCEPT AND PRACTICE

Non-governmental organization accountability can be approached from multiple theoretical perspectives. A resource dependence perspective posits that being resource-insufficient, an organization strives to survive through acquiring and maintaining resources. Resources are controlled by external actors, who then can make demands on the organization (Pfeffer and Salancik, 1978). NGOs could potentially use accountability mechanisms here to buffer external demands and manage expectations.

Another dominant theory, the principal-agent perspective, is premised on the observation that actors (principals) with a particular set of interests attempt to benefit from the expertise and knowledge of agents to carry out these interests (Moe, 1984). However, the challenge for the principal is not knowing and ultimately not trusting what an agent is doing (Shapiro, 2005). Accountability is “the principal’s right to require an account from the agent and also the right to impose sanctions if the account or the actions accounted for are inadequate” (Ebrahim, 2003b, p. 196).

Institutional theory approaches accountability more broadly, requiring a new understanding of administrative, legal, and moral experience of an organization (Meyer and Rowan, 1977; Powell and DiMaggio, 1991). Organizations incorporate institutionalized myths by adopting similar practices or forms and become subject to isomorphic pressure. As organizations indirectly establish the pillars for survival, legitimacy, and resource sufficiency, they further relax internal and external inspections. Consequently, accountability becomes a tool of isomorphism (Goddard and Mussa, 2006).

In application, accountability is a relationship between actors, each assuming responsibility for their actions (Brown and Moore, 2001; Ebrahim, 2003a). Most of the existing research has focused on formal accountability. External and internal accountabilities are the two defining frames of reference for many NGOs worldwide. External accountability is “the means by which individuals and organizations report to a recognized authority and are held responsible for their actions” (Edwards and Hulme, 1996, p. 967).

External accountability is shown to be relational in its very nature (Brown and Moore, 2001; Ebrahim, 2003a; Dubnick, 2013), with multiple dimensions. Upward accountability reflects an NGO’s relationship with donors or government, as a consequence of control over financial or regulatory resources. Downward accountability denotes an NGO’s relationship with beneficiaries or those indirectly impacted by its activities. Horizontal accountability to other NGO peer organizations is usually demonstrated in self-regulation mechanisms (Fowler, 1997; Ebrahim, 2003a; Schillemans, 2011; Newcomer *et al.*, 2013; for more on self-regulation, please see Bies, 2010). As such, there is a system of accountability and not just a set of unconnected binary relationships (Ebrahim, 2005a).

Following the subsidiarity principle, an NGO should serve community needs. Morally, an NGO then should be accountable to its values and beneficiaries (Banks *et al.*, 2015). However, over-emphasizing and over-professionalizing the financial dimensions of NGO accountability weaken this capacity for accountability (Henderson, 2002; Markowitz and Tice, 2002; Jellinek, 2003; Martens, 2008). NGOs rely on donors for financial resources, and donors need to protect their interests (Irvin, 2005), compelling NGOs to focus on upward accountability to donors (Ebrahim, 2003a; Boulding, 2012; AbouAssi, 2013; Newcomer *et al.*, 2013; Banks *et al.*, 2015). “Multiple accountabilities”—as labeled by Christensen and Ebrahim (2006) and Ebrahim (2003a, 2010)—are often at cross-purposes.

Then there is the concept’s often-underemphasized internal dimension. Here, accountability is not demanded by or bestowed from outside but generated from within, “motivated by ‘felt responsibility’ expressed through individual action and organizational mission” (Ebrahim, 2003a, p. 814). Internal relational processes of governing, including engaging citizen–beneficiaries and donors, generate accountability and enhance organizational learning (Dubnick, 2011; Newcomer *et al.*, 2013). Beyond being solely accountable to all stakeholders, upward and downward dialogues reflect the need for creative development and “commitments to others in a moral community” (Harmon, 1995, p. 204).

Besides formal accountability, scholars (Romzek *et al.*, 2012; Romzek *et al.*, 2014) have started paying attention to informal accountability. Romzek *et al.* (2012) note that constituting informal accountability is more complicated, less transparent, and less studied than formal accountability interactions. Generally, a gap exists between the rhetoric and reality in relationships among organizations and between structured, formal accountability and the less formal kind (Romzek *et al.*, 2012). As such, informal accountability is shaped by NGO staffs' individual and interpersonal values and actions—that are more discretionary and complicated and less transparent and studied—than formal accountability interactions.

In both cases, conceptualizing relationships of responsibility or accountability involve negotiating stakeholders' conflicts over power (Harmon, 1995; Christensen and Ebrahim, 2006; Ebrahim and Weisband, 2007; Macdonald, 2007; Dubnick, 2013). Negotiations and relations are impacted by perceptions of actors involved. The conflict over power during accountability practice might be manageable if construed “chiefly as a process of dialogue rather than as passive compliance in the face of anticipated reward or punishment” (Harmon, 1995, p. 196), which might then lead to what Newcomer *et al.* (2013) label as reverse accountability with donors becoming strategic and intentional in what they ask of NGOs.

