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CONTABILIDAD**

TESIS DOCTORAL

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**MEASUREMENT OF THE TRANSPARENCY AND GOOD GOVERNANCE
IN NONPROFIT ORGANIZATIONS:
PROPOSE OF AN IMPROVED SPANISH BATTERY OF INDICATORS**

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INDEX

CHAPTER 1: INTRODUCTION	19
1.1. Introduction.....	19
1.2. Motivation.....	21
1.3. Hypothesis and Objectives.....	25
1.3.1. Hypothesis:.....	26
1.3.2. General objective:.....	27
1.3.3. Specific objectives:.....	27
1.4. General Methodological Approach.....	29
1.5. Structure of the doctoral thesis.....	30
1.6. References for Chapter 1.....	36
CHAPTER 2: Transparency as A Key Element in Accountability in Non-Profit Organizations: A Systematic Literature Review	43
2.1. Introduction.....	45
2.2. Characteristics that Define the NPOs.....	48
2.3. Description of the Bibliometric Review.....	51
2.3.1. Planning the Review: Formulation of the Research Questions.....	53
2.3.2. Search Criteria.....	53
2.4. Results of the Systematic Literature Review: Sample Description.....	57
2.4.1. Descriptive analysis.....	57
2.4.2. Theoretical Foundations of the Transparency of Accountability in NPOs.....	64
2.5. Conclusions for Chapter 2.....	72
2.6. Annex for Chapter 2.....	74
2.7. References for Chapter 2.....	87
CHAPTER 3: Nonprofit Good Governance for Accountability: A Systematic Literature Review	103
3.1. Introduction.....	104

3.2. Theoretical background	106
3.3. Methodology	107
3.3.1. Phase 1. Formulation of the research questions.....	107
3.3.2. Phase 2. Identification of the studies	107
3.3.3. Phase 3. Selection and evaluation of relevant studies.....	108
3.3.4. Phase 4. Analysis and synthesis of the results	110
3.3.5. Phase 5. Presentation of the results	112
3.4. Results.....	112
3.4.1. Descriptive analysis	112
3.4.2. Research lines and sub-lines.....	118
3.5. Conclusions for Chapter 3	129
3.6. Annexes for Chapter 3.....	131
3.7. References for Chapter 3	150
CHAPTER 4: Transparency Indicators to Improve Accountability for Non-Profit Organizations: A Spanish Case Study.....	163
4.1. Introduction.....	164
4.2. Theoretical background. Measurement of transparency in the information disclosed by NPOs	166
4.2.1. Transparency in NPOs. Importance and challenges.....	166
4.2.2. Measurement of the transparency of disclosed information in NPOs: The use of indicators	167
4.2.3. Transparency of NPOs in Spain	168
4.3. Methodology and research design.....	169
4.3.1. Methodology: Multi-criteria group decision making and the Best–Worst Method.....	169
4.3.2. Methodology: Consensual weights for transparency indicators	171
4.3.3. Research design.....	172
4.4. Discussion of the results.....	176

4.4.1. Results from the general aspects that are indicative of transparency	176
4.4.2. Results for the Government Board indicators	177
4.4.3. Results for the indicators defined by mision, vision and values	179
4.4.4. Results for the social support indicators	180
4.4.5. Results for planning and accountability indicators	181
4.5. Robustness tests. The consistency ratio	183
4.6. Conclusions and limitations for Chapter 4	184
4.7. Annex for Chapter 4.....	187
4.8. References for Chapter 4	199
CHAPTER 5: Good governance Indicators to Improve Accountability for Non-Profit Organizations: A Spanish Case Study	207
5.1 Introduction.....	208
5.2 Theoretical background	210
5.2.1. Nonprofit good governance. Importance and challenges.....	210
5.2.2. Good practice certification in the nonprofit sector: the Spanish case.....	212
5.3. Methodology and research design.....	214
5.3.1. Methodology: Multi-criteria group decision making and the Best–Worst Method.....	214
5.3.2. Consensual weights for good governance indicators.....	216
5.3.3. Research design.....	217
5.4. Discussion of the results.....	220
5.4.1. Results from the general aspects of good governance	220
5.4.2. Results from governing body indicators.....	221
5.4.3. Results from mission, vision and values indicators	223
5.4.4. Results from planning and evaluation indicators.....	224
5.4.5. Results from economic management indicators	225
5.4.6. Results from human resources indicators.....	226
5.4.7. Results from stakeholders indicators	228

5.5. Conclusion for Chapter 5	229
5.6. References for Chapter 5	232
5.7. Annexes for Chapter 5	237
CHAPTER 6: Measuring What Is Not Seen—Transparency and Good Governance Nonprofit Indicators to Overcome the Limitations of Accounting Models	255
6.1. Introduction	256
6.2. Theoretical Framework	258
6.2.1. Contextualizing the Nonprofit Sector	258
6.2.2. Transparency and Good Governance in the NPOs	259
6.2.3. The Paradigm of Credibility in NPOs	262
6.2.4. The Insufficiency of Accounting Models: The Spanish Case	263
6.3. Methodology	264
6.3.1. Best–Worst Method for Deriving Weights	265
6.3.2. Minimum Cost Consensus for Consensual Weights	267
6.4. Discussion of Results	268
6.4.1. Selection of the Combination Battery of Indicators	268
6.4.2. Data Collection	272
6.4.3. Analysis of the Results	272
6.5. Conclusions for Chapter 6	282
6.6. Annex for Chapter 6	286
6.7. References for Chapter 6	297
CHAPTER 7: Conclusions	307
7.1 Final considerations	307
7.1.1. Conclusions from the systematic literature reviews	309
7.1.2. Conclusions from the empirical analysis	310
7.2 Limitations	312
7.2.1. Limitations from the systematic literature reviews	312

7.2.2. Limitations from the empirical analysis	312
7.3. Future research lines	313
7.4. References for Chapter 7	314
RESUMEN DE LA TESIS DOCTORAL EN ESPAÑOL	317
1. Introducción	317
2. Motivación	319
3. Hipótesis y Objetivos	323
□ Hipótesis de partida:	325
□ Objetivo general:	325
□ Objetivos específicos:	326
4. Planteamiento metodológico general	327
5. Estructura de la tesis doctoral	328
6. Conclusiones	334
6.1. Consideraciones finales	334
6.1.1. Conclusiones de las revisiones sistemáticas de la literatura	336
6.1.2. Conclusiones del análisis empírico	338
6.2. Limitaciones	340
6.2.1. Limitaciones de las revisiones sistemáticas de la literatura	340
6.2.2. Limitaciones del análisis empírico	340
6.3. Futuras líneas de investigación	340
7. Referencias del resumen en español	342

TABLES INDEX

Table 1 Total articles published in the 19 journals from 2005 to 2019	58
Table 2 Measurement of transparency in the nonprofit sector.....	60
Table 3 Methodology and sample context of the studies measuring transparency...	64
Table 4 Search terms and search strings	108
Table 5 Number of articles per journal.....	113
Table 6 Top 10 most cited articles	114
Table 7 Number of publications by research method	115
Table 8 Good governance research in NPOs	117
Table 9 Research line 1.....	120
Table 10 Research Sub-line 5	122
Table 11 Research Sub-Line 6.....	124
Table 12 Research Sub-Line 7	125
Table 13 Research Sub-Line 8.....	125
Table 14 Research line 3.....	127
Table 15 Variable definitions	173
Table 16 Transparency-indicator weighting. General aspects (blocks of indicators)	176
Table 17 Transparency-indicator weighting. Government board block.....	178
Table 18 Transparency-indicator weighting. Mission, vision and values block	179
Table 19 Transparency-indicator weighting. Social support block	180
Table 20 Transparency-indicator weighting. Planning and accountability block	182
Table 21 Consistency ratio	184
Table 22 Variable definition (CONGDE, 2019)	218
Table 23 Good governance-indicator weighting. General aspects (block of indicators)	221
Table 24 Good governance-indicator weighting. Governing Body block	222
Table 25 Good governance-indicator weighting. Mission, vision and values block..	223
Table 26 Good governance-indicator weighting. Planning and evaluation block	224
Table 27 Good governance-indicator weighting. Economic management block.....	225
Table 28 Good governance-indicator weighting. Human resources block.....	227
Table 29 Good governance-indicator weighting. Stakeholders block	228
Table 30 Consistency Index	267

Table 31 Variable selection (items in the questionnaire)	272
Table 32 The Best–Worst Method (BWM) results for the transparency of the non-profit organization (NPO) governing board.	273
Table 33 BWM results on the appropriateness of the definition of the mission, vision, and values	274
Table 34 BWM results for information disclosure about social support and donors.	275
Table 35 BWM results for planning and accountability.	276
Table 36 BWM results for the management role of NPO governing boards	277
Table 37 BWM results for the appropriate management aligned with the mission, vision, and values	278
Table 38 BWM results for strategical and operational planning	279
Table 39 BWM results for economic and financial management	280
Table 40 BWM results for human resources management	281
Table 41 BWM results for the relationships and communications with the stakeholders	282

FIGURES INDEX

Figure 1 Phases of the systematic literature review (SLR) based on the PRISMA Flow Diagram	56
Figure 2 Number of publications per journal	57
Figure 3 Number of publications by research method	59
Figure 4 RQ1	65
Figure 5 RQ2	69
Figure 6 Summary of the Systematic Literature Review (PRISMA)	111
Figure 7 Sample selection period	114
Figure 8 Research lines and sub-lines.....	119
Figure 9 General methodological scheme.	265

ANNEXES INDEX

Annex 1 Summary of key aspects reviewed in the 54 final sample articles	74
Annex 2 International Good Governance Initiatives to Achieve Non-profit Accountability	131
Annex 3 Summary of key aspects reviewed in the 81 final sample articles	133
Annex 4 Questionnaire for Transparency Indicators.....	187
Annex 5 Questionnaire for Good Governance Indicators	237
Annex 6 Detailed comparative analysis on the common indicators from CONGDE and Loyalty Foundation	286

CHAPTER 1

INTRODUCTION

CHAPTER 1: INTRODUCTION

1.1. Introduction

In recent years, the number, size and prominence of nonprofit organizations (NPOs, hereinafter)¹ has grown in many countries (Connolly, Hyndman and McConville, 2013; Pennerstorfer and Rutherford, 2019), driven by the increase of unmet heterogeneous social problems (Austin, 2000; Cestari *et al.*, 2018; Kim and Kim, 2018). In this sense, the social mission for the organizations that make up the nonprofit sector is to meet social demands that the public sector is sometimes not able to cover. If the social mission of the NPOs is fulfilled, public benefits are awarded as a matter of public policy (Hale, 2013). Therefore, relying on this important activity that NPOs perform, the community has granted them indisputable social recognition (Moreno-Albarracín *et al.*, 2021). This is the new panorama, where the non-profit sector is being encouraged to assume a much more relevant role (Manville and Greatbanks, 2016), improving the social and economic environment. Thus, to achieve this social mission, NPOs need the trust and credibility of the society.

Despite this, different cases of fraud have been observed in the nonprofit sector (Greenlee *et al.*, 2007) and hence, it has challenged the notion of trust inherent in NPOs. These cases have a destructive impact on the sector, as resource funders feel worried about how their donations are being used and managed (Szper and Prakash, 2011). It is a crucial issue due to the potential loss of support from donors and volunteers, with a direct impact on the future of these organizations (Hale, 2013). This is a serious problem if we consider that NPOs depend on a culture of trust (Harris, Petrovits and Yetman, 2017). Traditionally, the nonprofit sector as a whole has been largely dependent on public resources, that is, from the public sector. There are also NPOs whose resources come exclusively from the private sector. In general, three sources of financing can be highlighted: public, private and own. Private financing

¹ The conceptualization of the nonprofit sector is certainly plural (Teasdale, 2012; Salamon and Sokolowski, 2016). The next concepts are often used as synonyms, generating an immense disparity in terms of terminology: "third sector", "non-profit sector", "voluntary sector", even "charitable sector". The same with the organizations that compose it: "nonprofit organizations (NPOs)", "third sector organizations (TSOs)" or "nongovernmental organizations (NGOs)". In sum, the nonprofit sector is defined by its heterogeneity, diversity and complexity (Third Sector Platform, 2020).

comes from natural person or legal entity, such as donations, contracts, agreements, etc. Own financing comes from membership fees and user payments for services rendered (Third Sector Platform, 2020). Therefore, the greatest challenge that NPOs currently face is to demonstrate that the resources they receive are used with the best quality standards and are fully used to fulfill the social mission for which they were created. All of this leads to an increase in the demands for accountability by NPOs (Dhanani and Connolly, 2015; Bromley and Orchard, 2016; McDonnell and Rutherford, 2019; Pape *et al.*, 2020) to maintain public trust and confidence in the nonprofit sector (GD Saxton, Kuo, & Ho, 2012).

To face this reality, NPOs must be complemented with accountability mechanisms. There is no single way to do this, but each NPO must develop its own mechanisms, taking into account their possibilities and organizational characteristics to guarantee effective and quality communication with its stakeholders. Therefore, it is necessary to provide NPOs with a self-regulation tool based on the concepts of:

- 1) Transparency of the information disclosed and its practices,
- 2) Good governance mechanisms,

Both aspects are strongly linked to accountability. Through this tool, NPOs will be helped to face the problem of the absence of a specific regulation on the transparency of the information disclosed and the mechanisms of good governance in the nonprofit sector. Thus, the establishment of relevant and reliable accountability mechanisms will ultimately help to lay a solid foundation for the continued growth of the nonprofit sector and its organizations, thus, reinforce its credibility towards society. Credibility is a key issue, in order to justify the use of the funds received by both public entities and individuals to fulfill the social mission entrusted to this organizations.

In summary, the transparency of the information disclosed and good governance practices are an exercise of responsibility that a NPO must develop. Hence, NPOs should focus their attention on how to respond to the expectations and demands of their stakeholders, and on how to manage the organization to fulfill their mission (Jeong and Kearns, 2015). In this regard, the theoretical position of this Doctoral Thesis is based on the Stakeholders Theory. The origins of this theory are based, among others, in field of organizational behaviour (K. Gibson, 2000). In 1984, the concept of "stakeholder" was originally defined in the book "Strategic Management: a Stakeholder

Approach" by Freeman (1984 pag. 46) as "any group or individual who can affect or is affected by the achievement of the organization's objectives". These groups have the legitimacy to demand the provision of certain quality services by the NPOs and, in particular, to know about the management of such resources. Considering this, the generalized trend that is being observed internationally in the nonprofit sector is the need to find tools that allow an improvement of its information disclose and management systems to each of the stakeholders.

Next, this Chapter 1 "Introduction" is developed as indicated: motivation of the Doctoral Thesis; development of hypotheses, general objective and list of specific objectives; general methodological approach for theoretical and empirical analysis and; structure of the document and of each of the chapters.

1.2. Motivation

As we have previously exposed, the establishment of accountability mechanisms in the nonprofit sector will help NPOs to reinforce its credibility towards its stakeholders and the society as a whole. Hence, the purpose of this Doctoral Thesis is to respond to the need for adequate accountability on the part of NPOs. For this, it is necessary to evaluate an adequate degree of transparency of the information disclosed, as well as the establishment of good governance mechanisms that allow NPOs to strengthen their credibility levels.

At the international level, and for years, NPOs have been responsible for improving the quality of life of disadvantaged people (Vakil, 1997). Therefore, NPOs and its increasing global importance carry a responsibility towards the community. This responsibility was established in the Code of Ethics and Conduct for NGOs of the World Association of Non-Governmental Organizations (WANGO, 2005), which state that "NGOs have the responsibility to be transparent, honest, accountable, and ethical, to give out accurate information, and to not manipulate situations for the personal benefit of their boards and staff". As noted, organizations around the world face a growing demand for accountability and greater transparency (Verbruggen, Christiaens and Millis, 2011).

More recently, the United Nations promulgated the Sustainable Development Goals (SDGs, hereinafter) (United Nations, 2015). The SDGs play a key role in the

evaluation and implementation of the 2030 Agenda. This 2030 Agenda for Sustainable Development contains 17 SDGs. We justify our study on the goals 16 and 17. Specifically, we focus on targets “16.6 Develop effective, accountable and transparent institutions at all levels”, and “17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries”. These are universal goals and targets which involve the entire world.

In addition, Accountable Now, an international independent civil society organization that works globally, is also relevant in this study. This organization describes its 10 Accountability Commitments (Accountable Now, 2014) that are essential for NPOs to strengthen the visibility of the contributions of this sector. We focus on Commitments 3 “Transparency” and 4 “Good Governance”.

At the European level, the nonprofit sector has faced various processes of change over the last decades. Among these changes, we must highlight a process of growing Europeanisation, where NPOs are participating in the management of programs of the European Social Fund (ESF), in the development of the different European strategies for social inclusion, and expanding its presence in the European networks of the nonprofit sector and of the social economy (Third Sector Platform, 2020).

Besides, as evidenced by the adoption of a regulation for the public sector that seeks the usefulness of the information disclosed by NPOs, in terms of greater comparability and transparency, we call attention to the International Public Sector Accounting Standards (IPSAS). Its scope of action is of such importance that the aspects related to the improvement of the performance of NPOs can be framed within the Science with and for Society Work Programme 2018-2020 (WP18-20) (European Commission, 2015).

At the national level, we focus this Doctoral Thesis on the Spanish case where the social economy has been configured as a reality. We present relevant data on the social economy in Spain (CEPES, 2019):

- It is made up of 42,140 entities that operate in all economic sectors,
- It generates the 10% of the gross domestic product. Compared to 8% in the European Union and 7% worldwide.
- It provides 2.2 million direct and indirect jobs. Compared to 13.6 million in the European Union.

Besides, Spain has been the first member state of the European Union to have implemented a Social Economy Strategy 2017-2020 based on 63 measures that are supported by 11 strategic axes. For the development of the 2030 Agenda, Spain places the Spanish Social Economy Strategy 2017-2020 as an essential element to achieve the SDGs promulgated by the United Nations. Here is the relevance of studying the Spanish case.

Thus, Spain is not unaware of the importance of the nonprofit sector. On one side, we can mention the current state regulation:

- Law 5/2011, of March 29, on Social Economy (2011). The basic objective of the Law is to configure a legal framework that implies the recognition and better visibility of the social economy and establish the principles that the different entities must face. Spain has become a pioneer country, being the first member of the European Union to have developed a law on social economy.
- Law 19/2013, December 9, on Transparency, Access to Public Information, and Good governance (2013). This Law has three purposes: first, it increases and strengthens transparency in public activity; second, it recognizes and guarantees access to information; and finally, it establishes good governance obligations that public authorities must comply with, besides the legal consequences of non-compliance with. This is a non-specific law of the non-profit sector, but the provisions of this law will apply, among others, to: a) “The public sector foundations provided for in the legislation on foundations”; b) “The associations constituted by the Administrations, organisms and entities foreseen in this article”; c) “Private entities that receive during a period of one year public aid or subsidies in an amount greater than 100,000 euros or when at least 40% of their total annual income has the character of public aid or subsidy, provided that they reach at least the amount of 5,000 euros”.
- Law 43/2015, of October 9, of the Third Sector of Social Action (2015a). This Law establishes a state regulatory framework, which protects the entities of the sector, in accordance with the work they carry out in society. Its purpose is to ensure a harmonious development of social policies, a correct identification of the needs of the affected groups and an optimal use of resources.

- Law 45/2015, of October 14, on Volunteering (2015b). This covers a voluntary action that has consolidated its presence in recent years and favors the promotion of the nonprofit sector.

As it is observed, these laws do not establish accountability mechanisms or specifically regulate the implementation of transparency mechanisms and the promotion of good governance practices. This leads us to conclude that there is no Spanish legislation requiring NPOs to comply with transparency and good governance measurement.

Notwithstanding such lack of legal regulation, accountability documents that are specific to the nonprofit sector have been proposed. We refer to batteries of transparency and good governance indicators, highlighting those of two significant entities: the alliance between the Third Sector Platform, based on the agreement signed with the Coordinator of NGOs for Development - Spain (2019) (CONGDE, hereinafter), and the Loyalty Foundation (2020). We detail each of these entities below:

- The alliance formed by the NGO Platform for Social Action and the Coordinator of Development Cooperation Organizations (CONGDE). The NGO Platform for Social Action is a state, private, and professional organization that works to promote the development of social and civil rights for the most vulnerable and unprotected groups. The Coordinator of Development Cooperation Organizations integrates more than 550 organizations, with the objective of establishing a cooperation policy that is consistent with the 2030 Agenda. It developed the Policy Coherence Index for Sustainable Development, a tool that aims to make visible the connections of policies with each other and its impact on the environment and on human life. It also developed a common proposal (2019) with a total of 79 indicators that are divided into two main areas (transparency and good governance) which, in turn, are divided into thematic blocks of indicators. This tool is a self-regulation and improvement mechanism in the nonprofit sector, and has been mandatory for all CONGDE partner entities and platforms since 2012.
- The Loyalty Foundation was the first entity to develop a methodology to analyse transparency and good governance in the Spanish nonprofit sector. The first version of this Principles is from 2001, the year the Foundation was established.

Since then they have been updated according to the evolution of the sector, but they maintain the same essence of measurement of Transparency and Good Governance within the entities. This tool is entitled “9 Principles of Transparency and Good Practices” (2020) and it is subdivided into 36 sub-principles (indicators). Its mission is to encourage society’s trust in NPOs to achieve an increase in donations. The Loyalty Foundation grants a certification to NPOs that comply with the proposed principles, and provides independent information to donors to assist them in their decisions.

1.3. Hypothesis and Objectives

At the beginning of this research, a Systematic Literature Review (SLR, hereinafter) is carried out. The objective is to show what the goals, scope, and reasons that support the research are. Likewise, it serves to confirm that a similar study has not been carried out previously.




Similarly, the literature review also includes an exploration of the methodologies used to answer our research questions, as well as the techniques used to collect data.

In addition, relevant references that show the state of the art in the field of study of the nonprofit sector are also provided. In short, the purpose through the systematic review of the literature is to know the previous studies in an orderly, precise, synthetic and analytical way.

The importance of the literature review is directly related to the hypotheses and objectives. In this regard, a first phase of literature review reveals a series of problems regarding the concepts of transparency and good governance:



- ✓ Transparency and good governance are concepts whose definition and measurement present difficulties;
- ✓ Although transparency and good governance are widely treated from the theoretical point of view in literature in our field of study, there are not many works that empirically analyse these concepts, quantifying their greater or lesser degree (Ortega-Rodríguez, Licerán-Gutiérrez and Moreno-Albarracín, 2020);
- ✓ It is necessary to quantify the degree of transparency and good governance of NPOs because donors need to know in which activities the resources are being

used. In the Spanish context, a tool previously found in the literature is the implementation of a battery of transparency and good governance indicators. This tool presents several problems that we detail below:

-  There are different batteries of transparency and good governance indicators (CONGDE, 2019; Loyalty Foundation, 2020), but each battery considers multiple indicative aspects of these concepts. There is no unanimous criterion on which aspects best represent these concepts;
-  The batteries previously mentioned consider several aspects of equal importance to measure transparency or good governance, without specifying the weight that each indicator has in the degree of transparency or good governance;
-  The only battery that provides weights for the indicators is the document proposed by the CONGDE (2019), which offers a subjective weighting, without theoretically justifying or contrasting the greater or lesser weight with the opinion of experts in the field of NPOs.

All these things considered, it can be deduced that research in the nonprofit field is eager for efforts that try to develop tools and proposals that allow the disclosure of information and good practices in order to strengthen NPOs credibility with society. The implementation of indicators in the nonprofit sector is a field of recent appearance and barely developed.

1.3.1. Hypothesis:

-  **H₁** The economic-financial models currently used by NPOs are insufficient to measure the degree of good governance and transparency as essential elements of resources management. All of that, in a context of greater competition in terms of obtaining funds and resources and the increase in accountability demands.
-  **H₂** The battery of indicators proposed by the CONGDE (2019) can be improved through a validation process with experts from referent NPO

in the sector, obtaining a new weighting proposal that is more adjusted to the needs of the nonprofit sector.



It is possible to implement an adequate battery of transparency and good governance indicators that offers an adequate weighting of them, based on the experience of professionals in the nonprofit sector. This battery can be applied to any NPO for measuring the degree of transparency and good governance practices.

1.3.2. General objective:

The general objective is to establish a credibility measurement system (both for transparency and good governance aspects) of the information disclosed by NPOs. This information disclosure system should take into account the different aspects indicated in prior literature as representative of transparency and good governance. Using indicators already defined in the CONGDE (2019) document, it is intended to offer an adequate weighting of them, validated empirically through the application of a rigorous statistical techniques: The Best-Worst Method (BWM), based on the opinion of experts from NPOs.

In conclusion, the improvement of an accountability system capable of adequately evaluating from a quantitative point of view the degree of transparency and good governance of the information disclosed by NPOs through indicators is proposed.

1.3.3. Specific objectives:

The specific objectives of this Doctoral Thesis are detailed bellow:



Knowledge the nonprofit sector, deepening the importance of the role of NPOs in the provision of social services. It is necessary to know the relevance that this sector has as a research object, both for its novelty and for its exemplary contribution for the society as a whole. In addition,

the nonprofit sector is constituted in many cases as a provider of social services that the public sector is unable to attend and satisfy as a whole.

2

Determination of the information deficits in these organizations, considering that the current accounting system in NPOs is not sufficient nowadays to convey the social mission and allow their stakeholders decision-making.

3

Knowledge of the good governance mechanism and appropriate levels of transparency that are desirable for the information disclosed to the stakeholders in the use of received funds or resources, as well as the social mission they have to perform.

4

Identification of the techniques for measuring the degree of transparency and good governance in literature, comparing them and identifying potential problems. Within this objective, a technique widely used is selected for a deeper analysis of the problematic and cover the literature gap: scoring based on compliance with a battery of indicators. For this, we initially focus on the Spanish setting, where the social economy assumes a very relevant role, with the aim of extending to a wider geographical scope in further research. In this sense, we analyse the battery of indicators proposed by the CONGDE (2019).

5

Development, through statistical analysis with a rigorous methodology, the BWM, of an empirical validation of the transparency and good governance measurement. This technique will enable, based on compliance with indicator batteries, the proposal of an adequate weighting for such indicators that is based on the opinion of experts in information disclosure of NPOs (Rezaei, 2015).

6

Develop a comparative analysis of two batteries of indicators of transparency and good governance in NPOs developed by two prestigious entities in Spain, as the results of our SLR highlighted.

Besides, validated by experts. As a result, we intend to integrate the two main proposals existing in Spain of indicators such as those proposed by CONGDE (2019) and Loyalty Foundation (2020).

1.4. General Methodological Approach

In the theoretical framework of this doctoral thesis, this study has adopted a SLR method to extract the main theoretical rationales, highlights, and challenges from our field of study. This method is intended to synthesize the content of a group of articles in a specific field of study providing scientific knowledge (Denyer and Tranfield, 2009). A major advantage of this method is that it leads to a structured sequence of steps that can be verified and replicated (Tranfield, Denyer and Smart, 2003; Denyer and Tranfield, 2009). Thus, a SLR helps researchers synthesize the papers under review (Kraus, Breier and Dasí-Rodríguez, 2020). To identify the literature, a specific protocol based on five steps is followed (Denyer and Tranfield, 2009):

- (1) Formulation of the research questions;
- (2) Identification of the studies;
- (3) Selection and evaluation of relevant studies;
- (4) Analysis and synthesis; and
- (5) Presentation of the results.

Regarding the empirical part, we use a methodology widely employed in multi-criteria decision making, the so-called Best–Worst Method (BWM) (Rezaei, 2015) to obtain the weights of the indicators. The BWM allows the derivation of weights of the indicators from the experts' preferences by selecting the best and worst indicators, and comparing these with the remainder (the questionnaires sent to experts are attached in Annex for Chapter 4 and Annex for Chapter 5. These questionnaires were sent to experts from Spanish NPOs. This is the reason why the annexes are presented in Spanish language). However, using the BWM results in as many weights for an indicator as the number of experts. Therefore, there may be disagreements in experts' opinions. A common tool used to reconcile these differences is the consensus reaching process (CRP) (Labella *et al.*, 2018; Rodríguez *et al.*, 2018). Among the different types of CRPs described in the taxonomy provided in Palomares, Estrella, Martínez &

Herrera (2014), automatic processes are able to obtain quick and reliable agreement. Therefore, in the present research we applied a minimum cost consensus (MCC) model (Ben-Arieh and Easton, 2007). The MCC model automatically modifies the weights obtained from BWM by preserving the initial experts' opinions as much as possible, obtaining a consensual weight for each indicator, and removing disagreements if they exist.

The main contributions of this work through the methodology described are the following:

- A procedure for measuring transparency and good governance in NPOs through a multi-criteria group decision-making method.
- Application of BWM to weight indicators.
- Use of a consensus method to eliminate conflicts.

Thus, a set of indicators is obtained to measure transparency and good governance in NPOs with the following characteristics:

- Weighting of indicators according to their considered importance.
- Consensus on the power of the indicators.
- They unify the main proposals of the Spanish case.

By doing this, a new approach is proposed to improve current practice, which makes it possible to measure the level of transparency and good governance of each NPO. This leads us to generate a new way of measuring transparency and governance of nonprofit sector organizations.

1.5. Structure of the doctoral thesis

This Doctoral Thesis has been structured in seven chapters. Chapter 1 entitled "Introduction" shows the motivation of the field of study to be investigated, the starting hypotheses and research objectives, as well as the proposed methodology. In addition, the methodology used for both the theoretical analysis and the empirical study, and the structure of the entire document are explained in a generic way.

After the first introductory chapter, each of the five following chapters that compose this research work refer to scientific articles published or submitted for evaluation. Each of the chapters shows the evolution of the research and each of its

stages, conforming a thematic unit among all of them. Thus, Chapter 2 and Chapter 3 refer to two systematic literature reviews on the concepts of “transparency” and “good governance”. Each chapter individually and theoretically addresses one of these concepts. Later, Chapter 4, Chapter 5 and Chapter 6 deal with the empirical part of this Doctoral Thesis.

In short, each chapter is a copy of articles that are currently published (a document certifying that it has been published is attached at the end of the chapter in question) or submitted for evaluation. Thus, chapters 2, 3, 4, 5 and 6 respond to the following general structure:

- Chapter abstract
- Introduction
- Theoretical framework
- Methodology
- Discussion of results
- Conclusions for Chapter
- References for Chapter

Further details are specified below:

CHAPTER 2. TRANSPARENCY AS A KEY ELEMENT IN ACCOUNTABILITY
IN NON-PROFIT ORGANIZATIONS: A SYSTEMATIC LITERATURE REVIEW.

The purpose of Chapter 2 is to present a framework to understand transparency in the nonprofit sector and then to explore the main research streams regarding the disclosure of information and accountability by conducting a systematic literature review on the antecedents and dimensions of the transparency of information disclosed by NPOs. The essential questions of this work are addressed from an international perspective. In particular, we explore three RQs:

- (1) Why should NPOs disclose transparent information to stakeholders?
- (2) Why do not all NPOs disclose transparent information?
- (3) What means do NPOs use to disclose transparent information?

Our results highlight the lack of transparency legislation in the nonprofit sector, leading NPOs to adopt the voluntary disclosure of information policies to improve the perceived credibility of these entities by their stakeholders. In conclusion, our study highlights the importance of developing a systematic body of knowledge regarding the situation of transparent, voluntary information disclosure in the sector. Moreover, the Sustainable Development Goals (SDGs) promulgated by the United Nations place a high value on transparency for the accountability of institutions. To achieve sustainable development, both peace and the governance of institutions are needed. Reducing corruption and promoting transparency are among the goals which should be reached to achieve social sustainability.

This chapter is currently published in article format:

Reference Ortega-Rodríguez, C., Licerán-Gutiérrez, A., & Moreno-Albarracín, A. L. (2020). Transparency as a key element in accountability in non-profit organizations: A systematic literature review. *Sustainability*, 12(14), 5834.

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CHAPTER 3. NONPROFIT GOOD GOVERNANCE FOR ACCOUNTABILITY: A SYSTEMATIC LITERATURE REVIEW

Chapter 3 aims develop a systematic body of knowledge regarding good governance in the nonprofit sector as a mechanism to prevent and avoid the occurrence of fraud cases. We explore two RQs:

(1) What are the main reasons that inspire NPOs to implement good governance mechanisms?

(2) What are the good governance mechanisms conducted by NPOs?

To solve these problems, a systematic literature review methodology is used for the identification, selection, and evaluation of published research on nonprofit good governance. A set of 81 papers from Web of Science and Scopus until 2020 was analysed. This analysis enabled a new classification of the nonprofit and accounting

literature that identifies 3 research lines and 13 research sub-lines. Our results highlight the scarce attention to the study of the good governance concept and the variety of internal mechanisms available and the large group of international third entities' initiatives that, supported by the need to adhere to the standards of ethics and honesty, have been consolidated relevant tools to cultivate the image and reputation of the nonprofit sector.

This chapter is currently under mayor revision in article format by *Journal of Business Ethics*.

CHAPTER 4. TRANSPARENCY INDICATORS TO IMPROVE ACCOUNTABILITY FOR NON-PROFIT ORGANIZATIONS: A SPANISH CASE STUDY

Following the results obtained in Chapter 2 on the lack of legislation on transparency in the nonprofit sector and the relevance of the “Spanish case” on the international scene, the concept of transparency of the information disclosed by NPOs has become a growing interest. However, few studies empirically measure the degree of transparency in NPOs. To address this issue, this chapter empirically validates the weighting of the indicators from the CONGDE document with experts in NPOs' opinions. Then, we use the Best-Worst Method (BWM) to optimally assign weights to multi-criteria decision making situations. Our results show interesting differences in the level of importance given to the indicators by the CONGDE and the experts, suggesting the need for a revision of the importance proposed. This chapter is currently published in article format:

Reference Moreno-Albarracín, A. L., Ortega-Rodríguez, C., Licerán-Gutiérrez, A., Labella, Á., & Martínez, L. (2021). Transparency indicators to improve accountability for non-profit organizations: a Spanish case study. *Technological and Economic Development of Economy*, 1-20.

DOI <https://doi.org/10.3846/tede.2021.14821>

CHAPTER 5. GOOD GOVERNANCE INDICATORS IMPROVE ACCOUNTABILITY FOR NON-PROFIT ORGANIZATIONS: A SPANISH CASE STUDY

The concept of “good governance” is currently motivated by the fraud cases of various NPOs that have caused damage the sector as donors are concerned about whether donated resources are being used correctly, as we previously noticed in Chapter 3. However, very few studies empirically measure the extent of good governance in NPOs. To address this issue, this Chapter 5 empirically validates the weighting of the indicators from the alliance between the Platform for Social Action NGO and the Spanish Coordinator for Development NGO (CONGDE) document (2019) with experts in NPOs’ opinions. We use the Best-Worst Method (BWM) to optimally assign weights to multi-criteria decision making situations. The results suggests the need for a revision of the importance proposed by CONGDE as it shows interesting differences the weighting of the indicators by the experts. This chapter is currently under review in “*Journal of Fuzzy Systems*”.

CHAPTER 6. MEASURING WHAT IS NOT SEEN—TRANSPARENCY AND GOOD GOVERNANCE NONPROFIT INDICATORS TO OVERCOME THE LIMITATIONS OF ACCOUNTING MODELS.

As we have been presenting in this doctoral thesis, “transparency” and “good governance” are highly-valuable concepts for the survival of NPOs. However, empirical studies and models to measure these concepts are scarce and lack consensus. The objective of this chapter is to develop a uniform procedure for measuring the levels of transparency and good governance in NPOs, validated by experts, that integrates the most important contributions of the Spanish scene. The main proposals of the CONGDE (2019) and the Loyalty Foundation (2020) are supported by lists of indicators whose compliance they try to verify. Finally, we considered the experts’ preferences to obtain the indicator weights by means of the BWM and MCC model. The result of our work is the development of a list of indicators, which integrates the existing battery of Spanish indicators. We contribute, with this work, to improve the credibility of the nonprofit sector from the perspective of donors, users, public administrations, and society. This is an essential issue for the survival of these NPOs. This chapter is published in article format:

Reference Moreno-Albarracín, A. L., Licerán-Gutierrez, A., Ortega-Rodríguez, C., Labella, Á., & Rodríguez, R. M. (2020). Measuring What Is Not Seen—Transparency and Good Governance Nonprofit Indicators to Overcome the Limitations of Accounting Models. *Sustainability*, 12(18), 7275.

DOI <https://doi.org/10.3390/su12187275>

CHAPTER 7. CONCLUSIONS.

Finally, Chapter 7 presents a global summary where the main conclusions that address both the general objective and the different specific objectives are collected. We also show the contributions, limitations derived from the development of the investigation, as well as the future lines of research that derive from the results found to date.

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CHAPTER 2

TRANSPARENCY AS A KEY ELEMENT IN ACCOUNTABILITY IN NON-PROFIT ORGANIZATION: A SYSTEMATIC LITERATURE REVIEW

CHAPTER 2: Transparency as A Key Element in Accountability in Non-Profit Organizations: A Systematic Literature Review

Chapter Abstract: The purpose of this chapter is to present a framework to understand transparency in the nonprofit sector and then to explore the main research streams regarding the disclosure of information and accountability by conducting a systematic literature review on the antecedents and dimensions of the transparency of information disclosed by non-profit organizations (NPOs). The essential questions of this work are addressed from an international perspective. In particular, we explore three research questions: (1) Why should NPOs disclose transparent information to stakeholders? (2) Why do not all NPOs disclose transparent information? (3) What means do NPOs use to disclose transparent information? Our results highlight the lack of transparency legislation in the nonprofit sector, leading NPOs to adopt the voluntary disclosure of information policies to improve the perceived credibility of these entities by their stakeholders. In conclusion, our study highlights the importance of developing a systematic body of knowledge regarding the situation of transparent, voluntary information disclosure in the sector. Moreover, the Sustainable Development Goals promulgated by the United Nations place a high value on transparency for the accountability of institutions. To achieve sustainable development, both peace and the governance of institutions are needed. Reducing corruption and promoting transparency are among the goals which should be reached to achieve social sustainability.

2.1. Introduction

Worldwide, the number, size and prominence of non-profit organizations (NPOs) is growing (Connolly, Hyndman and McConville, 2013; Pennerstorfer and Rutherford, 2019); this growth is caused by the increase of social problems (Austin, 2000) of an economic, political, and religious nature etc. (Fernández and Gil, 2011) NPOs are aimed at accomplishing functions intended to strengthen the social and ecological dimensions of sustainable development (Valentinov and Vaceková, 2015). In this sense, the social mission of nonprofit sector organizations is to meet collective demands that the public sector is not able to cover. To achieve this mission, they need the trust of their stakeholders, making it necessary that the actions carried out by NPOs are transparent (Lozano, Valencia and Gutiérrez, 2008). Notwithstanding this fact, different cases of fraud have been observed in the sector (Greenlee *et al.*, 2007). This has raised new concerns about the quality of transparent information and the mechanisms for its disclosure and accountability to stakeholders. Although transparency is important for any organization, in the case of NPOs, it is especially relevant to demonstrate that the resources they receive are used to fulfill the purpose for which these organizations were conceived; credibility with society can mean the survival of the entity. A key aspect of credibility is the transparency of the information that NPOs disclose to their stakeholders (Sanzo-Pérez, Rey-Garcia and Álvarez-González, 2017).

Clarifying the concept of transparency is one of the most complex problems faced by the nonprofit sector (Benjamin, 2008a; Tacon, Walters and Cornforth, 2017a). In the extant literature on non-profit entities, there is no single definition that allows us to define transparency in our field of study. However, the value of transparency is implicit in the fact that the transparent disclosure of information by NPOs should provide their stakeholders with relevant and reliable information (Burger and Owens, 2010; Gandía, 2011). These entities are thus able to increase the confidence of stakeholders in their performance (Gandía, 2011). In this sector, a worrying absence of transparency has been detected (Burger and Owens, 2010), which is a delicate matter due to the potential loss of support from donors and volunteers, with a direct impact on the future of the organizations (Hale, 2013).

The activity that NPOs undertake is scrutinized by their stakeholders, who form their own opinions based on the level of fulfilment of their expectations and the

attention received by the organization. For this reason, these entities should deepen the knowledge and understanding of their stakeholders. The theoretical position of this work is based on the stakeholder theory, whose origin is based, among others, on fields such as organizational behavior, the policy of particular interests, and even the goals of the management team of a specific organization (Kevin Gibson, 2000). In 1984, the concept of the stakeholder was originally defined in the work on strategic management by Freeman (1984). This concept is linked to “groups of individuals that affect or are affected by the activity that is carried out by the firm to meet its organizational goals”. The term is understood as “people, groups, firms, community and society that are interested in the growth of a firm” (Volpentesta *et al.*, 2014). These groups have the legitimacy to demand the provision of certain quality services by NPOs, and in particular, to know the policies of the management of the resources in these entities. Transparency is an exercise of responsibility that an NPO must exercise by focusing its attention on how to respond to the expectations and demands of its stakeholders and on how to manage the organization to fulfill its mission and maintain its institutional legitimacy (Jeong and Kearns, 2015).

NPOs also face the challenge of contributing towards sustainable development and management (Daub, Scherrer and Verkuil, 2014). Considering this, the present study is concerned with the Sustainable Development Goals, which call for urgent actions by all countries. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, contains 17 Sustainable Development Goals (SDGs). We focus our attention on objective 16, which includes the following: “16.6: Develop effective, accountable and transparent institutions at all levels”. The SDGs seek for solutions to eradicate poverty, improve the environment worldwide and achieve the enjoyment of peace and prosperity for all people. The SDGs aim for environmental, economic, and social sustainability. For that purpose, it is important to fight against poverty, hunger, and discrimination. However, it is additionally a priority to fight against practices of corruption and bribery, as well as to develop efficient and transparent accountability for different institutions; transparency contributes, undoubtedly, to improving the world. However, recent studies that have been conducted in the area of sustainable development have given very little consideration to NPOs (Daub, Scherrer and Verkuil, 2014).

The International Non-Governmental Organizations (INGO, hereafter) Accountability Charter, a cross-sectorial international regulatory initiative, is also of

particular relevance in this study (Crack, 2018). The INGO Accountability Charter (INGO Accountability Charter, 2015) outlines 10 commitments to transparency and accountability which are essential to good governance by governments, businesses, or NPOs. We highlight Commitment 3, “Transparency”, which includes the following: “The implementation of an open information policy which ensures timely, relevant and accurate information is disclosed in an accessible format (...), complying with the relevant governance, financial accounting and reporting requirements (...), basing disclosure of information...”. The different commitments to accountability are at the core of what INGO regards as good practice in nonprofit sector accountability (INGO Accountability Charter, 2015).

Thus, NPOs worldwide face an increasing demand for accountability and improved transparency (Verbruggen, Christiaens and Milis, 2011). Henceforth, NPOs must be able to convince society that they have systems in place to assess the prudent management of received resources and funds (Greenlee *et al.*, 2007). We emphasize that the general trend observed internationally is the need to find tools that allow the improvement of information and management systems. For this purpose, NPOs should be able to develop systems that encompass the economic and the social value dimensions (Young, Jung and Aranson, 2010; Costa, Ramus and Andreaus, 2011). Consequently, traditional accounting and the models that provide economic–financial information are currently insufficient to reflect all aspects and characteristics of the social nature presented by NPOs (González-Sánchez and Rúa-Alonso, 2007; AECA, 2012; Schmitz, Raggo and Bruno-van Vijfeijken, 2012).

NPOs should develop an accountability regime that reaffirms their important contribution to society, proposing an approach based on legitimacy (Jepson, 2005). Therefore, mechanisms that enable stakeholders to assess the appropriate destinations of resources according to their purpose and social mission are needed (Hale, 2013). In this study, we analyzed the extant of research on the transparency of NPOs. The objective of our Systematic Literature Review (SLR) is, first of all, to deepen the knowledge of NPO management and the understanding of the value that the concept of transparency has as an essential issue in accountability. Next, we analyze the state-of-the-art of the literature about transparency in NPOs, especially observing which of the published articles in our sample have adopted any kind of empirical procedure. Lastly, as a conclusion of this study, we also debate whether it is possible

to establish a criterion for the measurement of transparency as a key aspect for the future of NPOs. This work aims to deepen the knowledge of transparency in the nonprofit sector. Despite the importance that the concept of transparency has for generating credibility with society, it is not a phenomenon that is widely studied. For this reason, we intend to expand the understanding of transparency measurement in NPOs. To do this, we carefully analyze the few articles in the prior literature that have specifically addressed this issue as their focus of research. Our study, thus, aims to contribute to addressing an important research topic that requires wider development in the literature.

There are several reasons that justify the need for an SLR: (i) the importance of transparency in any organization, but specifically its special characteristics for NPOs; (ii) the demands of information from stakeholders; (iii) the absence of a single definition of transparency; and (iv) the scarcity of studies in the field and the lack of uniform measurement procedures to determine the level of transparency of an NPO. All of these factors lead us to attempt to deepen the knowledge of this field, which, thus far, has been little studied.

The structure of the chapter proceeds as follows. Section 2.2. discusses the uniqueness of these organizations, showing the characteristics of the non-profit environment. The description of the SLR is given in Section 2.3. The results of the SLR and the building blocks of the theoretical foundation on the disclosure of transparent information in NPOs, divided into three research questions are explained in Section 2.4. Finally, conclusions are presented in Section 2.5.

2.2. Characteristics that Define the NPOs

The purpose of this section is to add knowledge regarding the characteristics that define NPOs. Firstly, there are many parties who are interested in knowing if an organization has developed adequate management practices, and for this reason, they must disclose useful information to their stakeholders that justifies the use of their money. For this purpose, one of the characteristics of the information disclosed by NPOs is its appropriate extent of transparency. Transparency must ensure that the received funds do not deviate from their social mission, incurring an irresponsible expense (Hale, 2013).

Secondly, NPOs perform some of the most important functions which support and strengthen society and, thus, play a crucial role (Schatteman, 2013; Cabedo *et al.*, 2018). NPOs lack a purely lucrative purpose, with their main objective being the achievement of their social mission (Franco and Raja, 2014; Fritz and von Schnurbein, 2019). Thus, their focus is not profit; the non-profit nature of their activity invalidates the measurement of the earnings surplus as an indicator of success in an NPO. Therefore, success cannot be measured from a financial perspective because this will not be the organization's main objective. Accordingly, using only financial measures may not be representative of the performance of NPOs. The different focuses of these organizations in comparison with other sectors mean that NPOs measure their economic performance in different ways (Hofmann and McSwain, 2013).

Thirdly, NPOs are not allowed to distribute any kind of earnings surplus. Notwithstanding this limitation, NPOs can economically compensate their employees or volunteers for their work, but such organizations are subject to a total or significant ban on any distribution of their earnings (Salamon and Sokolowski, 2016; Fritz and von Schnurbein, 2019).

Fourthly, entities from the nonprofit sector raise public funds and are subject to a favorable tax regime to carry out their activity (Moreno, Alcaide and San Juan, 2016). Traditionally, NPOs are subject to less strict government regulation than public or private-sector entities (Burger and Owens, 2010). It is essential to provide greater visibility for their actions and avoid suspicions of irregularities regarding tax advantages and fundraising from public administrations (Lozano, Valencia and Gutiérrez, 2008).

Finally, the fact of acting in favor of social purposes means that these entities count on a great number of volunteers to carry out their activity. In this sense, the extant literature considered a possible lack of professionals in the management of NPOs (Salamon and Toepler, 2015). However, an increasing professionalization of staff has been observed (Álvarez-González *et al.*, 2017; Kuenzi and Stewart, 2017), which means that adequate management requires the hiring of professionals by NPOs.

In addition, the following concepts should be analyzed in advance: the term "accountability" includes the disclosing of information, in response to stakeholder concerns, enabling their participation in the organization and evaluation of its performance (Ebrahim, 2003; O'Dwyer and Unerman, 2007). This can be catalogued as a multidimensional concept (G. D. Saxton and Guo, 2011). The term "transparency"

is linked to a variety of issues, but mainly to information disclosure (Arena, Azzone and Bengo, 2015; Striebing, 2017; Cabedo *et al.*, 2018). Thus, non-profit transparency and accountability are two connected concepts, with transparency referring to how much information is disclosed by NPOs, which contributes to their accountability (Dumont, 2013b).

For several reasons, transparency is especially relevant in the nonprofit sector. NPOs that disclose transparent information demonstrate that they act following a set of good practices, have good governance, explain the use of their received funds, and make information public (Pérez and Cruz, 2017). Transparency provides greater visibility for the organization's actions and avoids the appearance of suspicions and alleged irregularities (Lozano, Valencia and Gutiérrez, 2008). Additionally, it is convenient to keep in mind that the academic interest in the transparency of NPOs comes from the widespread development of the nonprofit sector over recent years (Connolly, Hyndman and McConville, 2013; Kim and Kim, 2018). Taking these definitions into account and assuming the importance of the role of transparency in the nonprofit sector, whenever we refer to "transparency in NPOs" in this document, we mean the moral practice of accountability by which these organizations have to disclose information on the activities they carry out and the resources they use to achieve their social purpose; i.e., their mission (G. D. Saxton and Guo, 2011; Gilchrist and Simnett, 2019).

In conclusion, the importance of increasing the credibility of NPOs to raise the necessary funds reinforces the need to design and implement management and internal control systems that are capable of providing social and economic-financial information on the performance of the NPOs. Moreover, NPOs will be perceived as more credible if the information disclosed to their stakeholders is more transparent.

To conclude this section, as previously stated in the introduction, the theoretical position of this work is based on the stakeholder theory. Stakeholder theory has its origins in 1984, when the concept "stakeholder" was studied by Freeman (1984) and used to refer to "any group or individual who can affect or is affected by an organization's achievements". This theory has attracted increased interest from non-profit researchers (Wellens and Jegers, 2014), because this theory leads to value creation given that it meets the expectations of various stakeholders in the context of information transparency (Fernández and Gil, 2011). NPOs have to identify the significant information for each stakeholder and from there develop and use certain

tools that allow the firm to actually meet the reporting demands of stakeholders (Fernández and Gil, 2011). The ability of stakeholders to access organization-specific information concerning the operations of an NPO is important for donation decisions (Behn, DeVries and Lin, 2010). Analyzing disclosure patterns among NPOs matters because many current and potential stakeholders are contributing by expending their time and money and, therefore, want to know if it is used efficiently (Behn, DeVries and Lin, 2010).

Next, we present a bibliometric review on transparency in the nonprofit sector, especially focusing on its measurement in prior literature. The section below presents the methodology followed in the present study.

2.3. Description of the Bibliometric Review

In this section, we describe the process of our bibliometric review of transparency in the nonprofit sector. This review aimed to extract the main theoretical rationales, highlights, and challenges from our field of study by analyzing a series of articles in a systematic and methodological way. For this purpose, multiple research methodologies were employed. The methods used to analyze the theoretical concepts of selected articles could be either automated methods (such as text mining) or manual methods (such as an SLR). Whichever the adopted methodology, the study led to an exhaustive search to collect all the relevant research articles in our field.

We can find advantages for the use of both methods. On the one hand, text mining is a research technique which examines a large collection of texts in order to answer specific research questions. The texts that are used as resources can be scientific articles, among others (Aureli, 2017). Text mining identifies facts, relationships, and assertions that would otherwise remain hidden. On the other hand, SLR employs a strict search protocol and evaluation of literature and is a standardized method; that is, it is replicable, transparent, objective, unbiased, and rigorous (Boell and Cecez-Kecmanovic, 2015).

Comparing the disadvantages of applying one versus the other method, text mining is based on data mining, machine learning, and natural language processing which is then applied to the text, relying on computer programs and algorithms (Aureli, 2017). Therefore, text mining does not pay attention to the active role of the researcher because text should be coded and analyzed by the computer program (Aureli, 2017).

This fact increases the complexity of the use of this approach. Meanwhile, an SLR consists of a “manually” detailed reading, interpretation, and analysis of scientific articles, which may increase the time consumption and difficulties of undertaking such a task.

In detail, text mining extracts relevant words and the relationships between words to classify them and draw relevant conclusions (Pejić Bach *et al.*, 2019). For some examples in literature, Basuony, et al. (2020) used text mining in order to extract topics regarding corporative internet disclosure, while Yang, et al. (2018) used text mining to extract topics from corporative risk and audit fees. In a similar way to the aforementioned studies, we could use this method to extract topics from the disclosure of transparent information in the nonprofit sector. This technique, however, may not correctly fit with the analysis of transparency measurement in the nonprofit sector. The main problem is the lack of conceptualization regarding the organizations that make up the nonprofit sector, which is still subject to deep debate (Lorenzo, Ribal and Yáñez, 2017), as well as the absence of a clear and rigorous definition of transparency. In this regard, many authors have attempted to overcome the challenges that such a formulation poses when using text mining (Barea and Pulido, 2001; Monzón and Chaves, 2008; Teasdale, 2012; Coraggio, 2013; Salamon and Sokolowski, 2016). Because this technique extracts the main words and concepts from a series of analyzed articles, the frequency with which the exact concepts appear in the texts affects whether they are considered a key concept in text mining. As an example, if the most-used word in the text is “NPO” and its relation to “TRANSPARENCY” for the majority of the articles; other articles that use different terms that also define the same theoretical reality (such as “THIRD SECTOR”, “NGO”, or “TSO”) would be ignored. All these terms are among the prism of descriptions of entities whose main goal is not to obtain profits but to pursue a social mission. This fact adds additional complexity to our work in the use of text mining, because it may lead to an exclusion of articles that are considered relevant in our field of study.

In contrast, the traditional SLR based on the manual selection of articles allows—through Boole algebra commands—the building of data sets to study relationships between theoretical concepts. This fact of manually defining the search commands makes it more suitable for a literature review in our field of research. Considering all the above, we finally adopted a manual technique for our SLR. This allowed us to use different terms to define organizations that make up the nonprofit sector and relate

them to the concept of transparency. In detail, we used the following commands: “NONPROFIT”, “NON PROFIT”, “NON-PROFIT”, “NPO”, “THIRD SECTOR”, “THIRD-SECTOR”, “NGO”, “NON-GOVERNMENTAL ORGANIZATION”, “NON GOVERNMENTAL ORGANIZATION”, “TSO”, and “NONGOVERNMENTAL ORGANIZATION”. The SLR was structured in different phases, which are described below.

2.3.1. Planning the Review: Formulation of the Research Questions

The planning phase consisted of formulating the research questions (RQs) that emerged due to the gaps in the prior literature that were detected in our field of research. Thus, it was relevant to enumerate these questions first for the better understanding of the different search criteria phases.

After deepening our study in this sector, we detected the difficulties for NPOs regarding transparent information disclosure. Due to the lack of legal rules that make this task compulsory for NPOs, some of these entities have opted to voluntarily disclose information. Thus, we faced a complex problem that led us to reconsider the main purpose of this review; we therefore focused on answering the RQs presented and analyzed below.

- RQ1: Why should NPOs disclose transparent information to stakeholders?
- RQ2: Why do not all NPOs disclose transparent information?
- RQ3: What means do NPOs use to disclose transparent information?

Later, in Section 5, “Theoretical foundations on transparency in NPOs”, we will define and explore these RQs.

2.3.2. Search Criteria

Having listed the three RQs as the basis for this review, we present each of the search criteria phases (See Figure 1 based on the PRISMA) flow diagram (Moher *et al.*, 2010). An SLR enables us to identify, analyze, and synthesize the existing body of literature in a clear way. The analysis was conducted in five phases (apart from the planning phase). Next, we describe the eligibility criteria included in each phase.

To begin with, we looked for extant literature on “transparency as a key element in accountability in non-profit organizations” with an electronic database search in the Web of Science, as this database is the one that includes the most significant publications on the issue of research in our study. The journals included in the Web of Science follow high-impact and quality standards. In fact, other studies in the prior literature specifically undertaking a literature review have also used this database (Montesdeoca, Medina and Santana, 2019; Dzhengiz, 2020; Nova-Reyes, Muñoz-Leiva and Luque-Martínez, 2020).

The analyzed period of study includes those works published between 2005 and 2019 (both inclusive). The origin of the financial crisis of 2008 was linked to the effect of the real estate bubble in the United States in 2006. This caused the so-called subprime mortgage crisis in October 2007. The particular circumstances surrounding the economic crisis period were also reflected in relevant changes in the nonprofit sector. This reality made the activity of the nonprofit sector difficult because of problems of fundraising for NPOs due to the policies of reducing public spending together with the crash of the financial sector. Consequently, these entities had to find other means to obtain the financing to carry out their activities and satisfy the needs of their users.

This situation created a new scenario in which NPOs had to carry out their missions. Therefore, we focus the starting date of our work on the years in which the financial crisis emerged and extend the study up to the present moment. We chose 2005 as the starting year because the aim of our work is to analyze works published over a 15-year time period. To limit the scope of our study, the eligibility criteria for papers to be included in the sample were as follows.

First, we used different connected terms related to the organizations that make up the nonprofit sector. In detail, we ran an advanced search with the following command: TS = ((“NONPROFIT” OR “NON PROFIT” OR “NON-PROFIT” OR “NPO*” OR “THIRD SECTOR” OR “THIRD-SECTOR” OR “NGO” OR “NON-GOVERNMENTAL ORGANIZATION” OR “NON GOVERNMENTAL ORGANIZATION” OR “TSO” OR “NONGOVERNMENTAL ORGANIZATION”) AND “TRANSPARENCY”). Thus, we searched for papers whose topic (TS) was related to the main focus of our study (transparency) regarding NPOs, including several later expressions in prior literature that have been associated with these entities (all of these expressions were considered as alternative, rather than exclusive; for that reason, we group them with the command

“OR”) (due to the lack of agreement on the conceptual development of the framework in our study, as well as the great variety of denominations regarding the organizations that make up the nonprofit sector, we have opted to limit the search commands in some way. This fact may have meant that relevant studies were not finally included in our sample (see for example Bachmann, 2012; Zhuang, Saxton and Wu, 2014; Cordery, Sim and van Zijl, 2017). As a result of this search, 449 articles were found.

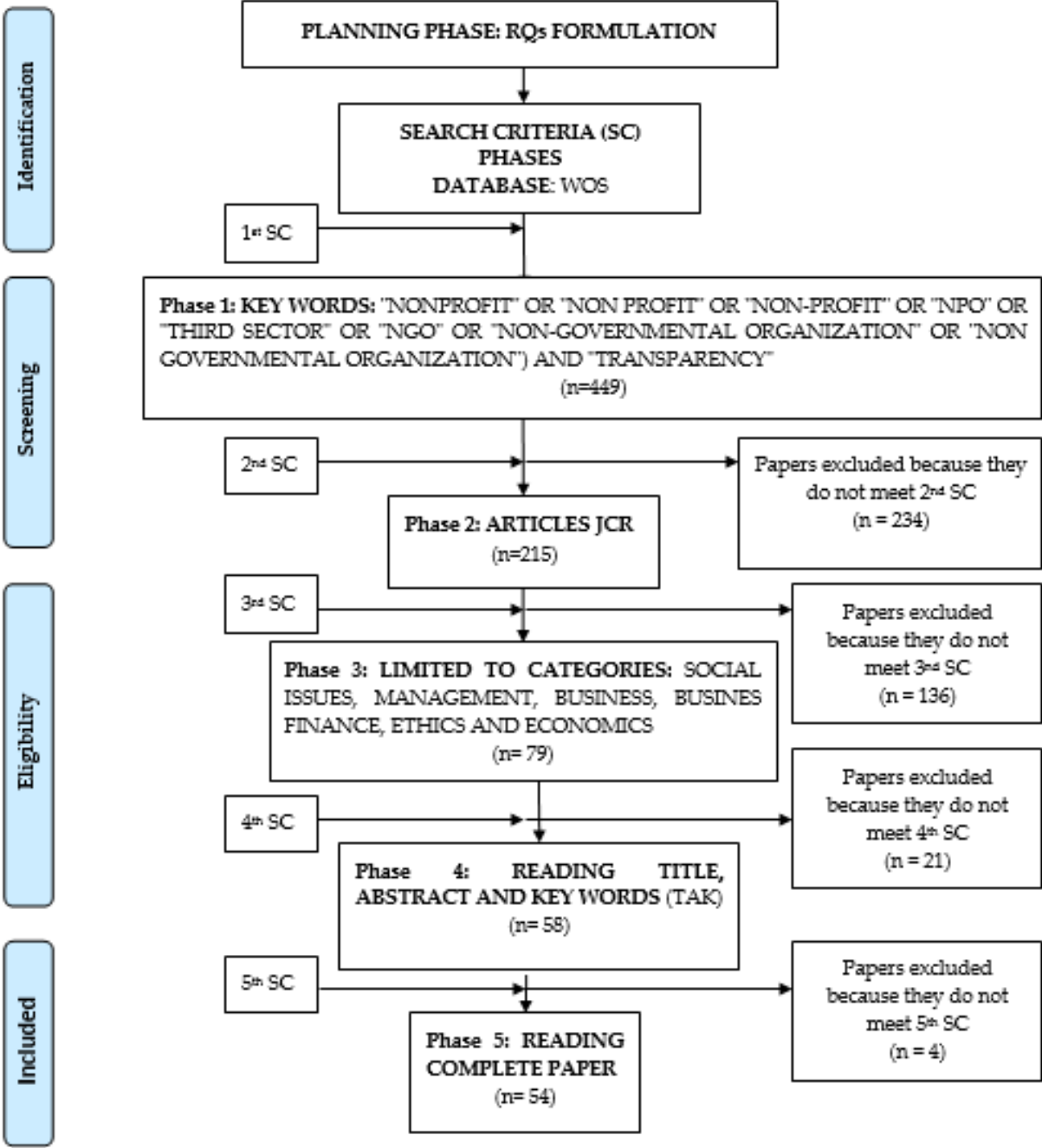
Second, we only accepted 215 articles that were published in 19 English-language journals (JCR), 2019 version.

Third, we limited our study to the closest categories to our research field: social issues, management, business, business finance, ethics, and economics. In this phase, 79 articles were accepted.

Fourth, after an initial reading of the title, abstract, and keywords, 58 articles were selected. These studies met the criteria in this phase because they focused on transparency in the nonprofit sector. For this reason, they were considered relevant in this phase.

After reading each article in depth, we observed in the last phase that four articles were not directly related to our object of study. They were records that did not entirely match our focus. For this reason, they were not considered in the final analysis, as it was clear that they did not study transparency in the nonprofit sector. Finally, as the aim of this chapter was to develop knowledge of these issues through a final reading process of the 54 papers (see Annex 1) that constituted the fundamental basis for the discussion of this work, a synthesis was made to prepare a theoretical framework document.

Figure 1 Phases of the systematic literature review (SLR) based on the PRISMA Flow Diagram



Source: Authors

2.4. Results of the Systematic Literature Review: Sample Description

In this section, the results that emerged from the SLR are described. The results are presented under the headings of “descriptive analysis” and “Theoretical Foundations of the Transparency of Accountability in NPOs.”

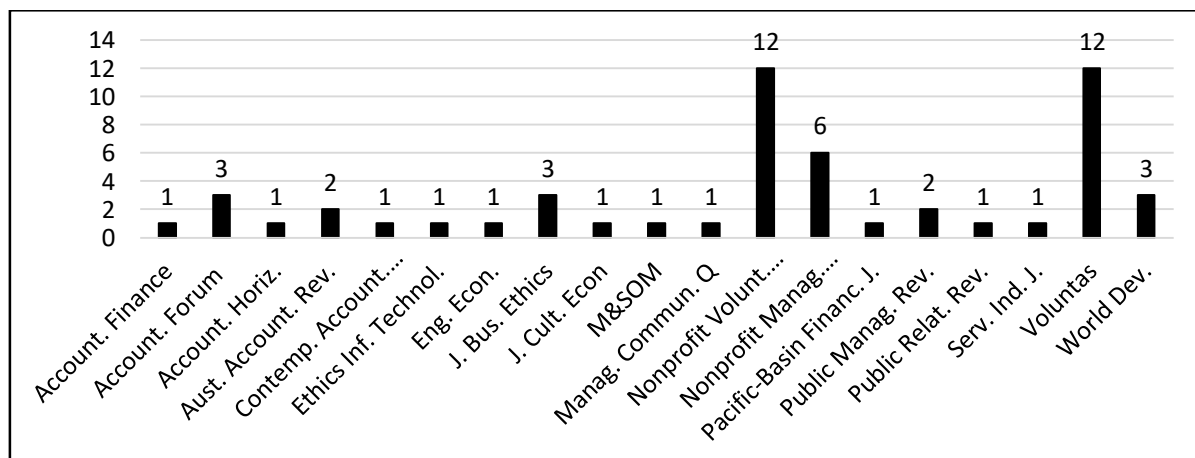
2.4.1. Descriptive analysis

For a better understanding of the data obtained, the presentation of these results is divided according to different typologies: “journals”, “sample selection period”, and “research methods”.

2.4.1.1. Journals

The 54 studies which constituted the final sample were published in 19 journals. Figure 2 presents the number of papers in each journal during the period 2005–2019. As can be observed, almost 55.56% of the papers selected were published in three specific non-profit journals: *Nonprofit and Voluntary Sector Quarterly*, *Nonprofit Management & Leadership*, and *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*. The rest of the papers (44.44%) were published in other Social Sciences journals that were not specifically focused only on the nonprofit sector research topics.

Figure 2 Number of publications per journal



Source: Authors

2.4.1.2. Sample selection period

Once the 19 journals that made up our final sample were detailed, we continued to study complementary aspects. Table 1 indicates the following: column (1) shows the number of articles published by the 19 journals that make up our sample in the last 15 years analyzed. Column (2) presents the number of articles that have been published in the 19 magazines on the nonprofit sector in the last 15 years. Lastly, column (3) reports the number of articles published during the sample-selection period on transparency in the nonprofit sector.

Table 1 Total articles published in the 19 journals from 2005 to 2019

15 years	(1) Articles Published in 19 Journals	(2) Articles on the Nonprofit Sector in 19 Journals	(3) Articles on Transparency in the Nonprofit Sector in 19 Journals
2005	884	20	0
2006	893	34	3
2007	936	28	2
2008	1.234	37	0
2009	1.400	97	3
2010	1.321	104	5
2011	1.334	94	7
2012	1.345	120	3
2013	1.341	119	3
2014	1.352	133	5
2015	1.538	145	3
2016	1.439	156	4
2017	1.569	156	6
2018	1.716	149	3
2019	1.735	163	7
Total	20.037	1.555	54

Source: Authors

In accordance with the information from Table 1, 7.76% of the articles published in the selected journals had the nonprofit sector as their main analysis question. Regarding this percentage, only 3.47% were focused on the study of transparency in the non-profit field. Thus, of the total number of articles published (20,037), 54 of them had transparency in the nonprofit sector as their main subject of study. This last category represents 0.27% of the total articles published. Table 1 also shows an increase in the number of articles during this period published by our journal sample

(column). Besides this, there is also growing interest in the study of the nonprofit sector as shown by the data referring to the period (column 2).

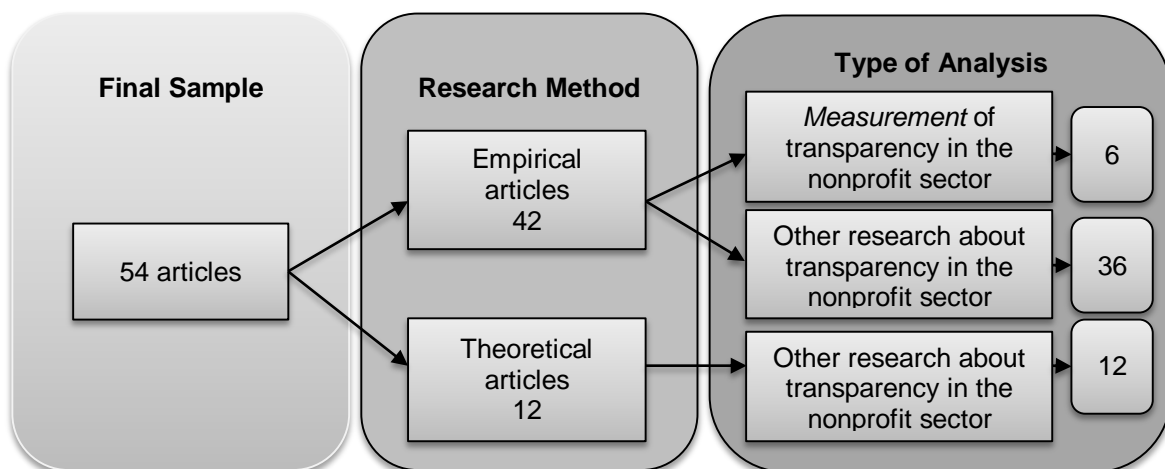
After screening the records on general eligibility criteria, 54 articles regarding transparency as a key element in accountability in the NPOs remained.

At a glance, column (3) shows an increasing trend in the number of articles on transparency in the NPOs published by the journals in our sample during the analyzed period. Despite this growth, the data show that studies addressing this issue in the nonprofit sector are still scarce, thereby highlighting the need for an increase of research into non-profit information disclosure (Lu *et al.*, 2018). In more detail, we highlight two significant periods in the study of transparency in NPOs: the first period is the interval from 2010 to 2011, in which a total of 12 articles were published in the selected journals—this represents 22.22% of the total articles from our final sample—and the second period ran from 2017 to 2019, in which 16 articles were published, which represents 29.63% of the total (54 articles). Both periods bring together more than half of the publications on transparency in NPOs in the last 15 years.

2.4.1.3. Research method

The distribution of papers according to research method is shown in Figure 3. This shows that the field of transparency in the nonprofit sector has been widely analyzed from the empirical point of view (77.78%).

Figure 3 Number of publications by research method



Source: Authors

Remarkably, there have been few empirical studies which have measured the levels of transparency in this sector. To be precise, 14.28% (6 out of 42) papers dealt with this research issue, representing 11.11% (6 out of 54) of the final sample. On the other hand, the remaining 22.22% studies were theoretical articles which do not provide an empirical method.

Focusing on the 42 papers that empirically analyzed transparency in the nonprofit sector, only six empirical studies measured this concept. In other words, despite the abundance of empirical studies, very few studies have attempted to measure the levels of transparency in the sector. Table 2 summarizes those articles, detailing their sample selection, the analysis statistical method, and a summary of the major findings.

Table 2 Measurement of transparency in the nonprofit sector

Author (Year)	Focus of Study and Sample	Method	Summary of Major Findings
Burger, R., & Owens, T. (2010)	Self-reported data to analyze transparency in the NGO (Non-governmental organizations) Uganda using a questionnaire to collect information on the organization's structure, finances, and activities; and an interview with a community focus group to explore how the organizations are perceived by community members.	Pearson's chi-squared test.	<ul style="list-style-type: none"> - Reported levels of transparency in the sector and accountability were reasonably high. - 85% of NGOs that produced annual reports asserted that it was available to the public upon request. - NGOs claiming to be transparent may frequently provide inaccurate information, to show a more favorable view.
Cabedo, J. D. Fuertes-Fuertes, I. Maset-Llaudes, A. & Tirado-Beltrán, J. M. (2018)	Analyze the level of transparency of the portfolio of projects, detect the specific aspects that could be improved in each organization, and carry out comparisons among NPOs. The sample of this research was selected from organizations that belong to CONGDE (Spanish Development NGO Coordinator).	Index to measure the information (technical, financial, and scope) transparency of the projects implemented.	<ul style="list-style-type: none"> - This index also uses the individualized analysis of the items included in it to determine the particular aspects in which transparency could be improved. - Social impact of the projects is information that is not disclosed by any of the organizations analyzed.

Author (Year)	Focus of Study and Sample	Method	Summary of Major Findings
Gandía, J. L. (2011)	Empirical study through a proposed model of information disclosure for the evolution of the websites to improve accountability and transparency. The sample of this study was selected from organizations rated by CONGDE.	Transparency index based on the work carried out by other authors (Kang and Norton, 2004; Goatman and Lewis, 2007; Waters, 2007); transparency and accountability recommendations (CONGDE, 2007) and analysis of reliability based on Cronbach's alpha.	<ul style="list-style-type: none"> - Donations are positively related to the amount of information disclosed on the web. - Voluntary disclosure of information provides signals and information that are relevant to current and potential donors.
Gálvez Rodríguez, M. M.; Caba Pérez, M. C. & Godoy, M. L. (2012)	A sample of 130 NGOs that were voluntarily analyzed by Loyalty Foundation was utilized to obtain the necessary information through its webs .	Disclosure Index (IDI) and multivariable linear regression analysis.	<ul style="list-style-type: none"> - The use of the Internet in Spanish NGOs to disclose information is scarce. - More accountability mechanisms that promote the Internet as a tool for the communication and interaction are needed.
Valencia, L. A. R., Queiruga, D., & González-Benito, J. (2015)	Empirical analysis of 62 organizations from the CONGDE studying the indicators from Loyalty Foundation.	Multiple regression models.	- Reporting on aspects related to four transparency variables (administration, project details, source of funds and use of funds) is linked to greater efficiency in the allocation of funds.
Yasmin, S., Haniffa, R., & Hudaib, M. (2014)	Design of a research instrument to capture transparency through the qualitative characteristics of the Trustees Annual Report and accountability with the Statement of Recommended Practice and Scale Stewart Accounts (1984). The population consisted of Muslim Charity Organization (MCOs) registered with the Charity Commission for England and Wales.	Parametric independent sample t test and non-parametric Mann-Whitney U test.	- There is a lack of commitment in substantive accountability for several reasons: High donor confidence; weak demand for information from the stakeholders; internal organizational problems related to organizational structure and culture; and lack of internal professional

Source: Authors

As a general conclusion of this section, we point out the scarce attention paid to transparency measurement. Nevertheless, it is worthwhile to highlight some relevant findings regarding these six articles. Firstly, a variety of methods are observed which can be grouped into three types of analyses:

- *Regression models.* This kind of method looks for the relationships of transparency with other variables. For instance, some authors aim to identify the influence of several factors because of the varied views on the weighting of the information disclosure of web pages (Rodríguez, Pérez and Godoy, 2012). Other authors study the relationship between transparency and efficiency in the allocation of funds in the NPOs (Valencia, Queiruga and González-Benito, 2015).
- *Statistical tests:* This method is a more descriptive analysis, although it is used to give meaning to the aims of a study as a result. On the one hand, authors use non-parametric tests such as the Pearson's chi-squared test to explore why NPOs would not comply with transparency and accountability standards and provide inaccurate information about their compliance (Burger and Owens, 2010). On the other hand, Yasmin, Haniffa, and Hudaib (2014) combine the non-parametric Mann–Whitney U test and parametric independent sample t-test in order to examine communicated accountability practices.
- *Index.* Lastly, a group of studies used indices to summarize, with a single, reliable, and consistent measure, several aspects that are indicative of the extent of transparency in NPOs. To begin with, Gandía (2011) analyzed the information transparency on the websites of Spanish NGDOD through a transparency index which consists of four sections, checking its internal consistency through an analysis of reliability based on Cronbach's alpha. Next, Rodríguez et al. (2012) used a Disclosure Index (IDI) to analyze the information provided in the organization web pages, regarding some principles of the Loyalty Foundation code. Finally, Cabedo et al. (2018) proposed an index for measuring the level of transparency in relation to the projects of an organization, as well as determining the specific aspects in which transparency could be improved.

Therefore, it follows that there is no single way to measure transparency. Different techniques—in particular, regression models, indexes, and statistical tests—have been used to answer specific questions.

Consequently, the types of specific questions answered by the articles summarized in Table 2 do not result in a quantifiable level of transparency that can serve as a guide for stakeholders to determine how money and resources are being managed in the NPO to which they have allocated funds.

This generates a gap in the literature to be covered: the quantification of the level of transparency objectively in an NPO is an open question. Thus, it is necessary to find the most suitable technique to measure transparency levels to cover this purpose.

Finally, we highlight that four of the six articles that empirically measure some aspect of the transparency in these organizations have their focus of study and sample in the “Spanish case”. To do this, they rely on the two main entities that have developed a system for measuring transparency through indicators: the Spanish Development NGO Coordinator (2019) and the Loyalty Foundation (2020).

The Spanish Development NGO Coordinator (CONGDE), founded in 1986, is the main platform for this kind of organization in Spain. Since 1998, the CONGDE has used a code of conduct binding on all partner organizations. Moreover, the “Transparency and Good Governance Tool” is a pioneering initiative whose application has been compulsory for all entities and platforms since 2012.

In a similar manner, the Loyalty Foundation also has a code of conduct; besides this, the organization measures the transparency of its participants who work in global areas and are intentionally involved with an accountability mechanism. This work has been carried out since its creation in 2001, based on its values of independence, transparency, solidarity, and rigor.

In conclusion, we summarize the analysis of transparency measurement studies in Table 3, classifying each article according to the methodology and sample context.

Table 3 Methodology and sample context of the studies measuring transparency

Author	Method				Sample		
					Spanish Context		Other
	Regression Models	Statistical Tests	Index	Predefined Model	CONGDE	Loyalty Foundation	
Burger & Owens (2010)		x					x
Cabedo, Fuertes-Fuertes, Maset-LLaudes, & Tirado-Beltrán (2018)			x		x		
Gandía (2011)				x	x		
Rodríguez, Pérez & Godoy (2012)	x		x			x	
Valencia, Queiruga & González-Benito (2015)	x				x	x	
Yasmin, Haniffa, & Hudaib (2014)		x					x

Source: Authors

2.4.2. Theoretical Foundations of the Transparency of Accountability in NPOs

In this subsection, the term “accountability” includes the disclosing of information in response to stakeholder concerns and enabling their participation in the organization and the evaluation of performance (Ebrahim, 2003; O’Dwyer and Unerman, 2007). This can be catalogued as a multidimensional concept (G. D. Saxton and Guo, 2011). The term “transparency” is linked to a variety of issues but mainly to information disclosure (Cabedo *et al.*, 2018). Taking these definitions into account, whenever we refer to “transparency in NPOs” in this document, we mean the moral practice of accountability by which organizations have to disclose information on the activities they carry out and the resources they use to achieve their social purpose, i.e., their mission (G. D. Saxton and Guo, 2011; Gilchrist and Simnett, 2019). Additionally, it is convenient

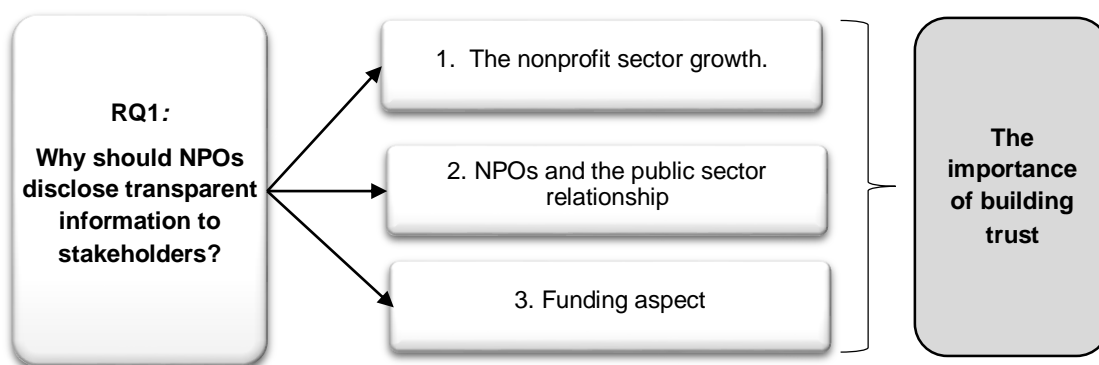
to keep in mind that the academic interest in NPO transparency comes from the widespread development of the nonprofit sector over recent years (Connolly, Hyndman and McConville, 2013; Kim and Kim, 2018).

Accordingly, in the present section, we present and discuss in detail the three RQs regarding the theoretical foundations that encourage an NPO to disclose transparent information to their stakeholders. Considering all of these factors, this paper aims to answer the RQs which were previously described in the planning phase as the basis of the present study.

2.4.2.1. RQ1: Why Should NPOs Disclose Transparent Information to Stakeholders?

To respond to RQ1, three reasons can be stated (see Figure 4): firstly, the growing importance both in terms of size and social action of NPOs in favor of the community; secondly, the special relationship that NPOs have with the public sector to cover demands of specific social groups; and finally, the funding aspect from public and private donors from which they receive economic resources. These three reasons have a common aspect: the importance of building trust in the non-profit environment.

Figure 4 RQ1



Source: Authors

- *Nonprofit Sector Growth and the Consequent Increase of Fraud Cases*

Nonprofit sector growth has led to an increasing interest in verifying the work carried out by these organizations in our society (Rodríguez, Pérez and Godoy, 2012).

This evaluation demands higher levels of transparency in the information provided (Rey-Garcia *et al.*, 2017) due to a perceived lack of accountability in such information (Yang and Northcott, 2019).

Societal pressures have become greater over the past two decades (McDonnell and Rutherford, 2019) due to a combination of different forces, such as social, ethical, and regulatory factors (Carnochan *et al.*, 2014; Rey-Garcia *et al.*, 2017). Thus, donors demand greater transparency of information to ensure the correct use of resources that they directly or indirectly provide to NPOs (Franco and Raja, 2014; Amagoh, 2015).

Fraud among NPOs may be rising (Greenlee *et al.*, 2007). The literature shows that NPOs have reasons and opportunities to misreport in order to deceive interested parties (Hofmann and McSwain, 2013) by adopting a position of suspicion and concealment of information (de Andrés-Alonso, Azofra-Palenzuela and Romero-Merino, 2009). In the early 2000s, several cases of financial fraud were revealed (Neely, 2011), as well as mismanagement in the nonprofit sector, that have challenged the notion of trust inherent in NPOs (Greenlee *et al.*, 2007). Moreover, we should also point out the fact that the moral misconduct of a single organization can damage the reputation of others that are not involved in the act (Hielscher *et al.*, 2017).

Consequently, credible NPOs have an incentive to differentiate themselves from less credible ones to improve their reputation (Tremblay-Boire and Prakash, 2015), because this sector cannot afford the consequences of a public scandal and a collapse of credibility, thereby affecting the capacity for donations and fundraising (Gibelman and Gelman, 2004; Liu *et al.*, 2019).

- *Cooperation with the Public Sector*

Another reason found in the literature regarding why NPOs should disclose transparent information is due to the close relationship between the public sector and the nonprofit sector, as we report below. There is a significant body of research which highlights how governments increasingly involve NPOs in the provision of social services (Feiock and Andrew, 2006) concerned with health, education, agriculture, industrial sectors, human rights, or gender issues (Amagoh, 2015). This shows the strengths of the nonprofit sector as a provider of social goods, complementing, at the same time, the limitations of the public sector (Salamon and Toepler, 2015).

Governments consider NPOs to be a strategic partner in the provision of certain public services and in return provide financial support (Boateng, Akamavi and Ndoro, 2016; Kim and Kim, 2018). Therefore, NPOs constitute a fundamental part of the social economy and perform in combination with public authorities (Hale, 2013) despite maintaining their own autonomy (Neumayr, Schneider and Meyer, 2015).

Considering all of these factors, NPOs are encouraged to assume a relevant role (Manville and Greatbanks, 2016) in improving the different social problems in a community. Because of such worldwide cooperation between both sectors (Salamon and Toepler, 2015), NPOs grant services in key areas as a matter of public policy (Weidenbaum, 2009; Hale, 2013). The so-called “Welfare State”, a system in which the public sector promises to protect its citizens, especially those in financial or social need, is suffering a deep restructuring (Fernández and Gil, 2011). NPOs’ participation in the Welfare State is important as a consequence of their introduction into public activity.

In conclusion, this cooperation, in which public entities are one of the principal stakeholders of an NPO, also requires the disclosure of transparent information to obtain financial support from governments. This fact is even more important considering that there is a group of NPOs competing for the funds that public authorities distribute among the different organizations. This issue is discussed in the following sub-section.

- *Public and Private Funding*

Research reveals how financial resources (private or public) in the nonprofit sector are critical to its sustainability (Gilchrist and Simnett, 2019) and affect its long-term success (Keating and Frumkin, 2003). A dilemma can appear if non-profit stakeholders cannot easily observe how donations are used (Haski-Leventhal and Foot, 2016), categorizing the organization as not transparent or not trustworthy (Connolly, Hyndman and McConville, 2013).

In addition, the increasing complexity and competitiveness between NPOs over the resources required (Haski-Leventhal and Foot, 2016) generates a greater responsibility in their actions and a necessary credibility that has to surround all their activities (Lequericaonandia and Galiana, 2014). Thus, they need to have transparent systems and internal management controls that ensure that the funds they receive are

maintained and managed in a prudent and responsive way (Greenlee *et al.*, 2007; de Andrés-Alonso, Azofra-Palenzuela and Romero-Merino, 2009; Behn, DeVries and Lin, 2010; Cabedo *et al.*, 2018; Gilchrist and Simnett, 2019).

In summary, improving accountability and transparency is one of the most important and complex issues that the nonprofit sector is facing (Benjamin, 2013; Tacon, Walters and Cornforth, 2017a) regarding its dependence on public trust (Saxton, Kuo and Ho, 2012; Yang and Northcott, 2019).

2.4.2.2. RQ2: Why do not All NPOs Disclose Transparent Information?

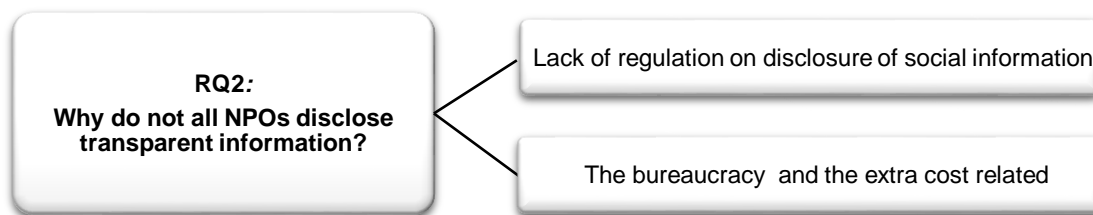
Traditionally, transparency in economic–financial information is justified by responsibility in management as well as by legal reasons related to accounting obligations, which requires compliance with minimum standards in the preparation and publication of accounts (Lozano, Valencia and Gutiérrez, 2008). In addition, leaders of NPOs continue to give prominence to these traditional requirements (Lecy, Schmitz and Swedlund, 2012). Regarding this, the next question arises: is mere establishment of accounting rules sufficient to increase transparency in NPOs? In this sense, these accounting norms (e.g., financial reporting and performance management systems) are even highlighted as “imperfect accountability mechanisms” (Goncharenko, 2019). In this sense, being transparent implies more than just the presentation of the accounting information.

In contrast to this economic–financial information, however, when considering the disclosure of non-financial information, such as social information, the reality is quite different. Despite the importance of transparency, both to generate trust among stakeholders and to legitimize the NPOs themselves, there are a lack of disciplinary mechanisms (Burger and Owens, 2010). There is no legal regulation that requires compliance with standards in the preparation and publication of social information in the nonprofit sector, as in other sectors (Hale, 2013). This fact may discourage these entities to meet such conditions (Greenlee *et al.*, 2007). For example, NPOs have no obligation to report serious incidents—such as fraud and theft, personal behavior and financial loss—that may threaten their organization, although it is recommended that they inform others about this as a transparency mechanism (McDonnell and Rutherford, 2019). In this regard, we cite external certification as an example of voluntary non-financial information. Transparency certification and the good

governance of an organization can be evidenced by belonging to the CONGDE or Loyalty Foundation, as mentioned above. This assumes that non-financial information goes beyond the minimum legal regulations and is, therefore, voluntary by nature (Becker, 2018).

Regarding the absence of a minimum legal obligation for the NPOs to report social information, those entities who voluntarily decide to do so are faced with another problem: bureaucracy and extra costs (See Figure 5). Regarding the costs involved in generating and disclosing social information for the decision-making purposes of the stakeholders, our research highlights the potential negative consequences of a bureaucratic overload that increases the need for resources of the organizations (Moxham and Boaden, 2007). Therefore, the entities in the nonprofit sector are concerned about the cost of preparing and disclosing non-financial information. NPOs are pressured by regulators, and even donors, to reveal their performance metrics and reports, incurring expensive bureaucratic tasks, which can eventually result in a misallocation of funds that are, therefore, not employed for the social mission (Jepson, 2005).

Figure 5 RQ2



Source: Authors

Despite the aforementioned difficulties, voluntary disclosure of information is an effective means to promote public responsibility of the NPOs (Saxton, Kuo and Ho, 2012) and improve their reputation (Cordery and Morgan, 2013). Moreover, research shows how NPOs that are not transparent obtain lower scores in terms of public trust, reputation, perceived quality, and donation behavior (Becker, 2018). In particular, there

is a positive relationship between transparency, increased reputation, and the credibility of NPOs (Gandía, 2011; AbouAssi, 2015).

The conceptual rationales for not disclosing information among their stakeholders may be based on (i) a principle of rationality in cost management: NPOs, as with other organizations, seek for an appropriate balance between costs and benefits of information disclosure. Thus, the cost of obtaining (and disclosing) information (the difficulty of obtaining information or confidential information) should never exceed the benefit (increased credibility and possibilities for fundraising) that can be obtained; and (ii) a lack of guidance of how to report the information: the lack of legal, regulatory statements that specifically indicate what, when, and how information must be disclosed has led NPOs to voluntarily adopt self-regulation practices. These self-regulation practices, however, imply a total margin of discretion for managers who often are in doubt regarding how to disclose information.

In conclusion, despite the lack of legal requirements for transparency, voluntary disclosure improves the perceived trustworthiness of NPOs by their stakeholders, thereby enhancing their support in favor of these entities (Dumont, 2013b; Becker, 2018). In short, the reputation of an NPO is a crucial intangible asset that can bring noteworthy benefits to the organization (Peng, Kim and Deat, 2019).

2.4.2.3. RQ3: What Means do NPOs Use to Disclose Transparent Information?

NPOs should disclose meaningful information about their work and outcomes to their different stakeholders (Schmitz, Raggio and Bruno-van Vijfeijken, 2012). This is necessary because donors, funders, and the public in general have increased their demands for information (Schatterman, 2013). Notwithstanding this higher demand, there is scant research related to this topic (Lu *et al.*, 2018).

To begin with, let us explain how Information and Communication Technology (ICT) can help to communicate information and improve accountability (Dumont, 2013b; Lee and Joseph, 2013). The extant nonprofit sector literature highlights an important monitoring role of ICT for organizations (Saxton, Kuo and Ho, 2012), which is eventually beneficial for NPOs themselves in terms of improving public trust (Lee and Joseph, 2013). This advantage can be reinforced given the access in real time to updated information of the organizations by the stakeholders (Moreno, Alcaide and San Juan, 2016).

In general terms, the use of the Internet is changing non-profit organizational practices. Surprisingly, research in our field of study reveals the infra-use that NPOs make of the Internet as an information medium to communicate their responsibility practices in terms of transparency (G. D. Saxton and Guo, 2011; Puentes *et al.*, 2012). In addition, an active engagement in the age of social media is needed to reinforce organizational transparency and accountability (Pavlovic, Lalic and Djuraskovic, 2014; Long, 2016).

Information disclosure through a website is the most widely used means of providing information (Pérez and Cruz, 2017). Concerns have arisen regarding whether this kind of public information of NPOs is sufficient for their stakeholders in terms of the decision-making regarding the appropriate allocation of funds to that entity. The literature shows the possible limitations of website information as an accountability mechanism (McDonnell and Rutherford, 2019); among other reasons, because it can be easily manipulated by the organization (Pérez and Cruz, 2017).

The advantages derived from the use of ICT in all its aspects are evident: websites, social networks, etc. Nevertheless, there is no single way to report and inform stakeholders, but each organization must establish its own mechanisms, taking into account its possibilities and experience, ensuring an effective communication with the stakeholders (Lozano, Valencia and Gutiérrez, 2008).

In summary, this review aimed to deepen our knowledge of transparency, which is as an essential issue in non-profit accountability for nonprofit sector organizations. Based on the conceptual rationale of stakeholder theory, together with the rationality of the cost of information disclosure, we highlight how the transparency of information disclosure is essential for the fluid and efficient development of the relationships between the managers of NPOs and their stakeholders. This fact is crucial for fundraising and for the appropriate meeting of social needs by non-profit organizations. However, as evidenced in our analysis, NPOs face a great challenge in information disclosure: the lack of guidance on how to disclose information makes these entities develop particular, voluntary disclosure practices. Considering this, new insights in the literature on the nonprofit sector arise; there is a need for the creation of models that face the challenge of making the extent of transparency in NPOs quantifiable. In this sense, we can highlight from our review an important gap in prior literature: despite the importance of transparency, as previously exposed in the nonprofit sector

environment, few papers in the prior literature have focused on this aspect (notwithstanding the growing tendency of work in this area of research). Moreover, among these papers, the majority have analyzed transparency from the theoretical point of view, and the rare papers that have empirically measured it have used different techniques for particular situations.

2.5. Conclusions for Chapter 2

NPOs currently face the challenge of convincing society that they efficiently manage the funds they receive and that they are dedicated to achieving the missions for which the organizations were created. Transparency becomes a matter of vital importance that needs to be made visible. Therefore, NPOs are obliged to develop internal control mechanisms that allow their stakeholders to assess the destination of resources in accordance with their social mission. Transparency and good governance are necessary to achieve the social credibility which allows for the continuity of an organization and the achievement of its goals.

The requirement for high levels of transparency in NPOs rests on two fundamental pillars: on the one hand, public entities have become one of the main stakeholders of NPOs, requiring the disclosure of transparent information to provide financial support from public funds. This fact is even more important considering that there is a group of NPOs that compete for the funds that the public authorities distribute among the organizations. On the other hand, the inappropriate or fraudulent practices of an NPO cause severe damage, especially in the sector.

The results highlight the lack of legislation that regulates transparency procedures in the nonprofit sector. This leads NPOs to adopt voluntary policies of disclosure of information, seeking the better perception of the credibility of entities by their groups of interest. Our work shows the scarcity of published studies regarding transparency in NPOs. Once the search criteria were defined, only 12% (54 out of 449) of the articles focused on the concept of transparency in this area, and only 1.34% (6 out of 449) carried out an empirical validation of the transparency measure. Based on the total number of articles published in journals that address the NPOs (20,037), 54 papers dealt with transparency in the non-profit field as the main issue; this represents 0.27% of the total. Despite the increasing interest in recent years in this field, this aspect has

been barely studied and efforts are required to fill this existing gap from an empirical perspective.

From the analysis of the few empirical works published, it was deduced that there is no single way to measure transparency. Different techniques—in particular regression models, indices, and statistical tests—have been used to answer specific questions. It is necessary to study, design, and develop models that allow the quantification of the level of transparency required by each NPO and determination of the criteria used to qualify an organization as more or less transparent.

The transparency of NPOs is not an end in itself; it is a means of promoting just, peaceful, and inclusive societies, as we can see in one of the Sustainable Development Goals promulgated by the United Nations. We find, among the goals of objective 16, the creation of effective and transparent institutions at all levels that are accountable. Transparency, in short, can help to build a better world.

One possible limitation of this review is that we studied a selection of papers only from the JCR. We established the selection criterion of accepting papers only if they were published in a high-impact journal; however, we are conscious that there could be other papers that are published in journals that, despite not being indexed in JCR, could also be interesting for the understanding of transparency measurement in NPOs with important contributions. Similarly, the search keywords finally selected for such a vast field may have caused other important publications not to have been included in our sample.

Regarding the future research strategy, our SLR evidences the need for information to improve decision-making and disclosure tools in the nonprofit sector and for the improvement of measurement. The importance of appropriately quantifying the level of transparency in the organizations that constitute the nonprofit sector has also been highlighted. Future research could, therefore, look into the development of appropriate models to empirically measure the extent of an NPO in an objective, quantifiable way, to help stakeholders in decision-making. Such models can contribute to the literature from the empirical point of view, allowing NPOs to show greater levels of accountability and credibility for the stakeholders from whom they directly or indirectly receive funds or resources.