ACCOUNTABILITY AS A RESOURCE STRATEGY

Morally, NGOs should be accountable to values they profess and beneficiaries they serve (Banks *et al.*, 2015). However, since many local NGOs lack adequate financial assets, donor funding is what allows them to function and serve their constituencies. The focus is then on functional accountability for resource use and immediate results and less on strategic accountability related to long-term impact and sustainability of initiatives (Kilby, 2006; O'Dwyer and Unerman, 2007; Benjamin, 2008). This conflict between functional and strategic accountability is associated with the push by donors toward professionalism in the NGO sector (Mawdsley *et al.*, 2002; Wallace *et al.*, 2006). The push intends to promote greater managerial expertise, transparency, and efficiency, possibly at the risk of organizational mission, flexibility, cultural sensitivity, and responsiveness (Henderson, 2002; Markowitz and Tice, 2002; Jellinek, 2003; Martens, 2008).

Doornbos (2003) observes that donors develop policies and priorities and revise them at an ever-increasing pace, while NGOs lag behind, trying to figure out how to react. Banks *et al.* (2015) consider the situation too close for comfort, and AbouAssi (2013) explores NGOs' reactions to highlight a variation based on the need for resources.

Building on Hirschman's (1970) typology of *exit*, *voice*, and *loyalty*, AbouAssi (2013) suggests that an NGO can react in four different ways to revised donor priorities and funding. *Exit* is when an NGO decides to no longer seek funding from a particular donor and suspends the relationship. *Voice* finds an NGO relating its feedback and concern to a donor with the intention of influencing its decisions and sustaining the relationship through negotiating a balance in each actor's interests. *Loyalty* is an NGO's automatic compliance with the donor. Loyalty best describes the strategy of the so-called “donor-organized” NGOs, characterized by a lack of agency and donor attachment. Additionally is *adjustment*, when an NGO practices agency, voluntarily and deliberately deciding to adjust activities in favor of the donor's new objectives to secure funding (AbouAssi, 2013). Adjustment is a result of donor attachment and funding the relationship generates.

These four strategies (exit, voice, loyalty, and adjustment (EVLA)) suggest that NGOs are more proactive in managing their institutional and resource environments than research has shown. Using an exit or voice strategy, an NGO exchanges economic resources to control symbolic non-material resources, for example, status, prestige, reputation, and information (Ebrahim, 2005b). Alternatively, exercising loyalty or adjustment offers more financial security. AbouAssi (2013) further considers that emphasizing one or another EVLA strategy can reflect different kinds of accountability; “the stronger the downward or internal accountability, the more likely an NGO is to exit or exercise voice” (p. 596).

Exit and voice also require social power. NGOs have significant stores of social power—the communicative and organizational capacity to set norms, rules, and procedures (van Ham, 2010, p. 8) where accountability could be a symbolic non-material, strategic resource—for example, solidarity with and trust among beneficiaries—instead of a

consequence of the relationship. “Conversely, upward accountability is associated more with reactions of adjustment” (AbouAssi, 2013, p. 596), suggesting a possibly smaller store of social power, all else being equal.

Exit, voice, loyalty, and adjustment strategies reflect perceptions that can then shape internal decisions of NGOs and accountability relationships with donors. That is why we shift the focus herein from the relations—formal or informal—to perceptions that will eventually shape relations. We consider five constitutive elements of NGO–donor accountability relationships. The elements are (i) NGO perceptions of accountability overall; (ii) NGO perceptions of their donors; (iii) NGO assumptions about donor perceptions of their role; (iv) NGO expectations of their own accountability; and (v) the EVLA resource strategies indicating how NGO practices influence and are influenced by dependence on donors.

Perceptions differentiate organizational behavior; such behavior could reduce dependence on donors and shape accountability mechanisms. We proceed by describing the comparative case study and explaining the process for analyzing NGO managers' accountability perceptions, assumptions, and donor dependency.

METHODOLOGY

This study deepens our knowledge about accountability through a narrative analysis of NGO manager perceptions, assumptions, and financial situations vis-à-vis a single, prominent donor. It is a single-country, comparative case study with structural strengths and limitations noted in the succeeding texts.

The case background

The study focuses on Lebanon because it has characteristics similar to many nations in the global south. It is a small country of four million, excluding approximately 1.2 million Syrian refugees. Lebanon maintains a fragile democracy and a developing economy, relying on external sources of revenue, for example, foreign assistance, loans, and treasury bonds (AbouAssi, 2013). Perhaps more than many nations of similar size, Lebanon's NGO sector is dynamic (AbouAssi, 2015). The country's sociopolitical milieu and weak public service system delivery allow a wide space for NGOs to be active in all domains of public life (AbouAssi, 2015).