2.6. Annex for Chapter 2

Annex 1 Summary of key aspects reviewed in the 54 final sample articles

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
1	Clerkin & Quinn (2019)	Restricted Funding: Restricting Development?	Non-governmental organisation, International development, Charity, Accounting, Accountability, Funding, Systems theory	This paper examines, from a management accounting perspective, the efficacy of the dominant 'restricted' funding structure in the international development NGO sector in terms of overall sector effectiveness, and whether it is the most appropriate means of funding NGOs. Results show how NGOs are missing opportunities to utilise, or even improve, value-for-money in terms of how various program themes, geographic areas or time periods are delivering better or worse discernible impact for the money spent.
2	Czernkowski & Lim (2019)	Community Asset Valuations by Non-profit Government Entities	No Key Words	This paper examines an implication of applying International Financial Reporting Standards to the government sector in Australia. We posit both a self-interest and a transparency motivation for local governments effecting revaluations of both infrastructure assets and community land. Financial and public accountabilities are likely to be a driver for the valuation of local infrastructure assets at fair value, and this is not likely to be undermined by the opportunistic incentives we have considered.
3	Farwell, Shier, & Handy (2019)	Explaining Trust in Canadian Charities: The Influence of Public Perceptions of Accountability, Transparency, Familiarity and Institutional Trust	Trust, Nonprofit, Charity, Accountability, Transparency, Familiarity	This study analyzed cross sectional data collected from a random sample of Canadians (n=3853) to test the effects of respondents' perceptions of financial accountability, transparency, and familiarity of charitable nonprofits, along with the effects of trust in key institutions on their general trust in charitable nonprofits. Results show that each factor has a significant effect on the level of trust respondents had in charitable nonprofits.
4	Goncharenko (2019)	The accountability of advocacy NGOs: insights from the online community of practice	Advocacy NGOs, accountability, online community of practice, netnography	This study examines how the accountability agenda of advocacy NGOs is shaped by the need to maintain independence, preserve values and keep reputation unsullied when faced with financial and legitimacy pressures. The findings highlight that imperfect accountability mechanisms (e.g. financial reporting and performance management systems) hinder the ability of advocacy NGOs to demonstrate their accountability.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
5	Liu, Zhang, Ye & Zhang (2019)	Does giving always lead to getting? Evidence from the collapse of charity credibility in China	Corporate philanthropy, Financial performance, Charity credibility	Research on the relationship between corporate philanthropy and performance has largely been inconclusive. The impact of credibility collapse is more pronounced in regions where charity credibility suffered more and in firms with private ownership. The study highlights the necessity for the sector to enhance governance and improve transparency.
6	Mcdonnell & Rutherford (2019)	Promoting charity accountability: understanding disclosure of serious incidents	Performance accountability, charity transparency, charity regulation, charity risk, nonprofit accountability	Using a novel dataset, we provide the first analysis of the characteristics of charities voluntarily disclosing details of serious incidents that may threaten their organisation. The findings highlight that Larger, older organisations that have previously been subject to a regulatory investigation are more likely to report serious incidents. However, it is smaller, younger charities where the regulator perceives there to be greater risk of organisational demise arising from the incident.
7	Cabedo, Fuertes-Fuertes, Maset-Llaudes & Tirado-Beltrán (2018)	Improving and measuring transparency in NGOs: A disclosure index for activities and projects	No Key Words	Although there is a large body of literature on transparency in NGOs from a global perspective, very little research has been conducted on transparency within the area of projects and activities. This study propose an index that captures three dimensions of the information about the projects (technical, financial, and scope) and makes it possible to: analyse the level of transparency of the portfolio of projects, detect the specific aspects that could be improved in each organization, and carry out comparisons among organizations.
8	Cordery & Deguch (2018)	Charity registration and reporting: a cross-jurisdictional and theoretical analysis of regulatory impact	Charity accountability, regulatory theory, regulatory costs	We analyse charity regulatory regimes using these two regulatory theories and the relative costs and benefits of different regulatory regimes. Heeding these should reduce regulatory inefficiency and balance accountability and transparency demands against benefits charities receive from regulation.
9	Lu, Deng, Huang & Chen (2018)	External environmental change and transparency in grassroots organizations in China	No Key Words	This study examines changes in transparency of Chinese grassroots nonprofit organizations. This study highlights the importance of external resource to nonprofit transparency. These findings contribute empirical evidence to the nascent literature on nonprofit transparency and provide implications for enhancing nonprofit transparency.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
10	Yates, Gebreiter & Lowe (2018)	The internal accountability dynamic of UK service clubs: towards (more) intelligent accountability?	Accountability, service club, membership organisation, United Kingdom, NGO	This paper explores the nature of internal accountability within service organisations. The study adopts a cross-sectional approach, with the three largest service organisations in the world selected along with Round Table International, a popular service organisation in the UK. This paper concludes with avenues for development of more intelligent accountability within service organisations, along with further research opportunities.
11	Cordery, Sim & van Zijl (2017)	Differentiated regulation: the case of charities	No Key Words	The increasing number and influence of charities in the economy, evidence of mismanagement and the need for information for policymaking are all reasons for establishing charity regulators. This study proposes regulation differentiated according to charities' main resource providers, to reduce costs and focus regulatory effort, and provides a feasible segmentation.
12	McDonnell (2017)	Improving Charity Accountability: Lessons From the Scottish Experience	performance accountability, nonprofit regulation, public confidence, charity accountability, financial accountability	This article examines the relevance and effectiveness of a charity accountability monitoring program in Scotland. The results reveal that a majority of these charities trigger accountability concerns and a minority do so persistently; however, this study finds no link between these concerns and negative organizational outcomes such as public complaints, regulatory intervention, or charity dissolution.
13	Sanzo-Pérez, Rey-García & Álvarez-González (2017)	The Drivers of Voluntary Transparency in Nonprofits: Professionalization and Partnerships with Firms as Determinants	Nonprofit transparency, Business-nonprofit partnerships, Professionalization, Accountability	This research analyzes the drivers of voluntary transparency in nonprofit organizations (NPOs). The results confirm the positive effects of both professionalization and partnerships, although each strategy influences different dimensions of transparency.
14	Striebing (2017)	Professionalization and Voluntary Transparency Practices in Nonprofit Organizations	No Key Words	This study examines under which conditions German nonprofits, including both public charities and foundations, voluntarily choose transparency. The results of a crisp-set Qualitative Comparative Analysis suggest that the driving force behind the voluntary transparency of organizations is professional management rather than revealed cases of malpractice or stakeholder demands.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
15	Williamson, Luke, Leat & Furneaux (2017)	Founders, Families, and Futures: Perspectives on the Accountability of Australian Private Ancillary Funds	accountability, philanthropy, foundation, Private Ancillary Funds, Australia	This research explores perspectives on the accountability of Private Ancillary Funds (PAFs), a type of Australian endowed philanthropic foundation. Findings reveal that PAFs engage in accountability for internal reasons relating to their mission and purpose, and their desire to lead others in philanthropy.
16	Winthereik & Jensen (2017)	Learning from experiments in optimization: post-critical perspectives on monitoring and evaluation	Audit, monitoring and evaluation, experimentation, NGOs, optimization, performativity, post-critical ethnography, standardization, transparency	This article examines attempts by professionals in the Danish branch of the environmental NGO NatureAid to optimize their practice by developing a local standard. This article offers a view of management as 'broken up'; as a distributed, ambient activity, variably performed by different actors using different standards.
17	Chen (2016)	Director Monitoring of Expense Misreporting in Nonprofit Organizations: The Effects of Expense Disclosure Transparency, Donor Evaluation Focus and Organization Performance	No Key Words	This study examines whether three factors—the transparency of expense disclosures, donor evaluation focus, and organization performance—influence how directors monitor management expense misreporting in nonprofit organizations. Results show that monitoring is equally strong regardless of donor evaluation focus when directors know that an organization's nonfinancial performance is good and a donation is forthcoming.
18	Long (2016)	Managing legitimacy crisis for state-owned non-profit organization: A case study of the Red Cross Society of China	Organizational legitimacy, Crisis management, State-owned organization, Chinese non-profit organization, Social media	This study examined legitimacy crisis management of state-owned organizations by analyzing Red Cross Society of China (RCSC)'s reactions to its legitimacy crisis ignited by an online wealth flaunting incident. Analysis revealed that RCSC's inadequate implementation of image repair strategies and their lack of attendance to actional legitimacy escalated the crisis and ultimately shattered RCSC's organizational legitimacy.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
19	Nie, Liu & Cheng (2016)	Exploring Factors that Influence Voluntary Disclosure by Chinese Foundations	Voluntary disclosure Foundation Transparency China	Our paper explores the factors associated with voluntary disclosure by foundations in China. We find that foundations that depend more on donations, collect more restricted funds, receive fewer government funds, and operate with less government control have a higher probability of offering voluntary disclosure.
20	Sovacool, Walter, Van de Graaf & Andrews (2016)	Energy Governance, Transnational Rules, and the Resource Curse: Exploring the Effectiveness of the Extractive Industries Transparency Initiative (EITI)	resource curse, transparency, transnational rules, good governance, EITI	This study statistically explores the efficacy of transnational standards for the important case of the Extractive Industries Transparency Initiative (EITI), an international non-governmental organization which maintains a voluntary standard for revenue transparency in the extractive industries. We find, interestingly, that in most metrics EITI countries do not perform better during EITI compliance than before it, and that they do not outperform other countries.
21	Jensen & Meisenbach (2015)	Alternative Organizing and (In)Visibility: Managing Tensions of Transparency and Autonomy in a Nonprofit Organization	hidden organizations, alternative organizations, nonprofit organizations, organizational transparency	Using ethnographic field methods and semi-structured interviews, we analyse how one homeless shelter's visibility fluctuates in relation to its goals. The findings highlight how the organization manages tensions of (in)visibility to maintain autonomy, while still securing support from external organizations. The results have implications not only for studying hidden organizations, but also for alternative and nonprofit theorizing
22	Ranci (2015)	The Long-Term Evolution of the Government-Third Sector Partnership in Italy: Old Wine in a New Bottle?	Third sector, Italy, Partnership, Social policy, Welfare mix	This article identifies the main features of government–third sector partnership and reconstructs its evolution in a long-term perspective. State regulation has been paradoxically strengthened in order to allow more transparency, freedom of choice, and effective joint planning. However, the lack of financial and technical resources exposes this new system to old style local arrangements.
23	Valencia, Queiruga & González-Benito (2015)	Relationship Between Transparency and Efficiency in the Allocation of Funds in Nongovernmental Development Organizations	Transparency, Economic efficiency, Nongovernmental development organizations	The goal of this article is to shed light on this question by investigating Spanish nongovernmental development organizations. An empirical analysis reveals that the variables more associated with use of funds are relate positively to efficiency.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
24	Alves (2014)	Social Accountability as an Innovative Frame in Civic Action: The Case of Rede Nossa So Paulo	Accountability, Social movements, Frame analysis	This paper examines the Rede Nossa São Paulo movement, which pledges social justice and sustainability and promotes social accountability as its main strategy to achieve its mission. Thus, the main objective of this study is to understand social accountability.
25	Othman & Ali (2014)	NPO, Internal Controls, and Supervision Mechanisms in a Developing Country	Charities, Developing country, Internal control system	The premise of this paper is that effective supervision and proper internal control system can promote accountability and transparency. This paper provides evidence from a survey and it briefly describes the current state of regulations in Malaysia and makes a case for better monitoring of the sector, as this might be the reason NPOs are lacking in their ICS.
26	Pavlovic, Lalic & Djuraskovic (2014)	Communication of Non-Governmental Organizations via Facebook Social Network	Social networks; Facebook; communication; environmental non-governmental organizations (ENGOS); the Internet.	The paper explores online communication of environmental non-governmental organizations (NGO) with their stakeholders. The study concluded that majority of environmental NGOs have still not developed an awareness on the benefits of this type of communication, and that only minority of organizations which do use Facebook as a public relations tool pay any significant attention to establishing of interactive dialogue with the main stakeholders.
27	Phillips & Smith (2014)	A Dawn of Convergence?: Third sector policy regimes in the 'Anglo-Saxon' cluster	Third sector policy, policy convergence, comparative third sector	Comparing the reforms in the 'meta-policies,' regulations and financing identifies both significant policy convergence and divergence. A new ideational landscape has emerged that is dominated by a focus on transparency, impact and social innovation.
28	Yasmin, Haniffa & Hudaib (2014)	Communicated Accountability by Faith-Based Charity Organisations	Accountability, charities Christian, Faith-based, Religious-based, Muslim, Non-profit organisations, SORP, Transparency, Trustees report	Integrating Stewart's (1984) ladder of accountability with the Statement of Recommended Practice guidance for charities, this paper examines communicated accountability practices of Muslim and Christian Charity Organisations in England and Wales. Our interviews identified the reasons being due to high donor trust and consequently weak demand by stakeholders for the latter type of information, as well as internal organisational issues related to the organisational structure and culture, lack of internal professional expertise and high accountability cost.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
29	Connolly, Hyndman & McConville (2013)	Conversion Ratios, Efficiency and Obfuscation: A Study of the Impact of Changed UK Charity Accounting Requirements on External Stakeholders	Charities, Efficiency, Conversion Ratios, SORP	This article explores the impact on the visibility of such information through an analysis of the financial statements of large UK charities before and after the 2005 changes. Findings suggest that, despite the stated intention of increasing transparency in respect of charity costs, the application of the changes has resulted in charities 'managing' the numbers and limiting their disclosures, possibly to the detriment of external stakeholders.
30	Kaine & Green (2013)	Outing the Silent Partner: Espousing the Economic Values that Operate in Not-For-Profit Organizations	Value pluralism, Aged care, Not-for-profit	This article explores the tension through the examination of a detailed case study of one of the larger not-for-profit social service organizations—All Saints Christian Care. It analyses the culture and managerial decisions through the lens of the political philosophy value pluralism.
31	Phillips (2013)	Shining Light on Charities or Looking in the Wrong Place? Regulation-by-Transparency in Canada	Charity regulation, Transparency, Charity reporting, Co-regulation, Canadian charities, Regulation-by-transparency	The article outlines a conceptual model of charity regulatory regimes and applies this to analyse recent developments of regulation-by-transparency in Canada. This case study demonstrates how transparency can become politicized, damaging the relationship between the regulator and the charitable sector. The open data movement means that charities now operate in a world in which neither they nor state regulators control access and use of information.
32	Puentes, Mozas, Bernal & Chaves (2012)	E-corporate social responsibility in small non-profit organisations: the case of Spanish 'Non Government Organisations'	NGOs, CSR, transparency, ICT, information, small services, Spain	This article analyses the e-corporate social responsibility in Spanish NGOs. It shows the infra-use that NGOs make of the Internet as an information medium to communicate their Corporate Social Responsibility (CSR) practices. In terms of transparency, this implies that the CSR transparency on their websites is very poor, although it grows as the size of the organisation increases.
33	Rodríguez, Pérez & Godoy (2012)	Determining Factors in Online Transparency of NGOs: A Spanish Case Study	Transparency NGOs Best practice The Internet Disclosure	This article aims to identify the influence of the factors “organizational size”, “organizational age”, “public funding”, “legal form”, “internationalization”, “board size”, and “board activity” in the dissemination of web page information. The results show that only the factors of “organizational size”, “public funding,” and “organizational age” are statistically significant.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
34	Schmitz, Raggo & Bruno-van Vijfeijken (2012)	Accountability of Transnational NGOs: Aspirations vs. Practice	NGOs, accountability, leadership, transparency	In interviews with NGO leaders we find aspirations to make accountability more meaningful and integrated, in particular by listening more to stakeholders other than donors. These aspirations are rarely put in practice and leaders continue to highlight traditional means such as financial accounting. Practicing transparency that empowers beneficiaries is central to effective organizational learning and balancing demands from stakeholders.
35	Benzing, Leach & McGee (2011)	Sarbanes-Oxley and the New Form 990: Are Arts and Culture Nonprofits Ready?	Sarbanes-Oxley, Form 990, finance, nonprofits	Eighty-five arts and culture nonprofits were surveyed to determine the extent to which their financial and managerial practices conform to Sarbanes-Oxley and the New Form 990. According to the results, the most important reason for voluntarily complying with Sarbanes-Oxley was because it promotes sound financial management and “contributes to an internal culture of transparency.”
36	Cnaan, Jones, Dickin & Salomon (2011)	Nonprofit Watchdogs Do They Serve the Average Donor?	No Key Words	Using three waves of the Harris Interactive Donor Pulse, we found that the overwhelming majority of donors (77.6 percent) do not consult these online intermediaries when making donations. Those who do are likely to fall into one of two groups: donors who give large sums of money or donors who are engaged in advocacy.
37	Gandía (2011)	Internet Disclosure by Nonprofit Organizations: Empirical Evidence of Nongovernmental Organizations for Development in Spain	Internet disclosure, transparency in nonprofits, accountability, NGOs, Spain	This article examines the relevance of technology, and particularly the Internet, for the improvement of accountability and transparency in nonprofit organizations. The empirical evidence obtained reveals that Spanish NGOD Web sites are primarily ornamental and that they should evolve toward an environment more informational and relational that allows the stakeholders to access relevant information ranging from the work being done and the use of the dispersed funds to the form in which the organization is governed.
38	Neely (2011)	The Impact of Regulation on the U.S. Nonprofit Sector: Initial Evidence from the Nonprofit Integrity Act of 2004	No Key Words	This study examines the characteristics of California charitable organizations before and after the Act to understand the initial impact the Act had on nonprofit organizations. Key findings include limited reported improvement in financial reporting quality and an increase in accounting fees following the implementation of the Act. Results suggest that the initial impact of regulations similar to the NIA is greatest for organizations that did not previously have a financial statement audit.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
39	Privett & Erhun (2011)	Efficient Funding: Auditing in the Nonprofit Sector	No Key Words	For funders there is an increasing and pressing need to ensure that society reaps the most social benefit for their money while also developing the nonprofit sector as a whole. Indeed, our results indicate that nonprofits may want to work with funders to increase the use of auditing, consequently increasing efficiency for the sector overall and impacting society as a whole.
40	Szper & Prakash (2011)	Charity Watchdogs and the Limits of Information-Based Regulation	Charity watchdogs Accountability	We examine their usefulness in the context of the nonprofit sector which tends to show signs of governance failure. We find that changes in charity ratings tend not to affect donor support to these nonprofits. The policy challenge is to provide information which users desire such as organizational effectiveness as opposed to basic fund allocation in the case of non-profits. What matters for policy efficacy is not how much information is provided but of what type.
41	Verbruggen, Christiaens & Milis (2011)	Can Resource Dependence and Coercive Isomorphism Explain Nonprofit Organizations' Compliance With Reporting Standards?	nonprofit organization, resource dependence, financial reporting, compliance, coercive isomorphism	Although resource dependence and coercive isomorphism have been used in earlier nonprofit organization research, no empirical research has linked these theories to compliance with financial reporting standards. Using a unique setting in which a large number of (very) large Belgian nonprofit organizations are confronted with far-reaching changes in financial reporting regulations, the effect of resource dependence and coercive isomorphism on accounting and financial reporting compliance is documented.
42	Burger & Owens (2010)	Promoting Transparency in the NGO Sector: Examining the Availability and Reliability of Self-Reported Data	NGO, Africa, accountability, transparency, participation	This work examines discrepancies between what NGOs say and do. We find that the threat of being caught reduces the likelihood of financial misrepresentation, while a desire to maintain a good reputation leads to misrepresentation of community consultation. Analysis provides indications that: NGOs with antagonistic relations with government may be more likely to hide information; and that unrealistic donor demands may be an obstacle to transparency.
43	Cummings, Dyball & Chen (2010)	Voluntary Disclosures as a Mechanism for Defining Entity Status in Australian Not-for-Profit Organisations	No Key Words	This study examines managerial efforts to portray an entity's not-for-profit (NFP) status based on voluntary disclosure practices. Results indicate a predominant application of the structural-operational definition.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
44	Gordon, Khumawala, Kraut & Neely (2010)	Five Dimensions of Effectiveness for Nonprofit Annual Reports	No Key Words	This article identifies best practices for annual reports based on: completeness, accessibility, transparency, full disclosure, and relevance. Reports on both the financial and nonfinancial content in voluntarily provided annual reports. Achieving relevance, nonprofit leaders will improve their reporting of organizational goals and accomplishments.
45	Gugerty, Sidel & Bies (2010)	Introduction to Minisymposium: Nonprofit Self-Regulation in Comparative Perspective- Themes and Debates	accountability, accreditation, certification, self-regulation, standards, regulation	This minisymposium addresses a comparative perspective on self-regulation initiatives in three regions: sub-Saharan Africa, Asia, and Europe. The article provide a common framework and typology for understanding self-regulatory initiatives and outlining the theoretical frameworks applied in the empirical papers.
46	Nezhina & Brudney (2010)	The Sarbanes-Oxley Act More Bark Than Bite for Nonprofits	nonprofit accountability, nonprofits and the Sarbanes—Oxley Act, governance, SOX effects	This article explores the impact of the Sarbanes—Oxley Act on the nonprofit sector and finds that the level of SOX adoption is determined to a large extent by nonprofit organizations' accountability and transparency structure prior to SOX.
47	Kreutzer (2009)	Nonprofit Governance During Organizational Transition in Voluntary Associations	No Key Words	This explorative field study examines the governance challenges that voluntary associations face in the transition from an internal focus on members to the provision of services to mainly nonmembers. This article describes the transition process in terms of five main management challenges: different target groups, self-help group versus competence center, cooperation, fundraising, and transparency.
48	Vaccaro & Madsen (2009)	ICT and an NGO: Difficulties in attempting to be extremely transparent	Non-governmental organization Transparency	This paper analyses the opportunities offered by information and communication technologies (ICTs) and the related ethical issues, within the transparency practices of nongovernmental organizations (NGOs). This study shows that, although the attempt to be completely transparent has great ethical value, ICT-enabled information disclosure is limited by privacy and security concerns and by pressure from financial supporters and benefactors and potential NGO competitors who vie for grants and donations.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
49	Weidenbaum (2009)	Who will Guard the Guardians? The Social Responsibility of NGOs	accountability, governance, multinational corporation, nongovernmental organization, social responsibility, transparency	This article presents a variety of ways in which NGOs could voluntarily strengthen their internal governance and thus become more accountable to their members and supporters as well as society at large. In the process, these important civil society organizations would enhance their effectiveness in achieving improvements in key areas of public policy.
50	Fuertes-Fuertes & Maset-Llaudes (2007)	Exploring Spanish nongovernmental organizations for development: An empirical approach	welfare economics, altruism, third sector, nonprofit institution, NGO, social capital	This study analyses the current position of nonprofit emerging sector in Spain. A series of index numbers have been established to measure these comparisons in order to study the types of relationships existing between them. Results show that the sector is developing toward transparency. However, from a financial point of view, it is still very dependent, not very critical, and atomized.
51	McCarthy (2007)	The ingredients of financial transparency	church, finance, accountability, transparency	This article examines the practices employed by the Archdiocese of Boston, which released a ground-breaking report in the spring of 2006. The article highlights the key lessons learned in the process and how they might be applied to other church organizations.
52	Delfin & Tang (2006)	Philanthropic strategies in place-based, collaborative land conservation: The Packard Foundation's Conserving California Landscape Initiative	Packard Foundation, philanthropy, conservation, environment	The Packard Foundation's Conserving California Landscape Initiative (CCLI), a US \$175 million 5-year (1998-2003) program intended to conserve 250,000 acres of open space in three regions in California, exemplifies the potential contribution and pitfalls of a private foundation's engagement in contemporary place-based, collaborative conservation.
53	O'rouke (2006)	Multi-stakeholder regulation: Privatizing or socializing global labor standards?	Labor standards, regulation, corporate codes of conduct, monitoring, apparel industry, NGO	This paper evaluates leading non-governmental labor regulation initiatives in the United States and Europe. It identifies critical factors which appear to support more effective non-governmental regulation, such as substantive participation of local stakeholders; public transparency of methods and findings; and mechanisms that bring market pressures to bear on multinational corporations, and simultaneously support processes of multi-stakeholder problem solving within factories and global supply chains.

Nº	REFERENCE	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
54	Thornton (2006)	Nonprofit fund-raising in competitive donor markets	nonprofit, fund-raising, market structure, efficiency	This article empirically examines nonprofit fund-raising decisions, privately and socially, under varying market conditions. The author finds evidence that, collectively, nonprofits may spend an inefficiently high share of their revenues on fund-raising. As such, the author offers alternatives to the common practice of collective fund-raising through institutions such as the United Way.



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CHAPTER 3

NONPROFIT GOOD GOVERNANCE FOR ACCOUNTABILITY: A SYSTEMATIC LITERATURE REVIEW

CHAPTER 3: Nonprofit Good Governance for Accountability: A Systematic Literature Review.

Chapter Abstract: Widespread acknowledgement of the importance of nonprofit good governance has emerged with a need for guidance that can assist professionals and researchers in the sector. Chapter 3 aims develop a systematic body of knowledge regarding good governance in the nonprofit sector as a mechanism to prevent and avoid the occurrence of fraud cases. We explore two research questions: (1) What are the main reasons that inspire nonprofit organizations (NPOs) to implement good governance mechanisms? (2) What are the good governance mechanisms conducted by NPOs? To solve these problems, a systematic literature review methodology is used for the identification, selection, and evaluation of published research on nonprofit good governance. A set of 70 papers from Web of Science and Scopus from 2005 to 2020 was analysed. This analysis enabled a new classification of the nonprofit and accounting literature that identifies 3 research lines and 13 research sub-lines. Our results highlight the scarce attention to the study of the good governance concept and the variety of internal mechanisms available and the large group of international third entities' initiatives that, supported by the need to adhere to the standards of ethics and honesty, have been consolidated relevant tools to cultivate the image and reputation of the nonprofit sector.

3.1. Introduction

For a long time, research has focused on accountability as one of the most important issues facing the nonprofit organizations (NPOs, hereinafter)² (Benjamin, 2008a; O'Dwyer and Unerman, 2008; G. D. Saxton and Guo, 2011). Nowadays, this concept continues to be in the spotlight (Dhanani and Connolly, 2015; Bromley and Orchard, 2016; McDonnell and Rutherford, 2019; Pape *et al.*, 2020). Among the various aspects of accountability, scholars have paid attention to the accountability practices (Benjamin, 2008a; O'Dwyer and Unerman, 2008); managing risk relationships as an aim of accountability systems (Benjamin, 2008b); performance and outcome measurement (Benjamin, 2010, 2013); nonprofit governance (Coule, 2015; Lee, 2016; Tacon, Walters and Cornforth, 2017b) and its practices (Lichtsteiner and Lutz, 2012). This article focuses on good governance of NPOs as a concept closely related to accountability (Dumont, 2013a).

To some extent, the awakening of the study of nonprofit governance is due to several cases of fraud, management manipulation and highly publicized scandals involving boards and executives (Gibelman and Gelman, 2001; Lichtsteiner and Lutz, 2012; Lee, 2016; Archambeault and Webber, 2018; LeClair, 2019) in recent years (LeClair, 2019). Although only a minority of NPOs seem to be involved in such scandals, the misconduct of a single NPO may cause substantial reputational damage for the whole sector (Hielscher *et al.*, 2017). These cases may have a destructive impact because donors worry about whether their donated resources are being employed properly (Szper and Prakash, 2011). This is a problem because NPOs depend on a culture of trust (Gibelman and Gelman, 2001; Harris, Petrovits and Yetman, 2017). Therefore, the greatest challenge currently facing NPOs is to demonstrate that the resources they receive are used with the best quality standards and are fully allocated to the fulfilment of the mission.

These cases have attracted concern from both the community and public authorities and have led to research in the field of good governance (Lichtsteiner and Lutz, 2012) to prevent the occurrence of fraud, avoid corruption and reduce managerial opportunism (Harris, Petrovits and Yetman, 2017; López-Arceiz and Bellostas, 2020; Lu *et al.*, 2020). Consequently, widespread acknowledgement of the importance of

² In this review, the term nonprofit organization (NPO) is used to refer to any organization that is part of the nonprofit sector.

nonprofit governance has emerged (Lee, 2016). A framework is needed that can assist professionals and researchers in the sector in obtaining a deeper understanding of good governance. Thus, this systematic literature review (SLR) examines the need to shed light on the good governance mechanisms available. This review aims to contribute to a deeper understanding of this field of study, which has been under-researched.

We intend to expand the understanding of good governance in NPOs by answering two research questions: (1) What are the reasons that inspire NPOs to implement good governance mechanisms? and (2) What are the good governance mechanisms conducted by NPOs? We conducted a SLR in the main nonprofit, ethics, accounting journals to identify, select, and evaluate published research on nonprofit good governance. A total of 6,278 articles were identified, with 2,871 from WoS and 3,407 from Scopus, the most relevant databases. After a rigorous and systematic review process, 81 articles until 2020 were analysed and synthesized. Through this methodology, a new classification of the literature is offered by presenting three research lines and thirteen research sub-lines, which can be used in further theoretical and empirical research. Among the main results, avoiding cases of fraud and being accountable to stakeholders are highlighted as the most important reasons for implementing good governance mechanisms. Additionally, we observed the need to continue delving into the concept of good governance in the nonprofit sector. A framework of governance is proposed to explain both internal and external mechanisms available to NPOs.

The survival of NPOs will largely depend on their ability to demonstrate that decisions, processes, and actions are performed with the highest levels of excellence. This chapter is structured in the following way. First, the authors provide an introduction. In Section 3.2, the background literature is presented. The methodology is described in Section 3.3. The results are analysed in Section 3.4. Finally, in Section 3.5, the conclusions and limitations are presented.

3.2. Theoretical background

As we note at the start of the “Introduction” section, NPOs worldwide have generated pressures for increased accountability and improved good governance practices. This section aims to clarify the concept of good governance in the nonprofit context in the existing literature. The term “governance” is closely related to the boards of directors because it is associated with the exercise of authority, management, operation and control (Stone and Ostrower, 2007; Speckbacher, 2008). Additionally, it can refer to operational guidelines for the interaction between boards of directors and stakeholders (Gill, Flynn and Reissing, 2005; Schnurbein, 2009). More recently, governance has been understood as the decisions of board members (Tacon, Walters and Cornforth, 2017a) and the policies and procedures by the board of directors to achieve the success of an NPO (Harris, Tate and Zimmerman, 2019) or an effective strategy (Boesso *et al.*, 2015). These broad notions of “governance” have been debated extensively in the nonprofit literature. Within the field of nonprofit research, governance has clearly been defined through the governing system comprising the board of directors (Stone and Ostrower, 2007).

However, this approach is not unique to governance. Effective governance is crucial not only to the soundness of a governing body but also to its ability to achieve the organization's mission (WANGO, 2005). Thus, another dominant aspect in the nonprofit and accounting literature entails governance as a way to achieve the social mission through a set of conditions that should be fulfilled and practices that should be applied (Willems *et al.*, 2017). It can be emphasized by adding “good” or even “best” practices (A Wagner, 2014).

Closely related to good governance is the concept of “self-regulation”. NPOs use self-regulation as a means to strengthen governance systems, as well as to signal quality (Gugerty, Sidel and Bies, 2010; Sidel, 2010) and it involves the sector’s ability to access, diversify, and attract external funding (AbouAssi, 2015). Thus signals nonprofit credibility (Gugerty, 2010). Self-regulation is considered a learning exercise for NPOs because it helps shape the nonprofit sector’s values and norms (AbouAssi, 2015). In short, it contributes to better accountability of NPOs to different stakeholders and reinforces the legitimacy of the sector to play an active role in society (Ebrahim, 2003; Argandoña, 2007).

These definitions suggest that NPOs should adopt governance practices or self-regulation that aim to achieve good governance in the eyes of society and desirable levels of accountability.

The next section presents the methodology followed in the present study.

3.3. Methodology

This study adopted a SLR method. This method is intended to synthesize the content of a group of articles in a specific field of study providing scientific knowledge (Denyer and Tranfield, 2009). A major advantage of this method is that it leads to a structured sequence of steps that can be verified and replicated (Tranfield, Denyer and Smart, 2003; Denyer and Tranfield, 2009). Thus, a SLR helps researchers synthesize the papers under review (Kraus, Breier and Dasí-Rodríguez, 2020). To identify the literature, this paper followed a specific protocol based on five steps (Denyer and Tranfield, 2009): (1) formulation of the research questions; (2) identification of the studies; (3) selection and evaluation of relevant studies; (4) analysis and synthesis; and (5) presentation of the results. Preliminary searches were performed to determine that there no previous literature review addressed this question. Next, each of the phases is described in greater detail.

3.3.1. Phase 1. Formulation of the research questions

The first phase in a SLR is to define the question(s) that the research aims to answer. The following research questions (RQs) were determined for this review:

- RQ₁. What are the main reasons that inspire NPOs to implement good governance mechanisms?
- RQ₂. What are the good governance mechanisms performed by NPOs?

3.3.2. Phase 2. Identification of the studies

The second phase consists of identifying relevant studies according to the abovementioned RQs. This step is essential because if the selected literature is inadequate, inappropriate or irrelevant, the contribution of the following phases will be lacking (Sangwa and Sangwan, 2018). Two key aspects must be established in

advance at this phase: (a) the choice of search databases and (b) the choice of search terms (Tranfield, Denyer and Smart, 2003; Denyer and Tranfield, 2009).

Scopus and Web of Science (WoS) were used to conduct the literature analysis. These are the largest databases used for searching the literature in different scientific fields (Guz and Rushchitsky, 2009; Joshi, 2016). Keyword selection was based on the terminology for designating an NPO, governance and self-regulation that was previously identified in brainstorming among the authors. The search string was adapted according to the characteristics of each database, as shown in Table 4.

Table 4 Search terms and search strings

Search terms	<ul style="list-style-type: none"> • <i>Sector-related search terms</i>: Nonprofit, Non Profit, Non-Profit, NPO, Third Sector, Third-Sector, NGO, Non-Governmental Organization, Non Governmental Organization, TSO, Nongovernmental Organization • <i>Self-Regulation</i> • <i>Governance</i>
Database	
Web of Science search string	TS = (("Nonprofit" OR "Non Profit" OR "Non-Profit" OR "NPO*" OR "Third Sector" OR "Third-Sector" OR "NGO" OR "Non-Governmental Organization" OR "Non Governmental Organization" OR "TSO" OR "Nongovernmental Organization") AND ("Self-Regulation" OR "Governance"))
Scopus search string	(TITLE-ABS-KEY ((self-regulation OR governance)) AND TITLE-ABS-KEY (({Nonprofit} OR {Non Profit} OR {Non-Profit} OR {NPO*} OR {Third Sector} OR {Third-Sector} OR {NGO} OR {Non-Governmental Organization} OR {Non Governmental Organization} OR {TSO} OR {Nongovernmental Organization})))

Source: Authors.

A total of 6,278 papers were identified in this second phase, 2,871 in WoS and 3,401 in Scopus.

3.3.3. Phase 3. Selection and evaluation of relevant studies

The purpose of the third phase is to establish the papers that will be analysed in the literature review. We established criteria for including and excluding papers (Denyer and Tranfield, 2009). Phase 3 was divided into two subphases for a more detailed process: "Phase 3A Selection of relevant studies" and "Phase 3B Evaluation of relevant studies".

Phase 3A Selection of relevant studies

In this stage, the search was limited to papers written in English language published until 2020, inclusive, whose titles, abstracts or keywords (TAK) met the search criteria (search performed on July, 2021). Thus, a total of 5,842 publications were selected (2,668 in WoS and 3,174 in Scopus).

At this point, the search was limited to “articles” as the type of document. Only articles that were published in nonprofit sector, third sector, voluntary sector, ethics and accounting journals (2019 version) were accepted. Limiting the analysed journals to those that specifically focus on the object of study is an exclusion criterion that has been previously applied in the accounting and economics literature (Dechow, Ge and Schrand, 2010; Licerán-Gutiérrez and Cano-Rodríguez, 2019) and specifically in the nonprofit field (see, for example, Cornforth, 2012; Garkisch, Heidingsfelder, & Beckmann, 2017; Maier, Meyer, & Steinbereithner, 2016). In addition, articles must be published in journals with impact indexes using the Journal Citation Report (JCR)³. A selection of papers indexed in JCR journals ensures the quality of the selected works. At this stage, 637 publications were selected (320 in WoS and 317 in Scopus).

Duplicate items found in both databases (WoS and Scopus) were subsequently eliminated, resulting in a set of 432 works. The database chosen as a reference to eliminate duplicate articles was WoS because it had a greater number of works at this time. Therefore, articles identified in Scopus that had already been identified in WoS were removed (205 exclusions). This sample met the criteria established in the present subphase.

Phase 3B Evaluation of relevant studies

³ The reviewed journals (ordered alphabetically) were “*Accounting and Business Research*”, “*Accounting Forum*”, “*Accounting Horizons*”, “*Accounting, Auditing and Accountability Journal*”, “*Accounting, Organizations and Society*”, “*Australian Accounting Review*”, “*Business Ethics-A European Review*”, “*Contemporary Accounting Research*”, “*Journal of Business Ethics*”, “*Nonprofit and Voluntary Sector Quarterly*”, “*Nonprofit Management & Leadership*”, “*The Accounting Review*” and “*VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*”.

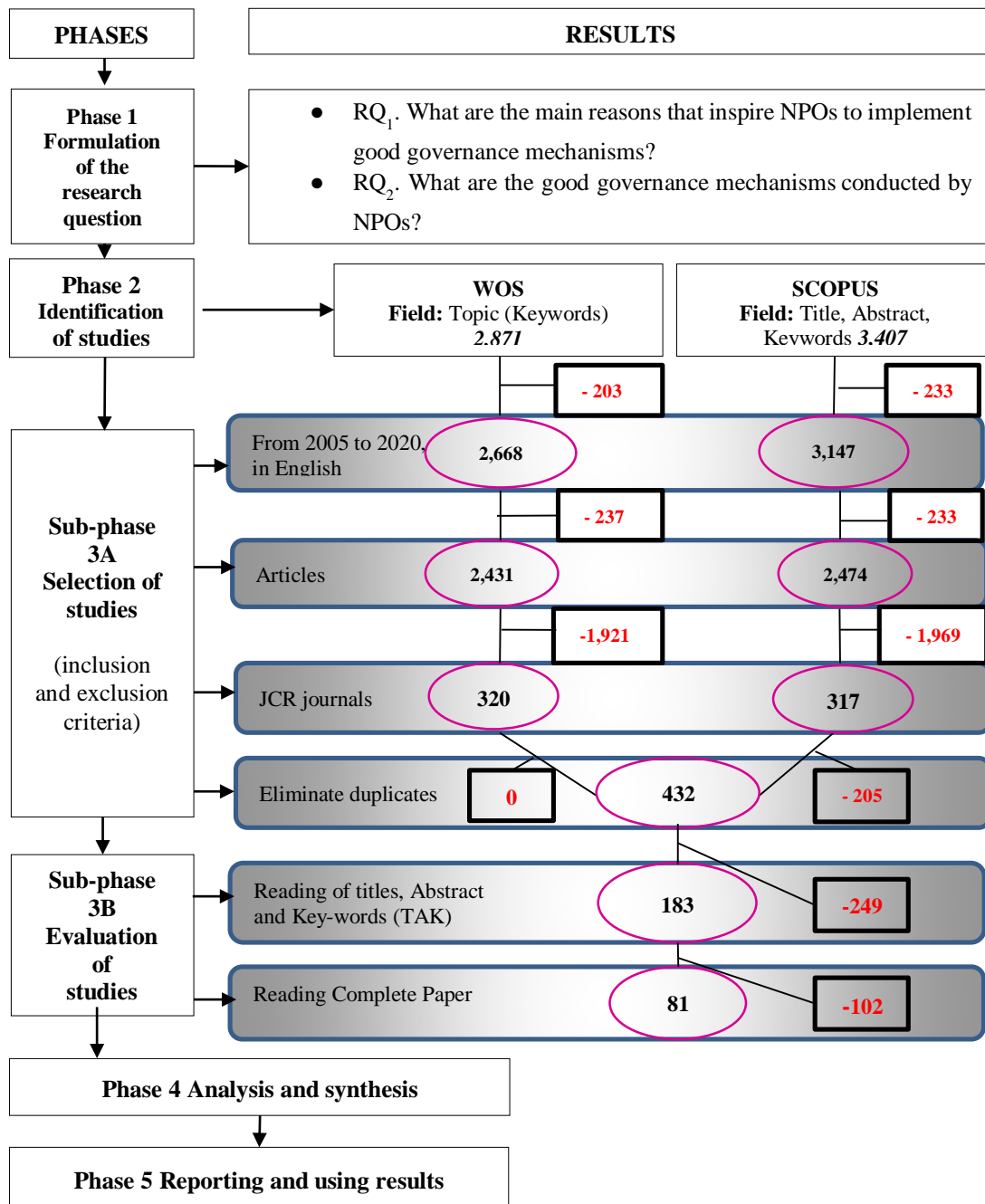
In the following sub-phase, the articles were evaluated. This enabled us to exclude papers whose content was not related to the aim of our study. First, TAK were read to identify papers that were relevant according to the RQs previously detailed. This process resulted in 183 papers for an in-depth analysis to further verify eligibility and to examine the theoretical framework, the main results, and the conclusions.

3.3.4. Phase 4. Analysis and synthesis of the results

Phase 4 consisted of analysing each of the selected articles by a complete reading. This process resulted in 81 articles. All or part of the content of these articles matched our focus and were expected to answer the research questions. Thus, these 81 articles (see Annex 3) were included in our final sample. A database was designed in a spreadsheet containing the main purposes and findings of each selected article. Complementary data, such as the year of publication, title, author, journal, methodology, keywords, abstract and number of citations, were identified. The main research lines and sub-lines were also identified.

Figure 6 presents an overview of the detailed process conducted in the previous phases and subphases and shows how papers were selected based on the inclusion and exclusion criteria.

Figure 6 Summary of the Systematic Literature Review (PRISMA)



Source: Authors.

3.3.5. Phase 5. Presentation of the results

The last phase of the SLR consists of reporting the final results. Papers were grouped by research lines and sub-lines, and the results presented and discussed in detail in Section 3.4 were identified.

3.4. Results

The results are presented under the headings of “descriptive analysis” and “research line and sub-lines”. First, sub-section 3.4.1. presents a description of the final sample related to the temporal distribution of the sample, the percentage of articles in each journal, the main methodologies used by scholars, and the most cited articles. These descriptive analysis do not respond to the RQs. However, sub-section 3.4.2. answers the RQs by dividing the final sample into research lines and sub-lines.

3.4.1. Descriptive analysis

For better understanding, the presentation of the results that emerged from the SLR are divided into “journals”, “temporal distribution of the sample”, “number of citations” and “distribution by research methods”.

3.4.1.1. Journals

Table 5 presents the number of papers in each journal until 2020. Slightly most of the selected articles were published in “*Nonprofit and Voluntary Sector Quarterly*” (33.33%), followed by “*Nonprofit Management & Leadership*” (27.16%) and “*VOLUNTAS*” (22.22%). Next, “*Journal of Business Ethics*” represented 7.41% and “*Accounting, Auditing and Accountability Journal*” represented 3.70% of the final sample. In the last position, with a similar number of publications, 2.47% of the articles were published in “*Accounting Horizons*”, followed by “*Accounting Forum*”, “*Contemporary Accounting Research*” and “*The Accounting Review*” with one article each (1.23%).

Table 5 Number of articles per journal

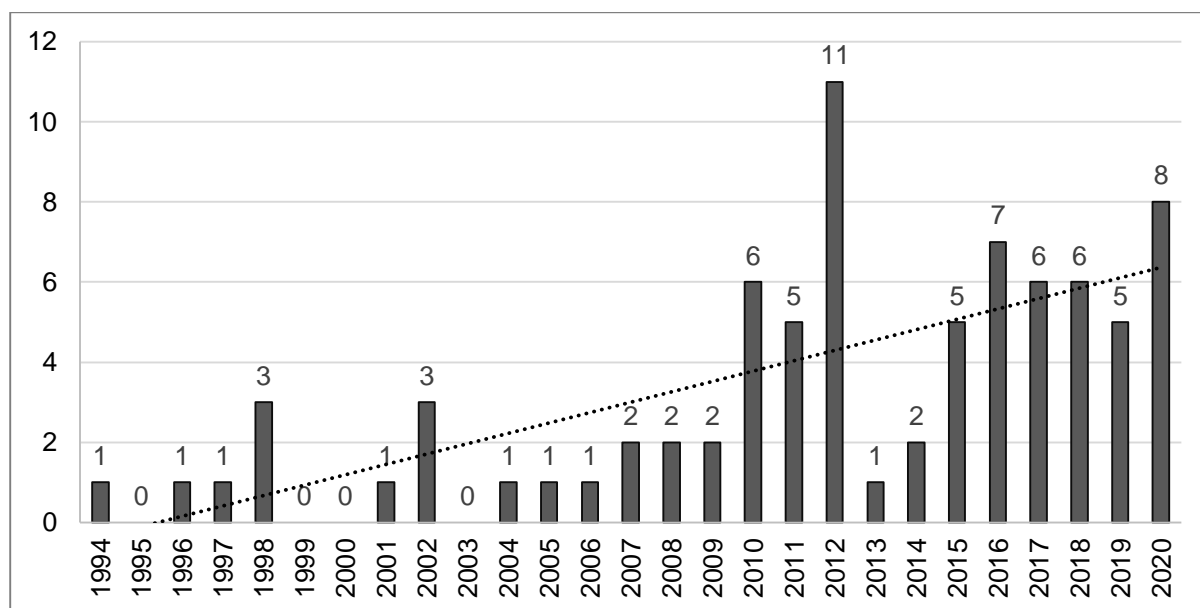
Journal	Number of Articles per Journal (No.)	Percentage of Articles per Journal (%)
Nonprofit and Voluntary Sector Quarterly	27	33,33%
Nonprofit Management & Leadership	22	27,16%
VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations	18	22,22%
Journal of Business Ethics	6	7,41%
Accounting, Auditing and Accountability Journal	3	3,70%
Accounting Horizons	2	2,47%
Accounting Forum	1	1,23%
Contemporary Accounting Research	1	1,23%
The Accounting Review	1	1,23%
Total	81	100

Source: Authors.

3.4.1.2. Temporal distribution of the sample

Figure 7 shows the number of articles per year until 2020. Two conclusions can be drawn. First, during the first years (from 1994 to 2009), stability predominated in the trend of publications; however, from 2010, a growing trend prevailed, peaking in 2012 and presenting a strong relapse in 2013. Second, more than half of the articles that constituted our final sample (44 out of 81) were included in 2010, 2012, 2016, 2017, 2018 and 2020.

Figure 7 Sample selection period



Source: Authors.

3.4.1.3. Number of citations

Table 6 presents the 10 most cited articles among the 81 considered for the present study. “*Nonprofit & Voluntary Sector Quarterly*”, with 4 articles, is the most represented journal, with a total of 426 citations in this ranking. It is followed by “*VOLUNTAS*” (205 citations), “*Nonprofit Management & Leadership*” (146 citations) and “*Accounting, Auditing and Accountability Journal*” (106 citations), the three journals with 2 articles each in the present ranking.

Table 6 Top 10 most cited articles

(*) Note: total citations until July, 2021

	Reference	Journal	Total citations*
1	Saxton & Guo (2011)	<i>Nonprofit & Voluntary Sector Quarterly</i>	144
2	LeRoux & Wright (2010)	<i>Nonprofit & Voluntary Sector Quarterly</i>	115
3	Szper & Prakash (2011)	<i>VOLUNTAS</i>	110
4	Cornforth (2012)	<i>Nonprofit & Voluntary Sector Quarterly</i>	103
5	Gibelman & Gelman (2001)	<i>VOLUNTAS</i>	95
6	Alexander & Weiner (1998)	<i>Nonprofit Management & Leadership</i>	82
7	Bies (2010)	<i>Nonprofit & Voluntary Sector Quarterly</i>	64

Table 6 Top 10 most cited articles (continuation)

	Reference	Journal	Total citations*
8	Brown (2002)	<i>Nonprofit Management & Leadership</i>	64
9	O'Dwyer & Boomsma (2015)	<i>Accounting, Auditing and Accountability Journal</i>	54
10	Dhanani & Connolly (2012)	<i>Accounting, Auditing and Accountability Journal</i>	52

Source: Authors.

3.4.1.4. Distribution by research method

The distribution of the articles according to the research method is detailed in Table 7. The field of good governance in the nonprofit sector was widely analysed from an empirical point of view (69 to 81 articles, 85.19%). The remaining 14.81% of articles proposed theoretical methods that deal with conceptual approaches.

Table 7 Number of publications by research method

(*) Note: the same article can be included in more than one empirical research methodology

Research Method	No.	%		
Theoretical	12	14.81%		
			Empirical Research	
			Methodology	No.
			Regression analysis	26
			Statistical tests	12
			Multivariate analysis	12
Empirical (*)	69	85.19%	Case study	11
			Qualitative research	9
			Descriptive analysis	7
			Bivariate analysis	3
			Other	11
Total	81	100		91

Source: Authors

Examining the empirical articles, we find that “regression analysis” to estimate the relationships between variables is the main research method (26/69). It includes many techniques, such as Poisson regression analysis, ordinary least squares (OLS) regression models, linear regression analysis, binary logistic regression and logistic regression models. The second most commonly used method is “statistical test” (12/69) to evaluate the evidence provided by the data against a hypothesis. Several statistical tests were identified in our sample: Cronbach’s alpha, T-test (Student’s T), the Mann-Whitney U test and the chi-square test. On a third level (12/69), “multivariate analysis” is used to study three or more variables simultaneously to determine the relationship between them. Examples include exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modelling (SEM). Twelve out of 69 of the articles are “case studies” using in-depth research of good governance aspects in the nonprofit sector to obtain data through methods such as observations, surveys and interviews. “Qualitative research” based on structured interviews, individual interviews, group discussions, archival analysis and observations is presented in 9 articles. A “descriptive analysis” or “descriptive statistics” for model variables are reported in 7 articles. The data were obtained from databases, interviews, surveys, questionnaires and archival analysis. Finally, a “bivariate analysis” to describe and evaluate the relationship between two variables or the behaviour of one variable as a function of another was used in 3 articles by analysis of variance tests (ANOVAs).

Focusing on the 69 empirical papers from the sample, only seven articles (see Table 8) analysed the concept of “good governance” in the nonprofit sector. Despite the abundance of empirical studies presented in this SLR (85.19%), very few articles (10.14%; 7 out of 69) attempted to research the concept of good governance. Table 8 summarizes these articles, detailing where the concept "good governance" appears (title, abstract or keywords) and the focus of the study.

Table 8 Good governance research in NPOs

Reference	Title	Abstract	Key-words	Focus of study
Gill et al., (2005)		√		Authors describe the development and validation of the Governance Self-Assessment Checklist (GSAC) designed to measure organizational effectiveness, identify strengths and weaknesses in governance, educate board members about the essentials of good governance, and improve governance practices.
Fuertes-Fuertes & Maset-Llaudes (2007)		√		Authors analyse Nongovernmental Organizations for Development (NGDOs) in Spain by grouping, measuring characteristics and using index numbers: "financial autonomy", "political independence", "contribution to social capital" and "transparency and good practices".
Lee (2016)	√	√	√	Authors examine the variables that measure NPOs' external environment (state regulations, funding and metropolitan area) and organizational characteristics (structure, activity, size, and age) to explain their likelihood of having written policies for good governance.
Harris, Petrovits & Yetman (2017)		√		Authors use the IRS (Internal Revenue Service) Form 990 to investigate whether strong governance reduces the likelihood of asset diversion by several measures that capture four governance constructs: "board monitoring", "independence of key individuals", "tone at the top", and "capital provider oversight".
Tremblay-Boire & Prakash (2017)		√		Authors explore whether individual donors in the United States are more willing to donate to a NPO participating in a "voluntary regulatory programme" as the NPO is obligated to adopt good governance rules and standards.
Gazley & Nicholson-Crotty (2018)	√			Authors help to fill the empirical gap in nonprofit governance research to produce conclusions about board performance and its association with organizational and labour dynamics.
Dula & Nicholson-Crotty (2020)		√		Authors measure how the gender composition of a board or its leadership relates to board performance using 19 indicators and focusing on the governance practices of United States-based NPOs.

Source: Authors.

Finally, as a general conclusion, we note the scarce attention to research on the good governance concept in the nonprofit sector. The focus of the studies summarized in Table 8 does not result in a quantifiable level of good governance that can be implemented in an NPO as a useful guide for different stakeholders. A guideline is necessary for nonprofit managers to generate and disclose information about good governance practices as stakeholders need to obtain reliable information regarding

how donations and resources are managed in the NPO to which they have allocated funds and for future decision making. Consequently, a gap appears in the prior literature regarding the objective quantification of the level of good governance in an NPO. Therefore, it is necessary to find the most suitable tool to measure good governance levels.

3.4.2. Research lines and sub-lines

The objective of a SLR is to show what are the reasons, theories, scope, methodology, results and main conclusions that support a research. Similarly, the SLR includes a complete articles reading used to answer the RQs on the subsection 3.4.2. All or part of the content of these articles included in the final sample matched our focus and were expected to answer the RQs. In order to answer both RQs, the results are obtained by the analysis and classification of the theoretical positions and/or from the empirical/theoretical sections of each article.

In the next step, the 81 articles resulting from the SLR were classified and analysed into three research lines (L) and their respective sub-lines (SL). The analysis and evaluation of these papers enabled a new classification of the literature (see Figure 8) based on three nonprofit good governance research lines:

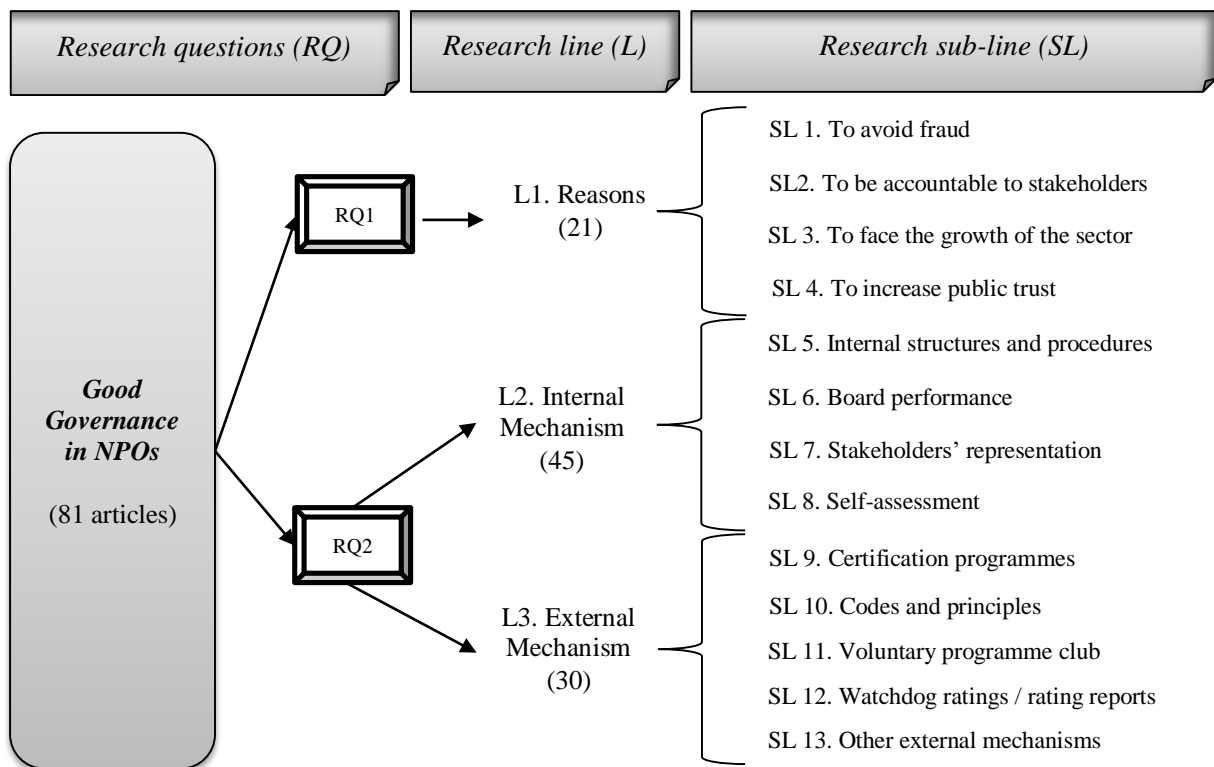
L₁: Detail of the main reasons that inspire NPOs to implement good governance mechanisms.

L₂: List of practices that an NPO can propose and implement from within the organization at its own discretion (internal mechanisms).

L₃: List of practices or initiatives that are proposed by third entities and that the NPO can decide to implement itself or participate in (external mechanisms).

It should be noted that the same article can be included in more than one research line or research sub-line.

Figure 8 Research lines and sub-lines



Source: Authors.

The following subsections analyse each of the three research lines and their respective sub-lines. In turn, some of the sub-lines can be divided into topics for a better understanding since they cover a high number of papers.

3.4.2.1. RQ₁. What are the main reasons that inspire NPOs to implement good governance mechanisms?

To respond to RQ₁, four reasons can be stated: to avoid fraud, to be accountable to stakeholders, to address the growth of the sector and to increase public trust.

First, in relation to avoiding fraud, deeper reasons are exposed in the existing literature: nonprofit governance is a key tool for reducing the likelihood of incurring corruption cases (de Andrés-Alonso, Cruz and Romero-Merino, 2006; Neely, 2011; López-Arceiz and Bellostas, 2020) and is negatively associated with their occurrence (Harris, Petrovits and Yetman, 2017). By employing governance policies, procedures,

and internal controls (Nezhina and Brudney, 2012; Archambeault and Webber, 2018) or designing tactical and strategic governance and management practices (Willems, 2016), NPOs can reduce not only the risk of fraud but also the impact of fraud that may occur and effectively anticipate, buffer, and absorb threats.

The second reason found in the literature is the growing pressure to demonstrate accountability by NPOs (Young, Bania and Bailey, 1996; Morrison and Salipante, 2007; Gugerty, Sidel and Bies, 2010; Rodríguez, Pérez and Godoy, 2012; O’Dwyer and Boomsma, 2015) to enhance credibility, effectiveness (Weidenbaum, 2009) and present their activities in a positive light (Dhanani and Connolly, 2012). In addition, involving a variety of stakeholders in governance (Xu and Liu, 2016; Tacon, Walters and Cornforth, 2017a) has important implications by producing particular forms and processes of accountability (Coule, 2015) where donor decisions are influenced by the quality of governance (Harris, Petrovits and Yetman, 2015).

Third, Lee (2016) notes that several factors have contributed to the growing pressure to adopt good governance mechanisms, particularly the growth of the sector. This growth represents the consequent greater visibility given the large number of services provided by NPOs worldwide (Gugerty, Sidel and Bies, 2010; Dhanani and Connolly, 2012) as well as the expansion in the number and role of NPOs (AbouAssi, 2015).

Fourth, increasing public trust is another reason for implementing good governance mechanisms (Bromley and Orchard, 2016). Public trust is a means or condition to access funding and resources by NPOs (Sidel, 2010) and is considered a key issue in the relationship between NPOs and both their donors and the state (Bies, 2010).

Table 9 represents research line 1 and indicates these four reasons (research sub-lines) that inspire an NPO to adopt mechanisms.

Table 9 Research line 1

Research Line	Research Sub-Line	Reference
L 1: Reasons	SL 1. To avoid fraud	Archambeault & Webber (2018); Bromley & Orchard (2016); de Andrés-Alonso et al., (2006); Harris et al., (2017); López-Arceiz & Bellostas (2020); Neely (2011); Nezhina & Brudney (2012); Rodríguez et al., (2012); Willems, (2016) and Xu & Liu, (2016)

Table 9 Research line 1 (continuation)

Research Line	Research Sub-Line	Reference
L 1: Reasons	SL 2. To be accountable to stakeholders	Coule (2015); Dhanani and Connolly (2012); Gugerty et al., (2010); Harris, Petrovits & Yetman (2015); Morrison & Salipante (2007); O'Dwyer & Boomsma (2015); Rodríguez et al., (2012); Tacon et al., (Tacon, Walters and Cornforth, 2017a); Weidenbaum (2009); Xu & Liu, (2016)
	SL 3. To address the growth of the sector	AbouAssi (2015); Dhanani and Connolly (2012); Gugerty et al., (2010); Lee (2016); Sidel (2010) and Xu & Liu (2016).
	SL 4. To increase public trust	Bies (2010); Bromley & Orchard (2016) and Sidel (2010)

Source: Authors.

As several studies have shown, there is more than one reason that inspires an NPO to implement good governance mechanisms. First, it seems important to encourage NPOs to place more emphasis on good governance mechanisms to prevent fraud cases (47.62%; 10 out of 21) and to be accountable to their stakeholders (47.62%; 10 out of 21). Good governance mechanisms are also necessary to address the growth of the nonprofit sector (28.57%; 6 out of 21) and to increase public trust (14.28%; 3 out of 21). The rest of the articles in the sample are analysed below.

3.4.2.2. RQ₂. *What are the good governance mechanisms performed by NPOs?*

Good governance promotes the establishment of internal and external mechanisms (Ebrahim, 2003; Williams and Taylor, 2013; O'Dwyer and Boomsma, 2015; Gazley and Nicholson-Crotty, 2018) as they operate jointly and in an integrated manner (Dhanani and Connolly, 2012). To answer RQ₂, the next subsection is divided into internal and external mechanisms. In this chapter, internal mechanisms are understood as practices that an NPO can propose and implement from within the organization at its own discretion. External mechanisms are practices or initiatives that are proposed by third entities and that the NPO can decide to implement or participate in.

- Internal mechanisms

More than a half of the articles in the final sample (55.55%; 45/81) are represented in this research line (L2). This research line that deals with good governance internal mechanisms is divided into four research sub-lines: (1) internal structures and procedures, (2) board performance, (3) stakeholder representation and (4) self-assessment. Some of these sub-lines can be divided into different topics for a more detailed analysis.

Research sub-line 5 refers to “Internal structures and procedures” (Table 10) through which an NPO formalizes and documents its own rules, its way of working, and how it conducts its decision-making and its responsibilities. A total of 19.75% (16/81) of the articles in the sample show how internal mechanisms of good governance can be developed through four topics: “formal policies”, “governance structures”, “internal systems” and “web-based practices”.

Table 10 Research Sub-line 5

Research Line	Research Sub-Line	Topics	References
L 2: Internal mechanisms	SL 5. Internal structures and procedures	Formal policies	Archambeault & Webber, (2018); Bromley & Orchard (2016); Dhanani and Connolly (2012) and Lee, (2016)
		Governance structures	Alexander & Weiner (1998); Cornforth (2012); Schnurbein (2009); Tran (2020); Weidenbaum (2009) and Young, Bania & Bailey (1996).
		Internal systems	LeRoux & Wright (2010); McDonnell & Rutherford (2019) and Othman & Ali (2014)
		Web-based practices	Cooley (2020); Rodríguez et al., (2012) and Saxton & Guo (2011)

Source: Authors.

Existing studies (25%; 4 of 16) tend to focus on how NPOs could benefit from implementing “formal policies”, which are used to avoid fraud and to prevent future

misconduct (Bromley and Orchard, 2016; Archambeault and Webber, 2018). In addition, having policies for good governance can help an NPO gain and maintain stakeholders' trust, support and contribution (Dhanani and Connolly, 2012; Lee, 2016).

NPOs rely on their "governance structures" to pursue crucial missions (Tran, 2020), as addressed in 37.5% of articles (6/16). Research shows how NPOs should voluntarily enhance or reform their governance structure (Weidenbaum, 2009; Tran, 2020) or adopt business practices (Alexander and Weiner, 1998). Furthermore, research examining the governance structures of NPOs has detected different patterns (Young, Bania and Bailey, 1996; Schnurbein, 2009) and ignored complex governance structures that many organizations have developed (Cornforth, 2012).

A total of 18.75% of the articles (3/16) focus on "internal systems", such as the adoption of a performance measurement system (PMS) to improve the level of effectiveness in strategic decision making (LeRoux and Wright, 2010), an internal control system (ICS) that can promote accountability and transparency and thus attract more donors (Othman and Ali, 2014) or a mechanism for NPOs to report serious incidents (McDonnell and Rutherford, 2019).

Finally, with the same weight (3/16), 18.75% of the articles contained "Web-based practices". The Internet is considered a strategic communication tool (Rodríguez, Pérez and Godoy, 2012) as well as an internal mechanism that helps to create a framework for more accountable, inclusive and transparent organizational practices (G. D. Saxton and Guo, 2011; Cooley, 2020).

Sub-line 6 (Table 11) refers to "Board performance" as the interpersonal dynamics between leaders and the rest of the people in an NPO and comprises 18.52% (15/81) of the articles in the final sample. It is divided into two topics: "board diversity" and "board relationships".

Table 11 Research Sub-Line 6

Research Line	Research Sub-Line	Topics	References
L 2: Internal mechanisms	SL 6. Board performance	Board diversity	Brown (2002); Buse, Bernstein, & Bilimoria (2016); Dula, Nicholson-Crotty, & Gazley (2020); Fredette, Bradshaw, & Krause (2016); Fredette & Bernstein (2019), Gibelman & Gelman (2001) and Shaiko (1997)
		Board relationships	Bernstein, Ruse, & Bilimoria (2016); Bradshaw (2002); McMullin & Raggo (2020); Rehli & Jäger (2011); Reid & Turbide (2012); Saidel (1998); Van Puyvelde, Brown, Walker, & Tenuta (2018) and Willems et al., (2017)

Source: Authors.

The 46.67% of articles on “board diversity” (7/15) focus on the influence of age, gender, and the racial or ethnic diversity of nonprofit board practices (Shaiko, 1997; Buse, Bernstein and Bilimoria, 2016; Fredette, Bradshaw and Krause, 2016; Fredette and Bernstein, 2019). These studies examine how a strategy to balance a board's diversity may serve many NPOs and has benefits derived from formally embedding its inclusion in work plans and practices (Brown, 2002; Fredette, Bradshaw and Krause, 2016; Dula, Nicholson-Crotty and Gazley, 2020) and, the development of the board through periodic rotation and the hiring of external members (Gibelman and Gelman, 2001).

The remaining 53.33% of the articles (8/15) framed within nonprofit “board relationships” are presented below. Research explores different relationships between the nonprofit board and chair leadership, meeting practices and group dynamics (Van Puyvelde *et al.*, 2018), chief executive officers (CEOs) (Buse, Bernstein and Bilimoria, 2016), executive directors (Jäger and Rehli, 2012), advisory board (Saidel, 1998) and staff (Bradshaw, 2002; Reid and Turbide, 2012).

In addition, a theoretical framework to understand relationships among individuals involved in the governance processes of NPOs (Willems *et al.*, 2017) or a model to illustrate the balance relationship between leadership and management for boards when NPOs face different crisis stages (McMullin and Raggo, 2020) is developed in this research sub-line.

Research sub-line 7 (8.64%; 7 out of 81), “Stakeholder’s representation”, contains aspects related to how different external groups of interest are involved in an NPO's decision processes and represent its interest (Table 12).

Table 12 Research Sub-Line 7

Research Line	Research Sub-Line	References
L 2: Internal mechanism	SL 7. Stakeholders' representation	Ben-Ner, A. & Van Hoomissen (1994); de Andrés-Alonso et al., (2006); Leardini, Rossi, Moggi, & Zardini (2017); Rehli & Jäger (2011); Schubert & Willems (2020); Speckbacher (2008) and Young (2011)

Source: Authors.

A new aspect of stakeholder analysis should allow NPOs to appropriately represent them by complementing traditional nonprofit practices (Schubert and Willems, 2020), such as by proposing the designation of the board members to ensure a power balance (Ben-Ner and Van Hoomissen, 1994; Rehli and Jäger, 2011; Leardini *et al.*, 2017) or by institutional donor representation on governing boards (de Andrés-Alonso, Cruz and Romero-Merino, 2006). A system of stakeholder governance must find the right balance and selection of stakeholder representation to best serve the mission (Speckbacher, 2008; Young, 2011).

The final classification (Table 13) of articles on internal mechanisms is concluded by developing research sub-line 8 (8.64%; 7 out of 81).

Table 13 Research Sub-Line 8

Research Line	Research Sub-Line	References
L 2: Internal Mechanism	SL 8. Self-assessment	Gazley & Nicholson-Crotty (2018); Gill et al., (2005); Harrison & Murray (2015); Lichtsteiner & Lutz (2012) and Nicholson, Newton, & McGregor-Lowndes (2012)

Source: Authors.

"Self-assessment" (also called "self-evaluation") can be defined as a continued improvement tool to help organizations consider what governance practices might be changed. This can be taken as a sign that nonprofit professionalism is based on

standards derived from experience acquired by the private sector (Lichtsteiner and Lutz, 2012). As a result, it has become an important education, preventive and self-evaluation tool to deliver better governance and demonstrate that NPOs are discharging their responsibilities effectively (Grunewald and Baron, 2004; Nicholson, Newton and McGregor-Lowndes, 2012; Gazley and Nicholson-Crotty, 2018)

In this review, we highlight self-assessment mechanisms, the "Online Board Performance Self-Assessment Application" (Board Check-Up) (Harrison and Murray, 2015), the "Governance Self-Assessment Checklist" (GSAC) (Gill, Flynn and Reissing, 2005) and the "Board Self-Assessment Questionnaire" (BSAQ) (Holland and Jackson, 1998), designed to identify strengths and weaknesses in NPO good governance practices.

Following the analysis of the internal mechanisms, we analyse the articles that contain aspects related to external mechanisms of good governance.

- External mechanisms

A total of 37.04% (30/81) of the articles included in research line 3 (L3) reveal good governance external mechanisms (Table 14). This research line reveals a series of external good governance mechanisms identified through the previous literature analysis, which are divided into different research sub-lines (SL): "certification programmes" (23.33%; 7/30), "codes and principles" (43.33%; 13/30), "voluntary programmes and clubs" (6.67%; 2/30), "watchdog ratings or rating reports" (16.67%; 5/30), and "other external mechanisms" (30%; 9/30). Each mechanism is detailed below.

Table 14 Research line 3

Research Line	Research Sub-Line	References
L 3: External mechanism	SL 9. Certification programmes	Bies (2010); Gugerty (2010); Sidel (2010); Burger (2012); Phillips (2012, 2013) & Tremblay-Boire & Prakash (2017).
	SL 10. Codes and principles	Fuertes-Fuertes and Maset-Llaudes (2007a); Bies (2010); Sidel (2010); Gugerty (2010); Gugerty and Prakash (2010); Rodríguez et al., (2012); Sargeant, Hudson and Wilson (2012); Jäger and Rehli (2012); Lichtsteiner and Lutz (2012); Bromley and Orchard (2016); Harris et al., (2017); Cabedo, Fuertes-Fuertes, Maset-Llaudes and Tirado-Beltrán (2018) and López-Arceiz and Bellostas (2020).
	SL 11. Voluntary programme or club	Gugerty (2010) and Tremblay-Boire & Prakash (2017)
	SL 12. Watchdog ratings/rating reports	Bies (2010); Szper and Prakash (2011); Tremblay-Boire & Prakash (2017); Beisland, Ndaki and Mersland (2019) and; Saxton and Neely (2019).
	SL 13. Other external mechanisms	Cornforth & Simpson (2002); Nezhina and Brudney (2010, 2012); Buse et al., (2016); Fitzgerald, Omer & Thompson (2018); Gazley and Nicholson-Crotty (2018); Harris et al., (2019); Iyer and Watkins (2008) and Lu et al., (2020).

Source: Authors.

"Certification programmes" or "standard programmes" aim to verify the degree of compliance with a set of principles, norms and procedures and certify whether the NPO complies with these good governance requirements (Sidel, 2010; Burger, 2012). This mechanism is implemented with the objective of demonstrating commitment to operating at the highest levels of transparency, accountability (Phillips, 2012, 2013; Tremblay-Boire and Prakash, 2017) and responsible practices (Gugerty, 2010; Burger, 2012). Hence, the better the results, the stronger the NPO's image of trustworthiness (Rosés, Robledo and Mayayo, 2014). Within this type of external mechanism, we can observe different modalities, such as "recognition passports" for monitoring fundraising by NPOs or a "seal" regarding ethics, corporate governance, efficient use of funds, fair accounting and transparency, among other standards (Bies, 2010).

The adoption of "codes" is a common mechanism based on recommendations for their establishment and management in NPOs (Fuertes-Fuertes and Maset-Llaudes, 2007a; Jäger and Rehli, 2012; Lichtsteiner and Lutz, 2012; Hielscher *et al.*, 2017; Cabedo *et al.*, 2018). Codes are routinely depicted as a way to improve accountability among NPOs (Gugerty and Prakash, 2010). A code aims to establish core values to guide the conduct of NPOs (Gugerty, 2010) or ethics guidelines to address growing concerns about donations (Bies, 2010). The content of a code can be composed of "principles of good practice" based on a clear ethical framework to provide assurance that NPOs meet certain standards of quality in their governance (Sidel, 2010; Bromley and Orchard, 2016; Harris, Petrovits and Yetman, 2017). In addition, it can be based on a "set of indicators" to help NPOs enhance their own credibility and to analyse the level of good governance (Rodríguez, Pérez and Godoy, 2012; Cabedo *et al.*, 2018; López-Arceiz and Bellostas, 2020). "Professional practices" to promote professionalism (Sidel, 2010) and "fundraising practices" to detail complaints received about the resources obtained (Sargeant, Hudson and Wilson, 2012) are observed.

Belonging to a "voluntary programme or club" can generate a signal of trust through the development of certification or accreditation mechanisms and the adoption of rules and standards for accountability, transparency, and good governance by NPOs' voluntary membership (Gugerty, 2010; Tremblay-Boire and Prakash, 2017).

Nonprofit donors face difficulties in accessing and interpreting information about how NPOs employ resources. "Watchdog ratings" make this information on fund use available to donors in a specific format (Szper and Prakash, 2011). This mechanism seeks to foster accountability by increasing the public scrutiny of NPOs and allowing donors to differentiate bad NPOs from good ones (Bies, 2010; Szper and Prakash, 2011; Saxton and Neely, 2019). "Rating reports" or "rating systems" include information on governance, management, financial performance, and operations (Beisland, Ndaki and Mersland, 2019) and help donors in decision-making (Szper and Prakash, 2011; Tremblay-Boire and Prakash, 2017; Saxton and Neely, 2019).

The adoption of "laws", even if they are not mandatory for NPOs, such as the Sarbanes-Oxley Act (Iyer and Watkins, 2008; Nezhina and Brudney, 2010, 2012) or the "survey index" to gather transparent information on board composition, policies, practices, and performance or resource allocation (Buse, Bernstein and Bilimoria, 2016; Gazley and Nicholson-Crotty, 2018; Lu *et al.*, 2020), can be incorporated into this classification. Finally, "independent auditors", "specialist auditors" or "external

consultants” serve as complements in the overall governance system of NPOs (Cornforth and Simpson, 2002; Fitzgerald, Omer and Thompson, 2018; Harris, Tate and Zimmerman, 2019).

3.5. Conclusions for Chapter 3

Because NPOs receive significant resources for important social projects, they are expected to adhere to the rules of ethics and honesty. They strive to implement good governance mechanisms to cultivate their image and reputation, which affect their legitimacy and, therefore, their survival as a sector. Thus, good governance mechanisms allow NPOs to be accountable and strengthen their credibility levels in the face of the variety and heterogeneity of actors from whom they receive funds, resources and support.

This SLR consider good governance as a crucial aspect of the accountability as NPOs are obliged to develop mechanisms that allow their stakeholders to assess the destination of resources. The analysis and evaluation of these papers has enabled a new classification of the literature that identifies three research lines based on nonprofit good governance: (L1) four reasons that inspire NPOs to implement good governance mechanisms, (L2) internal mechanisms and (L3) external mechanisms. By analysing good governance, we contribute theoretically to the existing literature by providing detailed guidance on effective mechanisms to increase good and ethical practices for the whole sector.

We believe this framework increases our understanding of existing research on nonprofit good governance and helps to design future research directions. As a future research line, we highlight the need to include journals of other fields of study (such as public administration or management), as nonprofit organization scholars publish extensively in other fields. In addition, the measurement of the extent on of good governance in NPOs is an important issue to be analysed in literature. More specifically, we suggest the development of appropriate tools to empirically measure the extent of good governance in an objective, a quantifiable way to avoid fraud and, eventually, address the growth of the sector.

For practitioners, this SLR is very useful as it details each of the internal and external mechanisms that can serve as guidance for the management of NPOs that seek to

achieve desirable levels of good governance. Future research lines on good governance has the potential to provide insights into the design of self-regulation mechanisms and other accountability initiatives for the nonprofit sector.

A limitation of this chapter is that this SLR was developed through a search of specific JCR journals. The field of the journals are nonprofit, voluntary, ethics and accounting. We are aware of the number of works published by other journals that could complement and enrich this study.

3.6. Annexes for Chapter 3

Annex 2 International Good Governance Initiatives to Achieve Non-profit Accountability

Country	Entity name	Mechanism	Reference
Cambodia	Cooperation Committee of Cambodia (CCC)	NGO Governance & Professional Practice (GPP)	Sidel (2010)
Canada	Imagine Canada	Imagine Canada's Standard Program	Phillips (2012, 2013) and Tremblay-Boire & Prakash (2017)
China	China Development Brief	China grassroots organizations' transparency index released (CTI)	Lu et al., (2020)
Ethiopia	Christian Relief and Development Agency (CRDA)	NGO Code of Conduct	Gugerty, (2010)
Germany	Federal Association of German Foundations (BDS)	Principles of good foundation practice	López-Arceiz & Bellostas (2020)
	The German Central Institute for Social Issues and the Association of German Development Nongovernmental Organizations (DZI & VENRO)	Guidelines Ethics in Fundraising Mailing	Bies (2010)
Ghana	Ghana Association of Private Voluntary Organizations in Development (GAPVOD)	The Ghana NGO/CSO Standards for Excellence	Gugerty, (2010)
India	Credibility Alliance	Norms of Accountability, Governance and Disclosure Practices	AbouAssi (2015) and Sidel (2010)
Ireland	Dóchas - Irish Association of Non-Governmental Development Organisations	Charities Governance Code	Hielscher et al.,(Hielscher <i>et al.</i> , 2017)
		Code of Conduct on Images and Messages	Hielscher et al.,(Hielscher <i>et al.</i> , 2017)
Kenya	The National Council of NGOs	NGO Code of Conduct	Gugerty, (2010)
Netherlands	The Netherlands Fundraising Regulator (CBF)	CBF Recognition Passport	Bies (2010)
Pakistan	Pakistan Centre for Philanthropy	Certification Programme	Sidel (2010)
Philippine	Philippine Council for Nonprofit Certification (PCNC)	NGO/Foundation Certification Process	Sidel (2010) and Tremblay-Boire & Prakash (2017)

Annex 2 International Good Governance Initiatives to Achieve Non-profit Accountability (continuation)

Country	Entity name	Mechanism	Reference
Spain	Loyalty Foundation	Principles of Transparency and Good Practice	Fuertes-Fuertes & Maset-Llaudes (2007a); López-Arceiz & Bellostas (2020) and Rodríguez et al., (2012)
	NGO Coordinator for Development - Spain (CONGDE)	NGDO Code of Conduct	Cabedo, Fuertes-Fuertes, Maset-Llaudes, & Tirado-Beltrán (2018) and Fuertes-Fuertes & Maset-Llaudes (2007a)
		Transparency and good governance tool	Cabedo, Fuertes-Fuertes, Maset-Llaudes, & Tirado-Beltrán (2018)
Switzerland	Swiss Foundations	Swiss Foundation Code	Lichtsteiner & Lutz (2012)
	Swiss NPO code	Swiss NPO code	Jäger & Rehli (2012)
	Swiss self-regulation agency (ZEWO)	Zewo-seal	Bies (2010)
Tanzania	National Council on NGOs (NACONGO)	National NGO Code of Ethics	Gugerty, (2010)
United States	BoardSource	BoardSource Nonprofit Governance Index (BSGI)	Buse et al., (2016) and Gazley & Nicholson-Crotty (2018)
	BoardSource and Independent Sector	The Sarbanes-Oxley Act and Implications for Nonprofit Organizations	Nezhina & Brudney (2010, 2012)
	Charity Navigator	Encompass Rating System	Saxton & Neely (2019); Szper & Prakash (2011) and Tremblay-Boire & Prakash (2017)
	Independent Sector	Principles for Good Governance and Ethical Practice	Bromley & Orchard (2016) and Harris et al., (2017)
United Kingdom	The Fund Raising Standards Board	Fundraising Promise	Sargeant, Hudson, & Wilson, (2012)
Uganda	Development Network of Indigenous Voluntary Associations (DENIVA)	NGOs regulating themselves: The NGO quality standards	Burger, (2012) and Gugerty, (2010)
	NGO Quality Assurance Certification Mechanism (QuAM)	NGO Quality Assurance Certificate	Burger (2012)

Source: Authors.

Annex 3 Summary of key aspects reviewed in the 81 final sample articles

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
1	Cooley, A. (2020)	Comparative analysis of online accountability practices in three sectors: private, public and nonprofit	Online accountability, Public sector, Private sector, Nonprofit sector, Comparative analysis	This paper comparatively reviews online accountability practices in public, private and nonprofit organizations, using the hospital industry as a case of analysis. There were statistically significant differences in online accountability practices among the three sectors.
2	Dula, L., Nicholson-Crotty, J., & Gazley, B. (2020)	Female leaders and board performance in member-serving nonprofit organizations		This article helps to fill this gap, focusing on the governance practices of US-based nonprofits serving a domestic or international membership. The findings suggest that a strategy to balance a board's gender may, but gender representation works in with other board characteristics.
3	Finley, A. R., Hall, C., Harris, E., & Lusch, S. J. (2020)	The Effect of Large Corporate Donors on Non-profit Performance	Non-profit organizations, Corporate philanthropy, Governance, Organizational performance	Authors examine the influence of corporate donors on the performance of recipient non-profit organizations (NPOs). The findings suggest that corporate donors provide the monitoring and expertise needed to enhance organizational performance beyond simply providing funding to NPOs.
4	López-Arceiz, F. J., & Bellostas, A. J. (2020)	Nonprofit governance and outside corruption: The role of accountability, stakeholder participation, and management systems	SEM, accountability, corruption, nonprofit	The aim is to analyze the role of certain nonprofit governance practices in fighting corruption. The results reveal that nonprofit governance is a key tool for mitigating corruption.
5	Lu, S., Huang, C. C., Deng, G., & Lu, K. (2020)	Transparency and Resource Allocation of Grassroots Nonprofits in China	Resource allocation, Transparency, Agency theory, Resource dependence theory, China	In this study, the authors examine the relationship between nonprofits' transparency and their resource allocation to programs, administration, and fundraising. The results suggest that nonprofits with higher transparency allocate more resources to programs rather than administration, a possible result of the current public scrutiny of nonprofit accountability in China.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
6	McMullin, C., & Raggio, P. (2020)	Leadership and Governance in Times of Crisis: A Balancing Act for Nonprofit Boards	governance, leadership, crisis, boards, COVID-19, management	Authors present a model of boards of directors' leadership and management roles under four governance configurations as organizations navigate through the stages of the pandemic. Authors suggest that organizations with governance configurations that are more suited to predictable environments will generally experience greater shifts between management and leadership activities as they move through the stages of the COVID-19 crisis.
7	Schubert, P. & Willems, J. (2020)	In the name of the stakeholder: An assessment of representation surpluses and deficits by nonprofit leaders	common agency, quantitative-exploratory, stakeholder power, stakeholder representation, stakeholder theory	This study uses insights from stakeholder theory and agency theory to investigate (1) how nonprofit leaders' perceptions of stakeholder power and stakeholder representation are interrelated across a wide range of stakeholder groups and organizations, and (2) how perceptions of power and representation differ between board members and executive managers.
8	Tran, L. (2020)	International NGO Centralization and Leader-Perceived Effectiveness	centralization, effectiveness, leaders, NGOs, reputations, social constructs	This study explores how centralization, a fundamental structural characteristic, relates to an international nongovernmental organizations (INGOs) effectiveness as perceived by its own leader versus by leaders of other INGOs. Findings suggest that centralized, unitary INGOs tend to have stronger internally perceived effectiveness but weaker externally perceived effectiveness reputations than decentralized INGOs do.
9	Beisland, L. A., Pascal Ndaki, D., & Mersland, R. (2019)	Influence of Ownership Type and CEO Power on Residual Loss: Evidence From the Global Microfinance Industry	CEO power, agency costs, microfinance, nonprofit organizations, residual loss	This study examines whether the agency cost component referred to as "residual loss" differs between nonprofit and shareholder-owned microfinance organizations and whether such costs are further influenced by CEO power. The empirical evidence illustrates the importance of installing proper governance mechanisms to minimize costs caused by high managerial power in the nonprofit sector.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
10	Fredette, C., & Bernstein, R. S. (2019)	Ethno-racial Diversity on Nonprofit Boards: A Critical Mass Perspective	diversity, board of directors, critical mass, nonprofit, governance performance	This study examines an alternative approach to understanding the relationship between the ethno-racial composition of boards and their perceived ability to engage stakeholders, improve organizational responsiveness, and manage fiduciary responsibilities. Authors find that boards achieving a critical mass of ethno-racial diversity improved board performance among three governance activities.
11	Harris, E., Tate, S. & Zimmerman, A. (2019)	Does Hiring a Local Industry Specialist Auditor Matter to Nonprofit Organizations?	audit quality, audit timeliness, auditor choice, auditor industry specialization, donations, nonprofit audit report lag	Author examined the determinants as well as consequences of local industry specialist auditor choice within the nonprofit sector. They find that local industry specialist auditors are associated with higher governance quality, poorer financial health, and greater complexity
12	McDonnell, D., & Rutherford, A. C. (2019)	Promoting charity accountability: understanding disclosure of serious incidents	Performance accountability, charity transparency, charity regulation, charity risk, nonprofit accountability	Authors provide the first analysis of the characteristics of charities voluntarily disclosing details of serious incidents that may threaten their organisation. Larger, older organisations that have previously been subject to a regulatory investigation are more likely to report them.
13	Saxton, G. D., & Neely, D. G. (2019)	The Relationship Between Sarbanes-Oxley Policies and Donor Advisories in Nonprofit Organizations	Accounting ethics, Charities, Nonprofits, Regulation, Sarbanes–Oxley	This study examines the impact of SOX on the nonprofit sector. The findings suggest that, controlling for other relevant organizational factors, the three SOX-inspired written policies are related to a reduced likelihood of donor advisories in the organizations rated by Charity Navigator.
14	Archambeault, D. S., & Webber, S. (2018)	Fraud survival in nonprofit organizations: Empirical evidence	fraud, Internal Revenue Service (IRS) 990, nonprofit, survival	This study examines the survival of NPOs after the discovery of a fraud and it is the first to provide empirical evidence of the impact of fraud, and to analyze the significance of underlying organizational and fraud factors. These findings suggest NPOs benefit by implementing governance policies and procedures that are consistent with those employed by more established organizations.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
15	Cabedo, J. D., Fuertes-Fuertes, I., Maset-LLaudes, A., & Tirado-Beltrán, J. M. (2018)	Improving and measuring transparency in NGOs: A disclosure index for activities and projects	NGOs, non-profit sector, project portfolio transparency, transparency index	This study contributes to the literature on transparency in NGOs by proposing an index to measure the information transparency of the projects implemented by these organizations. The index makes possible to analyze the level of transparency of the portfolio of projects, detect the specific aspects that could be improved in each organization, and carry out comparisons.
16	Crack, A. M. (2018)	The Regulation of International NGOS: Assessing the Effectiveness of the INGO Accountability Charter	Non-governmental organizations, Peer regulation, Self-regulation, Voluntary regulation	This is the first independent study of perceptions of the INGO Accountability Charter effectiveness. The findings contribute to the scholarly debate about the key drivers for voluntary regulation between 'club theorists' and 'constructivists' by demonstrating that NGO behaviour in this regard is both self-interested and norm-guided.
17	Fitzgerald, B. C., Omer, T. C., & Thompson, A. M. (2018)	Audit Partner Tenure and Internal Control Reporting Quality: US Evidence from the Not-For-Profit Sector	No Key Words	This study examines the effects of audit partner tenure and audit partner changes on internal control reporting quality for large U.S. not-for-profit (NFP) organizations. Authors find negative associations between audit partner tenure and the incidence of reported internal control reports (ICDs), the quality ICDs, and the severity of reported ICDs.
18	Gazley, B., & Nicholson-Crotty, J. (2018)	What Drives Good Governance? A Structural Equation Model of Nonprofit Board Performance	Associations, governance, performance, structural equation model	The study of nonprofit governance is coming into its theoretical heyday. But empirically, large-scale, generalizable data that can test these concepts on board performance have been scarce. The results suggest that board performance is associated with complex organizational and labor dynamics, and that performance metrics themselves are multidimensional.
19	Van Puyvelde, S., Brown, W. A., Walker, V., & Tenuta, R. (2018)	Board Effectiveness in Nonprofit Organizations: Do Interactions in the Boardroom Matter?	nonprofit organizations, governance, board effectiveness, group dynamics, chair leadership, meeting practices	This study explores how perceived interactions in the boardroom are associated with perceptions of board effectiveness in nonprofit organizations. The results show that interactions in the boardroom are generally positively associated with both board chairs' and chief executives' perceptions of board effectiveness.

N°	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
20	Harris, E., Petrovits, C., & Yetman, M. H. (2017)	Why Bad Things Happen to Good Organizations: The Link Between Governance and Asset Diversions in Public Charities	Nonprofit, Fraud, Corporate governance, Asset diversion, Asset misappropriation, IRS Form 990	Authors use IRS to investigate whether strong Authors use the IRS Form 990 to investigate whether strong governance reduces the likelihood of asset diversion by several measures that capture four governance constructs: "board monitoring", "independence of key individuals", "tone at the top", and "capital provider oversight".
21	Hielscher, S., Winkin, J., Crack, A., & Pies, I. (2017)	Saving the Moral Capital of NGOs: Identifying One-Sided and Many-Sided Social Dilemmas in NGO Accountability	NGO Accountability, Social Dilemma Analysis, Advocacy, Governance, Ordonomics	Authors contribute to the literature in developing a comprehensive rational-choice-based governance approach to analyze all stakeholder relationships of NGOs. Improving NGO accountability in relation to 'intended' beneficiaries, peer organizations and the public also requires identifying governance problem as a competition dilemma focusing on collective self-regulation.
22	Leardini, C., Rossi, G., Moggi, S., & Zardini, A. (2017)	When the Law Shapes Nonprofit Boards: The Key Role of Local Stakeholders	representation, governance, foundations, stakeholder influence, community, Italy	The study investigates how governance mechanisms can affect community representation within NPOs, focusing on Italian Bank Foundations. This study explores the moderating influence of local stakeholders in appointing board members, offering a wider point of view on the relationships among the five dimensions of representation.
23	Tacon, R., Walters, G., & Cornforth, C. (2017a)	Accountability in Nonprofit Governance: A Process-Based Study	Accountability, process research, nonprofit sport organisations, instrumental accountability, expressive accountability	This paper provides an empirical exploration of NPOs that are highly dependent on a single source of funding. The analysis shows how board members work to construct broader forms of accountability beyond accountability to the funder, but then struggle to enact them.
24	Tremblay-Boire, J., & Prakash, A. (2017)	Will You Trust Me?: How Individual American Donors Respond to Informational Signals Regarding Local and Global Humanitarian Charities	Charitable donations, Information-based regulation, NGO accountability, Survey experiments, Trust, Voluntary regulation	Authors conduct a survey experiment to explore if individual donors in the United States are more willing to give to a charity participating in a voluntary regulatory program. Authors find that charity membership in a voluntary program does not influence people's willingness to donate significantly, but that location of operations is significant.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
25	Willems, J., Andersson, F. O., Jegers, M., & Renz, D. O. (2017)	A Coalition Perspective on Nonprofit Governance Quality: Analyzing Dimensions of Influence in an Exploratory Comparative Case Analysis	Comparative case analysis, Leadership coalitions, Nonprofit governance quality	Authors explore contingencies between characteristics of nonprofit leadership coalitions and governance quality and they identify two dimensions to classify leadership coalitions: centralized versus diffused influence and specific versus holistic influence.
26	Bernstein, R., Buse, K., & Bilimoria, D. (2016)	Revisiting agency and stewardship theories: Perspectives from nonprofit board chairs and CEOs.	Nonprofit, board of directors, governance, performance, leadership, agency theory, stewardship theory	This study examines differences in the perceptions of nonprofit CEOs and board chairs on key governance aspects including board performance, leadership, satisfaction with diversity, and board meetings. The findings provide support for an agency theory explanation about the differing interests of principals (board chairs) and agents (CEO).
27	Bromley, P., & Orchard, C. D. (2016)	Managed Morality: The Rise of Professional Codes of Conduct in the US Nonprofit Sector	Accountability, codes of conduct, ethical codes, fraud, institutionalism, neoliberalism, professionalization, self-regulation	Authors draw on sociological institutionalism to theorize an alternative view of one form of self-regulation, formal codes of conduct or ethical codes. Authors provide evidence that codes arise due to general environmental conditions, particularly related to the influences of neoliberalism and professionalization, net of the functional demands of any particular context.
28	Buse, K., Bernstein, R. S., & Bilimoria, D. (2016)	The Influence of Board Diversity, Board Diversity Policies and Practices, and Board Inclusion Behaviors on Nonprofit Governance Practices	Diversity, Diversity Policies and Practices, Inclusion Behavior, Board Effectiveness, Nonprofit Boards	Authors investigate board diversity policies and practices as well as board inclusion behaviors as mediating mechanisms for the influence of age, gender and racial/ethnic diversity of the board on effective board governance practices. The findings suggest that board governance can be improved with more diverse membership but only if the board behaves inclusively and there are policies and practices in place to allow the diverse members to have an impact.
29	Fredette, C., Bradshaw, P., & Krause, H. (2016)	From Diversity to Inclusion: A Multimethod Study of Diverse Governing Groups	board of directors, diversity, inclusion, group dynamics, governance	This article explores the dynamics of diversity and inclusion in the context of boards of directors in the nonprofit sector. The findings suggest significant opportunities for meaningful change by shifting focus from diversity to inclusive practices within diverse groups.

N°	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
30	Lee, Y. J. (2016)	What Encourages Nonprofits' Adoption of Good Governance Policies?	nonprofit, good governance, written policies, resources	Authors examine the variables that measure NPOs' external environment and organizational characteristics to explain their likelihood of having written policies for good governance. These findings suggest that the nonprofit community should collectively invest in building the infrastructure that helps smaller organizations develop good governance policies and stay competitive.
31	Willems, J. (2016)	Organizational Crisis Resistance: Examining Leadership Mental Models of Necessary Practices to Resist Crises and the Role of Organizational Context	Crisis resistance, Nonprofit practices, Governance quality, NGOs, Nonprofit, Effectiveness, Leadership mental models, Agreement, Continuous improvement	This study explores which governance practices nonprofit leaders consider necessary to avoid organizational crises. The analysis reveals that nonprofit leaders consider continuous improvement, as a governance practice, particularly relevant for effective organizational crisis resistance. A multilevel analysis also shows that variations in leadership mental models cannot be explained by the organizational variables used in this study.
32	Xu, X., & Liu, R. (2016)	Evaluation of Corporate Governance in Chinese Mainland and Taiwan: A Comparative Study of Educational Foundations	Foundation, Governance evaluation, The Chinese Mainland, Taiwan, Comparative study	This study compares educational foundations in the Chinese Mainland and Taiwan systematically and empirically using a complete evaluation index system tool based on corporate governance theory that involves both static governance structures and dynamic governance mechanisms. The findings underscore the importance of policies that employ the principles of fairness and impartiality and that establish thereby an environment of mutual trust that fosters foundations' maturity and growth.
33	AbouAssi, K. (2015)	Testing Resource Dependency as a Motivator for NGO Self-Regulation: Suggestive Evidence From the Global South	self-regulation, NGOs, resource dependence	This article builds upon existing research to approach self-regulation from the theoretical perspective of resource dependency. The results are at best "suggestive." Self-regulation among this small subset of Lebanese NGOs is not necessarily adaptive or resource-based; it is more likely to be proactive and a result of voluntary adherence to informal norms and expectations.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
34	Coule, T. M. (2015)	Nonprofit Governance and Accountability: Broadening the Theoretical Perspective	Accountability, case studies, compliance, governance, legitimacy	This article critiques the positioning of accountability as a benign and straightforward governance function. The article clarifies how principal-agent governance assumptions, based on a central logic of unitarism, can drive narrow compliance-based interpretations of accountability.
35	Harris, E., Petrovits, C. M., & Yetman, M. H. (2015)	The Effect of Nonprofit Governance on Donations: Evidence from the Revised Form 990	Non-profit organizations, Corporate philanthropy, Governance, Organizational performance	Authors examine whether donors reward NPOs with better governance. Authors find consistent evidence that donations and government grants are positively associated with factors that capture good governance, including formal written policies, independent audits and audit committees, review and approval of executive compensation, board oversight, management characteristics, and accessible financial information.
36	Harrison, Y. D., & Murray, V. (2015)	The Effect of an Online Self-Assessment Tool on Nonprofit Board Performance	nonprofit organizations, boards of directors, online self-assessment, board performance, board effectiveness, change, governance behavior, governance practices, governance process	This article reports on perceptions of the effectiveness of NPO boards of directors and changes in governance behavior obtained from a free online board performance self-assessment tool known as the Board Check-Up (www.boardcheckup.com). The results provide empirical support for the value of utilizing the online board performance self-assessment application and insights into its impact as a means of making changes in the governance process.
37	O'Dwyer, B., & Boomsma, R. (2015)	The co-construction of NGO accountability	Accountability, Non-governmental organisation (NGO), Adaptive accountability, Development aid, Felt accountability, Imposed accountability, NGO accountability	The purpose of this paper is to deepen and advance the understanding of the construction of accountability within the relationship between government funders and development non-governmental organisations (NGOs). The case unveils the dynamics through which accountability within a major government funding scheme for NGOs was co-constructed by Oxfam Novib and the Dutch government's development aid department.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
38	Othman, R., & Ali, N. (2014)	NPO, Internal Controls, and Supervision Mechanisms in a Developing Country	Charities, Developing country, Internal control system	The premise of this paper is that effective supervision and proper internal control system (ICS) can promote accountability and transparency, and this will attract more donors. Authors propose what type of regulation and assistance can be provided by the authorities to this sector, not only in Malaysia but also in other developing countries facing similar challenges.
39	Wagner, A. (2014)	Good Governance: A Radical and Normative Approach to Nonprofit Management	Good governance, Organizational purposiveness, Civic engagement, Social justice	This article proposes a radical and normative approach to understanding governance as one of the core issues dealt with in nonprofit management. The article addresses both, researchers interested in overcoming the division that exists between descriptive and prescriptive approaches to understanding governance and faculty concerned about the relevance of nonprofit management in an increasingly complex organizational environment.
40	Phillips, S. D. (2013)	Shining Light on Charities or Looking in the Wrong Place? Regulation-by-Transparency in Canada	Charity regulation, Transparency, Charity reporting, Co-regulation, Canadian charities, Regulation-by-transparency	The article outlines a conceptual model of charity regulatory regimes and applies this to analyze recent developments of regulation-by-transparency in Canada. This Canadian case study demonstrates how transparency can become politicized, damaging the relationship between the regulator and the charitable sector.
41	Burger, R. (2012)	Reconsidering the Case for Enhancing Accountability Via Regulation	NGO, Regulation, Oversight, Uganda	This paper considers dangers and pitfalls associated with a range of oversight options and scenarios, including self-regulation, government regulation, donor monitoring and community participation.
42	Cornforth, C. (2012)	Nonprofit Governance Research: Limitations of the Focus on Boards and Suggestions for New Directions	governance, boards, limitations, new research directions	This paper examines some of the main limitations of research on the governance of nonprofit organisations. As a result too little attention has been paid to board processes and change and how they are influenced by contextual and historical factors.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
43	Dhanani, A., & Connolly, C (2012)	Discharging not-for-profit accountability: UK charities and public discourse	Accountability, Charities, Non-profit organizations, Public discourse, Stakeholder theory, Disclosure, United Kingdom, Accounting, Annual reports	This paper aims to examine the accountability practices of large United Kingdom charities through public discourse. The results suggest that contrary to the ethical model of stakeholder theory, the sample charities' accountability practices are motivated by a desire to legitimize their activities and present their organizations' activities in a positive light.
44	Jäger, U. P. & Rehli, F. (2012)	Cooperative power relations between nonprofit board chairs and executive directors	governance, nonprofit management, case study	This comparative case study analyzes the preferences and capabilities of the board chair and the executive director given environmental and organizational pressure. The article compares the results of two main and two replicated cases that underwent significant processes of governance change, which led to a replacement of the board chair and the executive director.
45	Lichtsteiner, H., & Lutz, V. (2012)	Use of self-assessment by nonprofit organization boards: The Swiss case	assessment, governance, nonprofit, evaluation	This article provides an overview of current practice in the use of self-assessment by non-profit boards in Switzerland, its antecedents, and its effects from a neoinstitutionalist perspective.
46	Nezhina, T. G., & Brudney, J. L. (2012)	Unintended? The effects of adoption of the Sarbanes-Oxley Act on nonprofit organizations	nonprofit governance, financial oversight, accountability, Sarbanes-Oxley Act	This article investigates the benefits and costs to nonprofit organizations emanating from the adoption of the Sarbanes-Oxley Act (2002). The article finds that about half the surveyed nonprofits adopted provisions of the act and experienced effects in proportion to the level of adoption.
47	Nicholson, G., Newton, C., & McGregor-Lowndes, M. (2012)	The nonprofit board as a team: Pilot results and initial insights	board evaluation, boards of directors, governance, nonprofit	This article describes initial results aimed at developing a psychometrically sound, survey-based board evaluation instrument based on the Team Development Survey, which assesses the team attributes of an organization's board. The results indicate that while constructs applicable to teams generally appear to apply to boards, there are also important differences.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
48	Phillips, S. D. (2012)	Canadian Leapfrog: From Regulating Charitable Fundraising to Co-Regulating Good Governance	Charitable fundraising, Co-regulation, Self-regulation, Meta-regulation, Canadian charities	Authors analyse an open question to whether new self- and state regulation will remain as dual systems or evolve into a hybrid co-regulatory regime in which government integrates charitable sector certification into its own risk management.
49	Reid, W., & Turbide, J. (2012)	Board/Staff Relationships in a Growth Crisis: Implications for Nonprofit Governance	governance, crisis, relationship, trust	This longitudinal study of four not-for-profit organizations in the cultural sector examines the evolving relationship between boards and staff. The authors relate their findings to those of other governance studies on crises and alternative theories of governance.
50	Rodríguez, M. D. M. G., Pérez, M. D. C. C., & Godoy, M. L. (2012)	Determining Factors in Online Transparency of NGOs: A Spanish Case Study	Best practice, Disclosure, NGOs, The Internet, Transparency	This article identifies the influence of the factors 'organizational size', 'organizational age', 'public funding', 'legal form', 'internationalization', 'board size', and 'board activity' in the dissemination of web information. Results show that 'organizational size', 'public funding,' and 'organizational age' are statistically significant.
51	Sargeant, A., Hudson, J., & Wilson, S. (2012)	Donor Complaints About Fundraising: What Are They and Why Should We Care?	Fundraising regulation, Fund raising regulation, Self-regulation of fundraising	Authors conduct through this study an analysis of the Fund Raising Standards Board to highlight the percentage of solicitations in a wide variety of media that result in a complaint. Athors interpret the results in the context of the wider literature exploring the role of complaints in bolstering customer/donor satisfaction and determining subsequent behaviour.
52	Neely, D. G. (2011)	The Impact of Regulation on the U.S. Nonprofit Sector: Initial Evidence from the Nonprofit Integrity Act of 2004	No Key Words	This study examines the characteristics of California charitable organizations before and after the Act to understand the initial impact the Act had on nonprofit organizations. Key findings from the study include limited reported improvement in financial reporting quality and an increase in accounting fees following the implementation of the Act.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
53	Rehli, F., & Jäger, U. P. (2011)	The Governance of International Nongovernmental Organizations: How Funding and Volunteer Involvement Affect Board Nomination Modes and Stakeholder Representation in International Nongovernmental Organizations	Civil society organizations, CSO governance, International nongovernmental organizations, Nonprofit boards, Resource dependency theory, Stakeholders	The research suggests that INGOs) can follow a membership model, where the board is elected by the membership or a board-managed model, where the board is appointed to represent major stakeholders. The results highlight the relevance of board nomination modes and by showing how CSOs can incorporate stakeholders into their governance mechanisms.
54	Saxton, G. D., & Guo, C. (2011)	Accountability Online: Understanding the Web-Based Accountability Practices of Nonprofit Organizations	Web site, accountability, community foundations, new media, nonprofit organizations	This article presents a set of conceptual, theoretical, and empirical innovations to help understand this phenomenon. Results show that the Web site has been more effectively used to provide financial and performance disclosures than to provide dialogic mechanisms for stakeholder input and interactive engagement. Results highlight capacity- and governance-related variables as the most significant factors associated accountability practices.
55	Szper, R., & Prakash, A. (2011)	Charity Watchdogs and the Limits of Information-Based Regulation	Charity watchdogs, Accountability	Authors examine Charity Watchdog's usefulness in the context of the nonprofit sector which tends to show signs of governance failure. Authors find that charities believe that donors tend not to systematically embed ratings in their donation decisions.
56	Young, D. R. (2011)	The Prospective Role of Economic Stakeholders in the Governance of Nonprofit Organizations	Governance, Stakeholders, Nonprofit financing, Free riding, Competition	This article focuses on the nexus between the governance of U.S. nonprofit organizations and their ability to secure the resources necessary to effectively execute their missions. Different sources of non-profit income are associated with alternative stakeholders.
57	Bies, A. L. (2010)	Evolution of Nonprofit Self-Regulation in Europe	nonprofit self-regulation, accountability, agency theory, resource dependence theory, institutional theory	This article explores the emergence of nonprofit self-regulation in long-established and emergent nonprofit sectors in Europe. An analysis of the European context more broadly reveals that as self-regulation is emerging across a number of contexts, there is evidence of isomorphism.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
58	Gugerty, M. K. (2010)	The Emergence of Nonprofit Self-Regulation in Africa	accountability, Africa, NGO, self-regulation, voluntary standards	This article examines the evolution of NGO self-regulation in Africa from 1990 through 2009. The article argues that self-regulation in Africa has unfolded in two generations.
59	Gugerty, M. K., Sidel, M., & Bies, A. L. (2010)	Introduction to Minisymposium: Nonprofit Self-Regulation in Comparative Perspective-Themes and Debates	Accountability, accreditation, certification, regulation, self-regulation, standards	This minisymposium addresses self-regulation in a systematic way across settings by taking a comparative perspective on self-regulation initiatives in three regions: sub-Saharan Africa, Asia, and Europe.
60	LeRoux, K., & Wright, N. S. (2010)	Does Performance Measurement Improve Strategic Decision Making? Findings From a National Survey of Nonprofit Social Service Agencies	Accountability; Decision making; Outcomes; Performance; Strategic management	This study seeks to address this gap in the literature. Authors find a positive relationship between the range of performance measures used by nonprofits and their level of effectiveness in strategic decision making.
61	Nezhina, T. G., & Brudney, J. L. (2010)	The Sarbanes-Oxley Act More Bark Than Bite for Nonprofits	Governance, Nonprofit accountability, Nonprofits and the Sarbanes-Oxley Act, Sarbanes-Oxley Act effects	This article explores the impact of the SOX on the nonprofit sector. The study finds that the level of SOX adoption in NPOs is determined to a large extent by NPOs' accountability and transparency structure prior to SOX.
62	Sidel, M. (2010)	The Promise and Limits of Collective Action for Nonprofit Self-Regulation: Evidence From Asia	self-regulation, Asia, Philippines, India, Pakistan, Cambodia, China, codes of conduct, certification	This article analyzes the rapid development and forms of nonprofit self-regulation in Cambodia, India, Pakistan, and the Philippines and the motivations behind this rapid growth.
63	Schnurbein, G. V. (2009)	Patterns of Governance Structures in Trade Associations and Unions	No Key Words	This article examines the governance structures of trade associations and unions as a special type of nonprofit organization. The results distinguish four categories: satellite, delegate, executive, and inner-circle governance
64	Weidenbaum, M. (2009)	Who will Guard the Guardians? The Social Responsibility of NGOs	Accountability, governance, multinational corporation, nongovernmental organization, social responsibility, transparency	This article presents a variety of ways in which NGOs could voluntarily strengthen their internal governance and become more accountable. It would enhance their effectiveness in achieving improvements in key areas of public policy.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
65	Iyer, V. M., & Watkins, A. L. (2008)	Adoption of Sarbanes-Oxley Measures by Nonprofit Organizations: An Empirical Study	No Key Words	This paper reports the results to determine the degree to which these organizations have voluntarily adopted provisions of the SOX. Results indicate that many of the nonprofits in this survey have either already adopted governance measures similar to those prescribed by SOX or are in the process of doing so.
66	Speckbacher, G. (2008)	Nonprofit versus corporate governance: An economic approach	Corporate-nonprofit relationships, Social alliances	Authors compared managers' perspectives on relationship governance mechanisms for 267 nonprofits and 276 corporations involved in corporate-nonprofit relationships. Authors suggest potential for significant success in these types of relationships but also possible complications from differences of opinion as to how they should be governed.
67	Fuentes-Fuentes, I., & Maset-Llaudes, A. (2007a)	Exploring Spanish nongovernmental organizations for development: An empirical approach	Altruism, NGO, Nonprofit institution, Social capital, Third sector, Welfare economics	This study analyzes the current position of this emerging sector in Spain. The results show that the Spanish NGOD sector is developing toward transparency. However, from a financial point of view, it is still very dependent, not very critical, and very atomized.
68	Morrison, J. B., & Salipante, P. (2007)	Governance for broadened accountability: Blending deliberate and emergent strategizing	grounded theory, accountability, governance, strategy	This article attempts to stimulate research and contribute to knowledge by (a) synthesizing concepts of accountability presented by Behn (2001), Kearns (1996), and Boland and Schultze (1996) into two categories: rule-based and negotiable accountability; (b) developing grounded concepts concerning the practice of governance; and (c) exploring the interrelationships of the previously concepts.
69	de Andrés-Alonso, P., Cruz, N. M., & Romero-Merino, M. E. (2006)	The governance of nonprofit organizations: Empirical evidence from nongovernmental development organizations in Spain	nonprofit governance, board of trustees, nongovernmental development organizations, efficiency	The authors study how the donors' structure and board of trustees relates to organizational efficiency. Results show that the presence of an active institutional donor provides a control mechanism for these NGDOs, thus favoring the efficient allocation of resources, and that the structure of the board of trustees is irrelevant in this respect.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
70	Gill, M., Flynn, R. J., & Reissing, E. (2005)	The governance self-assessment checklist: An instrument for assessing board effectiveness	No Key Words	This article describes the development and validation of the Governance Self-Assessment Checklist (GSAC). The results of the study indicated that the subscales have excellent internal consistency reliability, exhibit good criterion-related validity, and are able to discriminate between stronger and weaker aspects of board functioning.
71	Grunewald, D., & Baron, P. (2004)	Plum Valley Hospital: A critical governance matter instructor's note	Board of Directors, business ethics, conflict of interest, hospital governance, non profit management, self-dealing	This case involves the quandary of a businessman. A member of the Board of Trustees of Plum Valley Hospital, he is uneasy about apparent conflicts of interest among many board members. Further, Mr. Eldredge is unsure if he can fulfill his responsibilities to the Board.
72	Bradshaw, P. (2002)	Reframing Board-Staff Relations: Exploring the Governance Function Using a Storytelling Metaphor	No Key Words	This article attempts to reframe board-staff relations by presenting an alternative perspective on governance, management, and leadership functions within nonprofit organizations. This in turn enables us to enhance the creative potential of the governance function and allows governance to support the goal of creating resilient, adaptive, learning organizations.
73	Brown, W. A. (2002)	Inclusive governance practices in nonprofit organizations and implications for practice	No Key Words	This research investigated the prevalence of inclusive governance practices and its relationship to board composition, diversity attitudes, and recruitment practices. 56 executive directors and forty-three board members representing 62 NPOs returned a mailed survey.
74	Cornforth, C., & Simpson, C. (2002).	Change and continuity in the governance of nonprofit organizations in the United Kingdom: The impact of organizational size	No Key Words	This article reports on the results of a survey of charities in England and Wales, which examined how their boards are changing and whether various external initiatives to improve board performance are having an effect. The findings suggest that the size of the organization does matter, as a variety of board characteristics and changes vary with size.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
75	Gibelman, M., & Gelman, S. R. (2001)	Very public scandals: Nongovernmental organizations in trouble.	nongovernmental organizations; NGO scandals; charities; accountability; role of the press; third-sector credibility	This paper analyzes, from a cross-national perspective, publicized incidents of alleged wrongdoing on the part of NGOs. The underlying problems that allowed these cases to occur and their implications regarding NGO credibility and public trust are identified, and strategic options for enhancing accountability presented.
76	Alexander, J. A., & Weiner, B. J. (1998)	The adoption of the corporate governance model by nonprofit organizations	No Key Words	This article examines the circumstances under which NPOs adopt corporate governance practices. In the study reported here, the authors found that adoption of corporate governance practices depends primarily on the presence of a supportive institutional context as well as available resources to support governance restructuring.
77	Holland, T. P., & Jackson, D. K. (1998)	Strengthening board performance	No Key Words	This article reports findings from organizations. The experimental group showed significant improvements in board performance, and the comparison group did not. Lessons from the study include a number of practical steps boards can take to reorganize governance procedures and structures to enhance board effectiveness.
78	Saidel, J. R. (1998)	Expanding the governance construct: Functions and contributions of nonprofit advisory groups.	No Key Words	This article finds that advisory groups are a critical instrument of governance in many public benefit NPOs with government grants or contracts. Nonprofit governance theory should take into account the functions and contributions to governance of advisory groups.
79	Shaiko, R. G. (1997)	Female participation in association governance and political representation: Women as executive directors, board members, lobbyists, and political action committee directors	No Key Words	This analysis of more than eleven hundred business, trade, and professional nonprofit associations identifies several internal organizational barriers to leadership for women. In addition, the analysis highlights the importance of female representation in governance positions, such as executive directors and board members, and of the selection of women as the political representatives of associations in roles such as lobbyists and political action committee directors.

Nº	AUTHORS	TITLE	KEY WORDS	CHARACTERISTICS AND MAIN FINDINGS OF EACH STUDY REVIEWED
80	Young, D. R., Bania, N., & Bailey, D. (1996)	Structure and accountability a study of national nonprofit associations	No Key Words	This article reports on a study of the organizational structures of national nonprofit associations and asks how these umbrella organizations can help to self-regulate the sector through appropriate checks and balances between the national organization and local affiliates. The authors identify a number of differences in how associations with alternative structures hold local affiliates and national organizations responsible for their performances, and they conclude that structure is an avenue of self-regulation for nonprofit organizations deserving further attention.
81	Ben-Ner, A., & Van Hoomissen, T. (1994)	The governance of nonprofit organizations: Law and public policy.	No Key Words	This article proposes a legal and policy framework for empowering consumers, donors, and sponsors—those who have an economic demand for the nonprofit form of organization. The framework establishes a formal status of membership, accords standing in the court of law to members, enhances direct information dissemination by nonprofit organizations, and empowers state-sponsored agencies to support and oversee nonprofit organizations.

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CHAPTER 4

TRANSPARENCY INDICATORS TO IMPROVE ACCOUNTABILITY FOR NON-PROFIT ORGANIZATIONS: A SPANISH CASE STUDY

CHAPTER 4: Transparency Indicators to Improve Accountability for Non-Profit Organizations: A Spanish Case Study

Chapter Abstract: We are currently witnessing the development of a set of organizations that have been entrusted with meeting the very diverse needs of citizens. As a result, they receive funds, in order to ensure they are managed appropriately. The transparency of the information revealed by Nonprofit Organizations (NPOs) has become of increasing interest to public authorities and research. However, very few studies empirically measure the extent of transparency in NPOs. Only a handful checked the compliance of various indicators, lacking agreement on which ones to include and their weighting. To address this issue, this study empirically validates the weighting of the indicators from the alliance between the Platform for Social Action NGO and the Spanish Coordinator for Development NGO (CONGDE) document with experts in NPOs' opinions. We use the Best-Worst Method (BWM) to optimally assign weights to multi-criteria decision making situations. Our results show interesting differences in the level of importance given to the indicators by the CONGDE and experts, suggesting the need for a revision of the importance proposed.

4.1. Introduction

In a world of growing social demands, the role of Non-profit Organizations (NPOs, hereafter) is crucial. This is recognized by both public authorities and the society in general.

NPOs are accomplishing functions intended to strengthen the achievement of the social and ecological dimensions of sustainable development (Valentinov and Vaceková, 2015). For this purpose, peace is necessary, as is good governance of organizations. The present research is largely justified by the Sustainable Development Goals (SDGs) promulgated by the United Nations. NPOs have become an essential element of the so-called social economy. Social economy entities are responsible for promoting social and economic transformations with a direct impact on the environment in which they operate. The Division for Sustainable Development Goals (DSDG) in the United Nations Department of Economic and Social Affairs (UNDESA) provides support and capacity-building for the SDGs and their related issues. SDGs comprise economic, social and environmental aspects (Anwar et al., 2020). DSDG plays a key role in the evaluation and implementation of the 2030 Agenda.