A distinctive feature of Lebanese NGOs is that they secure funding from various sources with less interference from the central government than other countries in the Middle East and North Africa. The Lebanese government only loosely controls NGO funding and does not require prior notification or approval. With outdated tax and philanthropy laws (AbouAssi, 2015), the major sources of funding for Lebanese NGOs are membership fees and international donors, especially in light of a shared perception among NGOs that donors prefer working with them over the government (AbouAssi, 2013).

Three registered NGOs were purposively selected for this study to juxtapose their perceptions of, behavior toward, and reactions to a common donor (COMMONDONOR), a bilateral donor, the aid agency of a western country, providing considerable support to local NGOs in Lebanon. To control for the type of industry that influences accountability structures (Brown and Moore, 2001), the three organizations operate in the same field—environment, selected since this study falls within a broader research project on environmental NGOs.

These cases were selected for their similarities and differences. The key similarity is their relationship with COMMONDONOR; the key difference is the variation in their reactions to a shift in donor funding. These features address the requirements for homogeneous sampling to reduce variation and simplify analysis (Patton, 2001) and allow comparability across the cases.

These NGOs are membership-based with dues-paying members but with a mission of serving the general public. Each is managed by an executive committee of five to seven people: NGO1 supports environmental sustainability by addressing environmental hazards and air pollution. NGO2 focuses on conservation through reforestation and fighting forest fires. NGO3 promotes environmental protection by implementing educational campaigns and activities. NGOs 1 and 2 have fairly low reliance on COMMONDONOR because of relatively high numbers of volunteers, diverse funding sources, and professional management practices, including strategic planning exercises and regular monitoring and evaluation. NGO3 has a relatively high number of active members and only one paid staff person. It also has the

smallest budget. However, it manages to sustain three external sources of funding despite its small size, resulting in a medium, but not high, reliance on COMMONDONOR. Table 1 provides comparative data on the three organizations.

Scope and approach

This is an exploratory study seeking better understanding and insights about accountability (Babbie, 2004), by analyzing narratives of practitioners in three NGOs. We queried the practitioners on five interactive perceptions, assumptions, expectations, and actions that might interplay to shape their accountability. This bottom-up, integrated approach should be a welcome alternative to the segmentation of accountability research across disciplines and sectors hampering the understanding of relational accountability (Ebrahim, 2010; Dubnick, 2013).

Data collection, analysis, and limitations

Our methodological approach is informed by abductive reasoning, middle ground between deduction and induction that involves iterative comparison of data and theory so that the latter is neither dominant nor overlooked (Coffey and Atkinson, 1996; Maxwell, 2005; Trent, 2012). The study relies on qualitative data collected through 16 semi-structured, in-depth interviews across the three NGOs. To ensure data validity, around five staff from each organization were interviewed. To ensure compatibility of information quality across organizations, one interviewee of each NGO was an executive director; the others were senior or junior project managers. In addition, three experts on the NGO sector in Lebanon were consulted to verify information and provide additional context.

Semi-structured interviews provided multi-year, detailed information. Interviewees were invited to describe (i) their organizations' efforts to secure funding from and assess relationships with COMMONDONOR; (ii) their understanding of donor expectations; and (iii) any apprehension about having the capacity to maintain an acceptable standard of accountability. Responses elicited various perceptions among this group of practitioners. The abductive approach was reinforced by discourse analysis to understand variations in interpretations. Discourse analysis helps us arrive at conclusions about actors' perceptions and, consequently, organizational behaviors and positions vis-à-vis the donor (Johnston, 2002; Neumann, 2008).

Table 1. Comparative data on the three NGOs

Characteristics	NGO1	NGO2	NGO3
1. Mission	Sustainable environment	Conservation of natural resources	Protection of environment
2. Identification of stakeholders	General public/environment	Local communities	Projects' beneficiaries
3. Size			
a. Number of active members	100	50	60
b. Executive committee size	7	5	7
c. Number of paid staff	3	8	1
d. Average staff tenure in years	7	5	10
e. Number of volunteers	325	112	20
4. Decision-making process	Debate and voting	Strong leadership and voting	Influential leadership
5. External stakeholder engagement	Formal/ad hoc	Formal/regularly scheduled	Informal/ad hoc
6. Financial characteristics			
a. Annual budget	\$300 000	\$400 000	\$150 000–\$200 000
b. Internal revenues/annual budget	21%	17%	6%
7. Donor dependency			
a. Identification of funding	Selective-specific guidelines/principles	Active and strategic	Organizational need/project-based
b. Number of external institutional donors	8	9	3
c. Reliance on COMMONDONOR	Low	Low	Medium

We acknowledge that the single-country study and small sample are not necessarily representative, recognizing the limitation and not claiming generalizability of results. Also, the basis for comparison of perceptions and behavior around accountability was limited, focusing on just one common donor. We recognize that accountability is at least two-way and does not exist in a vacuum. The advantage of the limited scope is that it allows a deeper dive into the three relationships with one common donor.