The 2030 Agenda for Sustainable Development, contains 17 Sustainable Development Goals (SDGs). We have focused our study on the goals *16.6 Develop effective, accountable and transparent institutions at all levels* and *17.19 (...) build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries*. Improving transparency and good governance in NPOs is a way of working towards a sustainable environment, ultimately trying to build a better world. The sustainability of the planet rests on many bases. According to the United Nations, Goal *16 Peace, Justice and Strong Institutions* is achieved by reducing violence and abuse, but also by fostering effective and transparent accountable institutions at all levels.

To achieve all of the aforementioned goals, NPOs need to receive funds from public authorities and private donors. Consequently, these organizations make an effort to disclose information regarding the appropriate use of the funds received. Transparency of disclosed information in NPOs has become a hot topic in accounting literature. However, an analysis of prior literature on transparency in this sector has revealed a series of concerns.

Some examples of the aforementioned sets of indicators, particularly in Spain, are those proposed by the Platform for Social Action NGO and the Spanish Coordinator for Development NGO (CONGDE, hereafter) (2019) and the Loyalty Foundation (2020). These set select a wide variety of indicators, and have a lack of consensus regarding which indicators better represent the concept of transparency in an empirical sense. Moreover, the only set that indicates weights for the indicators is from CONGDE (2019), and does not provide a theoretical foundation nor an empirical validation for such weights. As a theoretical contribution, our study highlights a gap in prior literature on information disclosure in the nonprofit sector: the proposal of an appropriate selection of indicators that correctly measures the extent transparency of disclosed information by NPOs with an adequate weighting of the indicators according to their importance to explain transparency.

To fill this gap, we propose an optimal weighting of a set of indicators. The Best–Worst Method (BWM) optimizes the weighting of a series of indicators according to the relative importance of the different criteria when compared to the others, using experts (Rezaei, 2015).

In this chapter, different experts representing the six most important social entities in Spain have answered a questionnaire using the BWM to compare the importance they give to the indicators proposed by CONGDE. To obtain a general and reliable weight for each indicator in agreement with all of the experts' opinions in which they agree, a consensus reaching process (CRP) must be applied (Saint and Lawson, 1994). In a CRP, experts discuss and modify their initial opinions in order to bring them closer together and achieve a consensual value that satisfies the majority of the group. In our proposal, we apply a CRP that allows a consensual weight to be computed for each indicator, in order to represent its importance regarding transparency.

A second contribution from an empirical point of view is, the proposed weighted set of indicators with the weighting from the CONGDE battery. Interestingly, our results show the discrepancy between the relative importance of the different indicators perceived by CONGDE and by the experts, thereby suggesting the need for revision of the proposed weighting by CONGDE. In this sense, our study could be helpful for practitioners, public regulators and supervisory authorities by serving as a guide to improve the assessment of the extent of NPO transparency and disclosure.

The aim of this chapter is to obtain a series of indicators to measure the extent of transparency of any NPO, proposing an optimal weight for each those transparency

indicators according to their importance, which is empirically validated by experts in this sector, with a great extent of consensus on the weight of such indicators.

This Chapter 4 is structured in the following way. First, an introduction is provided. In Section 4.2, the theoretical background is presented. The methodology and research design is described in Section 4.3. The discussion of the results are analysed in Section 4.4. The robustness test is presented in Section 4.5. To finish, the conclusions and limitations are presented in Section 4.6.

4.2. Theoretical background. Measurement of transparency in the information disclosed by NPOs

4.2.1. Transparency in NPOs. Importance and challenges

Nowadays, the recognition of the activity of NPOs in our society has increased due to the growth of complex social problems (Austin, 2000) and their response to such collective needs, improving the social and economic environment (Manville and Greatbanks, 2016). This social role implies responsibilities from these organizations, existing a growing concern about promoting ethical attitudes to manage NPOs. Such concern has increased due to the inappropriate behaviour of some NPOs (Greenlee et al., 2007), damaging the traditional image of the credibility of this sector (Valencia et al., 2015).

One of the key aspects of credibility is the transparency of disclosed information to stakeholders (Sanzo-Pérez, Rey-Garcia and Álvarez-González, 2017). However, there is no explicit, unique definition of the concept “transparency” in the literature. Clarifying this concept is one of the most complex and important issues facing the nonprofit sector (Benjamin, 2008; Tacon et al., 2017). Transparency is related to the availability of information that improves the stakeholders’ decision-making process, allowing them to evaluate and detect inefficiencies in the performance of NPOs (Tremblay-Boire and Prakash, 2015; Sanzo-Pérez, Rey-Garcia and Álvarez-González, 2017). Consequently, transparent disclosing by NPOs should provide their stakeholders relevant and reliable information (Burger and Owens, 2010; Gandía, 2011) specially, to their donors (Keating and Frumkin, 2003). This may enhance perceived trust of NPOs (Gandía, 2011) and ensure that the application of the received funds do not

deviate from the social mission (Hale, 2013). A lack of transparency in this sector is worrisome (Burger and Owens, 2010) due to the potential loss of support from donors, volunteers, resulting in the consequent organizational failure (Speckbacher, 2008; Hale, 2013).

Thus, there is a growing concern by managers of NPOs of the need to increase the transparency of disclosed information, given the public and social supervision of their fiscal, ethical, and performance accountability of the money they receive (Greenlee *et al.*, 2007; Schatteman, 2013). However, the nonprofit sector lacks of a clear and uniform regulation in this sense (Greenlee *et al.*, 2007; Schatteman, 2013). This fact leads NPOs to adopt self-regulated actions, such as the voluntary disclosure of key organizational information (Hale, 2013).

In conclusion, recent studies highlight the increasing importance of transparent information in NPOs (Burger and Owens, 2010; Hale, 2013; Sanzo-Pérez, Rey-García and Álvarez-González, 2017), although few empirical studies measure it. Considering the vast number of empirical studies, the number of papers that try to measure the extent of transparency in NPOs is scant (Ortega-Rodríguez *et al.*, 2020). Moreover, these studies disagree on how to measure transparency, which suggest the need for a suitable transparency measurement technique.

4.2.2. Measurement of the transparency of disclosed information in NPOs: The use of indicators

Literature provides models to measure the performance of NPOs (Cestari *et al.*, 2018; Willems *et al.*, 2014) using indicators (Righi and Andreoni, 2014; M. Kim, 2017). However, non-profit transparency measurement systems in particular have received limited attention.

One of the most common techniques to assess the extent of the transparency of NPOs is by checking whether NPOs meet several items (referred to as indicators) that are indicative of transparency (Valencia, Queiruga and González-Benito, 2015). Indicators are instruments that check the extent of compliance of several aspects of a given variable. In turn, those indicators may be used to make comparisons between different NPOs. Following the previous definition, we can point out some advantages of using indicators to measurement of transparency in NPOs: i) Indicators may improve the performance of NPOs and increase the transparency and the trust of funders and

the society (Righi and Andreoni, 2014). ii) From the CONGDE perspective (2019), indicators in NPOs guarantee an adequate level of transparency based on a responsible exercise of self-regulation. iii) It is an easy and inexpensive tool to apply (Righi and Andreoni, 2014).

Notwithstanding, several problems arise when indicators are used as instruments to measure transparency. There is no a common agreement on which indicators should be considered neither what the importance of each indicator to represent transparency is. It would be necessary, thus, to establish a common framework of transparency indicators that could be adapted to each NPO. The data obtained by the indicators should be easily interpretable, enabling a comparison between different organizations of the nonprofit sector.

In an attempt to propose a potential solution to this problem, we have considered the implementation of a set based on indicators. This model is expected to offer guidance to the NPO managers who wish to disclose useful and easily interpretable information about received funds management to their stakeholders. This, together with the accounting system should contribute to giving the organisation a good reputation.

4.2.3. Transparency of NPOs in Spain

The set of transparency indicators in the nonprofit sector in the international setting and, more specifically, in the Spanish context, require a systematic contrast process. Other sectors should be revised, e.g., there are set of indicators implemented in the public sector. In this sense, the work proposed by the Spanish organization *Transparency International Spain* stands out in this field. This organization has developed indicators to rank the transparency of municipalities, autonomous communities, councils, parliaments, public companies and political parties.

The aforementioned model could be adopted as a reference to work with a similar technique in the nonprofit sector. However, the analysis should account for the specific characteristics of this sector such as the role of covering social needs, which is difficult to quantify (Franco and Raja, 2014), or the fact that profit maximization is not the main target for the firm (Hofmann and McSwain, 2013).

Different institutions have proposed a set of indicators that refer to qualitative and quantitative aspects of the transparency of the financial information that is disclosed

by NPOs. In Spain, the main set of indicators proposals come from four entities: *Loyalty Foundation*, *Commitment and Transparency Foundation*, *Spanish Association of Accounting and Business Administration (AECA)* and *CONGDE*. However, a few problems arise. The indicators proposed by those entities are not homogeneous, they are not included in all of the set and their different weights differ depending on which institution proposes them (Moreno-Albarracín et al., 2020).

We have focused our study on the tool used by the CONGDE, as it is the most widely used and it comprises of more than 450 organizations. Moreover, the CONGDE is considered to be a representative entity in the nonprofit sector in Spain that has made 11.400.000 attentions and had the collaboration of 5.011.000 members, 391.000 volunteers and 97.000 workers. Furthermore, this is the only set for which the careful consideration of the different indicators to measure transparency in NPOs is indicated (although these suggested weights are not empirically based nor theoretically explained). Considering the lack of theoretical and empirical evidence of the weights of the indicators in the CONGDE document, our study aims to provide an appropriate empirical assessment of the different indicators according to their importance in reflecting the transparency in a NPO.

4.3. Methodology and research design

4.3.1. Methodology: Multi-criteria group decision making and the Best–Worst Method

Multi-criteria group decision making (MCGDM) problems are characterized by a set of experts, $E = \{e_1, \dots, e_m\}$, who evaluate different alternatives, $A = \{a_1, \dots, a_p\}$, over a set of criteria, $C = \{c_1, \dots, c_n\}$. For instance, a daily MCGDM problem in everyday life could be the purchase of a car, in which the alternatives might be different car models and the criteria might be features related to the cars such as speed, consumption or potency. One of the most relevant tasks when trying to solve any MCGDM problem and obtain reliable solutions is criteria weighting. For this reason, different MCGDM weighting techniques have been introduced in the specialized literature, several of them based on the experts' opinions elicited by pairwise comparisons (Saaty, 1989; Rezaei, 2015) and in the nonprofit field (See for example: Celik & Gumus, 2018; Džunić et al., 2018). As stated before, the measurement of transparency in NPOs is a

complicated issue and there is not an empirical process to set the weights for the transparency indicators. Therefore, a formalized process that allows the weights for such indicators to be obtained is necessary and applying a MCGDM technique might fill this gap.

The BWM (Rezaei, 2015) is a MCGDM method that computes the prioritization of different decision elements using pairwise comparisons. This technique consists of comparing only the best and the worst element of the decision making problem with the remaining elements. In this way, BWM reduces the number of comparisons needed to obtain the prioritization values of the elements and, consequently, reduces the inconsistency in decision makers' opinions represented by pairwise comparison matrices, which is provoked when the number of comparisons is too large.

Usually, BWM is used to obtain the weights for the criteria of a MCGDM problem. To do this, the best criterion C_B and the worst criterion C_W are selected by the decision makers and compared with the rest of the criteria. The following steps compromise the BWM for the criteria weights computation are (Rezaei, 2015):

1. First; determine a set of decision criteria.
2. Second; select the best criterion C_B and the worst criterion C_W . If there are several best and/or worst criteria, they are selected randomly.
3. Third; make pairwise comparisons between C_B and the rest of the criteria, by obtaining the *Best to others* (BO) vector, $BO = \{a_{B1}, a_{B2}, \dots, a_{Bn}\}$, where a_{Bj} represents the preference degree of C_B over the criterion C_j and $a_{B1} \geq 1, j = 1, 2, \dots, n, j \neq B$.
4. Fourth; make pairwise comparisons between C_W and the rest of the criteria, by obtaining the *Worst to others* (WO) vector, $WO = \{a_{1W}, a_{2W}, \dots, a_{nW}\}$, where a_{jW} represents the preference degree of the criterion C_j over C_W and $a_{jW} \geq 1, j = 1, 2, \dots, n, j \neq B \text{ or } W$.
5. Fifth; compute the criteria weights by using optimization models. For each reference comparison, the optimal criteria weights satisfy $w_B/w_j = a_{Bj}$ and $w_j/w_W = a_{jW}$. Hence, the maximum absolute differences $|w_B/w_j - a_{Bj}|$ and $|w_j/w_W - a_{jW}|$ should be minimized.

$$\min \varepsilon$$

$$s. t = \begin{cases} \left| \frac{w_B}{w_j} - a_{Bj} \right| \leq \varepsilon \\ \left| \frac{w_j}{w_W} - a_{jW} \right| \leq \varepsilon \\ \sum_{j=1}^n w_j = 1 \\ w_j \geq 0 \quad \forall j = 1, 2, \dots, n \end{cases} \quad (1)$$

A consistency ratio for evaluation was also introduced in the consistency of the decision makers' opinions (Rezaei, 2015). A comparison is fully consistent when $a_{Bj} \times a_{jW} = a_{BW}, \forall j$, where a_{Bj} is the preference of the best criterion is over the criterion j , a_{jW} is the preference of the criterion j over the worst criterion and a_{BW} is the preference of the best criterion over the worst criterion. The consistency ratio is computed as follows:

$$\text{Consistency Ratio} = \frac{\varepsilon^*}{\text{Consistency Index}} \quad (2)$$

where ε^* represents the maximum absolute difference among the optimal weights and the reference comparisons and *Consistency Index* is a numerical values obtained from a_{BW} (Rezaei, 2015).

We consider BWM to be an appropriate technique in our field of research, given that it permits a reasonable assessments of NPO transparency criteria to be carried out based on expert opinions in NPOs.

4.3.2. Methodology: Consensual weights for transparency indicators

The BWM allows the weights to be obtained for the indicators from experts' opinions represented by pairwise comparison matrices. Such opinions, however might be conflictive. If we want to obtain a global weight for each specific indicator, in which the group agree, we should apply a CRP (Saint and Lawson, 1994; Butler and Rothstein, 2007).

A CRP is a dynamic and iterative process in which initial opinions are modified to bring experts' preferences closer in order to be able reach an agreed solution. Thus,

once we have obtained a set of weights for the indicators from each expert, our aim is to apply a CRP to obtain a consensual weight for each indicator. There are multiple CRP proposals in the specialized literature (Ben-Arieh & Easton, 2007; Labella et al., 2018; Rodríguez et al., 2018) but, for this contribution, we have used a minimum cost consensus (MCC) model (Ben-Arieh and Easton, 2007), in an attempt to obtain a consensual solution by preserving the initial experts' opinions as much as possible. Therefore, for our problem, the weights of the indicators computed by using the BWM are modified until a consensus weight is reached, the MCC model guarantees that such consensual value is computed by changing the experts' opinions as little as possible. It is defined as:

$$\min \sum_{k=1}^m c_k |\bar{o}_k - o_k| \quad (3)$$

$$s. t. \bar{o}_k - \bar{o} \leq \varepsilon, k = 1, 2, \dots, m.$$

where o_k represents the weight obtained from the expert's opinion e_k for a specific indicator, \bar{o}_k represents the modified weight for such expert, \bar{o} represents the collective opinion for the group and ε measures the absolute deviation between each expert's modified opinion and the collective opinion.

4.3.3. Research design

4.3.3.1. Variable definition: Description of the criterion to be weighted

As previously mentioned, we will focus on a transparency analysis based on the indicators proposed by CONGDE. The purpose is to determine the appropriate weighting of both the criteria that are indicative of the extent of transparency (blocks of indicators) and the sub criteria that will be considered for each of these blocks. For a detailed definition of the variables, see Table 15.

Table 15 Variable definitions

BLOCKS OF INDICATORS	SUBCRITERIA (Public availability of the following aspects)
TR1 Structure and Composition of the Government Board.	TR1.1: Composition of the Government Board, including the name, responsibility in the entity and description of their career path.
	TR1.2: Link between the members of the Government Board with liability charges in the same institution (political party, trade union, holding, religious formation or public administration), whenever the proportion of these charges exceed 40% of the composition of the Government Board.
	TR1.3: Organization chart as well as the names of the main responsible members of the executive structure.
	TR1.4: Statutes and other specific rules.
	TR1.5: Salary tables.
TR2 Definition of its Mission, Vision and Values.	TR2.1: Definition of the Mission of the entity.
	TR2.2: Definition of the Vision of the entity.
	TR2.3: List of Values of the entity.
	TR2.4: Information about the history of the events relative to the entity (constitution year, motivation, founders and milestones).
	TR2.5: Ethical Recommendations for the Third Sector of Social Action and/or other codes of conduct (specifically written or subscribed) of the entity.
TR3 Social Support.	TR3.1: Quantitative data about the stakeholders (natural or legal persons) that conform the social support of the entity (partners, donors, volunteers and beneficiary persons), offering details about what to understand for each of these people.
	TR3.2: Quantitative data about the employees of the entity.
	TR3.3: List of the networks or federations to which the entity belong.
	TR3.4: List of the public and private funders that are legal persons.
	TR3.5: Document that develops the criteria to ask for information and communicate complains about the operating organizational structure (at least by e-mail or telephone).
	TR3.6: Information about the implementation of territorial organization (headquarters)
	TR3.7: Public aid and public and private subsidies that the entity receive (amount, purpose and beneficiary groups).

Source: CONGDE (2019)

Table 15 Variable definitions (continuation)

BLOCKS OF INDICATORS	SUBCRITERIA (Public availability of the following aspects)
TR4 Planing and accountability.	TR4.1: Strategic planning.
	TR4.2: Private availability of the strategic planning
	TR4.3: Annual financial statements of the entity (balance sheet, profit and loss statement, budget document and economic memory).
	TR4.4: Memory of the social activities of the entity on an annual basis.
	TR4.5: Social records of the entity from previous three years.
	TR4.6: Financial statements of the entity from the past three years.
	TR4.7: Report of the origin and application of the funds received by the entity to the Third Sector Platform.
	TR4.8: Information in the social records of at least, the following aspects relative to the programs and projects of the entity: title, region of development, amount of money involved, collaborations or local partnerships, number of beneficiary people and number of volunteers.
	TR4.9: Compliance of communication with people and institutions that give the society finalist contributions (information about the activity that has been supported as well as the main outcomes obtained from it).
	TR4.10: Financial investments of the entity.

Source: CONGDE (2019)

4.3.3.2. Sample description

To evaluate the weights of the relative importance of the different indicators and the blocks of indicators, we use primary data obtained from a questionnaire for experts people from a list of NPOs in the area of economic information (the questionnaire is available at <https://sinbad2.ujaen.es/sites/default/files/2020-04/Questionnaire.pdf>) (see Annex for Chapter 4). In further detail, the questionnaire was answered by the Accounting managers of six different NPOs that operate in Spain and that stand out for their vast experience in the nonprofit sector, and who are also in charge of the development of different sets of indicators, thereby evidencing a clear implication on the transparency of the information that is revealed to their stakeholders. Furthermore, the six chosen NPOs cover a wide variety of social needs.

4.3.3.3. Phases for the empirical analysis

Following the BWM steps defined in Section 4.3.1:

1. First; establish the group of decision criteria: The decision criteria are represented by the block of indicators that were defined in Section 4.3.3.1.
2. Second; determine the best C_B and worst C_W indicators. Then, design the questionnaire to be answered by the six experts. First, the interviewed experts should fill in a gap to indicate the block of indicators that they consider to be the most important (Question 1 from each block of questions) and the least important (Question 3 from each block) in order to be able to consider a NPO being transparent. Next, for each of these blocks of indicators there is a list of questions in which the interviewee is asked to reflect the most and least important indicator for each block of indicators.
3. Third; determination of the preference of the best indicator regarding the remaining indicators. To obtain the necessary data for this phase, Question 2 is included in each block of questions. To elaborate, Question 2 shows a table in which the person being interviewed compares the relative importance of the indicator that was selected as the best indicator in Question 1 with the remaining indicators. The relative importance is established according to a Likert scale, ranking from 1 (few important) to 5 (absolutely important). This generates the vector $BO^k = \{a_{B1}^k, a_{B2}^k, \dots, a_{Bn}^k\}$ for each expert e_k .
4. Fourth; the preference of all indicators from the worst criterion is determined. Just as it was in step 3, Question 4 is included so the person being interviewed is asked to compare the relative importance of the remaining indicators with respect to the worst indicator selected in question 3. From this process, we obtain the vector $WO^k = \{a_{1W}^k, a_{2W}^k, \dots, a_{nW}^k\}$.
5. Fifth; Determine the optimal weights for each expert e_k , $(w_1^k, w_2^k, \dots, w_n^k)$. The weights of the indicators for each expert are computed using Eq. (1).
6. Sixth; determine of the consensual weights (w_1, w_2, \dots, w_n) . A consensual weight for each indicator is computed using the MCC model.

Note that, to calculate the optimal weights we have used the software tool FLINTSTONES developed by Estrella et al. (Estrella *et al.*, 2014).

4.4. Discussion of the results

In this section we present the results for the optimal weighting obtained. For a better understanding of the implications, we will present and discuss these results in different subsections. First of all, the general transparency results for the blocks of indicators are presented in Table 16. Next, Tables 17 to 20 show the results for the indicators of each general aspects (indicators for each block).

With the aim of comparing the BWM optimal consensus weights regarding the weighting in the set of indicators by CONGDE, we present both the weights in BWM for each of the participants.

4.4.1. Results from the general aspects that are indicative of transparency

As shown in the variables definition in Table 16, there are four aspects to evaluate: structure of the Government Board of the entity (Block 1); characteristics of the definition of its mission and vision, as well as the values that the company define as being essential (block 2); social support (Block 3); and planning and accountability (Block 4).

Regarding the general aspects, the set of indicators proposed by CONGDE does not offer any weighting on the importance of the aforementioned transparency aspects, but a ponderation of the indicators that are indicative of any of these general aspects. Hence, we can only show the results of the BWM (see Table 16), offering a general vision of the facts that experts consider to be more representative of transparency in NPOs.

Table 16 Transparency-indicator weighting. General aspects (blocks of indicators)

	TR1	TR2	TR3	TR4
Institution_1	0.092	0.171	0.171	0.566
Institution_2	0.081	0.733	0.081	0.105
Institution_3	0.078	0.107	0.137	0.677
Institution_4	0.313	0.313	0.063	0.313
Institution_5	0.050	0.114	0.147	0.689
Institution_6	0.065	0.390	0.091	0.455
Consensus Value	0.104	0.252	0.127	0.517

Source: Authors.

According to Table 16, two of the aspects are considered to be more representative of transparency as compared with the other two aspects. Firstly, it is worth noting the great importance of the need to appropriately budget and disclose economic information to the stakeholders, and also to meet the expectations of the public authorities that supervise such economic information (TR4). Moreover, with the exception of an individual respondent which considers the aspect to have a lower weight (institution 2, weight = 0.105), the remaining institutions give this general aspect more a third of the weight, thereby confirming the superiority of this aspect as compared to the others. In general, the consensus value indicates that the importance of this aspect is over half that of the four aspects (consensus weight value: 0.517).

The second most important aspect is the appropriate definition of the mission, vision and values of NPOs (TR2). The mean value (0.252) reflects that the fourth part of perceived transparency relies on this aspect. However, in this case there is less agreement within the experts, because the value here is a considerably higher than the rest (institution 2, for which the weight is 0.733, while for the rest of the values it ranges from, approximately, 0.1 to 0.4). For the remaining institutions, this area is also considered to be the second most important in reflecting transparency.

Finally, we must note the lack of importance given to the Government Board (TR1) and Social Support (TR3) aspects in terms of transparency, with each two only slightly exceeding 10% of the weight (consensus weights values: 0.104 and 0.127, respectively).

4.4.2. Results for the Government Board indicators

We present the results from each block of indicators in Table 17. Following the CONGDE order, we have started with the issues related to the Government Board of institutions.

As the CONGDE offers a possible weighting for each block of indicators, we will compare these orientative weights with the weights that have been validated with the BWM considering the experts' opinions.

Table 17 Transparency-indicator weighting. Government board block

	TR1.1	TR1.2	TR1.3	TR1.4	TR1.5
Institution_1	0.287	0.287	0.078	0.061	0.287
Institution_2	0.042	0.024	0.203	0.381	0.350
Institution_3	0.302	0.070	0.098	0.492	0.037
Institution_4	0.224	0.104	0.313	0.313	0.045
Institution_5	0.123	0.123	0.123	0.574	0.058
Institution_6	0.037	0.101	0.344	0.418	0.101
Set of Indicators	0.3	0.2	0.1	0.3	0.1
Consensus Value	0.175	0.113	0.186	0.405	0.122

Source: Authors.

A comparison between the BWM and CONGDE values shows a noteworthy overvaluation of the availability of the composition of the Government Board (TR1.1). CONGDE considers that this is the most important aspect (weight: 0.3), while the experts offer a considerably lower consensus value for the valuation of this aspect (consensus weight value: 0.175). Moreover, in the CONGDE set of indicators, this indicator is reinforced with the categorization of “inexcusable compliance”. This difference leads us to think that a revision of this indicator would be advisable, due to the fact that because expert opinions indicate that this aspect may not be relevant.

On the other hand, while the experts considered, the availability of the organization chart and the composition of the executive board members (TR1.3) to be the second best indicator, it was surprisingly considered to be less important by the CONGDE (weight of CONGDE: 0.1). Moreover, the extent of compliance suggested by CONGDE is also lower, they only considered it to be “relevant”, rather than a criteria of inexcusable-compliance.

For the most important aspect, however, there is a general agreement of both the CONGDE (weight of CONGDE: 0.3) and the experts (consensual weight value: 0.405). Such agreement of the experts in the most important indicator for an appropriate Government Board in a NPO is the public availability of the social statutes empirically confirms the intuitive greater extent of compliance given by the CONGDE to this aspect, considered as an inexcusable-compliance issue.

4.4.3. Results for the indicators defined by mision, vision and values

The second aspect that the CONGDE proposes to represent transparency is an appropriate definition of the mission, vision and values of a NPO. Moreover, as we indicated before, this is the second most important area according to the experts, highly-weighted. As such, it is essential that the weight of the different aspects indicative of this general aspect that are given by the CONGDE is empirically contrasted with the weights proposed by the experts. Table 18 shows the results from the BWM for the weighting of the indicators defined by this block, as well as those proposed by CONGDE.

Table 18 Transparency-indicator weighting. Mission, vision and values block

	TR2.1	TR2.2	TR2.3	TR2.4	TR2.5
Institution_1	0.200	0.200	0.200	0.200	0.200
Institution_2	0.339	0.028	0.059	0.395	0.178
Institution_3	0.335	0.074	0.437	0.103	0.051
Institution_4	0.532	0.106	0.106	0.106	0.149
Institution_5	0.175	0.555	0.097	0.047	0.125
Institution_6	0.214	0.250	0.250	0.036	0.250
Set of Indicators	0.3	0.2	0.25	0.1	0.15
Consensus Value	0.296	0.198	0.185	0.139	0.182

Source: Authors.

And so, we find more similarities in the weighting proposed by CONGDE and the weighting extracted from the BWM experts analysis. This fact is reflected in a weight nearly equal for the indicators of the public availability of both the mission (TR2.1), vision (TR2.2) and ethical recommendations for the nonprofit sector or other behavioral codes (TR2.5) as aspects to consider a higher extent of transparency. Regarding the strength of the extent of compliance, the empirical analysis validates the proposed consideration of public availability of the mission of a NPO as the most important aspect, which must be inexclusably complied.

Regarding the other two indicators, there is a greater disagreement between experts and the CONGDE. The public availability of the values of the entity (TR2.3) is overweighted by the CONGDE (CONGDE weight = 0.25 vs. consensus weight value = 0.185). On the other hand, experts consider the public availability of the historical

evolution of the social entity (TR2.4) to be more important, with a similar importance perhaps similar to that of the ethical recommendations.

4.4.4. Results for the social support indicators

As in the previous subsections, Table 19 shows the weights of the experts according to the BWM for the different transparency indicators related to the issues of the social support of NPOs in relation to the proposed CONGDE indicator weighting.

Table 19 Transparency-indicator weighting. Social support block

	TR3.1	TR3.2	TR3.3	TR3.4	TR3.5	TR3.6	TR3.7
Institution_1	0.208	0.276	0.034	0.208	0.105	0.063	0.105
Institution_2	0.054	0.032	0.204	0.054	0.204	0.075	0.376
Institution_3	0.299	0.046	0.391	0.066	0.066	0.066	0.066
Institution_4	0.083	0.083	0.083	0.303	0.064	0.083	0.303
Institution_5	0.040	0.040	0.280	0.040	0.280	0.280	0.040
Institution_6	0.071	0.036	0.250	0.071	0.286	0.143	0.143
Set of Indicators	0.25	0.15	0.15	0.1	0.15	0.1	0.1
Consensus Value	0.127	0.093	0.222	0.115	0.168	0.116	0.160

Source: Authors.

According to the experts, this block of indicators is underestimated. Moreover, this block has the greatest number of indicators for which the values proposed by the CONGDE differs more in magnitude with the experts' opinions.

Firstly, the indicator for which the CONGDE gives a higher extent of importance (weight CONGDE = 0.25) and compliance (inexcusable compliance) is the existence of quantitative data and description of the different social supporters of the entity (members, donors, etc.) (TR3.1). However, experts do not consider this fact so important (consensus weight value = 0.127). This result suggests the need to revise the importance given to this indicator by the CONGDE and perhaps even to revise, the possibility of reducing the extent of compliance to be able to consider a NPO as being transparent. In this sense, the indicator that the experts consider to be most important, based on consensus (consensus value weight = 0.222), is the public availability of a list indicating the network or federations to which the NPO belongs (TR3.3). This indicator is given a lower weight (weight CONGDE = 0.15) and compliance rate (arelevant factor, not an inexcusable-compliance aspect) by the CONGDE, as opposed to other aspects such as the existence of a list of public and private funders that are

legal persons (TR3.4) (inexcusable-compliance strength). This is an aspect in which both CONGDE and experts agree, as they both give it less importance (weight CONGDE = 0.1; consensus weight value = 0.115).

Secondly, the indicator of the public availability of a list of the aids and subsidies that NPOs receive (TR3.7) is considered to be of inexcusable compliance by CONGDE. However, in our opinion, the weight that is given by CONGDE for this indicator (0.1) is not representative of its perceived importance given by the experts (consensus weight value = 0.16). This greater allotment of importance could appear to be more logical according to the greater extent of compliance established by CONGDE, which is the second most important indicator according to the experts. In conclusion, the extent of compliance is logical but it should be weighted as more important according to the CONGDE.

Lastly, the existence of the quantitative data of NPO employees (TR3.2) is overweighted by the CONGDE (weight CONGDE = 0.15) in comparison with the experts, who reduce the importance up to about half (consensus weight value = 0.093) the value for this indicator. Summing up, the CONGDE is overvaluing aspects that are related to the quantitative data of the social entities (TR3.1 and TR3.2) whereas the experts consider the quantitative data to be less important. Thus, there is an opportunity here for the CONGDE to reconsider its position and focus on other aspects that are more closely related to the funding of a NPO itself (TR3.3 and TR3.7).

4.4.5. Results for planning and accountability indicators

Once again, a block of indicators of a general aspect which is considered really important by experts to reflect transparency, as it is the planning and accountability, is a block with scant differences between the opinion of the experts and the one that is proposed by the CONGDE. A detailed comparison is shown in Table 20.

Table 20 Transparency-indicator weighting. Planning and accountability block

	TR4.1	TR4.2	TR4.3	TR4.4	TR4.5
Institution_1	0.080	0.031	0.166	0.166	0.048
Institution_2	0.035	0.202	0.035	0.046	0.269
Institution_3	0.097	0.039	0.340	0.054	0.069
Institution_4	0.201	0.061	0.201	0.061	0.061
Institution_5	0.066	0.066	0.318	0.085	0.085
Institution_6	0.043	0.043	0.142	0.188	0.188
Set of Indicators	0.1	0.1	0.15	0.1	0.05
Consensus Value	0.087	0.072	0.202	0.104	0.110

Source: Authors.

Table 20 Transparency-indicator weighting. Planning and accountability block (continuation)

	TR4.6	TR4.7	TR4.8	TR4.9	TR4.10
Institution_1	0.048	0.080	0.048	0.166	0.166
Institution_2	0.035	0.046	0.046	0.269	0.017
Institution_3	0.069	0.097	0.069	0.069	0.097
Institution_4	0.061	0.033	0.201	0.061	0.061
Institution_5	0.085	0.038	0.085	0.085	0.088
Institution_6	0.188	0.071	0.043	0.071	0.023
Set of Indicators	0.1	0.1	0.1	0.1	0.1
Consensus Value	0.066	0.064	0.110	0.107	0.078

Source: Authors.

Most of the indicators reflecting a higher extent of transparency in terms of the economic information disclosed by the NPO show similar weights between experts' opinions and those proposed by CONGDE. However, we will comment on the discrepancies of only three of the ten indicators in this block.

Both experts and the CONGDE agree that public availability of financial statements and the audit report (TR4.3) is the most important aspect, which is also consistent with the higher extent of compliance of this indicator (inexcusable compliance). However, despite the fact that the CONGDE considers this indicator to have the highest weight (weight CONGDE = 0.15), it would be more logical to revise this magnitude and increase the weight for this indicator, helping it resemble the weight given by the experts (consensus weight value = 0.202). In short, this indicator should still be considered to be an inexcusable-compliance increasing its weighting by the CONGDE, in consonance with the opinion of the experts.

Finally, two of the indicators that are considered to be “merely relevant” in terms of representing transparency in the field of NPO’s economic information differ in importance according to the experts and the the CONGDE. The reporting of the origin and application of the funds received by NPOs (TR4.7) is overweighted the CONGDE, the valuation of its importance being about half of that given by the experts (weight CONGDE = 0.1; consensus weight value = 0.064). In contrast, the indicator relative to the public availability of the socialy activities records (TR4.5) is given considerably greater importance by the experts, duplicating the value (weight CONGDE = 0.05; consensus weight value = 0.11).

In conclusion, there is evidence of a greater agreement between experts and the CONGDE on what is more important or less important in this block of indicators concerning the economic information of the NPOs. However, the magnitude of the importance proposed by CONGDE for the indicators TR4.3, TR4.5 and TR4.7 could be revised to make it more similar to the importance perceived by those experts who work day by day involved in the activity of the NPOs.

As a final comment on the results from all blocks of indicators, the detection of differences in the perceived importance of most of the indicators as indicative of transparency is in line with the diverse conclusions that can be extracted from the scant number of studies that have empirically measured transparency. In these studies, which partially explain concrete aspects of transparency in the accountability of NPOs, there is no a common agreement on which of the aspects are more important, talking about aspects so diverse as the importance of avoiding the inaccuracy of disclosed information (Burger and Owens, 2010; Cabedo *et al.*, 2018), the public availability of information in the websites (Gandía, 2011), or the need of informing on several aspects related to the use of perceived funds (Valencia, Queiruga and González-Benito, 2015; Cabedo *et al.*, 2018). With the analysis that we have proposed, we have contributed by shedding light on all of these previous studies, by proposing an optimal weight for the importance of those and other aspects as indicative of the extent of transparency measurement.

4.5. Robustness tests. The consistency ratio

The fact that data was collected from questionnaires may generate inconsistency in the BWM technique because the participants might answer randomly. To solve this

problem, the BWM establishes the analysis of the consistency ratio (see Eq.(2)), which is an indicator that measures the coherence of the weights given by the participants. In this sense, values that are closer to 0 indicate a better coherence.

We show the consistency ratio values in Table 21. Results are given to the institutions with the aim of detecting possible inconsistencies with any of their answers.

Table 21 Consistency ratio

	General Aspects	TR1	TR2	TR3	TR4
Institution_1	0.126	0.000	0.000	0.000	0.000
Institution_2	0.000	0.000	0.000	0.000	0.000
Institution_3	0.076	0.000	0.000	0.000	0.000
Institution_4	0.000	0.000	0.000	0.000	0.000
Institution_5	0.091	0.000	0.000	0.000	0.000
Institution_6	0.028	0.000	0.000	0.000	0.000

Source: Authors.

In Liang et al. (2019) was carried out a study in order to show acceptable thresholds of consistency in BWM depending on the scale used by the experts to express their preferences and the number of criteria used in the MCGDM problem. According to (Liang, Brunelli and Rezaei, 2019), the acceptable values of consistency taking into account the scale (1-5) and number of criteria used in this contribution (4, 5, 7 and 10) are between 0.1994 and 0.2960. Therefore, the consistency ratio values obtained from experts' preferences confirm the consistency of all of the weights that have been estimated with the BWM.

In conclusion, the analysis carried out to compare the different experts' opinions regarding the importance given to the different areas of transparency is consistent. Thus, the suggestions we have made to the CONGDE could be considered to be rigorous.

4.6. Conclusions and limitations for Chapter 4

Transparency has become a factor of high strategic value for NPOs to be able to ensure their own survival. However, there is no legal regulation that requires NPOs to justify the extent of the transparency in their performance management. In response to this situation, in order to build credibility among their stakeholders, these entities

have voluntarily opted for self-regulation: some sets of indicators on the extent of transparency that are scarcely validated empirically.

In this Chapter 4 we show that the formalization of a process for indicators weighting may contribute to literature by improving the measurement of transparency in the nonprofit sector. In line with recent studies that propose the use of multi-criteria decision-making optimization techniques (Moreno-Albarracín *et al.*, 2020), but focusing specifically on transparency, we aim to improve NPO accountability by, empirically validating proposals made by the CONGDE. Our results show that the block of indicators that are considered to be the most important when measuring transparency in NPOs are those from TR4 block “Planification and accountability” (consensus value = 0.517), and those from TR2 block “Definition of the mission, vision, and values” (consensus value = 0.252).

Interestingly, we have found significant differences between the weights of the indicators that are obtained from the experts and those that are proposed by the CONGDE, given that the indicators that were proposed by the CONGDE, as previously stated, are not based on any empirical validation according to the experts. Analysing such differences by blocks, the greater divergence comes from indicators TR1.1 (valuation of experts is 0.125 lower), TR2.3 (0.065 lower), TR3.1 (0.123 lower), and TR4.5 (0.06 greater). The indicators with the highest value in each group are “Statutes and other specific rules” (TR1.4; consensus value = 0.405); “Definition of the mission of the entity” (TR2.1; consensus value = 0.296); “List of the networks or federations to which the entity belong” (TR3.3; consensus value = 0.222); and “Annual financial statements of the entity” (TR4.3; consensus value = 0.202).

The analysis of the results has allowed us to build a set of indicators that is appropriately validated by the opinion of NPO accountability experts, giving a single, optimal weight to every indicator and block of indicators. As such, our study contributes not only to previous literature on transparency of accountability for NPOs by proposing a rigorously empirically validated set of indicators, but it also contributes to regulators and public authorities, serving as a guide for future adaptations of the sets of indicators, as well as for those in charge of an NPO's accountability.

Concerning limitations, whilst this method could be applicable to any NPO context, specific conclusions are limited to a Spanish setting. Furthermore, we are aware that the sample is reduced. In this sense, although the experts come from the main NPOs in Spain and that these entities cover very diverse social needs, a potential limitation

may be the bias in the evaluation because of the reduced number of experts. It would be necessary to extend the sample with other experts to check if the results are comparable in other countries, thereby reducing the aforementioned evaluation bias. Additionally, as a future line of research, it would be interesting to undertake a comparative study of transparency measurements in NPOs with indicators in an international setting and observing potential differences between countries.

4.7. Annex for Chapter 4

Annex 4 Questionnaire for Transparency Indicators⁴

Siendo conocedores de que conoce Vd. en profundidad el marco de las entidades sin ánimo de lucro (ESAL, en adelante), solicitamos su colaboración para integrarlo en un grupo de expertos a fin de colaborar en un trabajo de investigación cuya finalidad es, partiendo de trabajos ya publicados, diseñar una batería de indicadores que permitan mejorar la medida de la transparencia y el buen gobierno en estas organizaciones.

Todas las cuestiones que se le planteen serán tratadas con absoluta confidencialidad. En ningún caso se le pide información relativa a su entidad, sino que como conocedor del marco de estas organizaciones, valore los indicadores que le presentamos como herramienta de mejora para cualquiera de ellas.

A continuación se presentan una serie de cuestiones relativas a diferentes aspectos a considerar en la imagen que ofrecen las ESAL de cara al exterior.

En el primer bloque se presentan una serie de aspectos a considerar para evaluar la credibilidad de las ESAL. Posteriormente, en los siguientes bloques se presentan indicadores de cada uno de estos aspectos.

El objetivo es conocer la percepción de expertos en el ámbito de las ESAL sobre la importancia que tiene en la formación de su opinión sobre la credibilidad de las mismas cada uno de estos aspectos. Para mayor nivel de detalle, a su vez, se tratará de analizar la importancia percibida de cada uno de los indicadores que denotan un mayor o menor grado de dichos aspectos.

BLOQUE 1: IMPORTANCIA DE LOS ASPECTOS GENERALES RELATIVOS A LA TRANSPARENCIA.

En este bloque se presentan los aspectos generales a evaluar para considerar a una ESAL como creíble en la imagen que ésta presenta al exterior.

Todos ellos van referidos a la transparencia (numerados de forma correlativa, anteceditos por las iniciales “TR”), tratando de analizar si además de desarrollar correctamente su actividad las ESAL, éstas son capaces de rendir cuentas y dar

⁴ As we mentioned in Chapter 1 “Introduction”, the questionnaires were sent to experts from Spanish NPOs in Spanish language. This is the reason why the annex is presented as the original questionnaire in Spanish.

información a su base social y al público en general de aspectos relevantes de su ser y de su hacer.

Los aspectos a considerar son los siguientes:

-TR1: Transparencia en la información que ofrecen las ESAL a usuarios interesados en cuanto a la composición órgano de gobierno y ejecutivo.

-TR2: Transparencia en la información que ofrecen las ESAL a usuarios interesados en cuanto a la definición de la misión, visión y valores de la entidad.

-TR3: Transparencia en la información que ofrecen las ESAL a usuarios interesados en cuanto a la determinación de la base social y los apoyos que reciben este tipo de instituciones.

-TR4: Transparencia en la información que ofrecen las ESAL a usuarios interesados en cuanto a la planificación de la actividad que van a desarrollar, así como la rendición de cuentas de su actividad y de su estructura económico-financiera.

A-) Considerando el objetivo de que las ESAL muestren una información transparente a los usuarios interesados en las mismas, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante como representativo de una información transparente de las ESAL mostrada a los usuarios interesados en las mismas, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR1					
TR2					
TR3					
TR4					

C-) Considerando el objetivo de que las ESAL muestren una información transparente a los usuarios interesados en las mismas, por favor, seleccione el CRITERIO MENOS

IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante como representativo de una información transparente de las ESAL mostrada a los usuarios interesados en las mismas, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR1					
TR2					
TR3					
TR4					

BLOQUE 2: IMPORTANCIA DE LOS INDICADORES DE TRANSPARENCIA.

En este bloque se presentan los aspectos específicos a evaluar para considerar el adecuado grado de cumplimiento de los aspectos generales relativos a transparencia (TR1 a TR4) anteriormente descritos. Para cada aspecto general se detallan una serie de indicadores del mismo, al objeto de que se evalúe su importancia relativa como un indicador representativo del aspecto general al que hace referencia. Así, se presenta un primer apartado (Bloque 2.1) para transparencia del órgano de gobierno, un segundo (Bloque 2.2) para transparencia de la misión, visión y valores; un tercero (Bloque 2.3) para transparencia sobre la base social y apoyos; y un último bloque (Bloque 2.4) para transparencia sobre planificación y rendición de indicadores.

BLOQUE 2.1: INDICADORES DE TRANSPARENCIA DEL ÓRGANO DE GOBIERNO.

Los cinco siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales "TR1.") se refieren a una mayor o menor transparencia del órgano de gobierno (Junta Directiva para las asociaciones y Patronato para las fundaciones) y ejecutivo de las ESAL:

-TR1.1: Tener accesible y a disposición pública la composición del órgano de gobierno, incluyendo el nombre, cargo y descripción de su trayectoria.

- TR1.2: Hacer pública la vinculación de los miembros del órgano de gobierno con cargos en una misma institución (partido político, sindicato, grupo empresarial, congregación religiosa o administración pública), siempre que éstos superen el 40% de la composición del órgano.

- TR1.3: Tener accesible y a disposición pública el organigrama y los nombres de los principales responsables de la estructura ejecutiva.

- TR1.4: Tener accesibles y a disposición pública los estatutos y otra normativa específica.

- TR1.5: Tener accesibles y a disposición pública las tablas salariales.

A-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa al órgano de gobierno y ejecutivo de la misma, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
--------------------------	--

B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante como representativo de la transparencia de información sobre el órgano de gobierno y ejecutivo de las ESAL, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR1.1					
TR1.2					
TR1.3					
TR1.4					
TR1.5					

C-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa al órgano de gobierno y ejecutivo de la misma, por favor, por favor, seleccione el CRITERIO MENOS

IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante como representativo de una gestión basada en comportamientos apropiados de las ESAL en su día a día, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR1.1					
TR1.2					
TR1.3					
TR1.4					
TR1.5					

BLOQUE 2.2: INDICADORES DE TRANSPARENCIA DE LA MISIÓN, VISIÓN Y VALORES.

Los cinco siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales "TR2.") se refieren a una mayor o menor transparencia de la información sobre misión, visión y valores de las ESAL:

- TR2.1: Tener accesible y a disposición pública la composición la Misión de la entidad.
- TR2.2: Tener accesible y a disposición pública la composición la Visión de la entidad.
- TR2.3: Tener accesible y a disposición pública los Valores de la entidad.
- TR2.4: Tener accesibles y a disposición pública la información sobre la evolución histórica de la entidad (año de constitución, motivación, fundadores e hitos).
- TR2.5: Tener accesibles y a disposición pública las Recomendaciones Éticas del Tercer Sector de Acción Social y/o otros códigos de conducta (propios o suscritos) de la entidad.

A-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa a la misión, visión y valores de

la misma, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante como representativo de la transparencia de información sobre la misión, visión y valores de las ESAL, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR2.1					
TR2.2					
TR2.3					
TR2.4					
TR2.5					

C-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa a la misión, visión y valores de la misma, por favor, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
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D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante como representativo de la transparencia de información sobre la misión, visión y valores de las ESAL, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR2.1					
TR2.2					
TR2.3					
TR2.4					
TR2.5					

BLOQUE 2.3: INDICADORES DE TRANSPARENCIA DE LA BASE SOCIAL Y APOYOS.

Los siete siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales “TR3.”) se refieren a una mayor o menor transparencia de la información sobre la base social y apoyos recibidos de las ESAL:

-TR3.1: Existen datos cuantitativos de cada uno de los colectivos (personas físicas o jurídicas) de la base social de la entidad (socios/as, donantes, voluntarios/as y personas beneficiarias), especificando qué se entiende por cada uno de ellos.

-TR3.2: Existen datos cuantitativos de las personas contratadas en la entidad.

-TR3.3: Existe un listado público y accesible sobre las redes o federaciones a las que pertenece la organización.

-TR3.4: Existe un listado público y accesible de los financiadores públicos y privados que son personas jurídicas.

-TR3.5: Existe accesibilidad (como mínimo por correo-e y teléfono) para acceder al documento que desarrolla los criterios para solicitar información y hacer llegar quejas sobre el funcionamiento de la organización.

-TR3.6: Existe información pública y accesible sobre la implantación territorial de la organización (sedes).

-TR3.7: Existe un listado público y accesible de las ayudas públicas y las subvenciones públicas y privadas concedidas (importe, objetivo y grupos beneficiarios).

A-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa la base social y apoyos de la misma, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante como representativo de la transparencia de información sobre la base social y apoyos de las ESAL, indique respecto a dicho criterio cómo considera

el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR3.1					
TR3.2					
TR3.3					
TR3.4					
TR3.5					
TR3.6					
TR3.7					

C-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa la base social y apoyos de la misma, por favor, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante como representativo de la transparencia de información sobre la base social y apoyos de las ESAL, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR3.1					
TR3.2					
TR3.3					
TR3.4					
TR3.5					
TR3.6					
TR3.7					

BLOQUE 2.4: INDICADORES DE TRANSPARENCIA DE LA PLANIFICACIÓN Y RENDICIÓN DE CUENTAS.

Los diez siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales "TR4.") se refieren a una mayor o menor transparencia de la información sobre misión, visión y valores de las ESAL:

- TR4.1: Tener accesible externamente la planificación estratégica de sus líneas generales
- TR4.2: Tener accesible internamente la planificación estratégica.
- TR4.3: Tener accesible y a disposición pública las cuentas anuales de la entidad (balance, cuenta de resultados, presupuesto y memoria económica), así como el informe de auditoría en caso de que tengan auditoría externa obligatoria.
- TR4.4: Tener accesible y a disposición pública anualmente una memoria social anual de actividades.
- TR4.5: Tener accesibles y a disposición pública las memorias sociales de los últimos tres años de la entidad.
- TR4.6: Tener accesibles y a disposición pública las cuentas anuales de la organización correspondientes a los últimos tres años.
- TR4.7: Reportar a la Plataforma del Tercer Sector la distribución del origen y aplicación de los fondos del período.
- TR4.8: Facilitar en la memoria social, como mínimo, la siguiente información de todos los programas y proyectos: título, región donde se desarrolla, importe ejecutado, colaboraciones o partenariados locales, número de personas beneficiarias y número de personas voluntarias.
- TR4.9: Tener accesible y a disposición pública el compromiso de comunicación con las personas e instituciones que hagan aportaciones finalistas (información sobre la actividad apoyada y los resultados obtenidos con la misma
- TR4.10: Tener accesible y a disposición pública la política de inversiones financieras de la entidad.

A-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa a la planificación de su plan de acción, así como de la rendición de cuentas de la misma, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
--------------------------	--

B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante como representativo de la transparencia de información sobre la planificación y rendición de cuentas de las ESAL, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR4.1					
TR4.2					
TR4.3					
TR4.4					
TR4.5					
TR4.6					
TR4.7					
TR4.8					
TR4.9					
TR4.10					

C-) Considerando el objetivo de que las ESAL muestren una mayor transparencia en la información facilitada a usuarios interesados relativa a la planificación de su plan de acción, así como de la rendición de cuentas de la misma, por favor, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante como representativo de la transparencia de información sobre la planificación y rendición de cuentas de las ESAL, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
TR4.1					
TR4.2					
TR4.3					
TR4.4					
TR4.5					
TR4.6					
TR4.7					

TR4.8					
TR4.9					
TR4.10					



TECHNOLOGICAL AND ECONOMIC DEVELOPMENT OF ECONOMY

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CONFIRMATION LETTER

25 April 2021

We confirm that Editorial Board of Web of Science Journal „Technological and Economic Development of Economy" on 07 October 2020 received the article „Transparency indicators to improve accountability for nonprofit organizations: a Spanish case study" (TTED-2020-0288) written by Ana Licerán-Gutiérrez, Antonio Luis Moreno-Albarracín, Cristina Ortega-Rodríguez, Álvaro Labella and Luis Martínez.

The article is reviewed, accepted and will be published in Journal „Technological and Economic Development of Economy".

Deputy Editor-in-Chief

Jonas Saparauskas

4.8. References for Chapter 4

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CHAPTER 5

**GOOD GOVERNANCE INDICATORS TO IMPROVE
ACCOUNTABILITY FOR NON-PROFIT ORGANIZATIONS:
A SPANISH CASE STUDY**

CHAPTER 5: Good governance Indicators to Improve Accountability for Non-Profit Organizations: A Spanish Case Study

Chapter Abstract: The nonprofit sector is currently facing the requirement for high levels of good governance, needing to enhance its quality so that NPOs can obtain public confidence and convince society that they efficiently manage the funds. This is motivated by the fraudulent practices of various NPOs that have caused damage the sector, as donors are concerned about whether donated resources are being used correctly. In this sense, the concept of “good governance” becomes a matter of vital importance, as NPOs should develop mechanisms that allow their stakeholders to assess the destination of the resources. However, very few studies empirically measure the extent of good governance in NPOs. Only several ones checked the compliance of various indicators, lacking agreement on which ones best represent this concept. To address this issue, this study empirically validates the weighting of the indicators from the alliance between the Platform for Social Action NGO and the Spanish Coordinator for Development NGO (CONGDE) document (2019) with experts in NPOs’ opinions. We use the Best-Worst Method (BWM) to optimally assign weights to multi-criteria decision making situations. Our results suggests the need for a revision of the importance proposed by CONGDE as it shows interesting differences the weighting of the indicators by the experts.

5.1 Introduction

In recent years, nonprofit sector has grown rapidly in significance and size in many countries (Cornforth, 2012). Given that, it is not surprising to consider NPOs as one of the most important agents in our society (Schatterman, 2013). For years such organizations have been responsible for improving the quality of life of disadvantaged people (Vakil, 1997). Thus, with its growing global importance entails responsibility towards the community. This responsibility was established in the Code of Ethics and Conduct for NGOs of the World Association of Non-Governmental Organizations (WANGO, 2005): “NGOs have the responsibility to be transparent, honest, accountable, and ethical, to give out accurate information, and to not manipulate situations for the personal benefit of their boards and staff”. As it is noted, NPOs worldwide are confronted with an increasing demand for accountability and improved transparency (Bies, 2010; Verbruggen, Christiaens and Milis, 2011).

From this international perspective, and more recently, the United Nations promulgated the Sustainable Development Goals (SDG, hereinafter) (United Nations, 2015). The SDGs play a key role in the evaluation and implementation of the 2030 Agenda. This 2030 Agenda for Sustainable Development contains 17 SDGs. We justify our study on the goals “16.6 Develop effective, accountable and transparent institutions at all levels” and “17.19 Build on existing initiatives to develop measurements of progress on sustainable development that complement GDP⁵, and support statistical capacity building in developing countries”.

Accountable Now⁶, an independent international civil society organisations (ICSOs) is also relevant in this study. This organization outlines “10 Accountability Commitments” which are essential to NPOs to strengthen the visibility of this sector’s contributions. This regulation initiative is unique (Crack, 2018) and offers cross-sectorial accreditation in cooperation with the Global Reporting Initiative⁷ (GRI) (Schmitz, Raggo and Bruno-van Vijfeijken, 2012). We focus on the Commitment 4 “Good Governance”, which includes the following: “(...) effective governance that

⁵ Gross Domestic Product

⁶ Accountable Now was founded under the name International NGO (INGO) Charter of Accountability

⁷ <https://www.globalreporting.org/>

ensures we act in accordance with stated values and agreed procedures and our programmes achieve outcomes that are consistent with our mission”.

Notwithstanding the existence of those statements, several cases of fraudulent behaviour by several international NPOs have been observed (Greenlee *et al.*, 2007) which are considered neither responsible nor ethical occurrences. This has caused an alleged crisis of trustworthiness in the nonprofit sector (Keating & Thrandardottir, 2017), being the lack of accounting models that show appropriate good governance practices (Yang and Northcott, 2019) a key reason.

Accountability is useful for stakeholders forming a clear idea about the funds administration by NPOs. It is precisely at this point, where the terms “nonprofit responsibility” together with “good governance practices” arise. However, a prior analysis on good governance in the nonprofit sector reveals a series of concerns. First, it shows how literature on accountability issues in the nonprofit sector is limited (Benjamin, 2008a). Furthermore, much remains to be understood in terms of accountability mechanisms (Benjamin, 2013; Costa and Goulart da Silva, 2019), given the scarce research on the analysis of governance mechanisms (Speckbacher, 2008; Byers, Anagnostopoulos and Brooke-Holmes, 2015; Boomsma and O’Dwyer, 2019).

Second, it is scant the number of research that empirically measure the levels of nonprofit good governance. We find different institutions having prepared their own proposals. Among these works, we focus on those documents with a tool obtained from a battery of good governance indicators. Several batteries exist with diverse lists and types of indicators, despite referring to similar conditions (Moreno-Albarracín *et al.*, 2020). The most popular batteries, particularly in the Spanish context, are: the document proposed by the alliance between the Platform of Social Action NGOs and the Spanish NGO Coordinator for Development (CONGDE, hereafter) (2019) and, the one suggested by the Loyalty Foundation (2020).

Third, these batteries select a set of indicators, lacking a consensus about which ones best represent the concept of good governance from an empirical point of view. In addition, the CONGDE battery is the only one that suggests weights for each indicator, although without providing theoretical or empirical validation for such weights. All these issues considered, we conclude that there is no a clear consensus on the use of a certain procedure for measuring the degree of good governance in the field of NPOs.

To cover this gap, we undertake an empirical analysis of the extent of good governance in NPOs, empirically validating aforementioned indicators with the opinion of experts in accountability of these entities. In particular, the research is focused on the Spanish case, and more specifically on the battery of indicators proposed by CONGDE (2019). The reason is that this battery is the one with a greater number of indicators, allowing for a more detailed analysis, being the only one in offering a selection of indicators that is referred only to good governance aspects. Our final objective is weight optimally the indicators. We propose the use a multi-criteria decision approach so-called *Best-Worst Method* (BWM) (Rezaei, 2015). The BWM allows deriving the importance of different elements by means of pairwise comparisons provided by decision makers. Obviously, the decision makers who participate in the weighting process may have different points of view regarding the importance of the indicators. In order to obtain reliable weights for the indicators and that satisfy all decision makers, we propose the use of a *Consensus Reaching Process* (CRP) (Labella *et al.*, 2018, 2020; Rodríguez *et al.*, 2018). In a CRP, the decision makers discuss each other and modify their initial opinions in order to increase the level of agreement in the group and reach an agreed solution. In this sense, the CRP smoothed the disagreements related to the importance of the indicators and it provides a collective consensual weight for each one.

Chapter 5 proceeds in several sections. In the first of them (Section 5.2.), a review of the main studies based on good governance in the nonprofit sector is done to understand the importance of study and the challenges facing the sector. Section 5.3 covers the BWM methodology and research design followed in this paper to provide weights for this battery according to the expert's opinions. Section 5.4 shows the results that emerged from the research. Lastly, Section 5.5 discusses the main conclusions from the research.

5.2 Theoretical background

5.2.1. Nonprofit good governance. Importance and challenges

Accountability in the nonprofit sector is crucial (Tacon, Walters and Cornforth, 2017a) to achieve NPO's social mission (Dato, Hudon and Mersland, 2019), and as a way to strengthen trust, improving relationships and demonstrating transparency in its

activities within the community (Costa and Goulart da Silva, 2019). In this sense, accountability practices are considered for users as NPO's overall commitment to transparency, based on legitimacy (Jepson, 2005) which reaffirms their relevant contribution to the society.

To carry out activities for the community, NPOs are financially dependent on several internal actors, such as their own members and beneficiaries, as well as external funders (AbouAssi, 2015). Due to its social nature, NPOs obtain funding (Reid and Turbide, 2012); however, that money must not be used for their personal benefit (WANGO, 2005). Besides, taken into account the competitive environment, where donors have multiple options, maintaining positive perceptions of trustworthiness have been proved to be decisive for the existence of the sector as a whole (Keating and Thrandardottir, 2017). Consequently, trust in the nonprofit sector is essential. Good governance has become the most valuable element for NPOs to achieve the social credibility that allows ensuring their future.

Unfortunately, fraud cases have triggered a crisis of confidence in the sector (Greenlee *et al.*, 2007; Murtaza, 2012). Funders are concerned with allegations of corruption among NPOs (AbouAssi, 2015). Furthermore, the controversial behavior of some NPOs has resulted in increased efforts to analyze and improve the reputation of the sector (Hortsch, 2010). In summary, it is observed the increasing need of accountability due to the inappropriate behaviour of some NPOs, which have damaged the credibility of the organizations that conform the nonprofit sector (Valencia, Queiruga and González-Benito, 2015).

To solve this, it is necessary to carry out ethical practices that are visible for their stakeholders. This is where the concept "good governance" arises. Taking this view, nonprofit governance should relate to all stakeholders involved in a NPO (Hyndman and McDonnell, 2009; Wellens and Jegers, 2014; Tacon, Walters and Cornforth, 2017a). Nonprofit governance and accountability are social and dynamic processes (Coule, 2015), becoming a central concern for NPOs (Cornforth, 2012). This is reinforced with the view in prior literature that NPOs are perceived as more effective when they manage to align the diversity of expectations of stakeholders with good governance (Wellens and Jegers, 2014).

To conclude with, a new panorama has emerged: NPOs are assuming a much more relevant role in the society as a result of the growth of the sector and, in turn, they must recover their image, which has been damaged by cases of fraud, with the

implementation of accountability mechanisms. NPOs need to be accountable, as they receive funds from both public and private entities, being necessary a continuous assessment that guarantees that the resources they receive are employed appropriately. That is why the need to adopt good governance practices arises, which is indicative of whether the organization is fulfilling the aforementioned responsibilities and provides sufficient content for stakeholders. Therefore, there is evidence of the need to carry out rigorous studies that allow progress in this field of study and provide a corroborated tool that allows us to measure the level of good governance of any NPOs. This is the final objective of the present work.

5.2.2. Good practice certification in the nonprofit sector: the Spanish case

In the above subsection, we pointed out the importance of providing each NPO with a suitable mechanism for measuring its levels of good governance. It means a central concern to NPOs (Cornforth, 2012) because it allows to demonstrate accountability and transparency (Gugerty, Sidel and Bies, 2010) to their stakeholders.

Extant literature on nonprofit governance highlight that there are no effective external control mechanisms, making necessary internal governance mechanisms (self-regulatory practices) for the supervision of NPOs (de Andrés-Alonso, Cruz and Romero-Merino, 2006). This self-regulation practices would allow these entities to better achieve their goals through the most effective, clear and objective use of their resources, providing an adequate ethical content for their stakeholders (Lequericaonandia and Galiana, 2014; Rosés, Robledo and Mayayo, 2014). In sum, self-regulation mechanisms allow for the compliance with the requirements of accountability and transparency (Rosés, Robledo and Mayayo, 2014). That is why one of the main objectives of a good governance mechanism should be the increase and improvement of the accountability of NPOs.

To help in this assignment, there are several worldwide institutions, as we mentioned in the introductory that, provide tools to strengthen principles and practices of good practices using indicators, codes, commitments or guiding principles. From a national perspective, in the field of the social economy, Spain has become a pioneer country, being the first member of the European Union to have developed a law on social economy, the Law 5/2011, of March 29 (2011). This law gives a relevant value to this model of provision of services to citizens, granting it a unique recognition to this

sector. Besides, Spain has been the first member state of the European Union to have implemented a Social Economy Strategy 2017-2020 based on 63 measures that are supported by 11 strategic axes. For the development of the 2030 Agenda, Spain places the Spanish Social Economy Strategy 2017-2020 as an essential element to achieve the SDGs promulgated by the United Nations (2015). Here is the relevance of studying the Spanish case.

Focused on the Spanish case, we find an entity that have developed a system for measuring good practices through indicators: the Spanish Association of Accounting and Business Administration (2012), in the document “Indicators for Non-Profit Entities”; CONGDE (2019), in the “Transparency and Good Governance Instrument”; and the Loyalty Foundation (2020) in the document “Nine Principles of Transparency and Good Practices”.

Hence, there are several mechanisms based on indicators whose purpose is to measure a series of aspects that are considered to be indicative of good practices (Jurgen Willems *et al.*, 2012) (in particular, good governance indicators). Despite its existence, there is no a common agreement in how to measure good governance attributes or design an optimality NPO’s governance structure (Dato, Hudon and Mersland, 2019). In this study, we draw on the CONGDE battery because it is comprised by more indicators (Moreno-Albarracín *et al.*, 2020) and it is considered a representative authority in the nonprofit sector in Spain. Besides, this battery proposes as referent values a weight for each indicator according to their extent of importance. These weights, though, are not contrasted or justified theoretically or empirically.

Focusing on the CONGDE proposal, we proceed to analyse the good governance indicators, empirically validating their assigned weights according to the opinion of experts in accountability of NPOs. Particularly, the analysis is based a list of indicators divided into six general blocks, which are reported below:

- BG1. Governing body
- BG2. Mission, vision and values
- BG3. Planning and evaluation
- BG4. Economic management
- BG5. Human resources
- BG6. Stakeholders

In conclusion, considering this lack of theoretical and empirical evidence of the weights proposed by CONGDE in its document for each indicator, our research aims to provide such empirical assessment of the appropriate magnitude of the different indicators according to their importance to reflect the good governance levels in a NPO.

5.3. Methodology and research design

5.3.1. Methodology: Multi-criteria group decision making and the Best–Worst Method

As we explained in Chapter 4, the BWM (Rezaei, 2015) is a multi-criteria group decision making (MCGDM) method that computes the prioritization of different decision elements using pairwise comparisons. This technique consists of comparing only the best and the worst element of the decision making problem with the remaining elements. Hence, the use of the BWM reduces the number of comparisons needed to obtain the prioritization values of the elements and, thus, reduces the inconsistency in decision makers' opinions represented by pairwise comparison matrices, which is provoked when the number of comparisons is too large.

This proposal makes use of the BWM to derive the weights for n indicators. The steps of this approach are described below (Rezaei, 2015):

- Step 1: To select the set of elements whose weights will be computed, in our proposal, the indicators proposed by the CONGDE to measure good practices in NGO.
- Step 2: Each decision maker chooses, according to her/his expertise, the most important indicator (c_B) and the less important indicator (c_W).
- Step 3: Each decision maker compares the most important indicator with the rest of them. These pairwise comparisons are represented in a *Best-to-Others* vector, $B0 = \{a_{B1}, a_{B2}, \dots, a_{Bn}\}$, where a_{Bj} refers to the comparison between the most important indicator c_B and the indicator c_j .
- Step 4: Each decision maker compares the rest of the indicators with the less important one. These pairwise comparisons are represented in an *Others-to-*

Worst vector, $0W = \{a_{1W}, a_{2W}, \dots, a_{nW}\}$, where a_{jW} refers to the comparison between the indicator c_j and the less important one c_W .

- Step 5: An optimization model derives the indicators weights from the pairwise comparisons. The optimal weights must satisfy:
 - $w_B/w_j = a_{Bj}$, which means that the division between the weight associated to the most important indicator c_B and the indicator c_j must be equal to the pairwise comparison a_{Bj} .
 - $w_j/w_W = a_{jW}$, which means that the division between the weight associated to the indicator c_j and the less important indicator c_W must be equal to the pairwise comparison a_{jW} .
 - $\sum_{j=1}^n w_j = 1$, which means the sum of the weights must be equal to 1.

Obviously, the previous two first constraints are very restrictive, which would make difficult to compute the weights. For this reason, it is provided an acceptable deviation threshold ε between the divisions and the pairwise comparisons. The objective of the optimization model will be to minimize as much as possible such a deviation.

$$\begin{array}{l}
 \min \varepsilon \\
 s. t = \left\{ \begin{array}{l}
 \left| \frac{w_B}{w_j} - a_{Bj} \right| \leq \varepsilon \\
 \left| \frac{w_j}{w_W} - a_{jW} \right| \leq \varepsilon \\
 \sum_{j=1}^n w_j = 1 \\
 w_j \geq 0 \quad \forall j = 1, 2, \dots, n
 \end{array} \right.
 \end{array}$$

Another key aspect in BWM is consistency in decision makers' preferences. Consistency is related with the idea of decision makers provide their preferences in a logical way and not randomly. A *consistency ratio* was introduced in (Labella *et al.*, 2018) in order to measure the consistency in decision makers' preferences:

$$\text{Consistency Ratio} = \frac{\varepsilon^*}{\text{Consistency Index}}$$

5.3.2. Consensual weights for good governance indicators

The BWM allows obtaining a set of weights for the indicators from the opinions of each decision maker. However, disagreements among the decision makers related to the importance of the indicators may appear. For this reason, in order to obtain representative collective weights in agreement for the indicators, we decide to apply an automatic CRP. There are several proposals of CRPs proposed in the specialized literature (Labella, Martínez and Rodríguez, 2017; Labella *et al.*, 2018; Rodríguez *et al.*, 2018), but in this contribution we choose a *Comprehensive Minimum Cost Consensus* (MCC) model (Labella *et al.*, 2020). By considering m decision makers, the model is defined as follows:

$$\begin{aligned} & \min \sum_{k=1}^m c_k |\bar{w}_k - w_k| \\ & s. t. \begin{cases} \bar{w} = F(w_1, \dots, w_m) \\ \bar{w}_k - \bar{w} \leq \varepsilon, k = 1, 2, \dots, m. \\ \text{consensus}(\bar{w}_1, \dots, \bar{w}_m) \leq \gamma \end{cases} \end{aligned}$$

where w_k represents the decision maker e_k 's weight obtained from the BWM for a specific indicator, \bar{w}_k represents the modified decision maker e_k 's weight, \bar{w} is the consensual collective weight for the indicator, which is computed by using an aggregation operator F (such as an average mean), $\text{consensus}(\bar{w}_1, \dots, \bar{w}_m)$ represents the level of agreement within the group and c_k represents the cost of modifying the decision maker e_k 's weight. The more reluctant an expert is to change her or his opinion, the higher the cost.

Then, in our proposal, we use the indicators weights obtained from the BWM as inputs in the CMCC model. Afterwards, we predefine a desired level of agreement $\gamma \in [0,1]$ to reach within the group and a maximum distance $\varepsilon \in [0,1]$ between the individual weight of each decision maker and the collective opinion. In this sense, the consensus model will provide a collective consensual weight for each indicator \bar{w} that guarantees a desired level of agreement for the decision makers.

5.3.3. Research design

5.3.3.1. Variable definition: Description of the criterion to be weighted

As previously mentioned, we will focus on a good governance analysis based on the indicators proposed by CONGDE (2019). CONGDE tool will allow the definition of a set of indicators necessary to regulate and guarantee an adequate level of good governance of the NPOs, in a responsible exercise of self-regulation. For each indicator, CONGDE proposes the following information:

- (1) The weight that indicator has within the block of which it is part,
- (2) The degree of importance is a field in which we classify the indicators into two categories: Some are of "inexcusable compliance" and other indicators are "relevant".

Here is where certain inconsistencies are observed because there is no numerical connection (weightings) with linguistics (relevant or inexcusable compliance). This, together with the fact that the CONGDE does not explain why some indicators weigh more than others, nor does it empirically contrast it with the experts, leads us to apply this BWM method in a double sense:

- (1) To check the weights numerically,
- (2) To check if linguistically, what the experts think coincides with that of the CONGDE in what is more or less important and, accordingly, what a stronger degree of compliance is required in qualitative terms.

The aim of this Chapter 5 is to determine the appropriate weighting of both the criteria that are indicative of the extent of good governance (BG) and the sub criteria that will be considered for each of these blocks (indicators). For a detailed definition of the variables, see Table 22.

Table 22 Variable definition (CONGDE, 2019)

Blocks of indicators	Subcriteria (Public availability of the following aspects)	
BG 1: Governing body	BG1.1	Minimum of 5 members in the governing body
	BG1.2	The proportion of women in the governing body is equal to or greater than 40%
	BG1.3	The maximum proportion of members of the governing body who maintain a kinship relationship up to the second degree or who are de facto couples is 20%
	BG1.4	Minimum of 2 meetings a year
	BG1.5	80% of the members of the governing body attend at least 50% of the meetings
	BG1.6	No more than 40% of members of the government body receive remuneration for other positions
	BG1.7	Election and replacement of positions in associations, maximum every 5 years
	BG1.8	Minimum 60% of the members of the governing body have a continuous cumulative maximum termn of <8 years
	BG1.9	No member of the governing body has a lifetime allowance
BG 2: Mission, vision and values	BG2.1	Mission formulation approved by the governing body
	BG2.2	Mission will be reviewed at least every 10 years
	BG2.3	Vision formulation approved by the governing body
	BG2.4	Review of the mission every time the strategic plan is updated
	BG2.5	Values formulation approved by the governing body
	BG2.6	Values are reviewed at least every 10 years.
	BG2.7	The definition / revision of the Mission, Vision, Values refer to the Code of Conduct of the Coordinator and / or the III Strategic Plan of the Third Sector of Social Action
	BG2.8	There is a own Code of Conduct on abuse, harassment, fraud and illegal conduct
BG 3: Planning and evaluation	BG3.1	Long term strategic planning approved by the governing body (maximum 10 years)
	BG3.2	The development of strategic planning ensures that it is defined in a participatory way
	BG3.3	Strategic planning explicitly includes references to the mission, vision and values and ethical recommendations of the Third Sector
	BG3.4	Strategic planning includes an estimate of the private and public income to be achieved annually during the period of application of the plan
	BG3.5	Strategic planning is specified in periodic operational schedules approved by the governing body
	BG3.6	Governing body monitors and evaluates strategic planning
	BG3.7	Governing body monitors and evaluates operational schedules
	BG3.8	Document that reflects the policy, system or procedure for monitoring and evaluating the organization's own activity projects and programs, directly linked to the mission's fulfillment
	BG3.9	The Assembly or Board of Trustees is informed of the organization of the number, typology and measures adopted for cases analyzed by the monitoring body of the complaints channel.

Table 22 Variable definition (CONGDE, 2019) (continuation)

Blocks of indicators	Subcriteria (Public availability of the following aspects)	
BG4: Economic management	BG4.1	Annual income and expense budget approved by the governing body
	BG4.2	Government body carries out a monitoring of the minimum budget every 6 months
	BG4.3	Annual budget settlement executed, reviewed and approved by the governing body
	BG4.4	An external audit of the annual accounts is carried out if the volume of income exceeds € 300,000.
	BG4.5	Written financial investment policy approved by the governing body
	BG4.6	Long term strategic planning and monitoring explicitly include main criteria for obtaining private and public income
	BG4.7	Institutional document with traceability criteria for finalist funds received
	BG4.8	No financier contributes more than 50% of total income for the year
	BG4.9	It does not accumulate liquid assets or financial assets in the previous audited year greater than the expense of the current year
BG 5: Human resources	BG5.1	Policy approved by the governing body of compensation and social benefits criteria
	BG5.2	Personnel selection and hiring policy approved by the governing body
	BG5.3	Personnel management policies (remunerated and voluntary) approved by the government body make mention of discrimination
	BG5.4	People management policies avoid any discrimination
	BG5.5	Promotes training and continuous development of the operational team
	BG5.6	Incorporation agreement model for volunteering that specifies rights and obligations of both parties, functions, activities, time of dedication and insurance for volunteering
	BG5.7	Volunteer Plan that includes minimum objectives and activities
	BG5.8	The percentage of women who are part of the responsible executive structure is equal to or greater than 40%
	BG5.9	There is a gender policy approved by the governing body in the organization
BG 6: Stakeholders	BG6.1	Partnership policy approved by the governing body that defines relationships with entities with which it carries out its projects (commitment to comply with legal regulations)
	BG6.2	Collaboration agreement model to be signed with local partners and / or local executing entities that contains purpose, rights and obligations and duration
	BG6.3	There is an institutional environmental management policy approved by the governing body
	BG6.4	Purchase policy approved by the governing body
	BG6.5	Declaration of principles or collaboration with companies criteria document approved by the governing body that refers to guiding principles on human rights
	BG6.6	The organization has actively participated in the NGDO State Coordinator, Third Sector Platform and Social Action NGO Platform during the last year
	BG6.7	Criteria and procedure that develop organizational commitment to respond to complaints, inquiries and requests for information received
	BG6.8	Own and public complaints channel, regulated procedure and body that ensures its monitoring

5.3.3.2. Sample description

To evaluate the weights of the blocks and the different indicators, we use primary data obtained from a questionnaire for experts from a list of NPOs that cover a wide variety of social needs (see Annex for Chapter 5). The questionnaire was answered by the Accounting managers of five different NPOs that operate in Spain and that stand out for their vast experience in the nonprofit sector. Thereby experts evidencing a clear implication on the good governance practices of the organizations.

5.4. Discussion of the results

Table 23 shows general weight for the six blocks (BG1, BG2, BG3, BG4, BG5 and BG6) of general aspects to assess good governance in the nonprofit sector and tables 24-29 show the individual decision makers' weights for each indicator. The weights are represented numerically. Additionally, the consensual weights are shown in the column 'Consensus' in a numerical way together with the weights assigned to each indicator by the CONGDE (2019).

5.4.1. Results from the general aspects of good governance

Table 23 shows the variables definition from the CONGDE (2019) where six blocks of general aspects can be analyzed to assess good governance in NPOs: (BG1) Governing body; (BG2) Mission, vision and values; (BG3) Planning and evaluation; (BG4) Economic management; (BG5) Human resources; (BG6) Stakeholders. Regarding the general aspects blocks (BG1, BG2, ...), the CONGDE does not offer any weighting on the importance of each block as a whole, but rather a weighting of each of the indicators included in each block individually. Therefore, one of our contributions is presented in Table 23 as it shows the consensual weights that the experts consider most representative of good governance in NPOs for each of the 6 blocks.

Table 23 Good governance-indicator weighting. General aspects (block of indicators)

	INST. 1	INST. 2	INST. 3	INST. 4	INST. 5	CONSENSUS VALUE
BG1	0.047	0.26	0.064	0.174	0.06	0.174
BG2	0.246	0.282	0.347	0.174	0.338	0.296
BG3	0.438	0.141	0.186	0.043	0.3	0.188
BG4	0.122	0.141	0.119	0.087	0.142	0.122
BG5	0.065	0.035	0.186	0.174	0.092	0.122
BG6	0.083	0.141	0.098	0.348	0.068	0.098
(*) INST. = INSTITUTION						

Source: Authors.

According to Table 23, one of the aspects is considered to be more representative of good governance as compared with the other five aspects, the block BG2 (consensual value= 0.296). This block contains eight indicators that measure the adequate management of the mission, vision and values of the organization. Moreover, with the exception of an individual respondent which considers the aspect to have a lower weight (institution 4, weight = 0.174), the remaining institutions give this block of general aspect a highest weight, thus confirming the superiority of this block as compared to the other.

Second, the blocks BG4 “Economic management” and BG5 “Human resources”. These blocks show same weighting (consensus value= 0.122) as shown in the last column. Finally, we must note the lower extent of importance given to the BG6 “Stakeholders” aspects in terms of good governance, where only one individual respondent (institution 4; 0.348) shows a very high weighting in this block.

5.4.2. Results from governing body indicators

Table 24 presents the results from each indicators from the block BG1. Following the CONGDE order, we have started with the issues related to the governing body. As the CONGDE offers a possible weighting for each indicator, we will compare these orientative weights (CONGDE column) with the weights that have been validated with the BWM considering the experts’ opinions (Consensus column).

Table 24 Good governance-indicator weighting. Governing Body block

	INST. 1	INST. 2	INST. 3	INST. 4	INST. 5	CONSENSUS VALUE	CONGDE 2019
BG1.1	0.045	0.071	0.133	0.048	0.055	0.071	0.1
BG1.2	0.055	0.071	0.133	0.048	0.055	0.071	0.15
BG1.3	0.057	0.142	0.133	0.091	0.055	0.133	0.1
BG1.4	0.149	0.04	0.133	0.028	0.159	0.133	0.1
BG1.5	0.058	0.283	0.07	0.091	0.315	0.176	0.1
BG1.6	0.103	0.035	0.038	0.174	0.11	0.104	0.15
BG1.7	0.066	0.04	0.079	0.174	0.159	0.113	0.1
BG1.8	0.124	0.071	0.206	0.298	0.055	0.124	0.1
BG1.9	0.343	0.248	0.075	0.048	0.039	0.075	0.1

(*) *INST.* = *INSTITUTION*

Source: Authors.

A comparison between the BWM and the CONGDE values shows an overvaluation of several indicators (BG1.1, BG1.2, BG1.6 y BG1.9). This fact is most notably observed in two indicators (BG1.2 and BG1.6) by the CONGDE. BG1.2 referring to the proportion of women in the governing body and BG1.6 regarding the government body members that receive remuneration for other positions. CONGDE considers that both are the most important aspect regarding this block (weight= 0.15), while the experts offer a considerably lower consensus value for the valuation of these indicators (consensus value= 0.071 and 0.104 respectively).

Moreover, in the CONGDE set of indicators, BG1.2 indicator is reinforced by "relevant" as a degree of importance, while BG1.6 is categorized as "inexcusable compliance". These differences proposed by the CONGDE between the degree of importance and not between weighting values leads us to think that a revision of these indicators would be advisable.

Finally, we draw our attention to the indicator BG1.5 that represents the fact that 80% of the members, minimum, attends at least 50% of the meetings. We observe here a great difference in the weight proposed by the CONGDE (0.1) and the one given by the experts (consensus value= 0.176). Moreover, the extent of compliance degree suggested by the CONGDE is also lower, they only considered it to be "relevant", rather than a criteria of "inexcusable compliance".

5.4.3. Results from mission, vision and values indicators

The second aspect that the CONGDE proposes to represent good governance is the adequate management of the mission, vision and values. Moreover, as we indicated above, this is the most highly weighted block of indicators according to the experts. Table 25 shows the results from the BWM for the weighting of the indicators defined by this block, as well as those proposed by the CONGDE.

Table 25 Good governance-indicator weighting. Mission, vision and values block

	INST. 1	INST. 2	INST. 3	INST. 4	INST. 5	CONSENSUS VALUE	CONGDE 2019
BG2.1	0.073	0.266	0.271	0.16	0.029	0.266	0.15
BG2.2	0.051	0.066	0.145	0.16	0.197	0.145	0.1
BG2.3	0.036	0.232	0.1	0.028	0.084	0.1	0.15
BG2.4	0.195	0.066	0.145	0.049	0.084	0.11	0.1
BG2.5	0.066	0.232	0.1	0.162	0.084	0.1	0.15
BG2.6	0.134	0.066	0.1	0.077	0.241	0.1	0.1
BG2.7	0.366	0.033	0.1	0.077	0.117	0.1	0.1
BG2.8	0.079	0.038	0.039	0.286	0.164	0.079	0.15
(*) INST. = INSTITUTION							

Source: Authors.

According to BG2, we find similarities in the weighting proposed by the CONGDE and the weighting drawn from BWM's expert analysis. This fact is reflected in an equal weight for the review of the mission every time the strategic plan is updated (BG2.4), the values review indicators every 10 years (BG2.6) and the definition and review of the mission, vision and values refer to the Coordinator's Code of Conduct and the Third Strategic Plan Social Action Sector (BG2.7). Regarding the degree of importance, these three indicators are proposed as "relevant" by the CONGDE.

Regarding notable differences, it should be noted how the CONGDE values BG2.1, BG2.3, BG2.5, BG2.8 as the most important indicators (0.15) within the block. However, the opinion of experts manifests that only BG2.1, about the mission formulation approved by the governing body, obtains the maximum weighting (0.266) of this block, in an outstanding way compared to the rest of the indicators. Additionally, the BG2.8 indicator regarding a Code of Conduct on abuse, harassment, fraud and illegal conduct, which is considered one of the most important indicators by the

CONGDE, is underestimated by experts (consensus weight= 0.079), being the indicator that presents the lowest consensus value within the BG2 block.

5.4.4. Results from planning and evaluation indicators

This block of indicators is considered, as we pointed out above, the second most important block according to the experts. Once again, it is a block that presents many differences between the weightings of the experts and those proposed by the CONGDE. A detailed comparison is shown in Table 26.

Table 26 Good governance-indicator weighting. Planning and evaluation block

	INST. 1	INST. 2	INST. 3	INST.4	INST. 5	CONSENSUS VALUE	CONGDE 2019
BG3.1	0.066	0.078	0.083	0.152	0.187	0.128	0.1
BG3.2	0.148	0.078	0.133	0.072	0.26	0.148	0.1
BG3.3	0.078	0.147	0.219	0.152	0.142	0.149	0.05
BG3.4	0.06	0.147	0.133	0.027	0.1	0.1	0.1
BG3.5	0.048	0.078	0.083	0.159	0.1	0.093	0.15
BG3.6	0.106	0.147	0.133	0.047	0.072	0.106	0.15
BG3.7	0.066	0.02	0.083	0.047	0.039	0.047	0.1
BG3.8	0.387	0.156	0.05	0.273	0.072	0.156	0.1
BG3.9	0.041	0.148	0.083	0.073	0.028	0.073	0.15

(*) **INST. = INSTITUTION**

Source: Authors.

According to the experts, differences in practically all the indicators are observed in this block BG3. Moreover, this block has the greatest number of indicators for which the values proposed by the CONGDE differs more in magnitude with the experts' opinions.

Firstly, one of the indicator for which the CONGDE gives a higher weight (0.15) and degree of importance (inexcusable compliance) is the one referred to the fact that the strategic planning is specified in periodic operational schedules approved by the governing body (BG3.5). However, experts do not consider this fact so important (consensus value= 0.093). Furthermore, experts consider this indicator with one of the lowest weights.

Another indicator for which the CONGDE gives a higher weight (0.1) and a higher degree of importance (inexcusable compliance) is the indicator BG3.7: Governing body monitors and evaluates operational schedules. Nevertheless,

experts do not consider this fact so important (consensus value= 0.047). Furthermore, experts consider this indicator as the lowest weight for the whole block BG3.

In this sense, the indicator that the experts consider to be most important (consensus value= 0.156), is the public availability of a document that reflects the policy, system or procedure for monitoring and evaluating the NPO's own activity projects and programs, directly linked to the mission's fulfilment (BG3.8). This indicator is given a lower value by the CONGDE (weight= 0.1) and degree of importance (relevant).

Lastly, the most valued indicator by the experts in contrast to the CONGDE are the following: BG3.2 (consensus value= 0.148; CONGDE= 0.1) and BG3.3. (Consensus value= 0.149; CONGDE= 0.05). It is very remarkable how this last indicator as the strategic planning explicitly includes references to the mission, vision and values and ethical recommendations of the nonprofit sector, obtains the lowest weighting of the block by the CONGDE. Against this, it gets the second highest weighting of the BG3 block by the experts.

5.4.5. Results from economic management indicators

The forth aspect that the CONGDE proposes to represent good governance is about the economic management as the block BG4. Table 27 shows the results from the BWM for the weighting of the indicators defined by this block, as well as those proposed by the CONGDE.

Table 27 Good governance-indicator weighting. Economic management block

	INST. 1	INST. 2	INST. 3	INST. 4	INST. 5	CONSENSUS VALUE	CONGDE 2019
BG4.1	0.213	0.159	0.145	0.052	0.24	0.168	0.15
BG4.2	0.035	0.159	0.103	0.052	0.057	0.103	0.1
BG4.3	0.105	0.159	0.145	0.305	0.276	0.264	0.15
BG4.4	0.182	0.045	0.291	0.081	0.069	0.113	0.15
BG4.5	0.062	0.181	0.073	0.081	0.035	0.081	0.1
BG4.6	0.288	0.091	0.074	0.173	0.07	0.091	0.1
BG4.7	0.048	0.159	0.074	0.173	0.057	0.091	0.15
BG4.8	0.04	0.023	0.036	0.03	0.057	0.036	0.05
BG4.9	0.028	0.026	0.059	0.052	0.138	0.052	0.05

(*) *INST.* = *INSTITUTION*

Source: Authors.

Most of the indicators reflecting a higher extent of good governance in terms of the economic management by the NPO show similar weights between experts' opinions and those proposed by CONGDE.

Both experts and the CONGDE agree that the most important aspects are BG4.1, about the public availability of the annual income and expense budget approved by the governing body (consensus value= 0.168; CONGDE= 0.15); and BG4.3, referred to the public availability of the annual budget settlement executed, reviewed and approved by the governing body (consensus value= 0.264; CONGDE= 0.15). This is also consistent with the higher degree of importance (inexcusable compliance) of these indicators.

However, despite the fact that the CONGDE considers BG4.3 to have the highest weight (CONGDE= 0.15), it would be more logical to revise this magnitude and increase the weight for this indicator, approaching it to the experts opinions (consensus value= 0.264). In short, this indicator should still be considered to be an "inexcusable compliance" one, increasing its weighting by the CONGDE, in consonance with the opinion of the experts.

Two of the indicators that are considered to be "relevant" in terms of representing good governance in the field of NPO's economic management present similar importance according to the experts and the CONGDE and besides, both indicators have the lowest weighting for both proposals.

Finally, two aspects are given considerably similar importance by the experts and the CONGDE; BG4.8, regarding no financier contributes more than 50% of total income for the year (consensus value= 0.036; CONGDE= 0.05), and BG4.9, about the fact that the NPO does not accumulate liquid assets or financial assets in the previous audited year greater than the expense of the current year (consensus value= 0.052; CONGDE: 0.05).

5.4.6. Results from human resources indicators

Table 28 presents the results from each indicators from the block BG5 about the human resources management to represent good governance in the nonprofit sector.

Table 28 Good governance-indicator weighting. Human resources block

	INST. 1	INST. 2	INST.3	INST.4	INST.5	CONSENSUS VALUE	CONGDE 2019
BG5.1	0.14	0.051	0.116	0.295	0.073	0.132	0.15
BG5.2	0.033	0.103	0.116	0.167	0.104	0.104	0.1
BG5.3	0.047	0.179	0.116	0.079	0.138	0.116	0.1
BG5.4	0.222	0.205	0.116	0.029	0.161	0.161	0.1
BG5.5	0.319	0.179	0.116	0.079	0.19	0.179	0.1
BG5.6	0.051	0.103	0.19	0.169	0.104	0.104	0.05
BG5.7	0.056	0.051	0.116	0.051	0.138	0.08	0.15
BG5.8	0.045	0.026	0.072	0.051	0.02	0.045	0.15
BG5.9	0.087	0.103	0.044	0.079	0.073	0.079	0.1

(*) *INST. = INSTITUTION*

Source: Authors.

Firstly, two of the indicators for which the experts give the higher weights are BG5.4, based on a list of organization profiles and the continuous development of its operational team (consensus value= 0.161), and BG5.5, regarding NPO that promotes training and continuous development of the operational team (consensus value= 0.179). On the contrary, the CONGDE gives a weight valued at 0.1 and a degree of importance of "relevant".

In contrast, other indicators for which the CONGDE gives higher weights (0.15) but not a higher degree of importance (relevant) are the indicators BG5.7, about the volunteer plan that includes minimum objectives and activities (consensus value= 0.08), and BG5.8, about the percentage of women who are part of the responsible executive structure (consensus value= 0.045). In this sense, the experts do not consider these facts so important and thus, they consider these indicators as two of the lowest weights for the whole block BG5. Our results suggest the need to decrease the importance given to the weights of these indicators.

Finally, we highlight the indicator BG5.6, related to the agreement model for volunteering. On the one hand, the CONGDE gives it the lowest value of the entire block (0.05). On the other hand, CONGDE considers it inexcusable compliance in terms of the degree of importance. We also highlight how the experts give it a value of something more than double (consensus value= 0.104) than that proposed by CONGDE.

5.4.7. Results from stakeholders indicators

Lastly, Table 29 presents the results from each indicators from the block BG6 regarding the relationship and communication with stakeholders in order to measure the levels of good governance.

Table 29 Good governance-indicator weighting. Stakeholders block

	INST. 1	INST. 2	INST. 3	INST. 4	INST. 5	CONSENSUS VALUE	CONGDE 2019
BG6.1	0.255	0.032	0.259	0.284	0.115	0.255	0.1
BG6.2	0.052	0.257	0.046	0.028	0.079	0.052	0.1
BG6.3	0.091	0.128	0.169	0.163	0.079	0.128	0.15
BG6.4	0.108	0.128	0.07	0.076	0.04	0.083	0.15
BG6.5	0.068	0.198	0.169	0.076	0.08	0.08	0.1
BG6.6	0.337	0.064	0.07	0.163	0.165	0.165	0.15
BG6.7	0.055	0.128	0.109	0.049	0.327	0.128	0.1
BG6.8	0.035	0.064	0.109	0.163	0.115	0.109	0.15
(*) INST. = INSTITUTION							

Source: Authors.

This block BG6 presents several differences on the values proposed by the CONGDE and by the experts' opinions. The first one, the indicator BG6.1, for which the experts give the highest weight (consensus value= 0.255), is referred to the fact that the partnership policy approved by the governing body defines relationships with entities with which it carries out its projects. However, the CONGDE does not consider this fact so important (0.1) and its degree of importance is categorized only as "relevant". Therefore, BG6.1 presents a weight of more than double by the experts. The opposite occurs with the indicator BG6.2 about the collaboration agreement model to be signed with local partners and / or local executing entities that contains purpose, rights and obligations, and duration. This indicator is undervalued by the experts (consensus value= 0.052). However, the CONGDE provides a weighting of almost double (0.1). In addition, the degree of importance is of "inexcusable compliance", which differs from the opinion of the experts.

As a final comment on the results of the 6 blocks of indicators, there are many differences that are underscored in the importance of most of the indicators proposed by CONGDE to measure desirable levels of good governance in an NPO.

As a general conclusion, we have contributed with this analysis to the research field by proposing an optimal weight for the importance of those aspects as indicative of the extent of good governance measurement in the nonprofit sector. All these things considered, and observing the discrepancies found between the CONGDE and the experts in many of the indicators, we find it necessary to review the importance that the CONGDE proposed for each indicator in comparison with the consensus value that the experts in the nonprofit sector grant.

5.5. Conclusion for Chapter 5

Nonprofit good governance has become a necessary mechanism for the supervision of the nonprofit sector, as it may allow NPOs to better achieve their goals through the most effective, clear and objective use of their resources, providing an adequate ethical content for their stakeholders. Therefore, the main objective of a good governance mechanism should be the improvement of the accountability practices of NPOs.

In this Chapter 5 we contribute to the literature by proposing a battery of good governance indicators weighted by experts in the nonprofit sector. Good governance indicators are aimed at promoting positive behaviours in the governance of NPOs. We contribute to improve the measurement of good governance in NPOs. Besides, this mechanism is supported by the need to adhere to the standards of ethics and honesty that have been consolidated in the nonprofit sector as relevant tools to cultivate the image of the NPOs.

Through this research and analysis of the results obtained, we have found significant differences between the weights of the indicators proposed by CONGDE and those obtained from the experts. As previously stated, the indicators proposed by CONGDE lack empirical validation by experts.

One of the most significant practical contributions is that, unlike the CONGDE (which does not carry out an individualized weighting of each block) we have managed to establish the priority that each block of indicators has in relation to the others blocks. Our results show that the block of indicators that are considered to be the most important when measuring good governance in NPOs are those from BG2 "Mission, vision and values" (consensus value= 0.296). On the contrary, the block that measure the relationship of the NPO with its stakeholders (BG6) is the least valued (consensus value= 0.096). Analysing such differences by blocks, the greater divergence comes

from indicators BG1.2 as the proportion of women in the governing body that is equal to or greater than 40% (consensus value by experts is 0.079 lower than the CONGDE value), BG2.1 as the existence of a mission formulation approved by the governing body (0.112 greater), BG3.3 where strategic planning explicitly includes references to the mission, vision and values and ethical recommendations of the nonprofit sector (0.099 greater), BG4.3 as the annual budget settlement is executed, reviewed and approved by the governing body (0.114 greater), BG5.8 regarding a gender policy approved by the governing body in the organization (0.105 lower) and BG6.1 as it exists a partnership policy approved by the governing body that defines relationships with entities with which it carries out its projects (commitment to comply with legal regulations) (0.155 greater).

The indicators with the highest value in each block are BG1.5 that represents the fact that “80% of the members, minimum, attends at least 50% of the meetings” (consensus value: 0.176); BG2.1 “Mission formulation approved by the governing body” (consensus value= 0.266); BG3.8 “Document that reflects the policy, system or procedure for monitoring and evaluating the organization's own activity projects and programs, directly linked to the mission's fulfilment” (consensus value= 0.156); BG4.3 “Annual budget settlement executed, reviewed and approved by the governing body” (consensus value= 0.264); BG5.5 “Promotes training and continuous development of the operational team” (consensus value= 0.179); and BG6.1 “Partnership policy approved by the governing body that defines relationships with entities with which it carries out its projects” (consensus value= 0.255).

As a relevant qualitative conclusion, we highlight the following indicators: BG2.1 "Mission formulation approved by the governing body" (consensus value= 0.266), BG4.3 "Annual budget settlement executed, reviewed and approved by the governing body body "(consensus value= 0.264) and BG 6.1" Partnership policy approved by the governing body "(consensus value= 0.255). They are indicators located in different blocks and they present the highest weighting of the 52 proposed in the CONGDE document (2019). This fact, a priori, may be inconclusive. But, these three indicators have a common qualitative characteristic. The source of information or source of verification that the NPO should present to prove compliance with this indicator according to CONGDE is the same: minutes approved during the meeting of the governing body. We can conclude that these indicators are established as part of a governance mechanism in which the governing bodies of NPOs are held accountable

for their activities. From this point of view, the governing bodies should voluntarily strengthen their internal governance through these behaviors and thus be more accountable to their members, donors and society in general. Therefore, it is especially advisable that NPOs voluntarily take on this task.

Another relevant conclusion is that, in addition to a numerical weighting, the CONGDE establishes the "degree of importance" of each indicator, rating them in 2 different ways: "Relevant" or "Inexcusable compliance". We provide in this chapter empirical evidence of the experts' perception of these degrees of importance (thus covering the gap that the CONGDE does not offer a justification for this categorization nor an empirical validation for it).

As a final conclusion, we have contributed with this analysis to the research field by proposing an optimal weight for the importance of these aspects as indicative of the scope of good governance measurement in the nonprofit sector. Taking into account all the above and observing the discrepancies found between the CONGDE and the experts in many of the indicators, we consider it necessary to review the importance of the document proposed CONGDE for each indicator compared to the consensus value that experts in the nonprofit sector grant.

5.6. References for Chapter 5

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5.7. Annexes for Chapter 5

Annex 5 Questionnaire for Good Governance Indicators⁸

Siendo conscientes de que conoce Vd. en profundidad el marco de las entidades sin ánimo de lucro (ESAL, en adelante), solicitamos su colaboración para integrarlo en un grupo de expertos a fin de colaborar en un trabajo de investigación cuya finalidad es, partiendo de trabajos ya publicados, diseñar una batería de indicadores que permitan mejorar la medida de la transparencia y el buen gobierno en estas organizaciones.

Todas las cuestiones que se le planteen serán tratadas con absoluta confidencialidad. En ningún caso se le pide información relativa a su entidad, sino que, como conocedor del marco de estas organizaciones, valore los indicadores que le presentamos como herramienta de mejora para cualquiera de ellas.

A continuación se presentan una serie de cuestiones relativas a diferentes aspectos a considerar en gestión de las ESAL.

En el primer apartado se abordan una serie de aspectos a considerar, de forma genérica, para valorar la gestión desempeñada por las ESAL. Posteriormente, en los siguientes bloques se presentan indicadores de cada uno de estos aspectos de manera más específica y referido a cada uno de ellos.

El objetivo es conocer la opinión de expertos en el ámbito de las ESAL en relación a un amplio abanico de aspectos que permitan concluir sobre el denominado “buen gobierno” de las mismas. Para mayor nivel de detalle, a su vez, se tratará de analizar la importancia percibida de cada uno de los indicadores que denotan un mayor o menor grado de dichos aspectos.

APARTADO 1: IMPORTANCIA DE LOS ASPECTOS GENERALES RELATIVOS AL BUEN GOBIERNO.

En este bloque se presentan los aspectos generales a evaluar para considerar si una ESAL está siendo gestionada adecuadamente. Todos ellos van referidos, por tanto, al buen gobierno (numerados de forma correlativa, anteceditos por las iniciales “BG”).

Los aspectos a considerar son los siguientes:

⁸ As we mentioned in Chapter 1 “Introduction”, the questionnaires were sent to experts from Spanish NPOs in Spanish language. This is the reason why the annex is presented as the original questionnaire in Spanish.

-BG1: Órgano de gobierno representativo, con coherencia en los criterios relativos a elección, composición, permanencia y retribución de los miembros del órgano de gobierno.

-BG2: Coherencia de las decisiones del gobierno de la ESAL con el cumplimiento de la misión, visión, valores de la entidad.

-BG3: Disponibilidad de una detallada planificación estratégica y en cuya elaboración participen los diferentes grupos de interés, sometida a procesos de contrastación sistemáticos.

-BG4: Empleo de adecuadas herramientas de gestión económica que se concretan en un presupuesto anual, auditoría externa, políticas de inversión financiera, seguimiento de fondos finalistas y criterios de tesorería.

- BG5: Políticas de gestión de personal publicitadas y claras, con especial referencia a criterios de contratación, remuneración, formación de los trabajadores y política de género. Se incluye la existencia de un plan de voluntariado en el que se recojan derechos y obligaciones.

- BG6: Disponibilidad de adecuados planes de actuación en relación a los grupos de interés, con mención especial los criterios aprobados en la relación con entidades colaboradoras, socios, política medioambiental, plataformas en las que participa, así como criterios seguidos para el trámite de quejas y reclamaciones.

A-) Considerando el objetivo de que las ESAL desarrollen adecuadas prácticas de buen gobierno, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior, indique respecto del mismo, cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG1					
BG2					
BG3					
BG4					

BG5					
BG6					

C-) Considerando el objetivo de que las ESAL desarrollen adecuadas prácticas de buen gobierno, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
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D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior, indique respecto del mismo, cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG1					
BG2					
BG3					
BG4					
BG5					
BG6					

APARTADO 2: IMPORTANCIA DE LOS INDICADORES DE BUEN GOBIERNO.

En este apartado se presentan los aspectos específicos a evaluar para considerar el adecuado grado de cumplimiento de los aspectos generales relativos al buen gobierno (BG1 a BG6) anteriormente descritos. Para cada aspecto general se detallan una serie de indicadores, al objeto de que se evalúe su importancia relativa como un indicador representativo del aspecto general al que hace referencia. Así, se presentan 6 apartados (Bloque 1 a Bloque 6).

BLOQUE 1: INDICADORES DE BUEN GOBIERNO RELACIONADOS CON LOS ÓRGANOS DE DIRECCIÓN.

Los siguientes indicadores (numerados de forma correlativa, antecidos por las iniciales "BG1.") se refieren a una mayor o menor excelencia en la gestión llevada a cabo por el órgano de gobierno (Junta Directiva para las asociaciones y Patronato para las fundaciones):

- BG1.1: Órgano de gobierno suficientemente representativo con al menos 5 miembros.
- BG1.2: Proporción de mujeres en el órgano de gobierno de, al menos, el 40%.
- BG1.3: La proporción máxima de miembros del órgano de gobierno que mantienen relación de parentesco hasta segundo grado o que son parejas de hecho es del 20%.
- BG1.4: El número mínimo de reuniones del órgano de gobierno al año es de dos.
- BG1.5: El 80% de los miembros del órgano de gobierno asiste como mínimo al 50% de reuniones celebradas al año.
- BG1.6: No más del 40% de los miembros del órgano de gobierno recibe contraprestación económica por otros cargos que puedan ocupar en la organización.
- BG1.7: En el caso de las asociaciones, la elección y sustitución de cargos, se realizará como máximo cada cinco años. En el caso de otra forma jurídica, no aplica.
- BG1.8: Al menos un 60% de los miembros del órgano de gobierno tiene una permanencia máxima acumulada de forma continuada en el tiempo inferior a ocho años, fomentándose su renovación.
- BG1.9: Ningún miembro de órgano de gobierno tiene asignación vitalicia.

A-) Considerando el objetivo de que las ESAL desarrollen adecuadas prácticas de buen gobierno en aspectos relativos a los órganos de gestión de las mismas, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG1.1					
BG1.2					
BG1.3					
BG1.4					
BG1.5					
BG1.6					
BG1.7					

BG1.8					
BG1.9					

C-) Considerando el objetivo de que las ESAL desarrollen adecuadas prácticas de buen gobierno en aspectos relativos a los órganos de gestión de las mismas, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
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D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG1.1					
BG1.2					
BG1.3					
BG1.4					
BG1.5					
BG1.6					
BG1.7					
BG1.8					
BG1.9					

BLOQUE 2: INDICADORES DE BUEN GOBIERNO RELACIONADOS CON LA MISIÓN, VISIÓN Y VALORES.

Los siguientes indicadores (numerados de forma correlativa, antecedidos por las iniciales "BG2.") se refieren a la coherencia de las decisiones del gobierno de la ESAL para el cumplimiento de la misión, visión y valores de la entidad:

-BG2.1: La Misión de la organización se encuentra formulada por el órgano de gobierno a través de estatutos, acta u otro documento formal.

-BG2.2: Misión de la ESAL revisada al menos cada diez años, con participación de los grupos de interés.

-BG2.3: La Visión de la organización se encuentra formulada por el órgano de gobierno a través de documento formal.

-BG2.4: Visión de la ESAL revisada cada vez que se actualice el plan estratégico, con participación de los grupos de interés.

-BG2.5: Los Valores de la organización se encuentran formulados por el órgano de gobierno a través de documento formal.

-BG2.6: Valores de la ESAL revisados al menos cada diez años, con participación de los grupos de interés.

-BG2.7: La definición/revisión de la Misión, Visión y Valores son coherentes con el Tercer Sector de Acción Social.

-BG2.8: Existe un código de conducta propio que contiene las líneas éticas de la ESAL firmado y aceptado por todos los grupos de interés.

A-) Considerando el objetivo de que las ESAL muestren coherencia en las decisiones del gobierno de la ESAL para el cumplimiento de la misión, visión y valores de la entidad, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG2.1					
BG2.2					
BG2.3					
BG2.4					
BG2.5					
BG2.6					
BG2.7					
BG2.8					

C-) Considerando el objetivo de que las ESAL muestren coherencia en las decisiones del gobierno de la ESAL para el cumplimiento de la misión, visión y valores de la

entidad, por favor, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG2.1					
BG2.2					
BG2.3					
BG2.4					
BG2.5					
BG2.6					
BG2.7					
BG2.8					

BLOQUE 3: INDICADORES DE BUEN GOBIERNO RELATIVOS A LA PLANIFICACIÓN ESTRATÉGICA Y OPERATIVA.

Los siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales "BG3.") se refieren a una mayor o menor implantación de una detallada planificación estratégica en cuya elaboración participen los diferentes grupos de interés, sometida a procesos de contrastación sistemáticos:

-BG3.1: Se dispone de una planificación estratégica plurianual aprobada por el órgano de gobierno y tiene una duración máxima de diez años.

-BG3.2: La elaboración de la planificación estratégica contempla la participación en el proceso de una representación de los grupos de interés de la organización.

-BG3.3: La planificación estratégica incluye de forma explícita referencias a la misión, visión y valores de la organización.