Lebanon was chosen because it shares with other countries in the global south scarce natural resources, weak government, history of corruption, and political instability. Future studies should target a larger sample, include other countries, and investigate perceptions, reactions, and practices of other stakeholders—donors, governments, and beneficiaries—and then compare them with those of NGOs.

The findings in the next section emerge from narrative data of three NGOs as they interact with the same donor. They are followed by a discussion of the NGO managers' perceptions, practices, and strategies.

THREE NGOS VIS-À-VIS “COMMONDONOR”

Perceptions and practices of accountability determine to whom an NGO should be primarily accountable, shape NGO behavior, and alter dependence on donors. In this section, we elaborate the cases of the three NGOs, aiming to set the stage for a two-part argument in the next section. First, that subject NGOs manage their institutional environments and resources more assertively than their comparative lack of power suggests. Second, that various accountability relationships give them different degrees of leverage to reject donor demands and potentially forego funding.

NGO1: internal/inward accountability

NGO1 works on environmental sustainability through innovative technologies. According to the executive director, this NGO “believes in engaging local communities through various democratic means to express opinions and demands and then develops its work accordingly.” NGO1 has diversified sources of funding, selected deliberately by the executive committee using thorough criteria. NGO1 works to base relationships with donors on mutual benefit and exchange of ideas and continuously evaluating them to ensure autonomy and credibility.

Interviewing NGO1 staff provides evidence of a mission-centered organizational culture. Individually, each interviewee expressed similar thinking: specific principles and values reflected in the mission drive their NGO. A senior manager stated that “we take pride in being committed solely and utmost to what our mission reflects; that takes precedence over anything else.” A junior staff added that “we do not twist our environmental mission to fit a certain theme; we should twist the themes to fit the mission. That is why we do not chase donors and follow funding objectives.” This stance is reflected in an unwritten policy on donor funding based on NGO1 principles and values.

NGO1 was working on an environmental study funded by COMMONDONOR; when COMMONDONOR shifted the focus of funding toward social services that did not align with NGO1's mission and line of work, NGO1 deliberately decided to stop seeking that donor's funding. Simply stated by an NGO1 program manager, “all our activities should be very much related to our mission and values; otherwise, I do not see how we can exist as an environmental NGO.” AbouAssi (2013) describes this strategy as *exit*.

The NGO1 executive director provided further thoughts on the subject of *exit*: “we know our mission. We know what is needed and what we should work on. We develop project ideas that serve only our own objectives and try to secure funding.” Interviewees were clear that mission-centeredness deserves the most credit for influencing NGO1 actions. Likewise, volunteers are motivated by mission and not by individual interests. Even local needs play a secondary role in this regard. A senior manager explained that “it is very normal in the work of NGOs to interact and respond to the surrounding environment where change takes place all the time and in all fields—not just purely in environment, but also in social, economic, and humanitarian areas. However, we are not interested

in modifying our activities, let alone abandoning our principles and identity, especially for the sake of some funding.”

Rigid adherence to organizational values reflects inward accountability, driven by “felt responsibility” for mission (Ebrahim, 2003a, 2005a; Banks *et al.*, 2015). A program manager elaborates on NGO1 strict adherence to its mission and values: “these are the guiding stars; we know where we are and where we should head. It is not only what my boss tells me to do, but what the values I am committed to compel me to do.”

For NGO1, the process of approaching a donor yields a relationship based on perceived mutuality and equality. The executive director explains that “when our agenda with the donor is compatible, funding objectives match our goals and the donor’s plans accommodate our programs.” NGO1 aspires to a relationship with COMMONDONOR that is based on partnership, though employees recognize that COMMONDONOR does not necessarily share this perception. Another senior manager elaborates that “the donor might portray us as implementers of projects or an agenda. No matter how much you try, the donor keeps a distance.” NGO1 rejects donor funding if perceived to jeopardize the organization’s identity or question its values.

How does NGO1 perceive COMMONDONOR’s expectations for NGO accountability? One senior staff questioned whether COMMONDONOR expected local NGOs to be accountable for long-term development of local capacity:

I am not sure how much donors are really interested in developing local capacity when many assistance agreements impose intermediary northern NGOs into the process. These organizations enter the country with their own human resources and do involve local NGOs, but most of the time on a contractual basis, neither investing in capacity-building of local organizations nor in sustaining initiatives. And on top of that, accountability is jeopardized.

In the estimation of this interviewee, COMMONDONOR’s expectation of the NGO is low, suggesting that it is up to NGOs to maintain a focus on the effectiveness of their accountability practices and the needs of beneficiaries. This perception is echoed by the executive director, who claims that “accountability is usually associated with accounting; that’s mostly what a donor focuses on. But that is not the essence of the matter; to us, it is our adherence to our mission and values and our commitment to what we promised to do.”