-BG3.4: La planificación estratégica incluye una estimación de los ingresos privados y públicos a conseguir anualmente durante el periodo de aplicación del plan.

-BG3.5: La planificación estratégica se concreta en programaciones operativas periódicas que cuentan con la aprobación del órgano de gobierno.

-BG3.6: El órgano de gobierno realiza ejercicios de seguimiento y evaluación de la planificación estratégica.

-BG3.7: El órgano de gobierno realiza ejercicios de seguimiento y evaluación de las programaciones operativas.

-BG3.8: Se dispone de un documento que refleja una política, un sistema o un procedimiento de seguimiento y evaluación de los proyectos y programas de actividad propia de la organización.

-BG3.9: Se informa a la Asamblea o al Patronato de la organización del número, tipología y medidas adoptadas de casos analizados por el órgano de seguimiento del canal de denuncias.

A-) Considerando el objetivo de que las ESAL dispongan de una detallada planificación estratégica y en cuya elaboración participen los diferentes grupos de interés, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG3.1					
BG3.2					
BG3.3					
BG3.4					
BG3.5					
BG3.6					
BG3.7					
BG3.8					
BG3.9					

C-) Considerando el objetivo de que las ESAL dispongan de una detallada planificación estratégica y en cuya elaboración participen los diferentes grupos de interés, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
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D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG3.1					
BG3.2					
BG3.3					
BG3.4					
BG3.5					
BG3.6					
BG3.7					
BG3.8					
BG3.9					

BLOQUE 4: INDICADORES DE BUEN GOBIERNO RELACIONADOS CON LA GESTIÓN ECONÓMICA.

Los siguientes indicadores (numerados de forma correlativa, antecidos por las iniciales "BG4.") se refieren al desempeño de mejores o peores procedimientos en el ámbito de la gestión económica de las ESAL:

-BG4.1: Existe un presupuesto anual de ingresos y gastos aprobado por el órgano de gobierno.

-BG4.2: El órgano de gobierno lleva a cabo un seguimiento del presupuesto como mínimo semestralmente.

-BG4.3: Existe una liquidación del presupuesto anual ejecutado, revisada y aprobada por el órgano de gobierno.

-BG4.4: Se realiza una auditoría externa de las cuentas anuales siempre que el volumen de ingresos haya superado los 300.000 €.

-BG4.5: La organización cuenta con una política de inversión financiera formulada por escrito y aprobada por el órgano de gobierno cuya normativa de referencia incluye, como mínimo, las previsiones del código de Conducta de Entidades No Lucrativas para inversiones temporales establecido por la CNMV (Acuerdo 20/11/2003).

-BG4.6: La planificación estratégica plurianual incluye explícitamente los principales criterios de obtención de ingresos privados y públicos.

-BG4.7: Se dispone de un documento institucional que marca criterios de trazabilidad de los fondos finalistas que recibe.

-BG4.8: Ningún financiador aporta a la organización más del 50% de sus ingresos totales del ejercicio.

-BG4.9: La organización no acumula recursos de tesorería u otros activos financieros en el ejercicio auditado n-1 por un monto superior al total del gasto realizado en el ejercicio auditado n.

A-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en el ámbito de la gestión económica, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
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B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG4.1					
BG4.2					
BG4.3					
BG4.4					
BG4.5					
BG4.6					
BG4.7					
BG4.8					
BG4.9					

C-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en el ámbito de la gestión económica, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG4.1					
BG4.2					
BG4.3					
BG4.4					
BG4.5					
BG4.6					
BG4.7					
BG4.8					
BG4.9					

BLOQUE 5: INDICADORES DE BUEN GOBIERNO RELACIONADOS CON LAS PERSONAS.

Los siguientes indicadores (numerados de forma correlativa, antecidos por las iniciales “BG5.”) se refieren al desempeño de mejores o peores procedimientos en el ámbito de las personas:

-BG5.1: La organización dispone de una política o documento aprobado por órgano de gobierno de criterios sobre compensación y beneficios sociales que es pública y accesible para el personal contratado.

-BG5.2: Dispone de una política de selección y contratación de personal aprobada por el órgano de gobierno que es conocida internamente.

-BG5.3: Las políticas de Gestión de Personas (remuneradas y voluntarias) hacen mención expresa a evitar cualquier discriminación.

-BG5.4: Existe un listado de perfiles de la organización y una descripción de cada puesto de trabajo.

-BG5.5: La organización impulsa la formación y el desarrollo continuo de su equipo operativo.

-BG5.6: La organización dispone de un modelo de “acuerdo de incorporación” para firmar con todos sus voluntarios/as en el que se especifica el conjunto de derechos y

obligaciones de ambas partes, así como el contenido de las funciones, actividades y tiempo de dedicación, además de disponer de un seguro para sus voluntarios/as.

-BG5.7: Dispone de un Plan de Voluntariado que incluye como mínimo: objetivos y actividades.

-BG5.8: El porcentaje de mujeres que forman parte de la estructura ejecutiva responsable, es igual o superior al 40%.

-BG5.9: Existe una política de género aprobada por el órgano de gobierno.

A-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en el ámbito de la gestión de personas, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
--------------------------	--

B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG5.1					
BG5.2					
BG5.3					
BG5.4					
BG5.5					
BG5.6					
BG5.7					
BG5.8					
BG5.9					

C-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en el ámbito de la gestión de personas, por favor, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
----------------------------	--

D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG5.1					
BG5.2					
BG5.3					
BG5.4					
BG5.5					
BG5.6					
BG5.7					
BG5.8					
BG5.9					

BLOQUE 6: INDICADORES DE BUEN GOBIERNO RELACIONADOS CON LOS GRUPOS DE INTERÉS.

Los siguientes indicadores (numerados de forma correlativa, anteceditos por las iniciales “BG6.”) se refieren al desempeño de mejores o peores procedimientos en la relación que la organización mantiene con sus grupos de interés:

-BG6.1: La organización dispone de una política de partenariado aprobada por el órgano de gobierno que define las relaciones con las entidades con las que ejecuta sus proyectos, con referencia explícita a su compromiso de cumplimiento de las normativas legales vigentes del país en que están radicadas.

-BG6.2: La organización dispone de un modelo de convenio de colaboración a firmar con cada uno de los socios locales y/o entidades ejecutoras.

-BG6.3: Dispone de una política de gestión medioambiental aprobada por el órgano de gobierno.

-BG6.4: Se dispone de política de compras aprobada por el órgano de gobierno.

-BG6.5: Se dispone de una declaración de principios o documento de criterios de colaboración con empresas aprobada por el órgano de gobierno que, como mínimo, hace referencia a los principios rectores sobre derechos humanos y empresas de NNUU.

-BG6.6: La organización ha participado activamente en las plataformas a las que pertenece durante el último año.

-BG6.7: Se dispone de unos criterios y un procedimiento que desarrollan el compromiso de la organización de dar respuesta a las quejas, consultas y peticiones de información recibidas.

-BG6.8: Existe un canal de denuncias propio y público, un procedimiento regulador, y un órgano que vele por su seguimiento. Dicho órgano se reunirá como mínimo una vez al año.

A-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en la relación que la organización mantiene con sus grupos de interés, por favor, seleccione el CRITERIO MÁS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio más importante:	
--------------------------	--

B-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como más importante, indique respecto a dicho criterio cómo considera el resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como más importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG6.1					
BG6.2					
BG6.3					
BG6.4					
BG6.5					
BG6.6					
BG6.7					
BG6.8					

C-) Considerando el objetivo de que las ESAL desempeñen adecuados procedimientos en la relación que la organización mantiene con sus grupos de interés, por favor, seleccione el CRITERIO MENOS IMPORTANTE que considere a tal fin e indíquelo en la casilla que encontrará a continuación:

Criterio menos importante:	
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D-) A continuación, en relación al criterio que haya señalado en la pregunta anterior como menos importante, indique cómo considera dicho criterio con respecto al resto de aspectos (NOTA: Por favor, no cumplimente la fila del criterio que haya seleccionado como menos importante):

	Poco importante	Algo importante	Igual de importante	Muy importante	Absolutamente importante
BG6.1					
BG6.2					
BG6.3					
BG6.4					
BG6.5					
BG6.6					
BG6.7					
BG6.8					

CHAPTER 6

**MEASURING WHAT IS NOT SEEN — TRANSPARENCY
AND GOOD GOVERNANCE NONPROFIT INDICATORS
TO OVERCOME THE LIMITATIONS OF
ACCOUNTING MODELS**

CHAPTER 6: Measuring What Is Not Seen—Transparency and Good Governance Nonprofit Indicators to Overcome the Limitations of Accounting Models

Chapter Abstract: One of the most complex challenges currently faced by non-profit organizations (NPOs) is demonstrating that they manage resources with the highest levels of efficiency and excellence, and do not deviate from the accomplishment of their mission. Transparency and good governance are highly valuable issues for the survival of these organizations. However, empirical studies and models to measure these concepts are scarce and lack consensus. The objective of this chapter is to develop a uniform procedure for measuring the levels of transparency and good governance in NPOs, validated by experts, that integrates the most important contributions. The main proposals are supported by lists of indicators whose compliance they try to verify. Finally, we considered the experts' preferences to obtain the indicator weights by means of the Best–Worst Method and Minimum Cost Consensus model. The result of our work is the development of a list of indicators, which integrates the existing battery of Spanish indicators. We contribute, with this work, to improving the credibility of the nonprofit sector from the perspective of donors, users, public administrations, and society. This is an essential issue for the survival of these NPOs.

6.1. Introduction

Non-profit organizations (NPOs) have been configured as an exclusive model in the coverage of social services of a very diverse nature (Fernández and Gil, 2011; Amagoh, 2015). Due to the growth in its size and scope, the nonprofit sector has become a major player in global society (Dhanani and Connolly, 2015). There is a strong link between the nonprofit sector and public authorities. This is because NPOs collect public funds and are subject to a favourable tax regime (Moreno, Alcaide and San Juan, 2016). Regarding this, it is necessary to provide greater visibility to their actions and avoid suspicions of irregularities about tax advantages and funds obtained from public administrations (Lozano, Valencia and Gutiérrez, 2008). In this framework, NPOs have become a true benchmark, developing action procedures and management models capable of quickly addressing different social problems as expected by society (Manville and Greatbanks, 2016).

Recently, NPOs have appeared whose activity and destination of resources is on the edge of legality (Greenlee *et al.*, 2007; Hofmann and McSwain, 2013). Although these are unusual phenomena, they have opened a debate on the control mechanisms to which they are subject. On this matter, as a response to social demands, a need exists to develop rigorous tools and models that allow us to quantify the credibility and trustworthiness of the sector. As an unobservable reality, it is difficult to assess this empirically.

In this work, the interrelationship between “transparency” and “good governance” concepts are analyzed, resulting in an analysis of indicator batteries, which are an essential non-profit tool. Both concepts are necessary allies to generate confidence in the complex environment where public trust is recognized as crucial to the sector’s long-term success (Keating and Frumkin, 2003). It is worth bearing in mind that there is no common agreement on how to measure transparency and good governance (Ortega-Rodríguez, Licerán-Gutiérrez and Moreno-Albarracín, 2020), but several guidance indicators exist for a series of aspects. Even for the same measurement technique and checklist of indicators, several batteries of indicators exist with different numbers and types of indicators, despite referring to similar conditions.

Thus, the absence of a generally accepted agreement regarding how to measure transparency and good governance in the environment of NPOs represents a challenge. This lack of consensus has led to different institutions having prepared their

own proposals, consisting of a list of indicators. Compliance with a certain number of these indicators provides the final measure of the level of transparency or good governance of each NPO. However, the indicators proposed by each institution are not homogeneous, are sometimes not included in all proposals, and have a different value depending on the institution that proposes them.

To solve this heterogeneity based on a given model, a comparative analysis of two batteries of indicators of transparency and good governance practices in NPOs developed by two prestigious entities in Spain is presented. These entities are the alliance between the Social Action NGO Platform and the NGO Coordinator for Development (CONGDE, hereinafter) (2019) and the Loyalty Foundation (2020). Our goal is to achieve harmonization of such batteries and prioritize their indicators. To obtain the weights of the indicators we use a methodology widely used in multi-criteria decision making, the so-called Best–Worst Method (BWM) (Rezaei, 2015). The BWM allows the derivation of weights of the indicators from the experts' preferences by selecting the best and worst indicators, and comparing these with the remainder. However, using the BWM results in as many weights for an indicator as the number of experts. Hence, there may be disagreements in experts' opinions. A common tool used to reconcile these differences is the consensus reaching process (CRP) (Labella *et al.*, 2018; Rodríguez *et al.*, 2018). Among the different types of CRPs described in the taxonomy provided in (Palomares *et al.*, 2014), automatic processes are able to obtain quick and reliable agreement. Therefore, in our study we applied a minimum cost consensus (MCC) model (Ben-Arieh and Easton, 2007). The MCC model automatically modifies the weights obtained from BWM by preserving the initial experts' opinions as much as possible, obtaining a consensual weight for each indicator, and removing disagreements if they exist.

Several solutions are noted in the literature to measure transparency and good governance in NPOs, as mentioned above. The main contributions of this work are as follows:

- A procedure for measuring transparency and good governance in NPOs through a multi-criteria group decision-making method.
- Application of BWM to weight indicators.
- Use of a consensus method to eliminate conflicts.

Thus, a set of indicators is obtained to measure transparency and good governance in NPOs with the following characteristics:

- Weighting of indicators according to their considered importance.
- Consensus on the power of the indicators.
- They unify the two main proposals of the Spanish case.

Regarding this last characteristic, we select only the indicators that are referred to the same aspect, and we offer a new statement for those common indicators that combine the content about such aspect in each battery.

A new approach is proposed to improve current practice, which makes it possible to measure the level of transparency and good governance of each NPO. This research tries to advance the knowledge of the nonprofit sector. Social credibility is an essential issue for any NPO. However, it is a little-studied phenomenon. This leads us to generate a new way of measuring transparency and governance of nonprofit sector organizations. Therefore, our contribution consists of introducing study initiatives to achieve improvement in this non-profit area.

The Chapter 6 proceeds as follows: in Section 6.2. a contextualization of the nonprofit sector and a theoretical framework for the study is provided. Section 6.3 develops the methodology based on the BWM and the MCC model to derive the weight of the indicators. Section 6.4 presents the main results obtained in the comparative analysis of the two batteries of indicators of transparency and good governance practices in NPOs. Finally, conclusions are noted in Section 6.5.

6.2. Theoretical Framework

6.2.1. Contextualizing the Nonprofit Sector

Defining an NPO is a highly complex issue that presents difficulties (Salamon and Sokolowski, 2016) that derive from the lack of a single, precise concept about the sector (Marbán and Rodríguez, 2008; Vidal, 2008). In this sub-section, we identify characteristics that are available in the literature that assist in conceptualization of the nonprofit sector.

Notwithstanding this lack of agreement on conceptualization, it is possible to identify some features that distinguish this sector: the first of these is the non-

distribution of benefits. If we only take into account this characteristic as unique, we would be defining a weak conceptualization of the sector (Teasdale, 2012; Coraggio, 2013; Salamon and Sokolowski, 2016). Hence, we prove additional organizational characteristics relevant to the nonprofit sector.

Secondly, NPOs require proper management, although their ultimate goal is not profit maximization (Hofmann and McSwain, 2013), but the attainment of social purposes (Franco and Raja, 2014). The management of a NPO presents difficulties in measuring the achievements made, the attention that must be paid to the social demands of a variety of stakeholders, and the complexity and competitiveness of the sector in which they operate (Lorenzo, Ribal and Yáñez, 2017). Accounting-based models do not provide an adequate valuation, (González-Sánchez and Rúa-Alonso, 2007) hindering NPOs' ability to demonstrate their accountability (Goncharenko, 2019). Transferring techniques and management methods from the private sector is also not suitable for NPOs; thus, they must be adapted to take into account an NPO's characteristics (Urionabarrenechea, Lage and Arrizabalaga, 2015).

The need for an adequate measurement model for NPOs is accentuated because they receive resources, in many cases without remuneration, which also enjoy a favourable tax regime (Perdomo, 2007). Thus, it is necessary to assess the correct management of such resources. Similarly, it is important that NPOs know whether management of resources has allowed them to achieve the social objectives that were originally envisaged, in addition to how they have been achieved (AECA, 2012).

In conclusion, there is a need for NPOs to provide their stakeholders with as much information as possible about themselves and their activities (Pavlovic, Lalic and Djuraskovic, 2014). Transparency of NPO operations and the engagement of stakeholders strengthen relationships and helps secure resources (Pavlovic, Lalic and Djuraskovic, 2014). Therefore, the concepts of transparency and good governance emerge as essential aspects in the management of NPOs. Both concepts are analysed in the following subsection in detail.

6.2.2. Transparency and Good Governance in the NPOs

A NPO is assumed to have a series of specific values, among which some of the most important are transparency and good governance (Fuertes-Fuertes and Maset-Llaudes, 2007b). In addition, the literature evidence indicates necessity for the nonprofit sector to enhance governance and improve transparency (Liu *et al.*, 2019).

There are two reasons that reinforce this necessity: first, and most importantly, accountability (which is complex for most NPOs) is important for organizational effectiveness and mission alignment and aspiration; thus, transparency and good governance are intrinsically important for their close relationship with the mission attainment of NPOs. It is important that entities have mechanisms that allow stakeholders to assess the appropriate use of the funds received by NPOs, and that these funds are aligned with their social mission (Hale, 2013). Secondly, in addition to guaranteeing such mission attainment, transparency and good governance also help to reinforce the perceived credibility of NPOs according to their different stakeholders. This is important for maintaining the necessary support for carrying out the activities that, eventually, will allow these entities to fulfil their mission. In this regard, we highlight the moral adoption of responsible actions in these organizations to disclose information about their activities and the resources they use to fulfill their social mission (Gregory D. Saxton and Guo, 2011; Gilchrist and Simnett, 2019). In this subsection we try to analyse both concepts in the non-profit field.

Recent studies confer a high strategic value to the concept of transparency (Dumont, 2013b; Striebing, 2017; Cabedo *et al.*, 2018) in the non-profit sector. One of the most controversial issues faced by the sector is the definition of the concept of “transparency” (Benjamin, 2008a; Tacon, Walters and Cornforth, 2017a). In prior literature, no unique definition exists that allows us to determine this concept and its application to the sector. However, this aspect, which is valuable for its own sake and allows for an affective pursuit of the organizational mission of NPOs, is closely linked to good management practices, being important for the image that the organization must project to the community. When studying transparency, we mean to disclose information about the activities and processes developed, in addition to the resources and means they use to achieve the ultimate objective for which they were created: the compliance of the mission (Gregory D. Saxton and Guo, 2011; Gilchrist and Simnett, 2019). Transparency must be consistent with the mission of NPOs, representing the competence of the organization, that is, its performance, processes, decision making, and final results. This fact, henceforth, reinforces NPOs’ legitimacy and generates social value for society (Cabedo *et al.*, 2018). There is growing pressure on NPOs to demonstrate accountability and transparency (Gugerty, Sidel and Bies, 2010). Unfortunately, a worrying absence of transparency has been detected in the sector (Burger and Owens, 2010).

Next, we analyse the concept of “good governance”. In recent decades, there has been a growing interest in studying the governance of non-profit organizations (J. Willems *et al.*, 2012; Antonin Wagner, 2014; Wellens and Jegers, 2014; Coule, 2015). The initial interest in government studies originated in the private sector, that is, the nonprofit sector was influenced by the private sector (Spear, Cornforth and Aiken, 2009). For instance, issues such as the benefits provided by good governance (Giroud and Mueller, 2011), the monitoring of the interactions between the executives of an organization (Li, 2014), or comprehensive measures of compensation incentives (Core and Guay, 1999), are relevant governance mechanisms in the private sector which may also be considered in the non-profit field. For that reason, ethical attitudes and appropriate practices in the management of NPOs are promoted. For instance, the so-called “codes of good governance” have been developed (Álvarez, 2012) or ethics policies have been established (Benzing, Leach and McGee, 2011). One of the fundamental objectives of a good governance code should be to increase and improve the transparency of the organization’s governance. Therefore, the provisions included in the codes or policies of good governance must improve and guarantee the transparency of the activities of the NPOs.

Based on the plural vision of NPOs, in which multiple interests converge and different objectives coexist, it is relevant to examine the complex problem of good governance in addition to the mechanisms of transparency (Fernández and Gil, 2011). As a result, an interconnection between both concepts of “transparency” and “good governance” appears, in which it can be observed how an unequivocal relationship can be reached between both terms. Transparency and accountability are essential good governance practices, where these are understood as contributing to strengthening the organization and being necessary for its sustainability (Pasadas and Valencia, 2014).

In short, transparency and good governance practices may directly benefit NPOs, improving society’s confidence in them (hence, increasing NPO’s credibility) and allowing greater possibilities of funding. Good governance and transparency must be understood as a stricter issue than that of traditional accountability in its most limited form.

6.2.3. The Paradigm of Credibility in NPOs

Credibility has become a particular issue in the field of NPOs. Traditionally, several concerns have been raised about the responsibility of NPOs, in particular regarding the adequacy of information and control mechanisms. This gives rise to the concept of corporate social responsibility (CSR) (Boubaker, Cumming and Nguyen, 2018). CSR encompass a broad range of activities, including the improvement of the reputation of the organization (Boubaker, Cumming and Nguyen, 2018). Even if the activity carried out by NPOs is not questionable, the existence of financial scandals, albeit infrequent, may damage the perceived credibility of the sector. Transparency and good governance are considered phenomena that can fight corruption, but their main impact is to improve the management of NPOs. Management ensures that the resources allocated to the NPOs are used for the ultimate purpose for which they were created, that is, their social mission. The absence of transparent information that allows insight into the internal processes and criteria for making decisions about the distribution of resources causes a loss of credibility. Thus, stakeholders have increased their demands of NPOs, asking for greater transparency to guarantee the appropriate use of resources (Franco and Raja, 2014; Amagoh, 2015). As a result, the pressures of society have increased in recent decades (McDonnell and Rutherford, 2019) and societal concerns exist about the appropriate allocation of resources (de Andrés-Alonso, Azofra-Palenzuela and Romero-Merino, 2009).

The need to measure NPOs' actions in a systemic manner to establish their legitimacy and social credibility arises from consulting and participation in decision-making processes, and participatory monitoring and evaluation of stakeholders (Arena, Azzone and Bengo, 2015). It is clear that the pressure of society is increasing due to a combination of social, ethical, and regulatory forces (Rey-Garcia *et al.*, 2017; McDonnell and Rutherford, 2019).

As mentioned previously, transparency is an element that generates credibility, legitimacy, and trust, which are necessary to project a positive image to society (Urionabarrenechea, Lage and Arrizabalaga, 2015), and good governance should be a regular practice. A properly managed and, at the same time, transparent, organization is on an appropriate path to achieve recognition among citizens and social credibility. Thus, an NPO can survive and contribute to improving the world. Good

governance and transparency are necessary mechanisms to maintain confidence in the non-profit sector.

6.2.4. The Insufficiency of Accounting Models: The Spanish Case

Traditional accounting models are limited to providing economic and financial information without delving into essential issues such as nature, activity, and social achievements of NPOs (González-Sánchez and Rúa-Alonso, 2007; AECA, 2012; Schmitz, Raggo and Bruno-van Vijfeijken, 2012). This leads NPOs to use alternative mechanisms to highlight their actions and demonstrate the destination of resources and decision-making processes. The fulfilment of the mission of an NPO is subject to assessment by its stakeholders, who are interested in the organization, and whose needs are met by adequate levels of quality. Since this information is not covered by accounting, NPOs must deepen the knowledge of their groups of interests (Fernández, Vázquez and Corredoira, 2007). Transparency is an exercise of responsibility that NPOs must undertake in response to the expectations and demands of stakeholders, and to manage the organization to fulfil its mission and maintain its institutional legitimacy (Jeong and Kearns, 2015).

The success of an NPO is usually associated with the fulfilment of its mission, without consideration of a financial perspective. Thus, the exclusive use of financial measures is not representative of the management of NPOs (Mirae Kim, 2017). As a result, NPOs disclose other types of information. Non-financial information disclosure in the NPOs presents some singularities compared with other the sectors. For example, in contrast to other sectors, there is no legal regulation that compels these entities to prepare and publish social information (Hale, 2013). In the absence of a legal obligation, the path followed by a large number of NPOs has been self-regulation. They voluntarily publish or disclose information related to transparency and good governance. Thus, the responsibility of the NPOs is increased (Saxton, Kuo and Ho, 2012) and their reputation is improved (Cordery and Morgan, 2013).

The Spanish case is not an exception to this situation. NPOs voluntarily supervise their procedures, with the aim of achieving recognition through external certification. Two main organizations have developed a system for verifying the levels of transparency and governance of the nonprofit sector. Both entities have developed a battery of indicators whose compliance determines these levels for NPOs:

- The alliance formed by the NGO Platform for Social Action and the Coordinator of Development Cooperation Organizations. The NGO Platform for Social Action is a state, private, and professional organization that works to promote the development of social and civil rights for the most vulnerable and unprotected groups. The most recent data (referring to 2018) indicates that it encompasses 5716 entities. The Coordinator of Development Cooperation Organizations integrates more than 550 organizations, with the objective of establishing a cooperation policy that is consistent with the 2030 Agenda. It developed the Policy Coherence Index for Sustainable Development, a tool that aims to make visible the connections of one policy with others, and its impact on the environment and on human life. It also developed a common proposal with a total of 79 indicators that are divided into two main areas (transparency and good governance) which, in turn, are divided into thematic blocks.
- The mission of the Loyalty Foundation is to encourage society's trust in NPOs to achieve an increase in donations, in addition to other forms of collaboration. It was the first entity to develop a methodology to analyse transparency and good governance in Spanish NPOs. Its experience has inspired other entities in Spain and Latin America. The Loyalty Foundation grants a certification to organizations that comply with the proposed principles, and provides independent information to private and institutional donors to assist them in their decisions. It presents a battery of 36 indicators subdivided into nine thematic areas.

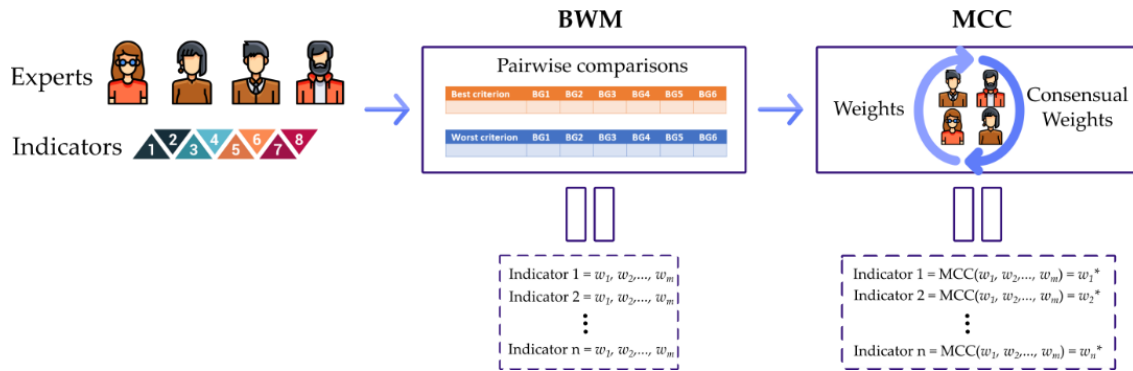
The relevance of these institutions in international research is indicated by articles that empirically measure some aspect of the transparency in NPOs with a focus in research and sampling on the "Spanish case" (Ortega-Rodríguez, Licerán-Gutiérrez and Moreno-Albarracín, 2020). These studies rely on the indicators developed by the Spanish Development NGO Coordinator (CONGDE) and the Loyalty Foundation.

6.3. Methodology

This section introduces the methodology used in this contribution to derive the weights for transparency and good governance indicators for non-profits. This methodology consists of two main phases: first, the computation of the indicators'

weights from experts' preferences using the BWM approach and, second, the obtaining of consensual weights for each indicator using an automatic Consensus Reaching Process (CRP) (see Figure 9).

Figure 9 General methodological scheme.



Source: Authors

6.3.1. Best–Worst Method for Deriving Weights

Multi-criteria group decision making (MCGDM) is a daily activity in human beings' lives, in which a group of experts evaluate different alternatives based on a set of criteria. Formally, a MCGDM problem consists of a set of experts $\{e_1, \dots, e_m\}$, who evaluate a set of possible solutions or alternatives $\{x_1, \dots, x_s\}$, based on different criteria $C = \{c_1, \dots, c_n\}$.

In a MCGDM problem, experts typically do not consider all criteria to be equally important and, because criteria weights have a direct influence on the result, many techniques have been published to derive them in the specialized literature (Saaty, 1989; Rezaei, 2015).

Given the problem of evaluating transparency and good governance in NPOs using indicators, and the lack of an empirical process to determine these indicators' relevance, we propose using a MCGDM methodology to derive indicators weights from experts' opinions, that is, the so-called BWM (Rezaei, 2015).

The BWM is a widely used methodology in MCGDM that allows deriving the weights of the criteria from pairwise comparison matrices formed from the preferences of experts who participate in the decision process. In general terms, the BWM consists

of making comparisons, generally using a numerical scale ranging from 1 to 9 (Saaty, 1989), of the best, c_B , and worst, c_W , criteria (both selected by an expert) with the remaining criteria. The main advantage of this method compared to others is that there is no need to compare all of the criteria. By reducing the number of required comparisons, the potential for inconsistencies is reduced, particularly when there are a large number of indicators.

In further detail, the BWM is composed of several steps, as follows (Rezaei, 2015):

1. Define a set of criteria. In this study, the criteria are represented by the indicators used to measure the transparency and good governance in the NPOs.
2. Select the best and the worst criterion, c_B and c_W , respectively. These are selected by experts individually and, if there are several c_B or/and c_W , the selection is made randomly.
3. The best criterion c_B is compared with the remaining criteria using a predefined scale. These comparisons result in the Best-to-Others (BO) vector, $BO = \{a_{B1}, a_{B2}, \dots, a_{Bn}\}$, in which a_{Bj} means the preference of c_B over the criterion c_j .
4. The worst criterion c_W is compared with the remaining criteria using a predefined scale. These comparisons result in the Others-to-Worst (OW) vector, $OW = \{a_{1W}, a_{2W}, \dots, a_{nW}\}$, in which a_{jW} means the preference of the criterion c_j over c_W .
5. Compute the optimal criteria weights, w_j , which are derived from each pair w_B/w_j and w_j/w_W , where $\frac{w_B}{w_j} = a_{Bj}$ and $\frac{w_j}{w_W} = a_{jW}$, by means of the following non-linear programming model:

$$\begin{aligned}
 & \text{mind} \\
 s. t = & \begin{cases} \left| \frac{w_B}{w_j} - a_{Bj} \right| \leq \vartheta \wedge \left| \frac{w_j}{w_W} - a_{jW} \right| \leq \vartheta \\ \sum_{j=1}^n w_j = 1 \\ w_j \geq 0 \forall j = 1, 2, \dots, n \end{cases}
 \end{aligned}$$

where ϑ is obtained by minimizing the maximum absolute differences of $\left| \frac{w_B}{w_j} - a_{Bj} \right|$ and $\left| \frac{w_j}{w_W} - a_{jW} \right|$.

As mentioned previously, consistency in experts' preferences is a relevant aspect. Preferences with a high level of inconsistency would lead to unreliable results. For this reason, previous research (Rezaei, 2015) proposed a means of evaluating the consistency in experts' preferences:

$$\text{ConsistencyRatio} = \frac{\partial}{\text{ConsistencyIndex}}$$

where Consistency Index is a numerical value obtained from the comparison among the best and worst criterion a_{BW} (see Table 30).

Table 30 Consistency Index

a_{BW}	1	2	3	4	5	6	7	8	9
Consistency Index	0.00	0.44	1.00	1.63	2.30	3.00	3.73	4.47	5.23

Source: Authors

However, it is important to note that BWM is applied for each expert who participates in the decision process. Therefore, at this stage, there are as many weighting vectors as experts for each indicator. To obtain a single weight for each, we apply a consensus process that aims at resolving any conflict among experts' opinions.

6.3.2. Minimum Cost Consensus for Consensual Weights

The BWM is applied for each expert, thus, a single indicator will have several weights, i.e., one per expert. Furthermore, disagreements may exist among experts. To obtain a single weight for each indicator, such that this weighting value would be accepted by all of the experts, we propose undertaking a CRP. A CRP is an iterative process in which experts change their initial preferences with the aim of bringing their positions closer to each other and reaching a more consensual solution that satisfies the whole group (Saint and Lawson, 1994; Ben-Arieh and Easton, 2007; Labella, Martínez and Rodríguez, 2017; Rodríguez *et al.*, 2018).

Among the multiple CRPs existing in the specialized literature, we selected that introduced by Ben-Arieh and Easton (2007). This consensus model is based on the concept of “minimum cost consensus” (MCC), and automatically obtains a consensual solution by preserving, as much as possible, the initial experts’ preferences. To obtain the consensual values, a non-linear MCC programming model is used:

$$\min \sum_{k=1}^m c_k |\hat{w}_k - w_k|$$

$$s. t. \hat{w}_k - \hat{w} \leq \varepsilon, k = 1, 2, \dots, m.$$

where w_k represents the weight obtained from the expert’s opinion e_k for a specific indicator, \hat{w}_k represents the modified weight for this expert, \hat{w} represents the collective opinion for the group, ε measures the absolute deviation between each expert’s modified opinion and the collective opinion, and c_k represents the cost of modifying the expert’s opinion e_k by one unit.

The MCC model automatically modifies the initial experts’ preferences, represented by the weights obtained from the BWM for each indicator, and returns a unique consensual weight for each.

6.4. Discussion of Results

In this section we highlight the main findings from the comparative analysis of two batteries of indicators of transparency and good governance practices in NPOs. To aid clarity, we divide the discussion of the results into two subsections. In the first, we discuss the selection process for the batteries of indicators, and in the second we analyze the weighted importance that experts in NPO management give to the previously selected common indicators.

6.4.1. Selection of the Combination Battery of Indicators

As previously explained, the credibility and trustworthiness of NPOs for their donors is an unobservable reality, and thus difficult to empirically measure. As a result, there is no a common agreement in how to measure these attributes, but several guidance indicators exist that relate to a series of aspects that are considered to be indicative of such credibility (in particular, transparency and good governance

indicators). This lack of agreement does not only apply to the measurement technique itself, but also to the indicative aspects of transparency and good governance commonly adopted in prior literature. Consequently, both batteries consider the same measurement technique, which consists of checking whether a certain NPO meets the requirements that are established in a list of indicators. Moreover, these indicators refer to the same aspects (transparency and good governance). Notwithstanding this similarity, the batteries have a different number of indicators, and the statements of these indicators differ in terms of their wording.

In an attempt to unify, as much as possible, the aspects to be considered as indicative of transparency and good governance in NPOs, we compared the two main batteries of indicators in Spain: CONGDE (2019) and the Loyalty Foundation (2020) (see Annex for Chapter 6). After a systematic, manual examination of the two batteries, we merged them into a single, common battery to elaborate the questionnaire to be answered by the experts in NPO management.

The main highlights from the comparison can be briefly described as follows. Both batteries of indicators are composed of a vast number of indicators that cover a wide range of aspects indicative of the perceived credibility of NPOs by their stakeholders, mainly based on the donors' perspective. Notwithstanding this, several differences were observed:

Firstly, the batteries differ in the number of indicators, and in the classification of the indicators into categories and subcategories. Thus, the CONGDE battery has 79 indicators classified into 27 aspects referring to transparency and the remaining 52 ones relating to good governance practices. Furthermore, each of these general blocks (transparency and good governance) are divided into several subsections. By comparison, the Loyalty Foundation battery is smaller (36 indicators) and generic, in the sense that it does not distinguish whether an indicator refers to transparency or good governance issues, although the indicators are also divided into nine general categories.

Secondly, the description of the aspects to be considered in the indicator statements is more comprehensive and detailed in the CONGDE battery and includes some issues that are not indicated either implicitly nor explicitly in the Loyalty Foundation battery. Examples include the CONGDE battery accounts for gender issues (a minimum proportion of 40% women on the NPO governing board (BG1.2); a minimum proportion of 40% women on the executive board (BG5.8); approval of a

gender policy framework by the NPO governing board (BG5.9)...); environmental issues (environmental management institutional policy approved by the NPO governing board (BG6.3); explicit consideration of the compliance of the organization with ethical codes (public availability of behavioral codes and ethical recommendations for the nonprofit sector (TR2.5); compliance of the mission, vision, and values of the organization with the behavioral code for nonprofit sector organizations (BG2.7); and the approval of a behavioral code by the NPO governing board (BG2.8).

Finally, because the indicators in the Loyalty Foundation battery are more generic, the same indicator can be connected to more than one concrete indicator in the CONGDE battery. As an example, the CONGDE battery has different indicators for the definition of the mission (TR2.1, BG2.1, BG2.2), vision (TR2.2, BG2.3, BG2.4), and values (TR2.3, BG2.5, BG2.6) of the entities, whereas in the Loyalty Foundation there is only one indicator referring to the mission (1A) which is linked to the mission, vision, and values.

Taking into account the previous analysis, we compared the batteries and selected their common indicators to later construct a questionnaire about the perceived importance of these indicators, which were defined by the statements of both the CONGDE and the Loyalty Foundation batteries. We selected the indicators as follows: we took as a reference the CONGDE battery because it comprised more indicators and disaggregated the aspects to be analyzed in more detail. Next, after a manual, detailed text comparison analysis, we linked each of these indicators (if possible) to the equivalent indicator in the Loyalty Foundation battery that referred to the same aspect to be evaluated. Finally, we propose a new statement on those common indicators to include the textual content of their two batteries of indicators. The detailed comparative textual analysis is shown in Appendix A (for the sake of brevity, we show in Appendix A only the indicators that are common to the two batteries), in which the indicators are divided into 10 blocks according to the aspects they refer to (here, we do not distinguish between transparency and good governance because the Loyalty Foundation battery, as previously noted, does not classify the indicators in this manner).

Regarding the selection process, we analysed the content of every indicator in the CONGDE battery. When comparing it to the Loyalty Foundation battery, the content of the generic indicators of this latter battery were adapted to the more specific content of the CONGDE battery. For example, regarding the definition of the mission, indicator

TR2.1 in the CONGDE battery states: “The mission of the entity is public and available”. After reading the content of the indicators in the Loyalty Foundation battery, we found that indicator A1 states “The mission is well defined”; hence, we merged both of these indicators into our combined indicator 2.1, which states “The mission of the organization is clearly defined and it is public and accessible”. As can be observed, the new indicator encompasses both that the mission is “clearly (well) defined” (Loyalty Foundation battery) and that it is “public and accessible”. Although some indicators, such as that cited in the example, are well matched, others specific indicators in the CONGDE battery have no equivalent match in the Loyalty Foundation battery. For example, indicator 1.5 in the CONGDE battery refers to the public availability of wages and salaries information; from a close examination of the Loyalty Foundation battery, no indicator refers to wages and salaries information. As previously exposed, there is no common agreement on which indicators better reflect the credibility (in terms of transparency and good governance) of NPOs, and several batteries of indicators exist, without a clear understanding in prior literature about which one best measures this aspect. As a contribution, with the aim to offer a guidance, we propose a battery that only considers the common aspects of both batteries, thereby eliminating the indicators that were not able to be matched in the two batteries and proposing a new statement for those common indicators that includes the content in both the CONGDE and the Loyalty Foundation batteries.

After the merging procedure, 20 indicators of the CONGDE battery do not match with the Loyalty Foundation battery (six of transparency (TR1.5, TR2.4, TR2.5, TR3.6, TR4.5, TR4.6) and 14 of good governance (BG1.2, BG1.3, BG2.2, BG2.6, BG2.7, BG2.8, BG3.2, BG4.4, BG5.1, BG5.4, BG5.8, BG5.9, BG6.3, BG6.6)). This is in line with the explanation in previous paragraphs that the Loyalty Foundation battery refers to transparency indicators (although some of these are coincident with good governance aspects) and does not consider several aspects. By comparison, only six indicators from the Loyalty Foundation battery do not match with the CONGDE battery (6D, 7B, 7D, 9B, 9D, 9E), and relate to the commitment to several laws and legal regulations. Moreover, the reason for the exclusion of such a large number of indicators was due to the initial unbalanced number of indicators used by the process; the CONGDE set has 79 quite specific indicators, as explained previously, while the Loyalty Foundation battery has only 36 more generic indicators. As a result, we excluded 20 indicators because they refer to very specific issues, and our aim in this

study is to combine the two batteries to derive common, single guide that can help NPOs to assess their level of credibility.

Summarizing the selection of indicators, Table 31 details the final number of variables analyzed in the questionnaire (see annexes for Chapter 4 and 5).

Table 31 Variable selection (items in the questionnaire).

Batteries	No. Indicators
Indicators in the CONGDE Battery	79
Indicators in the Loyalty Foundation battery with no equivalent aspects in the CONGDE one	20
Final variable (items) selection	59

Source: Authors

Thus, the final number of items to be incorporated in the questionnaire was 59.

6.4.2. Data Collection

This study was undertaken with primary data that was collected from the opinion of five experts in NPO management (the NPOs, which are not listed to protect their anonymity, cover a diversity of social needs and territorial settings) in Spain. These experts were sent a questionnaire in which they were asked to express their opinions on the most (least) important (questions A and C, respectively) indicator for each block of indicators, and the comparison of the relative importance of the remaining indicators of the block with the most important indicator (question B), and the comparison of the least important indicator with the remaining indicators (question D) in its block (for further details, see annex for Chapter 6). The five experts returned the questionnaire correctly answered; thus, the response rate was 100%.

6.4.3. Analysis of the Results

After collecting primary data from the questionnaires, the next step was data management using appropriate software to obtain suitable and optimal weightings of the different indicators in each block according to the relative importance perceived by experts from the best (most important) and worst (least important) indicators compared

with the remaining indicators for each block. This process allows several highlights to be discussed.

For the sake of clarity, we will present for each block of indicators of the common battery a table with the results and a brief comment. In each table, rows 1 to 5 refer to the individual responses by the managers of the five participant institutions, and row 6 shows the consensus value from the BWM estimation. The tables are divided into a different number of columns, each of which shows the weighting of the BWM by the indicator in the group where those indicators are classified, as shown in Annex for Chapter 6.

6.4.3.1. Block 1: Transparency of the NPO Governing Board

We start the analysis of the results with the block related to aspects of transparency of the NPO governing board. The opinion of the weighted importance for several aspects is shown in Table 32.

Table 32 The Best–Worst Method (BWM) results for the transparency of the non-profit organization (NPO) governing board.

	1.1	1.2	1.3	1.4
Institution 1	0.048	0.191	0.380	0.382
Institution 2	0.197	0.059	0.197	0.547
Institution 3	0.316	0.051	0.316	0.316
Institution 4	0.353	0.044	0.249	0.354
Institution 5	0.169	0.048	0.185	0.597
Consensus	0.220	0.078	0.265	0.437

Source: Authors

Table 32 indicates the significant perceived importance (nearly the half of the whole block) of one of the aspects compared to the others relative to the transparency practices of the NPO governing board: the public availability on the website of the statutes of the entity and the specific regulatory laws that are applicable to it (indicator 1.4, consensus = 0.437). Conversely, one aspect has a notably low perceived value: the limitation of the relationships of the members of the NPO governing board with their own NPO (indicator 1.2, consensus = 0.078). Such a difference in the perceived importance is indicative that the experts value the facts (clear statutes and regulations applicable to the NPO) more than they value the specific people involved (the specific

composition of the NPO governing board (indicator 1.1) and the organizational chart (indicator 1.3) are weighted with half the level of importance). Furthermore, the trustworthiness of the managers when the rules are clear is such that, as previously commented, the ex-ante limitations as control mechanisms for the members of the NPO governing boards are not considered to be very important.

6.4.3.2. Block 2: Appropriate Definition of the Mission, Vision, and Values

In this block we analyze the perceived importance of the statement of the mission, vision, and values of the NPOs. Experts were asked about the importance of the public availability of these three aspects, and their responses are presented in Table 33.

Table 33 BWM results on the appropriateness of the definition of the mission, vision, and values

	2.1	2.2	2.3
Institution 1	0.467	0.467	0.067
Institution 2	0.245	0.669	0.086
Institution 3	0.714	0.143	0.143
Institution 4	0.532	0.096	0.372
Institution 5	0.678	0.229	0.093
Consensus	0.574	0.276	0.150

Source: Authors

The results in Table 33 are clearly indicative of the dominance of one of the indicators relative to the two others. Considering the availability of the three aspects (definition of the mission, vision, and values), the mission is weighted with nearly 60% of the global importance of the block as a whole (indicator 2.1, consensus = 0.574). The most valued aspect is the mission (long-term scope, strategical), above other more concrete aspects for day-by-day management, such as the vision (medium-term scope, tactical) or the values (short-term scope, operational). This is in line with the comparative analysis of the two batteries mentioned previously; in the Loyalty Foundation battery there is no clear distinction of the mission, vision, and values, assuming that there is a general framework (mission) that encompasses the other more specific indicators (vision and values).

6.4.3.3. Block 3: Information Disclosure about Social Support and Donors

Next, we analyze the disclosure of information of NPOs about its stakeholders, namely, donors, volunteers, and others. Table 34 shows the expert preferences of these aspects.

Table 34 BWM results for information disclosure about social support and donors

	3.1	3.2	3.3	3.4	3.5	3.6
Institution 1	0.123	0.046	0.246	0.126	0.337	0.122
Institution 2	0.146	0.061	0.155	0.146	0.346	0.146
Institution 3	0.105	0.083	0.105	0.247	0.080	0.381
Institution 4	0.436	0.065	0.230	0.087	0.090	0.092
Institution 5	0.140	0.052	0.145	0.140	0.145	0.378
Consensus	0.171	0.066	0.181	0.154	0.205	0.223

Source: Authors

The analysis of the weighted values in Table 34 indicates the existence of two highly valued indicators and one indicator whose value is notably low. Experts consider crucial the publication of a list of the public donations received by the entity, indicating that managers follow efficient criteria in the raising and application of such funds (indicator 3.6, consensus = 0.223). With a similar level of perceived importance, the experts indicate the public availability of a channel for communication with its stakeholders, including mail, phone, and, even, a complaints and claims box (indicator 3.5, consensus = 0.205). In contrast, the least important aspect considered by experts is the quantification of data relative to the staff of the organizations (indicator 3.2, consensus = 0.066). Thus, once again we evidence a higher perceived importance on the effective actions compared to the people involved in their management.

6.4.3.4. Block 4: Planning and Accountability

Planning and accountability of different economic aspects are analyzed in this block, and results are presented in Table 35.

Table 35 BWM results for planning and accountability.

	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8
Institution 1	0.089	0.089	0.212	0.178	0.153	0.089	0.153	0.038
Institution 2	0.109	0.109	0.295	0.109	0.040	0.112	0.112	0.112
Institution 3	0.174	0.119	0.281	0.073	0.050	0.159	0.072	0.072
Institution 4	0.100	0.049	0.419	0.076	0.098	0.063	0.096	0.098
Institution 5	0.088	0.288	0.088	0.100	0.100	0.126	0.185	0.027
Consensus	0.112	0.129	0.263	0.107	0.088	0.110	0.124	0.067

Source: Authors

Table 35 indicates that only one of the indicators has a significant magnitude as a consensus value: the public availability on the website of the financial statements of the NPO, including the Balance Sheet, Income Statement, Annual Report, and Budget (indicator 4.3, consensus = 0.263). The perceived importance of this indicator is at least double that of the other indicators. By comparison, the least important aspects are the existence of a specific policy of financial investments to approve the decisions on expense and supplier selection (indicator 4.8, consensus = 0.067) and the disclosure to the public in general of the distribution of the origin and application of perceived funds, disaggregating them according to the financing entity (indicator 4.5, consensus = 0.088). These two aspects are very specific, and experts appear to place higher value on the general aspects that serve as a reference for economic decision making, such as the financial statements.

6.4.3.5. Block 5: Management Role of the NPO Governing Boards

The results relative to the perceived importance of several aspects of the role of the NPO governing boards, and the decisions and actions undertaken by its members in the management of the NPO, are shown in Table 36.

Table 36 BWM results for the management role of NPO governing boards

	5.1	5.2	5.3	5.4	5.5	5.6	5.7
Institution 1	0.196	0.196	0.095	0.052	0.095	0.270	0.095
Institution 2	0.064	0.178	0.352	0.123	0.178	0.061	0.043
Institution 3	0.090	0.051	0.359	0.045	0.051	0.090	0.314
Institution 4	0.051	0.168	0.067	0.117	0.073	0.140	0.383
Institution 5	0.055	0.032	0.105	0.204	0.204	0.344	0.055
Consensus	0.095	0.129	0.193	0.111	0.123	0.181	0.168

Source: Authors

From Table 36, notable results are the small extent of importance indicated by experts for the minimum of five members to form the NPO governing board (indicator 5.1, consensus = 0.095), followed by the measures adopted as limitations of abuse of power (less than 40% of the members can receive additional economic compensations for other activities) (indicator 5.4, consensus = 0.111). The focus of attention for the experts (most-valued indicators) is that members of the NPO governing board attends the general meeting regularly (indicator 5.3, consensus = 0.193), and the effective replacement of the members in the NPO governing board (indicator 5.6, consensus = 0.181). This leads us to conclude that the experts appear to trust members of NPO governing boards because they are not concerned with the number of people or their lack of exclusive dedication to the entity, provided these members make the effort to effectively attend board meetings and are continuously replaced after a certain period. That is, the experts are more concerned with “how” the daily activity of the entity is conducted rather than “who” is responsible, although both of these aspects are important.

6.4.3.6. Block 6: *Appropriate Management Aligned with the Mission, Vision, and Values*

The alignment of the activities that NPO managers conduct with the essence of their organization is a key aspect. Expert opinions are presented in Table 37.

Table 37 BWM results for the appropriate management aligned with the mission, vision, and values

	6.1	6.2	6.3	6.4
Institution 1	0.419	0.084	0.302	0.195
Institution 2	0.085	0.491	0.212	0.212
Institution 3	0.348	0.290	0.048	0.315
Institution 4	0.138	0.086	0.649	0.127
Institution 5	0.361	0.348	0.083	0.496
Consensus	0.286	0.251	0.206	0.257

Source: Authors

In this case, it is notable that no aspect is considered to be significantly more important than the others, that is, the weighted importance for the four indicators in this block is nearly equal. This highlights the experts' view that it is essential not only for the NPO governing board to appropriately define the mission of the entity, as the general reference framework to guide the activities to be developed, but also that the vision and values (progressively moving from the most abstract (mission) to the most concrete (values) perspective) be defined. Moreover, similar importance is given to the fact that the mission, vision, and values are not something that the entity can approve instantly, but are a genuine reference that can act as a control mechanism for managers' performance, as shown by the high perceived relevance of the revision of the adequacy of the strategic planning to the mission to check the impact of the NPOs' activity (indicator 6.3, consensus = 0.206).

6.4.3.7. Block 7: Strategic and Operational Planning

For an appropriate management of any entity, managers should plan using both long-term (strategical planning) and short-term (operational planning) scopes. Table 38 presents the results of experts' views of the different aspects of planning activity of NPOs.

Table 38 BWM results for strategical and operational planning

	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.8
Institution 1	0.096	0.253	0.154	0.096	0.154	0.096	0.058	0.096
Institution 2	0.309	0.182	0.125	0.125	0.089	0.046	0.088	0.036
Institution 3	0.090	0.154	0.154	0.090	0.154	0.022	0.179	0.158
Institution 4	0.078	0.091	0.070	0.057	0.124	0.078	0.454	0.048
Institution 5	0.166	0.166	0.029	0.166	0.050	0.050	0.293	0.078
Consensus	0.148	0.172	0.109	0.110	0.117	0.061	0.197	0.086

Source: Authors

As observed in Table 38, three indicators have significantly higher consensus values than the remainder. Consistent with the previously mentioned importance of the compliance of activities with the mission, once again the most-valued indicator is the existence of a document that reflects the policy and procedures for the assessment and evaluation of whether programs and activities (planning) are perfectly aligned with the mission (indicator 7.7, consensus = 0.197). The next most important is linked to the first indicator: that is, that the planning includes a detailed list of the activities to be carried out, all of them in compliance with the mission (indicator 7.2, consensus = 0.172). Additionally, such importance is also reinforced by the experts as an attribute that is not an ideal, but a characteristic that must be quantified, in objectives (aligned with the mission) that are detailed with values. This again suggests that the most important aspects for the experts relate to how (the detail and quantification of activities) the entities carry out the activities, compared to other aspects such as control mechanisms (as shown by the low weight given to the fact that NPOs inform the assembly or the public, in general, of the cases in the denounce channel (indicator 7.8, consensus = 0.086) or the control mechanism for the evaluation of the operational activity (indicator 7.6, consensus = 0.061)).

6.4.3.8. Block 8: Economic and Financial Management

The next two blocks refer to the management activity in NPOs, from the economic–financial (block 8) and human resources (block 9) perspectives. Table 39 presents the results for the economic–financial aspects.