NGO2: external/downward accountability

The mission of NGO2 is protecting natural resources through conservation, forest firefighting, and reforestation. According to NGO2 interviewees, stakeholders are the local communities the organization primarily serves. NGO2’s executive director noted that “the work evolved over time; it was demand-driven. People who followed our progress were satisfied with it.” The organization established strong legitimacy among stakeholders by actively involving them. They are queried about their needs before a project is designed, as opposed to “a prefabricated project that they do not understand, that will definitely fail,” adds a program manager. Stakeholders’ involvement is also institutionalized into voluntary units to follow-up on project implementation.

NGO2 works to meet these needs through funded projects. The organization engages the public in participatory appraisal to conduct need and impact assessments. NGO2’s executive director noted that “our legitimacy stems from the local community. We use our knowledge and expertise to serve local needs. We always make sure that our work is more aligned with local changes and not dramatically influenced by donor priorities.” The perception of accountability is similarly traced. NGO2 employees consider their organization to be accountable to stakeholders. A program manager reiterated the position that “we are always working with and for the local communities. We make a strong case to the donor; our project ideas are strong because they are based on local needs. You provide ideas to donors to convince them to fund your projects.” A senior staff adds that “accountability is embedded in the relationship with the people, in the services we provide to the people.” Sensitivity to local needs and bottom-up initiatives allow the local communities to empower themselves, follow-up on the work of the organization, and hold staff responsible (Kilby, 2006; van Ham, 2010; Banks *et al.*, 2015). This is a clear illustration of external downward accountability toward beneficiaries (Fowler, 1997; Ebrahim, 2003a).

Here lies the strength of NGO2's interaction with COMMONDONOR. All interviewed NGO2 staff believe that COMMONDONOR cannot force anything on their organization. *"The donor comes with limited knowledge and sometimes changes prerequisites and requirements. We have our studies and expertise and make suggestions to make donor interests relevant to local needs,"* a senior staff clarified. NGO2 leverages legitimacy as non-material resources in the relationship with COMMONDONOR (Ebrahim, 2003a, 2005b).

This perception of a balance of social power with COMMONDONOR leads to a more open relationship. COMMONDONOR is perceived as a partner. NGO2's executive director commented that *"our relationship with the donor has evolved; the donor is not the money maker who gives you money when you knock on its door. The donor has objectives. We do, too. As the objectives have meshed, we have become partners."* This favorable perception is assumed to be mutual; NGO2's employees strongly believe that COMMONDONOR also considers them a partner.

The executive director continued to describe the partnership with COMMONDONOR, demonstrating how mutual respect and interdependence have emerged over time, in formal and informal settings:

We worked hard to build this trust and continue to value this ongoing relationship. Although sometimes donor requirements are cumbersome and the donor wants to support other NGOs, we are still involved together; the donor always approaches us not only when funding is available but also for consultations and brainstorming ideas.

As expected, NGO2 has sustained its relations with COMMONDONOR and secured funding for projects at times when the funding focus was changing. The organization balanced COMMONDONOR's interests in social services and its own environmental agenda by designing an income-generating project focusing on recycled materials. Practicing *voice*, NGO2 did not risk altering the nature of its activities (AbouAssi, 2013), demonstrating commitment to stakeholders by not conceding to donor interests, balancing these interests with demands and needs of local communities, and reinforcing downward accountability. Even in reporting, NGO2 was providing information to beneficiaries rather than just to donors, explaining results, achievements, and constraints and demonstrating a special interest in strategic accountability for impact and sustainability (Ebrahim, 2005a; Kilby, 2006; O'Dwyer and Unerman, 2007; Banks *et al.*, 2015).

Regarding perception of how COMMONDONOR wants NGOs to be accountable, the executive director reported that *"we do not need to worry because we know what we are doing. We cover every aspect of donors' criteria. We respond quickly to requests. We are transparent and professional in our reporting. We should not dwell on these issues. The focus is somewhere else where our efforts need to be."* A senior staff related the following:

Donors can play a positive role to remedy low accountability by imposing certain requirements on NGOs, such as in grant applications. However, NGOs might respond to these requirements on paper but not with real change in practices. You can provide donors with adequate financial reports without being transparent; you can claim good governance while the staff does not know what is going on.

This interviewee reflected that COMMONDONOR has recently required more accountability from NGOs, a reasonable and beneficial action to improve administrative practices. A junior staff's comment bears out how moderate expectations influence the NGO's behavior, encouraging a more participatory approach,

where people are involved with us, and this is probably how they can hold us accountable. Big NGOs execute projects without involving, or caring for, the local people and leave without turning the ownership over to the local people [risking] projects to fail as if nothing was done. Locals know each other and follow up closely and hold people responsible. Here we are talking about accountability, we as an NGO have a moral accountability to the local people based on close personal connections; we won't be able to avoid people's complaints.

The narrative earlier reflects a framing of accountability along with agency and obligation (Harmon, 1995). Accountability, agency, and obligation are pursued to fulfill a moral sense of responsibility to beneficiaries (Harmon, 1995; Brown and Moore, 2001; Banks *et al.*, 2015). Responsiveness to citizen-beneficiaries is evidence that participation is an accountability process (AbouAssi and Trent, 2013).

NGO3: external accountability—multiple mechanisms

The third organization, NGO3, focuses on basic conservation and promoting green spaces. The organization has been struggling since its inception, especially with financial resources. Sources of funding are limited. Members' donations barely cover operational costs. To implement any project, NGO3 has to rely on external funding, mainly from international donors. NGO3 finds itself in an uncomfortable position; as COMMONDONOR shifted funding priorities from environment to social services, NGO3 changed the nature of some of its work to provide services to the elderly. This is what AbouAssi (2013) calls *adjustment*.

Alternating between these two project areas is associated with the NGO's perception of COMMONDONOR as strictly a source of funding. "It is like you are dealing with a bank and securing a private loan," an NGO staff commented. The NGO's executive director elaborated that "we cannot find donors all the time and no one donor can finance you all time. We do not have much leeway." The relationship with the donor is project-based. The executive director admits that COMMONDONOR most likely looks at the organization as a subcontractor, providing financial resources and imposing specific requirements. The NGO develops proposals and then executes approved grants accordingly. A junior staff member comments: "I feel I have two bosses: my boss and my boss's boss who is providing the money."

Attentiveness to local needs is NGO3's justification for these adjustments. Interviewees tried to demonstrate that they are in touch with and accountable to beneficiaries. "It is what the people want," stated a program manager. The executive director elaborated that "if you are working on environment, you have to get into social, cultural, and socioeconomic issues. We are still serving our people and satisfying needs and expectations. After all, if we limited ourselves to environmental issues and projects, we might not be able to fully serve our people." An interviewed NGO expert noticed that the attempt to claim downward accountability is countered by donor control over financial resources. Another challenged NGO3's claim:

The NGO has been following the money and doing what the donor wants. They paid people to write good proposals and secure funding. It got the grant but the team did not have any idea of what was in the proposal. Developing a good proposal does not mean the organization is connected on the ground and to the beneficiaries it promised to serve. Who held them accountable? The donor.

NGO3's increased reliance on donor funding is accompanied by an excessive upward accountability; the donor-NGO relationship turns into one of contracting, focusing on accounting for and usage of financial resources, and immediate results (Kilby, 2006; O'Dwyer and Unerman, 2007; Banks *et al.*, 2015). This is reflected in an observation by an NGO3 senior staff about functional accountability, or accounting, contrasting it with a perception which incorporates transparency:

Accountability as I see it is more financial; how much an NGO gets and spends. We believe in transparency; all our payments are issued in checks—regardless of the amount—payable to the first beneficiary only; we keep our records updated and we have everything listed in our bank statements.

Concern with functional accountability rather than the broader goal of sustainability and long-term impact is reflected in a junior staff member's statement: "Regretfully, there is no one holding us accountable. We lack this culture of accountability; people do not care[...] We submit general statements to the government and more detailed reports to the donors; the public does not know what I am really doing and therefore cannot hold me accountable." The focus is on reporting, monitoring, and complicated funding criteria, as an interviewed project manager complained:

If I am applying for funding, I will be more focused on these criteria than on my own project. The value of a proposal is in its idea, financial feasibility, and the way money would be spent. I do agree that donors have the right to know how money is spent but that is after the NGO gets the money and not far in advance.

The perceptions of donor expectations of accountability here are different from those of NGO1 and NGO2 interviewees. Donors expect NGOs to primarily account for expenditure of funds rather than resolve to fulfill

organizational missions. Such expectations might jeopardize project impact and sustainability. We now turn to the wider implications of the differences in perceptions, practices, and strategies of these three NGOs.

PERCEPTIONS, PRACTICES, AND STRATEGIES: UNINTENDED CONSEQUENCES

The interplay of various accountabilities leads to and is reinforced by NGO–donor relations. As the figure below as Figure 1 reflects, the stronger the inward accountability to values and mission, the more likely an NGO is to fend off any changes due to donor funding, leading to *exit*. Also, the stronger the downward accountability, the more able the NGO is to use connections with local communities setting it apart from other organizations and empowering it to practice *voice* with donors. At the same time, the more an NGO secures funding without altering its activities, the more likely the organization is to uphold community stakeholder interests and, consequently, to reinforce downward accountability (AbouAssi, 2013).

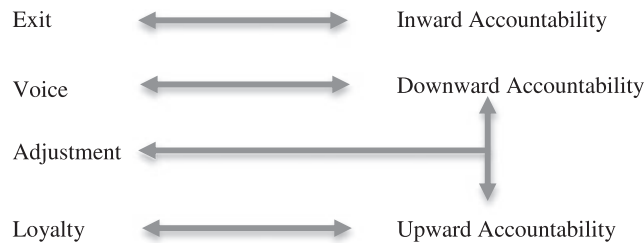


Figure 1. Interplay among NGO strategies and accountabilities.

The reliance on external sources of funding to sustain operations jeopardizes organizational credibility and service sustainability. As NGO3 chased funding in the name of satisfying needs, the organization diverted from its environmental mission to other types of activities. This behavior confirms that perception of accountability is also adjustable; upward accountability shapes an NGO's practices and undermines its credibility (Doornbos, 2003; Boulding, 2012).

Non-governmental organizations' limited accountability toward the rights of beneficiaries as duty bearers is a persistent problem (Esman, 1991; Kilby, 2006). In the Lebanese situation, development is supply-led by donors (AbouAssi, 2010) who opt for non-risky, low-return, and highly visible interventions (Easterly, 2008). With limited financial resources, many NGOs find themselves at the donor's mercy and become responsive to donors' interests. Donors set the agendas, and NGOs often tailor their programs to secure funding, especially if they lack comprehensive strategies (AbouAssi, 2013). NGOs, then, risk going into new fields beyond their own missions, leaving many needs unmet or neglected (AbouAssi, 2013). Some NGOs prefer to remain in their comfort zones of work and limit their services to the same target groups. This leads to a common observation of scholars and practitioners that accountability is only taken seriously in NGO–donor relations.

Furthermore, NGOs' institutional governance is at risk in light of conflicting accountabilities (Ebrahim, 2003a, 2003b; Benjamin, 2008; Dubnick, 2011). The confusion of accountability as financial, accounting for the money spent, which we notice in the case of NGO3, can be related to the push on behalf of donors toward professionalism in the NGO sector in developing countries (Banks *et al.*, 2015). Limited resources dampen downward accountability and citizen–beneficiary participation in order to meet record-keeping and other technical obligations (Henderson, 2002; Markowitz and Tice, 2002; Jellinek, 2003; Martens, 2008). The dilemma as noticed by AbouAssi and Trent (2013) is that accountability requires developing organizational readiness, capacity, and serious donor engagement, possibly exacerbating reliance on donors and increasing upward accountability.

This discussion can only be thorough by assembling different constitutive elements of NGO–donor relationships as they relate to accountability. Table 2 displays NGO perceptions of accountability and of their donors, NGO

Table 2. NGO accountability perceptions and practices

NGO	Perception of accountability	Perception of donor's role	Perception of how donor perceives NGO's role	Perception of donor expectation of NGO accountability	Reaction to shifts in funding
NGO1	Values	Partner	Implementer	Low	Exit
NGO2	Beneficiaries	Partner	Partner	Moderate	Voice
NGO3	Beneficiaries and donors	Funder	Contractor	High	Adjustment

assumptions about donor perceptions of their role and expectations of NGO accountability, and NGO responses to shifts in funding. These elements help us better understand how various accountabilities impact or are reinforced by NGO–donor relationships.

NGO1's perceptions are that accountability is an expression of its organizational values, that COMMONDONOR is its partner while assuming that COMMONDONOR perceives it as an implementer, and that COMMONDONOR does not expect many NGO accountabilities. These elements of the donor relationship are in tension, leading to NGO1 exiting the relationship. In contrast, NGO2 associates accountability with beneficiary needs and interests, sharing a common perception with COMMONDONOR of reciprocal partnership and obligation to be accountable. With this more closely balanced accountability relationship, NGO2 expresses *voice* to COMMONDONOR. NGO3, perceiving accountability as to beneficiaries and donors, COMMONDONOR's role as funder, and it as subservient contractor with high accountability to COMMONDONOR, adjusts its strategy with each shift in funding.

Scholars (Romzek *et al.*, 2012; Romzek *et al.*, 2014) suggest that informal accountability dynamics are less transparent than the formal ones and are rather devolved in an organizational hierarchy and linked to certain rewards. Herein, informal dynamics are common, relating to individual perceptions, despite existing institutional accountability mechanisms. We ought also to recognize that although personal ethics and relationships are key components of accountability (Romzek *et al.*, 2012), individual perceptions could bolster or undermine accountability.

Building the groundwork on informal accountability among individuals and organizations (Romzek *et al.*, 2014), future research should explore individuals' perceptions that both derive from personal values and relations and relate to social power. In NGO1 and NGO2, we noticed shared perceptions of accountability and donors. With shared norms and understanding, formal accountability is rather solidified; organizations can manage their behaviors and relations with the donor. Variation in perceptions—regardless of how nuanced—could have broader implications for organizational behavior when it comes to accountability.

We conclude this discussion with several observations. First, the study confirms that accountability's characteristics and mechanisms differ over time and by organizational mission (Brown and Moore, 2001). Second, upward accountability could fall along a continuum. Accountability increases toward international donors imposing strict reporting mechanisms. It decreases toward a government lacking in citizen confidence. This dilemma is compounded by citizens' perceptions that, being unaccountable, government is not entitled to hold other institutions accountable (AbouAssi, 2010). “It looks like in the former case NGOs here are accountable by force while in the latter it is by choice,” as an interviewed NGO expert interprets.

Third, the inherent contradiction between upward accountability to donors and downward accountability to beneficiaries presents a challenge (Ebrahim, 2005a, 2005b; Banks *et al.*, 2015). If confronted and deliberated through inclusive stakeholder dialogue, it can result in creative, situational approaches for maintaining organizational responsibility, including accountability (Harmon, 1995; Lowery, 2005; Koven, 2011; Schillemans, 2011). Ebrahim (2005a) highlights that “accountability is also about power” (p. 60). The more powerful organization is the one controlling resources needed by others, influencing who holds whom accountable. Since power across development NGOs and funders is increasingly networked and diffuse, accountability relationships are characterized by “complex reciprocity” mediated by a balanced “plurilateral system of public governance” (Macdonald, 2007, p. 275).

CONCLUSION

This study builds on established microeconomic perspectives informing accountability theory with a close look at the perceptual framings of NGO–donor relationship. It analyzes views of a unique, diverse group of staff and executives in each of three NGOs with service, advocacy, and educational roles in Lebanese society, providing a springboard for further study of NGOs with varying missions and political agendas. We note that the study is confined to the perceptions held by NGO staff and not COMMONDONOR. While the one-sided analysis could be a limitation, introducing the approach of focusing on NGO agency and voice in donor relationships generates several timely management and research implications.

First, the evidence calls into question the dominant assumption in resource dependency that NGO dependence on donors affects the accountability (or responsibility) an NGO usually accepts. While the three NGOs we studied have struggled between pursuing donor interests and maintaining their role to uphold local interests and be accountable to beneficiaries, none of them is heavily dependent on COMMONDONOR and two of them have comparable, low resource dependency but portrayed very distinct behaviors.

Second, following the previously mentioned information, accountability can be considered an outcome of an NGO–donor relationship. However, echoing the arguments of Brown and Moore (2001), accountability changes over time. It should not be perceived as an outcome of one relationship but of a network of multi-directional relationships.

Third, this study finds that perceptions of environmental NGO managers have an impact on NGO accountability in Lebanon. It also provides limited but clear evidence that NGOs manage their institutional and resource environments assertively. Various accountability relationships—and perceptions of these relationships—give these NGOs different degrees of leverage to reject donor demands and potentially forego funding. One implication is that NGOs may benefit from cultivating social power of beneficiaries and advocates, building strategic resources of solidarity and trust.

The fourth finding is further evidence that perceptions shape the management strategies organizations pursue to buffer the demands of external actors, as resource dependency suggests. Perceptions also constitute the basis for a socially constructed system of norms and values that can then define institutional isomorphic practices as organizations seek legitimacy. By the same token, shared perceptions shape trust between organizations and could reduce opportunism to which the principal-agent perspective alludes, especially in a setting when NGOs could be both a principal and agent to the same stakeholder simultaneously (Ebrahim, 2003b).

Related to the potential of social power and the dual principal-agent role of NGOs is the fifth finding, that a manager's or staff member's individual morals or professional standards could heighten or jeopardize both formal and informal accountabilities. With increasingly networked governance come more informal and diffuse relationships of power and less transparent accountability dynamics. Understanding NGO perceptions of informal accountability between NGO managers and donors will only become more important for tracing NGO actions after a donor shifts funding and revealing effects on NGO accountability.

Lastly, the study bolsters current research showing that the stronger the inward accountability to values and mission, the more likely an NGO is to fend off any changes due to donor funding. The stronger the downward accountability to local stakeholders, the closer the NGO's relationships with local community stakeholders. By distinguishing itself from other organizations, an NGO is empowered to interact with COMMONDONOR on an equal footing, as NGOs 1 and 2 did. The stronger the upward accountability, that is, identity with and commitment to a donor, the less able the NGO is to buffer or resist donor demands, as NGO3 did. The interplay of the perception and practice elements can result in the dominance of one type of accountability over another.

This study prepares a platform for painting a clearer, more inclusive picture of perceptions of NGO accountability, moving beyond descriptive presentations of mechanisms and motivating future research. Whether these insights hold in other NGO–donor relationships and countries should be pursued by expanding to accountability perceptions and practices of donors and governments that had to be excluded from this investigation, we encourage larger research projects including the donor perspective. It is likewise important to consider how

organizational characteristics, such as staff position and length of tenure, and quality of relationships between staff and with volunteers and community stakeholders, can shape and refine individual perceptions of accountability.

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