Table 39 BWM results for economic and financial management

	8.1	8.2	8.3	8.4	8.5	8.6	8.7	8.8
Institution 1	0.303	0.129	0.199	0.084	0.082	0.082	0.055	0.066
Institution 2	0.220	0.181	0.225	0.037	0.087	0.053	0.053	0.144
Institution 3	0.166	0.166	0.166	0.190	0.095	0.166	0.024	0.027
Institution 4	0.262	0.049	0.126	0.075	0.346	0.059	0.049	0.034
Institution 5	0.047	0.209	0.226	0.095	0.173	0.173	0.031	0.046
Consensus	0.200	0.147	0.198	0.096	0.147	0.107	0.042	0.063

Source: Authors

This block indicates significant differences in the perceived importance of some aspects versus others. Aspects with a higher valuation yield a consensus value that is three to five times greater than that of the aspects with a lower valuation. Table 39 highlights the importance of the fact that the NPO governing board elaborates annually an income and expense budget (indicator 8.1, consensus = 0.200) and that the execution of such a budget is revised and approved by the NPO governing board, also on an annual basis (indicator 8.3, consensus = 0.198). These two aspects sum to 40% of the perceived importance of the whole block, even though this block comprises many aspects. In contrast, the indicators considered to be less important by the experts, with a weighting value of about 5%, are diversification in the financial origin of the resources for the NPO (indicator 8.7, consensus = 0.042) and the avoidance of unjustified accumulation of treasury funds (indicator 8.8, consensus = 0.063). A joint interpretation of these results indicates that, contrary to the establishment of ex ante control mechanisms imposed by the CONGDE or by the NPO sector, experts consider such mechanisms as unnecessary if there is a strong commitment by the NPO governing board to appropriately undertake rigorous and serious quantified planning in the form of a budget, which is being continuously revised. If these revisions are made correctly, ex ante control mechanisms, which could eventually restrict the possibilities of developing certain activities for the entities, are unnecessary.

6.4.3.9. Block 9: Human Resources Management

Continuing with management activity, the results for human resources management are shown in Table 40.

Table 40 BWM results for human resources management

	9.1	9.2	9.3	9.4	9.5
Institution 1	0.085	0.215	0.215	0.269	0.215
Institution 2	0.041	0.228	0.256	0.218	0.256
Institution 3	0.184	0.306	0.282	0.183	0.045
Institution 4	0.069	0.097	0.622	0.100	0.111
Institution 5	0.302	0.118	0.118	0.411	0.050
Consensus	0.143	0.204	0.266	0.241	0.146

Source: Authors

Table 40 indicates that among the human resources management issues (in this case, human resources refers to the volunteers of the NPOs who offer their labor services to assist the entity), one aspect is considered key, namely, the existence of a training plan for the volunteers (indicator 9.3, consensus = 0.266). In addition, it is also important, in the opinion of the experts, that the relationship between volunteers and the NPO is appropriately formalized in covenant conditions, with a clear statement of the rights and obligations from both counterparts (indicator 9.4, consensus = 0.241). The least important aspects are those related to the specific person of the human resource selection policy (indicator 9.1, consensus = 0.143) and the existence of a formal plan to promote the action of the volunteers (indicator 9.5, consensus = 0.146). These results corroborate, as seen in previous aspects, that importance is not placed on the person who develops an activity but how this activity is developed (i.e., a clear statement of rights and obligations, and training).

6.4.3.10. Block 10: Relationships and Communications with the Stakeholders

The last block considers several aspects regarding the way in which managers of NPOs communicate and disclose information about the entity to their stakeholders. The opinions of the experts on the perceived relevance on these issues are displayed in Table 41.

Table 41 BWM results for the relationships and communications with the stakeholders

	10.1	10.2	10.3	10.4	10.5	10.6
Institution 1	0.337	0.060	0.091	0.228	0.142	0.142
Institution 2	0.151	0.107	0.053	0.107	0.431	0.151
Institution 3	0.038	0.308	0.154	0.269	0.154	0.077
Institution 4	0.506	0.075	0.173	0.104	0.083	0.059
Institution 5	0.483	0.052	0.104	0.104	0.073	0.184
Consensus	0.339	0.111	0.115	0.162	0.150	0.123

Source: Authors

These results clearly show that the weights are similar for the majority of indicators, with the exception of one aspect with a perceived importance value that is three times higher than those of the remainder: the existence of a partnership policy that regulates the relationships of the entity with other entities with whom NPOs undertake their social actions, as well as the commitment with legal rules (indicator 10.1, consensus = 0.339). Thus, if this partnership policy is sufficiently appropriate, the experts do not place significant importance on the existence of more specific policies to regulate other relationships such as the collaborative covenants with local entities (indicator 10.2, consensus = 0.111) or the selection of suppliers, purchases and expenses (indicator 10.3, consensus = 0.115).

6.5. Conclusions for Chapter 6

In the field of NPOs, transparency and good governance are issues of high strategic value. One of the greatest challenges facing the nonprofit sector is to demonstrate to society that received funds are managed efficiently and that they are mainly allocated to the achievement of the NPO’s mission. As a result, it is necessary to implement ethical practices in the management of NPOs. Thus, the disclosure of responsible and reliable information to different stakeholders is emphasized. Transparency and good governance are concepts that provide an NPO with legitimacy in the eyes of society, and increase the reputation and trust required by donors to furnish the funds necessary for the survival of the organization. These terms are the best guarantee for the NPO to achieve its social objectives.

However, although these concepts are essential to the future of NPOs, no parallel legal regulation exists that determines the procedures and means of demonstrating the levels of transparency and good governance of a NPO. Furthermore, accounting

information is insufficient. In the absence of legal requirements, the most responsible NPOs voluntarily undergo verification processes. Deriving an objective and differentiated measure that allows an assessment to be made of the level of transparency and good governance of a NPO is a developing issue from both academic and professional perspectives.

Based on the Spanish case, and taking as a reference the proposals of the two most important organizations that coordinate entities in the nonprofit sector, we present a single battery that combines the content of the sets of indicators of these two organizations, resulting in 59 indicators. This battery was agreed to and validated by several experts in NPO management. In addition, each indicator was weighted, allowing the determination of a unique measure of transparency and good governance for each organization. Our ultimate aim is to extend its use to all entities in the sector. The main findings of the study can be highlighted as follows:

A key highlight of our results is that, for experts who are involved in the daily management of NPOs, the most important aspects do not relate to the “who” (i.e., the specific characteristics of the people who are in charge of a certain role) but to the “how” (i.e., why these people perform their activity and the concrete actions they develop to achieving certain results), although both are clearly important. Clear examples are the significant importance of the availability of specific regulations for the organization, rather than the control mechanisms for the NPO governing board, or the fact that the number of members of the NPO governing board and the potential lack of exclusive dedication to the entity is relatively less important, provided they effectively attend meetings and are periodically renewed. Interestingly, this shows that experts place trust in people who work for the entities, both in the form of managers (NPO governing board) or directly undertaking the actions in society (volunteers). Accordingly, considering the importance of the “how”, the experts consider a framework around which all of the actions that are carried out by the NPO should be based to be crucial; this framework constitutes the essence of what an NPO does, and the reason why. Thus, we found that the mission was given a weight of almost 60% of the overall importance of the block related to the mission, vision, and values. In addition, the long-term, strategic scope is considerably more important (mission) compared to other more concrete aspects related to daily management, such as vision (medium-term scope, tactics) or values (short-term scope, operational). In short, it is important that, even if there is a change in the environment in which the NPO performs,

and irrespective of the specific personnel involved, the essential mission of the NPO should always be considered. Consistent with this level of importance attached to the mission, we find that experts also consider the alignment of both the activities the NPO develops, and the planning and budgeting of such activities, to be highly important.

Although the concept of “how” is important, and considered to be the general leading framework of the NPO mission, it is also essential that the NPO is not limited to “nice words” but can implement effective actions. Thus, assessment of whether an NPO’s actions are consistent with its goals relates to another factor that is considered as highly important by the experts, namely, quantification of the ideas in terms of concrete actions. Regarding monetary matters, experts assign greater importance to general aspects that serve as a reference for economic decision making, such as financial statements, rather than questions with a higher level of specificity. Among the documents that comprise the financial statements in nonprofit sector organizations (Balance Sheet, Income Statement, Budget, and Annual Report), a notably high value was assigned to the Budget, both in its preparation phase and in its execution (which, again, should be perfectly aligned with the mission of the NPO), as an essential element for the NPO governing board.

We finally indicate some findings about the opinion of the experts on the relationships of the entity with other stakeholders (volunteers and donors). The experts do not consider the group of people who help to carry out the NPOs’ activities—the volunteers—to be less important. Our results show the importance of training volunteers of NPOs compared to the policy for selecting such volunteers (again, less importance is placed on volunteers as individuals, and more on how they perform their role). Regarding donors (i.e., the people who finance the NPO), who exemplify the increasing importance of transparency and good governance of accountability, the experts consider it important to publish a list of public donations received. Also considered important is a public communication channel with stakeholders, which includes an email, and a way to lodge complaints. Additionally, experts give high importance to the existence of an association policy that regulates the entity’s relationships with other entities to carry out its social actions, and commitment of NPOs to legal rules.

Achieving transparency and good governance in the NPO field should not become the ultimate goal. It is a means of promoting inclusive, sustainable, and equitable economic growth that generates new opportunities and helps to reduce inequalities.

Sustainable development goal 16 highlights the importance of having effective and transparent institutions that are accountable. Measuring transparency and good governance in the nonprofit sector can contribute to achieving a more fair and peaceful society, thereby reducing inequalities.

As previously explained, we selected Spain as our study area. Thus, a possible limitation in our study is that the batteries that served as support for the subsequent development are based on the models used by the main organizations in Spain. Another limitation is due to the difficulty of merging the two batteries of indicators, which, although central to the current study, are heterogeneous in terms of their conceptualization.

New research that is based on the experiences of other countries could be undertaken in the future to complement the current study and serve as a guide to improve the credibility of NPOs for those who provide funds.

6.6. Annex for Chapter 6

Annex 6 Detailed comparative analysis on the common indicators from CONGDE and Loyalty Foundation

CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 1: TRANSPARENCY OF THE GOVERNING BODY					
TR1.1	Publicly accessible composition of the corporate governance board	7A	The website is complete and updated	1,1	The composition of the corporate governance board is accessible on the website
TR1.2	The public connection of the members of the corporate governance board to positions in the same institution cannot exceed the proportion of 40%	3D, 3E	The economic relations of the corporate governance board with the organization, its dependent entities and its suppliers are limited (3D). Mechanisms to avoid conflicts of interest are applied (3E)	1,2	The economic relations of the corporate governance board with the organization, its dependent entities and its suppliers are limited. As a control, to avoid conflicts of interest, said link is made public if it exceeds 40%.
TR1.3	Publicly accessible organization chart, names and career path of the executive leadership	7A	The website is complete and updated	1,3	The organizational chart, names and career path of the executive leadership are accessible on the website.
TR1.4	Publicly accessible statutes and specific applicable regulations	7A	The website is complete and updated	1,4	The statutes and specific regulations applicable to the entity are accessible on the website
CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 2: MISSION, VISION AND VALUES					
TR2.1	Publicly accessible mission	1A	The mission is well defined	2,1	The mission of the organization is clearly defined and it is public and accessible
TR2.2	Publicly accessible vision	7A	The website is complete and updated	2,2	The entity's vision is accessible on the website
TR2.3	Publicly accessible values	7A	The website is complete and updated	2,3	The entity's values are accessible on the website

CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 3: SOCIAL BASE INFORMATION AND SUPPORTS					
TR3.1	Quantitative data of partners, donors, volunteers and beneficiaries	2A, 4A	Prepare a detailed plan with quantifiable objectives (2A). Income is disaggregated by funder (4A)	3,1	Detailed planning is prepared with quantitative objectives for partners, donors, volunteers and beneficiaries, disaggregating income by funder
TR3.2	Quantitative data of collaborators in staff	2A	Detailed planning is created with measurable goals	3,2	A detailed planning with quantitative objectives of the contracted collaborators of the entity is prepared
TR3.3	Publicly accessible list of networks / federations to which the organization belongs	4C	There are formalized criteria for collaborating entities selection	3,3	A list of the networks or federations to which the entity belongs is published, specifying the formalized criteria for the selection of its collaborating entities.
TR3.4	Publicly accessible list of public and private funders	4A	Income is disaggregated by funder	3,4	A list of public and private funders is published, showing the income that each of them contributes to the entity
TR3.5	Accessibility (email and telephone number, minimum) for complaints and suggestions	9A	There is a complaints channel available to all publics of the entity	3,5	The entity makes a communications channel publicly available, including email, telephone number, and a channel for filing complaints and suggestions.
TR3.7	Publicly accessible list of public aid, and public and private subsidies	9C	There is a policy for managing cash donations and controlling anonymous donations	3,6	A list of donations (public aid, public and private subsidies and anonymous donations) received is published, following an effective policy for managing such donations.

CONGDE**LOYALTY FOUNDATION****COMMON FOR QUESTIONNAIRE****BLOCK 4: PLANNING AND ACCOUNTABILITY**

TR4.1	Externally accessible strategic planning (general lines)	2A	Detailed planning is created with measurable goals	4,1	Strategic planning with quantifiable objectives is developed and is externally accessible.
TR4.2	Internally accessible strategic planning	2A	Detailed planning is created with measurable goals	4,2	Strategic planning with quantifiable objectives is developed that is accessible internally.
TR4.3	Audited and accessible monthly accounts (Balance Sheet, Income Statement, Annual Report and Budget)	7A	The website is complete and updated	4,3	On the website the audited monthly accounts of the entity are accessible (Balance Sheet, Income Statement, Annual Report and Budget).
TR4.4	Publicly disclosed social report of activities (annually)	7A	The website is complete and updated	4,4	The social report of activities is accessible on the website, annually disclosed.
TR4.7	Organization disclosure of the origin and application of funds	5A, 4A	Income is disaggregated by funder	4,5	The entity reports the distribution of the origin and application of funds, breaking down the income by financier.
TR4.8	Social report includes information on all programs and projects (title, country of development, amount, local partners, number of beneficiaries and number of volunteers)	5B	Income and expenses of fundraising activities are broken down	4,6	The social report includes information on all the programs and projects that the entity develops (break down of the income and expenses of the activities, title of the project, country of development, amount, local partners, number of beneficiaries and number of volunteers)
TR4.9	Public commitment to communication with the people and institutions that make final contributions.	7C	The donor is proactively informed about the activity	4,7	There is a public commitment to communicate with persons and institutions that make finalist contributions to proactively inform to donor of the activity carried out.
TR4.10	Public financial investment policy	5D	There is a policy for the approval of expenses and suppliers	4,8	Publicly exists a financial investment policy for the approval of expenses and providers of the entity

CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 5: CORPORATE GOVERNANCE BOARD					
BG1.1	Minimum of 5 members in the corporate governance board	3A	The corporate governance board is made up of a minimum of 5 members	5,1	The corporate governance board is constitute of a minimum of 5 members
BG1.4	Minimum of 2 meetings a year	3C	The corporate governance board meets periodically with the regular attendance of its members	5,2	The corporate governance board meets periodically, at least twice a year, with the regular attendance of its members.
BG1.5	80% of the members of the corporate governance board attend at least 50% of the meetings	3C	The corporate governance board meets periodically with the regular attendance of its members	5,3	At periodic meetings of the corporate governance board, at least 80% of its members attend at least 50% of the meetings
BG1.6	No more than 40% of members of the corporate governance board receive remuneration for other positions	3D	The economic relations of the corporate governance board with the organization, its dependent entities and its suppliers are limited.	5,4	The economic relations of the corporate governance board with the organization, its dependent entities and its suppliers are limited, so that no more than 40% of its members receive remuneration for other positions.
BG1.7	Election and replacement of positions in associations, maximum every 5 years	3B	The members of the corporate governance board are periodically renewed	5,5	The members of the corporate governance board are periodically renewed, electing and replacing positions, which cannot exceed 5 years
BG1.8	Minimum 60% of the members of the corporate governance board have a continuous cumulative maximum term of <8 years	3B	The members of the corporate governance board are periodically renewed	5,6	Given the character of periodic renewal of the corporate governance board, at least 60% of its members have a continuous maximum accumulated permanence that does not exceed 8 years
BG1.9	No member of the corporate governance board has a lifetime allowance	3D	The economic relations of the corporate governance board with the organization, its dependent entities and its suppliers are limited.	5,7	As a consequence of the limitations of the economic relations of the corporate governance board, none of its members has been assigned a life annuity

CONGDE**LOYALTY FOUNDATION****COMMON FOR QUESTIONNAIRE****BLOCK 6: MISSION, VISION AND VALUES**

BG2.1	Mission formulation approved by the corporate governance board	1A	The mission is well defined	6,1	The mission, which is well defined, is approved by the corporate governance board.
BG2.3	Vision formulation approved by the corporate governance board	1A, 1B	The mission is well defined (1A). All activities are aligned with the mission (1B)	6,2	Aligned with the mission, said corporate governance board approves the vision
BG2.4	Review of the mission every time the strategic plan is updated	2D	The corporate governance board analyses the impact generated	6,3	To analyse the impact generated, the corporate governance board reviews the mission each time the strategic plan is updated.
BG2.5	Values formulation approved by the corporate governance board	1A, 1B	The mission is well defined (1A). All activities are aligned with the mission (1B)	6,4	Aligned with the mission, said corporate governance board approves the values that support the activities it carries out

CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 7: PLANNING AND EVALUATION					
BG3.1	Long term strategic planning approved by the corporate governance board (max. 10 years)	2A	Detailed planning is created with measurable goals	7,1	In a long term character, the corporate governance board approves detailed strategic planning with measurable objectives
BG3.3	Strategic planning explicitly includes references to the mission, vision and values and ethical recommendations	1B	All activities are aligned with the mission	7,2	Strategic planning explicitly includes the activities, aligned to the entity's mission, vision and values and ethical recommendations
BG3.4	Strategic planning considers the obtaining criteria for fundraising	4A	Income is disaggregated by funder	7,3	Strategic planning includes an estimation of the public and private funds to raise, disaggregating such income by funder
BG3.5	Strategic planning is specified in periodic operational schedules approved by the corporate governance board	2A	Detailed planning is created with measurable goals	7,4	The corporate governance board approves a detailed strategic planning that is specified in quantifiable operational schedules
BG3.6	Corporate governance board monitors and evaluates strategic planning	5C	It has mechanisms for the control of managed funds	7,5	The corporate governance board, as a control mechanism for managed funds, monitors and evaluates strategic planning
BG3.7	Corporate governance board monitors and evaluates operational schedules	5C	It has mechanisms for the control of managed funds	7,6	The corporate governance board, as a control mechanism for managed funds, monitors and evaluates operational schedules
BG3.8	There is a document that reflects the policy, system or procedure for monitoring and evaluating the organization's own activity projects and programs, directly linked to the mission's fulfilment	6E	Investments in related entities contribute to the mission	7,7	A document is created that reflects the policy, system or procedure for monitoring and evaluating projects and programs of the organization's own activity, directly linked to the fulfilment of the mission.
BG3.9	The Assembly or Board of Trustees is informed of the organization of the number, typology and measures adopted for cases analysed by the monitoring body of the complaints channel.	9A	There is a complaints channel available to all publics of the entity	7,8	The Assembly or Board of Trustees of the organization is informed, as well as the general public, of the number, type and measures adopted of cases analysed by the monitoring body of the complaints channel

CONGDE**LOYALTY FOUNDATION****COMMON FOR QUESTIONNAIRE****BLOCK 8: ECONOMIC MANAGEMENT**

BG4.1	Annual income and expense budget approved by the corporate governance board	6A	An annual budget and its corresponding settlement are prepared	8,1	The governing council prepare an annual income and expenditure budget
BG4.2	Corporate governance board carries out a monitoring of the minimum budget every 6 months	2B	The results obtained are compared annually with the planned objectives	8,2	The corporate governance board carries out monitoring of the minimum budget every 6 months, comparing the results obtained with the planned objectives
BG4.3	Annual budget settlement executed, reviewed and approved by the corporate governance board	6A	An annual budget and its corresponding settlement are prepared	8,3	The execution of the annual liquidation of the budget is reviewed and approved by the corporate governance board
BG4.5	There is a written financial investment policy approved by the corporate governance board	6B	The organization does not have an unbalanced financial structure	8,4	The corporate governance board approves the financial investment policy, ensuring that the entity does not have an unbalanced financial structure
BG4.6	Long term strategic planning and monitoring explicitly include main criteria for obtaining private and public income	2C, 4A	There is a monitoring system for your activity and beneficiaries (2C). Income is disaggregated by funder (4A)	8,5	There is a monitoring system for a long term strategic planning (activity and beneficiaries), where the origin and destination of expenses and income is broken down appropriately (broken down by funder).
BG4.7	Institutional document with traceability criteria for finalist funds received	9C	There is a policy for managing cash donations and controlling anonymous donations	8,6	For an appropriate donation management and control policy, an institutional document is prepared with criteria for traceability of the received funds by the entity.
BG4.8	No financier contributes more than 50% of total income for the year	4B	The organization has its financing diversified	8,7	The organization has its financing diversified, in such a way no financier contributes more than 50% of the total income for the year
BG4.9	It does not accumulate liquid assets or financial assets in the previous audited year greater than the expense of the current year	6C	Funds are not accumulated unjustifiably	8,8	Funds are not accumulated unjustifiably, so liquid assets and financial assets in the previous audited year cannot exceed current year's expense

CONGDE		LOYALTY FOUNDATION		COMMON FOR QUESTIONNAIRE	
BLOCK 9: HUMAN RESOURCES MANAGEMENT					
BG5.1	There is a policy of compensation and social benefits criteria that is approved by the corporate governance board				
BG5.2	Personnel selection and hiring policy approved by the corporate governance board	8A	It promotes volunteering and define the activities that they develop	9,1	The corporate governance board approves a personnel selection and hiring policy, thus promoting volunteering.
BG5.3	Personnel management policies (remunerated and voluntary) approved by the government body make mention of discrimination	8A	It promotes volunteering and define the activities that they develop	9,2	The corporate governance board approves a personnel management policy, thus promoting volunteering.
BG5.5	Promotion of training and continuous development of the operational team	8B	It has a training plan for volunteers	9,3	The entity has a training plan for volunteers, thus promoting the training and continuous development of the operational team.
BG5.6	Incorporation agreement model for volunteering that specifies rights and obligations of both parties, functions, activities, time of dedication and insurance for volunteering	8C	Volunteers are insured and have the relevant certificates	9,4	The entity has an incorporation agreement model for volunteering that specifies rights and obligations of both parties, as well as functions, activities, time of dedication and insurance for volunteering
BG5.7	Volunteer Plan that includes minimum objectives and activities	8A, 8B	It promotes volunteering and define the activities that they develop (8A). Volunteers are insured and have the relevant certificates (8C)	9,5	The entity develops a Volunteer Plan to promote its work, which defines the objectives and activities it develops, as well as insurance coverage for volunteers.

CONGDE**LOYALTY FOUNDATION****COMMON FOR QUESTIONNAIRE****BLOCK 10: STAKEHOLDERS**

BG6.1	Partnership policy approved by the corporate governance board that defines relationships with entities with which it carries out its projects (commitment to comply with legal regulations)	4C	There are formalized criteria for the selection of collaborating entities	10,1	There are formalized criteria for the selection of collaborating entities that are specified in a partnership policy, approved by the corporate governance board, which defines relationships with entities with which it carries out its projects and its commitment to compliance with legal regulations.
BG6.2	Collaboration agreement model to be signed with local partners and / or local executing entities that contains purpose, rights and obligations and duration	1C	There are formalized criteria for the selection of projects and partners	10,2	There are formalized criteria for the selection of collaborating entities which is specified in the approval of a collaboration agreement model to be signed with local partners and / or local executing entities that contains purpose, rights and obligations and duration.
BG6.4	Purchase policy approved by the corporate governance board	5D	There is a policy for the approval of expenses and suppliers	10,3	There is a policy for the approval of purchases, expenses and suppliers
BG6.5	Declaration of principles or collaboration with companies criteria document approved by the corporate governance board that refers to guiding principles on human rights	4C	There are formalized criteria for the selection of collaborating entities	10,4	The corporate governance board approves a statement of principles or criteria document for collaboration with companies referring to guiding principles on human rights
BG6.7	Criteria and procedure that develop organizational commitment to respond to complaints, inquiries and requests for information received	9A	There is a complaints channel available to all publics of the entity	10,5	The entity committed to make publicly available the criteria and procedures to respond to complaints, inquiries and requests for information received.
BG6.8	Own and public complaints channel, regulated procedure and body that ensures its monitoring	9A	There is a complaints channel available to all publics of the entity	10,6	The entity has its own and public complaints channel, with a regulated procedure and a management body that ensures its monitoring

- Non-coincident indicators in Loyalty Foundation:
6D, 7B, 7D, 9B, 9D, 9E

- Non-coincident indicators in CONGDE:
TR1.5, TR2.4, TR2.5, TR3.6, TR4.5, TR4.6
BG1.2, BG1.3, BG2.2, BG2.6, BG2.7, BG2.8, BG4.4, BG5.4, BG5.8, BG5.9, BG6.3, BG6.6



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CHAPTER 7

CONCLUSIONS

CHAPTER 7: Conclusions

7.1 Final considerations

In accordance with the objectives established in this Doctoral Thesis, and after having carried out theoretical and empirical analyses, we can conclude the following:

The social contribution that the nonprofit sector has made in recent years through its organizations has provided aid in social areas and for disadvantaged groups that no other sector had previously assisted. Therefore, is not surprising to consider nonprofit organizations (NPOs, hereinafter) as one of the most important agents in our society (Schatteman, 2013).

However, this meritorious social work has not always been accompanied by best practices to be accountable in the area of transparency and good governance. By not doing so, NPOs run the risk that their credibility will be questioned by society and thus, it will affected the future of the sector. It seems unfair to deny their deserved recognition to NPOs but, the appearance of several cases of fraudulent behaviour by several NPOs in the international sphere have been observed (Greenlee *et al.*, 2007). This has caused an alleged crisis of trustworthiness in the nonprofit sector, (Keating and Thrandardottir, 2017) and it has raised new concerns about the quality of the information disclose and its mechanisms. Although transparency and good governance are important concepts for any organization, in the case of NPOs, it is especially relevant to demonstrate that the resources they receive are used to fulfil the purpose for which these organizations were conceived.

All these things considered, one of the objectives to be achieved by all the organizations that make up the nonprofit sector is to have good governance practices and disclosure of transparent information that guarantee to be accountable and make relevant information that is accessible to its different stakeholders. We understand, NPOs should develop all those practices of a voluntary nature that contribute to strengthening the trust of society, not only those practices and requirements legal

Having said that, strengthening trust in society and meeting the information needs of stakeholders goes beyond the purely accounting, financial or administrative. Taking this into account, the measures commonly used in the public and private sectors (profitability, profit/loss for the period, etc.) are meaningless in the nonprofit sector. Therefore, other measurement elements such as transparency and good governance

indicators should be implemented instead. Transparency and good governance indicators are the object of analysis of this Doctoral Thesis.

The implementation of a battery of indicators will allow NPOs to evaluate the achievements and point out the shortcomings or areas for possible improvement to apply the necessary corrections, as well as to assess whether the management has been carried out with a correct use of the funds received to achieve its corporate purpose (social mission). Such implementation of indicators in the NPO is based on the absence of legal norms that regulate it, so that NPOs must resort to self-regulation. Therefore, it is considered interesting that all those responsible for the different areas that make up the NPO whose management is going to be measured participate in its implementation. For this, and for the success of these NPOs, we consider of great value that their managers or responsible are convinced of the importance and value of indicators as tools for improving the accountably demands.

Finally, after the implementation of the proposed indicators in the NPO, it is essential to analyse, interpret and evaluate the results that we obtain from this measurement that we are carrying out. Only this way, the NPO will obtain useful information for its stakeholders, for the organization itself, and for successful decision-making in general.

As mentioned in Chapter 1, the current laws in the Spanish setting do not specifically regulate the implementation of transparency mechanisms and the promotion of good governance practices. This leads us to conclude that there is no Spanish legislation requiring NPOs to comply with transparency and good governance measurement.

To conclude with, only through the study of these concepts this challenge can be addressed: develop internal mechanisms that measure the levels of transparency and good governance and thus, disclose true information on the destination of resources in accordance with their social mission to the stakeholders.

Next, we present the main conclusions obtained from the Doctoral Thesis both at a theoretical level (from SLR studies) and at an empirical level (from studies measuring transparency and good governance).

7.1.1. Conclusions from the systematic literature reviews

The systematic literature reviews developed in the preceding Chapters have allowed us to test the hypothesis presented in the "Chapter 1 Introduction" as we detail below:

The results obtained in our review of the literature of Chapter 2 on the transparency of the information disclosed in the NPOs, allow us to conclude about the lack of legislation that regulates transparency procedures in the nonprofit sector. This leads NPOs to adopt voluntary mechanisms of disclosure of information, seeking the better perception of the credibility of organizations by their stakeholders. Besides, we highlight the scarcity of published studies regarding transparency in NPOs in relation to the analysed final sample. Only 12% (54 out of 449) of the articles focused on the concept of transparency in this area, and only 1.34% (6 out of 449) carried out an empirical validation of the transparency measure. Based on the total number of articles published in journals that address the NPOs (20,037), 54 papers dealt with transparency in the nonprofit field as the main issue; this represents 0.27% of the total.

Despite the increasing interest in recent years in this field, this aspect has been barely studied and efforts are required to fill this existing gap from an empirical perspective. From the analysis of the few empirical works published between 2005 and 2019, it was deduced that there is no single way to measure transparency in NPOs. Therefore, it is necessary to study and implement tools that allow the quantification of the level of transparency required by each NPO, and the determination of the criteria used to qualify an organization as more or less transparent.

In Chapter 2 we also highlight the importance of the Spanish context, which is the object of study of this Doctoral Thesis. In this sense, we focus our study on the battery of indicators proposed by the CONGDE (2019). This fact is justified, as we explained in the motivation of this study (Chapter 1), because it is the only battery that presents a weighting of the indicators. Notwithstanding that, it presents a series of inconsistencies and a lack of empirical validation by experts that we address in Chapters 4, 5 and 6.

In sum, and despite the importance that the concept of transparency has for generating credibility with society in the nonprofit sector, it is not a phenomenon that is widely studied. For this reason, our study contributes to addressing an important research topic that requires wider development in the literature.

Regarding Chapter 3, it develops a systematic body of knowledge regarding good governance in the nonprofit sector as a mechanism to prevent and avoid the occurrence of fraud cases. We conclude that the main reasons that inspires NPOs to implement good governance mechanisms are “to avoid fraud” and “to be accountable to stakeholders”. To achieve these goals, NPOs have developed a wide variety of internal mechanisms that we have classified as: (1) internal structures and procedures, (2) board performance mechanisms, (3) stakeholder representation mechanisms and (4) self-assessment mechanisms. In addition, we offer in detail a large group of third-party initiatives obtained after reviewing the literature, supported by the need to show good levels of governance. Hence, it has been consolidated as a relevant instrument, supported by the need to show the mechanisms of good governance of NPOs.

It is worth highlighting the following conclusion regarding the analysis of the empirical articles. Based on the analysis of the empirical articles on good governance published between 2005 and 2020 (85.71%; 60 out of 70), very few have attempted to research the concept of good governance (11.67%; 7 out of 60). The analysis of the focus of study of these 7 articles showed that there is no single way to measure good governance. By analysing good governance, we contribute theoretically to the existing literature by providing detailed guidance on effective mechanisms to increase good and ethical practices for the whole sector. We believe this framework increases our understanding of existing research on nonprofit good governance and helps to design future research directions.

7.1.2. Conclusions from the empirical analysis

The conclusions about Chapters 4 and 5 can be addressed together.

The first empirical contribution of this Doctoral Thesis is framed in Chapters 4 and 5. These Chapters validates empirically the weighting of the indicators from the CONGDE (2019) with experts in NPOs’ opinions. For this, we use the Best-Worst Method (BWM) to optimally assign weights to multi-criteria decision making situations (Rezaei, 2015). Specifically, we propose Chapter 4 to the concept of transparency and Chapter 5 to the concept of good governance. Interestingly, we have found significant differences between the weights of the transparency and good governance indicators that are obtained from the experts and those that are proposed by the CONGDE, given that the indicators that were proposed by the CONGDE, as previously stated, are not

based on any empirical validation according to the experts. As we present in the referred chapters, significant differences have been obtained both upwards and downwards for each of the indicators.

Firstly, our empirical validation in Chapter 4 shows that the block of indicators that are considered to be the most important when measuring transparency in NPOs are those from TR2 block “Mission, vision, and values” and those from TR4 block “Planing and accountability”. Secondly, in Chapter 5, the block of indicators that are considered to be the most important when measuring good governance in NPOs are those from BG2 block “Mission, vision and values” and those from BG3 block “Planning and evaluation”. In relation to this, we highlight for both concepts the great value that is given to the block of indicators that address the mission, vision and values of the NPO. Referring to the block of transparency indicators, the mission, vision and values of the NPO must be accessible and made available to the public. It must be disclosed when the organization was constituted, what was its motivation, who were its founders, etc. Along these lines, but in relation to good governance indicators, these issues must be approved by the organisation's governing body and reflected in the Minutes of each meeting. Besides, the indicators referring to transparency and good governance planning aspects are the most valued by the experts.

The second empirical contribution of this Doctoral Thesis is also framed in Chapters 4 and 5. We have established the priority that each block of indicators has in relation to the others blocks as a whole, because the CONGDE does not propose an individualized weighting of each block. Hence, we consider this as one of the most significant practical contributions.

The third empirical contribution of this Doctoral Thesis is framed in Chapter 6. This Chapter 6 take as a reference the proposals of the two most important organizations that coordinate entities in the nonprofit sector in the Spanish context (the CONGDE and the Loyalty Foundation). We present a single battery that combines the content of the batteries of indicators of these two organizations, resulting in 59 indicators. A key highlight of our results from this single battery is that, the experts who are involved in the daily management of NPOs place trust in people who work for the organizations, both in the form of managers (NPO governing board) or directly undertaking the actions in society (volunteers). Accordingly, the experts consider a framework around which all of the actions that are carried out by the NPO should be

based to be crucial; this framework constitutes the essence of what an NPO does, and the reason why.

As the main contribution from the empirical analysis, we show that the formalization of a process for indicators weighting may contribute to literature by improving the measurement of transparency and good governance in the nonprofit sector. The analysis of the results has allowed us to build a battery of indicators that is appropriately validated by the opinion of NPO accountability experts, giving a single, optimal weight to every indicator and block of indicators.

Besides, this Doctoral Thesis contributes not only to previous literature on transparency and good governance for NPOs by proposing a rigorously empirically validated set of indicators, but it also contributes to regulators and public authorities serving as a guide for future adaptations of the sets of indicators, as well as for those in charge of an NPO's accountability. Also for donors of resources and funds, the measurement of these concepts translates into fundamental information for decision-making, since it allows obtaining and analyzing pertinent data and making evaluations on which NPO allocate their resources.

7.2 Limitations

7.2.1. Limitations from the systematic literature reviews

A limitation of our Systematics Literatures Reviews is that we studied a selection of papers only from the Journal Citatuion Reports (JCR). We established the selection criterion of accepting papers only if they were published in a high-impact journal; however, we are conscious that there could be other papers that are published in journals that, despite not being indexed in JCR, could also be interesting for the understanding of transparency and good governance measurement in NPOs with important contributions.

7.2.2. Limitations from the empirical analysis

Our specific conclusions are limited to a Spanish setting, whilst this method could be applicable to any NPO context. Furthermore, we are aware that the expert sample is reduced. In this sense, although the experts come from the main NPOs in

Spain and that these entities cover very diverse social needs, a potential limitation may be the bias in the evaluation because of the reduced number of experts. It would be necessary to extend the sample with other experts to check if the results are comparable in other countries, thereby reducing the aforementioned evaluation bias.

7.3. Future research lines

First, as a future line of research, it would be interesting to undertake a comparative study of transparency and good governance measurements in NPOs with indicators in an international setting and observing potential differences between countries.

Second, we intend to complete the previous quantitative analysis with a qualitative analysis through the expert panel technique. It is necessary in order to identify other aspects that have not been considered in the previous batteries of transparency and good governance indicators. As well as to improve the understanding of the existing ones from the point of view of those who daily work in the NPOs.

Third, it would also be interesting to design a software based on the indicators proposed in Chapter 6 with the weightings obtained in our empirical study for the experts in the nonprofit sector. This software would be of great help to automate the process of measuring transparency and good governance and, thus, facilitate its implementation in any organization in the nonprofit sector.

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**RESUMEN DE LA TESIS DOCTORAL
EN ESPAÑOL**

RESUMEN DE LA TESIS DOCTORAL EN ESPAÑOL

Título en español: MEDICIÓN DE LA TRANSPARENCIA Y EL BUEN GOBIERNO EN LAS ENTIDADES SIN ÁNIMO DE LUCRO: PROPUESTA DE MEJORA DE UNA BATERÍA DE INDICADORES ESPAÑOLA.

1. Introducción

En los últimos años hemos sido testigos a nivel mundial del aumento del número, tamaño y prominencia de las Entidades Sin Ánimo de Lucro (ESAL, de ahora en adelante)⁹ (Connolly, Hyndman and McConville, 2013; Amagoh, 2015; Kim and Kim, 2018) debido al aumento de problemas sociales de índole económica, política, religiosa, etc (Austin, 2000; Cestari *et al.*, 2018). En este sentido, la misión social de las ESAL es atender demandas colectivas que el sector público en ocasiones no es capaz de cubrir. Por ello, apoyándose en esta importante actividad que realizan las ESAL, la comunidad les ha otorgado un reconocimiento social indiscutible (Moreno-Albarracín *et al.* 2021). Este es el escenario actual, donde se está incentivando al sector no lucrativo a asumir un rol muy relevante (Manville and Greatbanks 2016), mejorando así el entorno social y económico.

En la actualidad, la noción de confianza inherente a las ESAL se ha desafiado debido a los diferentes casos de fraude que se han observado en el sector (Greenlee *et al.* 2007). Estos casos tienen un impacto destructivo en el sector no lucrativo dado que los financiadores y donantes de recursos sienten cierta preocupación acerca de cómo sus donaciones están siendo empleadas y gestionadas (Szper and Prakash 2011). Esto supone un tema delicado en cuanto a la posible pérdida de apoyo de donantes y voluntarios que puede llegar a producirse, con un impacto directo en el futuro de estas organizaciones (Hale 2013). Es además un grave problema si tenemos en cuenta que las ESAL dependen de una cultura de la confianza (Harris *et al.* 2017).

⁹ La conceptualización del sector no lucrativo es ciertamente plural (Salamon and Toepler 2015; Teasdale 2012). Los siguientes conceptos se utilizan a menudo como sinónimos, generando una inmensa disparidad en terminología: "tercer sector", "sector sin fines de lucro", "sector voluntario", incluso "sector benéfico". Lo mismo ocurre con las organizaciones que la componen: "entidades sin ánimo de lucro (ESAL)", "organizaciones del tercer sector (OTS)" u "organizaciones no gubernamentales (ONG)". En suma, el sector no lucrativo se define por su heterogeneidad, diversidad y complejidad (Plataforma del Tercer Sector, 2020).

Tradicionalmente, el sector no lucrativo en su conjunto ha dependido en gran medida de los recursos públicos, es decir, del sector público. También existen ESAL cuyos recursos provienen exclusivamente del sector privado. En general, se pueden destacar tres fuentes de financiación: pública, privada y propia. La financiación privada proviene de personas físicas o jurídicas, tales como donaciones, contratos, convenios, etc. La financiación propia proviene de las cuotas de afiliación y pagos de los usuarios por los servicios prestados (Plataforma del Tercer Sector 2020). Por lo tanto, atendiendo a todo lo expuesto anteriormente, uno de los mayores desafíos a los que se enfrentan actualmente las ESAL es demostrar que los recursos que reciben se utilizan con los mejores estándares de calidad y se destinan íntegramente al cumplimiento de la misión para la cual fueron creadas. Considerando todo lo anterior, se está presenciando un aumento en las demandas de responsabilidad por parte de las ESAL (Bromley and Orchard 2016; Dhanani and Connolly 2015; McDonnell and Rutherford 2019; Pape et al. 2020) para mantener la confianza pública en el sector no lucrativo (Saxton et al. 2012).

Para afrontar esta realidad, las ESAL deben complementarse con mecanismos de rendición de cuentas, no existiendo una única forma única para ello, pero cada ESAL debe desarrollar sus propios mecanismos, teniendo en cuenta sus posibilidades y características organizativas para garantizar una comunicación eficaz y de calidad con los grupos de interés. Por tanto, es necesario dotar a las ESAL de una herramienta de autorregulación basada en los conceptos de:

- 1) Transparencia de la información divulgada y sus prácticas,
- 2) Mecanismos de buen gobierno,

Ambos conceptos están fuertemente ligados a la rendición de cuentas. A través de esta herramienta, se ayudará a las ESAL a enfrentar el problema de la ausencia de una regulación específica sobre la transparencia de la información divulgada y los mecanismos de buen gobierno en el sector no lucrativo.

En definitiva, el establecimiento de un mecanismo de rendición de cuentas relevante y confiable ayudará en última instancia a sentar una base sólida para el crecimiento continuo del sector no lucrativo y sus organizaciones, reforzando así su credibilidad hacia la sociedad. Subrayamos el concepto de credibilidad como una cuestión clave, a fin de justificar el uso de los fondos recibidos tanto por las entidades públicas como por los particulares para cumplir con la misión social encomendada a estas organizaciones.

En resumen de lo anterior, la transparencia de la información divulgada y los mecanismos de buen gobierno son un ejercicio de responsabilidad que debe ejercer una ESAL enfocando su atención en cómo responder a las expectativas y demandas de sus grupos de interés y en cómo gestionar la organización para cumplir con su misión y mantener su legitimidad institucional (Jeong and Kearns 2015). Destacamos con ello cómo la “rendición de cuentas” o “accountability” se ha convertido en una cuestión crucial en el sector no lucrativo (Othman and Ali 2014), involucrando a una variedad de partes interesadas (Gugerty et al. 2010; LeRoux and Wright 2010).

En cuanto a la posición teórica de esta tesis doctoral nos apoyamos en la “*Teoría de los Stakeholders*”, cuyo origen se fundamenta, entre otros campos en el comportamiento organizacional (Gibson 2000). En 1984, el concepto de “parte interesada” o “stakeholder” se definió originalmente en el libro “*Strategic Management: a Stakeholder Approach*” sobre gestión estratégica de Freeman (1984, pag 46). Este concepto se vincula a aquellos grupos de personas que afectan o se ven afectados por la actividad que realiza una organización para cumplir con sus objetivos. Estos grupos tienen legitimidad para exigir la prestación de determinados servicios de calidad por parte de las organizaciones y, en particular, conocer la gestión de tales recursos.

Derivado de esto, la tendencia generalizada que se está observando internacionalmente en el sector no lucrativo es la necesidad de encontrar herramientas que permitan una mejora de sus sistemas de suministro de información y de gestión a cada una de las partes interesadas involucradas en la organización.

A continuación, el “Resumen en Español” se desarrolla así: motivación de la presente Tesis Doctoral a nivel internacional, europeo y español; planteamiento de las hipótesis de partida, objetivo general y relación de los objetivos específicos; planteamiento metodológico para el análisis teórico y empírico; estructura planteada para el conjunto del documento y finalmente, las conclusiones, limitaciones y futuras líneas de investigación.

2. Motivación

El propósito de esta Tesis Doctoral responde a la necesidad de una adecuada rendición de cuentas por parte de las ESAL, marcada por un apropiado grado de transparencia de la información divulgada y el establecimientos de mecanismos de

buen gobierno que permiten a las ESAL fortalecer sus niveles de credibilidad de cara a poder justificar el empleo de los fondos recibidos tanto por entes públicos como por particulares para cumplir la misión social que les es encomendada.

Esta necesidad de transparencia en la información de las ESAL y de una gestión enfocada al buen gobierno se enmarca dentro de varios ámbitos:

A nivel internacional, y durante años, las ESAL han sido responsables de mejorar la calidad de vida de las personas desfavorecidas (Vakil 1997). Por lo tanto, con su creciente importancia global conlleva una responsabilidad hacia la comunidad.

Esta responsabilidad fue establecida en el Código de Ética y Conducta para ONG de la Asociación Mundial de Organizaciones No Gubernamentales (WANGO 2005) donde se establece que “Las ONG tienen la responsabilidad de ser transparentes, honestas, responsables y éticas, para brindar información precisa, y no manipular situaciones en beneficio personal de sus directorios y personal”. Como se señaló, las ESAL en todo el mundo se enfrentan a una demanda creciente de rendición de cuentas y una mayor transparencia (Verbruggen et al. 2011).

Más recientemente, las Naciones Unidas promulgó los Objetivos de Desarrollo Sostenible (ODS, en adelante) (United Nations, 2015). Los ODS juegan un papel clave en la evaluación e implementación de la Agenda 2030. Esta Agenda 2030 para el Desarrollo Sostenible contiene 17 ODS. Justificamos nuestro estudio sobre las metas “16.6 Desarrollar instituciones eficaces, responsables y transparentes en todos los niveles” y “17.19 Construir sobre iniciativas existentes para desarrollar mediciones de progreso en el desarrollo sostenible que complementen el PIB y apoyen la creación de capacidad estadística en países en desarrollo”.

Además, Accountable Now, una organización internacional independiente de la sociedad civil que trabaja globalmente, también es relevante en este estudio. Esta organización describe 10 compromisos a través de su Carta de Responsabilidad (Accountable Now 2014) que son esenciales para que las ESAL fortalezcan la visibilidad de las contribuciones de este sector. Nos enfocamos en los Compromisos 3 “Transparencia” y 4 “Buen Gobierno”.

A nivel europeo, el sector no lucrativo se ha enfrentado varios procesos de cambio durante las últimas décadas. Entre estos cambios, hay que destacar un proceso de creciente europeización, donde las ESAL están participando en la gestión de programas del Fondo Social Europeo (FSE), en el desarrollo de las diferentes

estrategias europeas de inclusión social y, ampliando su presencia en el ámbito europeo y de la economía social (Plataforma del Tercer Sector, 2020).

Además, como queda de manifiesto en la adopción de una normativa para el sector público que busca la utilidad de la información divulgada por este tipo de entidades, reflejada en una mayor comparabilidad y transparencia de dicha información: International Public Sector Accounting Standards (IPSAS)¹⁰. El ámbito de actuación es de tal importancia que los aspectos relativos a la mejora de la actuación de entidades del Tercer Sector se puede enmarcar dentro de la línea Science with and for Society de Horizonte 2020 (European Commission, 2015), programa financiador de investigaciones de calidad con impacto social.

A nivel nacional, centramos esta Tesis Doctoral en el caso español donde la economía social se ha configurado como una realidad incuestionable. A continuación, presentamos datos relevantes sobre la economía social en España (CEPES, 2019):

- Está integrada por 42.140 entidades que operan en todos los sectores económicos,
- Genera el 10% del producto interno bruto, comparado con el 8% en la Unión Europea y el 7% en todo el mundo,
- Proporciona 2,2 millones de puestos de trabajo directos e indirectos comparado con 13,6 millones en la Unión Europea.

Además, España ha sido el primer Estado miembro de la Unión Europea en haber implantado una Estrategia de Economía Social 2017-2020 basada en 63 medidas que se apoyan en 11 ejes estratégicos. Para el desarrollo de la Agenda 2030, España sitúa la Estrategia Española de Economía Social 2017-2020 como un elemento imprescindible para alcanzar los ODS promulgados por Naciones Unidas. Aquí está la relevancia de estudiar el caso español. Hacemos mención seguidamente a la normativa estatal actual:

• Ley 5/2011, de 29 de marzo, de Economía Social (2011). El objetivo básico de la Ley es configurar un marco legal que implique el reconocimiento y mejor visibilidad de la economía social y establecer los principios que deben enfrentar las distintas entidades.

• Ley 19/2013, de 9 de diciembre, de Transparencia, Acceso a la Información Pública y Buen Gobierno (2013). Esta Ley tiene tres propósitos: primero, aumenta y

¹⁰ <https://www.ipsasb.org/>

fortalece la transparencia en la actividad pública; segundo, reconoce y garantiza el acceso a la información; y finalmente, establece obligaciones de buen gobierno que deben cumplir las autoridades públicas, además de las consecuencias legales de su incumplimiento. Se trata de una ley no específica del sector no lucrativo, pero las disposiciones de esta ley se aplicarán, entre otras: a) “Las fundaciones del sector público previstas en la legislación sobre fundaciones”; b) “Las asociaciones que constituyan las Administraciones, organismos y entidades previstas en este artículo”; c) “Las entidades privadas que perciban durante el período de un año ayudas o subvenciones públicas en una cuantía superior a 100.000 euros o cuando al menos el 40 % del total de sus ingresos anuales tengan carácter de ayuda o subvención pública, siempre que alcancen como mínimo la cantidad de 5.000 euros”.

- Ley 43/2015, de 9 de octubre, del Tercer Sector de Acción Social (2015a). Esta Ley establece un marco normativo estatal, que protege a las entidades del sector, de acuerdo con el trabajo que realizan en la sociedad. Su propósito es asegurar un desarrollo armónico de las políticas sociales, una correcta identificación de las necesidades de los grupos afectados y un uso óptimo de los recursos.

- Ley 45/2015, de 14 de octubre, de Voluntariado (2015b). Se trata de una acción de voluntariado que ha consolidado su presencia en los últimos años y favorece la promoción del sector no lucrativo.

Como se observa, se trata de leyes cuyo cometido no es el establecimiento de mecanismos de rendición de cuentas. No regulan específicamente la implementación de mecanismos de medición de la transparencia y de buenas prácticas de gobernanza. Esto nos lleva a concluir que no existe una legislación española que obligue a las ESAL a cumplir con la medición de los niveles de transparencia y de buen gobierno.

Por otro lado, se han propuesto documentos para la rendición de cuentas específicos para el sector no lucrativo. Nos referimos a las baterías de indicadores de transparencia y buen gobierno publicadas a nivel español. Destacamos la propuesta de dos entidades: la alianza entre la Plataforma del Tercer Sector, en base al convenio suscrito con la Coordinadora de ONGs para el Desarrollo - España (2019) (CONGDE, en adelante) y la Fundación Lealtad (2020). Detallamos cada una de estas entidades a continuación:

- La alianza formada por la Plataforma de ONG de Acción Social y la Coordinadora de Organizaciones de Cooperación al Desarrollo (CONGDE). La Plataforma de ONG para la Acción Social es una organización estatal, privada

y profesional que trabaja para promover el desarrollo de los derechos sociales y civiles de los grupos más vulnerables y desprotegidos. La Coordinadora de Organizaciones de Cooperación al Desarrollo integra a más de 550 organizaciones, con el objetivo de establecer una política de cooperación acorde con la Agenda 2030. Desarrolló el Índice de Coherencia de Políticas para el Desarrollo Sostenible, una herramienta que tiene como objetivo hacer visibles las conexiones de una política con otras y su impacto en el medio ambiente y en la vida humana. También desarrolló una propuesta (CONGDE, 2019) común con un total de 79 indicadores que se dividen en dos ejes principales (transparencia y buen gobierno) que, a su vez, se dividen en bloques temáticos.

- La Fundación Lealtad fue la primera entidad en desarrollar una metodología basada en una serie de principios para analizar la transparencia y el buen gobierno en el sector sin ánimo de lucro español. La primera versión de estos principios es de 2001, año en que se estableció la Fundación. Desde entonces, se han actualizado según la evolución del sector, pero mantienen la misma esencia de medición de Transparencia y Buen Gobierno dentro de las entidades. Esta herramienta se titula “9 Principios de Transparencia y Buenas Prácticas” (2020) subdivididos en 36 subprincipios (indicadores). Su misión es fomentar la confianza de la sociedad en las ESAL para lograr un aumento en las donaciones. La Fundación Lealtad otorga una certificación a las ESAL que cumplen con los principios propuestos y proporciona información independiente a los donantes para ayudarlos en sus decisiones.

3. Hipótesis y Objetivos




Al inicio de esta investigación se realiza una Revisión Sistemática de la Literatura (RSL, en adelante). El objetivo es mostrar cuáles son las metas, el alcance y las razones que sustentan la investigación. Asimismo, sirve para confirmar que no se ha realizado previamente un estudio similar.

Del mismo modo, la revisión de la literatura también incluye una exploración de las metodologías utilizadas para responder a nuestras preguntas de investigación, así como las técnicas utilizadas para recopilar datos. Además, también se proporcionan referencias relevantes que muestran el estado del arte en el campo de estudio del

sector no lucrativo. En definitiva, el propósito a través de la revisión sistemática de la literatura es conocer los estudios previos de forma ordenada, precisa, sintética y analítica. La importancia de la revisión de la literatura está directamente relacionada con las hipótesis y objetivos.

En este sentido, una primera fase de revisión de literatura permite evidenciar una serie de problemas respecto a los conceptos de transparencia y buen gobierno:

- i. La transparencia y el buen gobierno son conceptos cuya definición y medida presenta dificultades;
- ii. Si bien transparencia y buen gobierno están ampliamente tratados desde el punto de vista teórico en literatura de nuestro ámbito de estudio, no hay muchos trabajos que analicen empíricamente dichos conceptos, cuantificando su mayor o menor grado (Ortega-Rodríguez et al. 2020);
- iii. Es necesario cuantificar el grado de transparencia y buen gobierno de las ESAL porque los donantes necesitan saber en qué actividades se están utilizando los recursos. En el contexto español, una herramienta previamente hallada en la literatura es la implementación de una batería de indicadores de transparencia y buen gobierno. Esta herramienta presenta una serie de problemas de conviene detallarlos a continuación:

-  Existen diversas baterías de indicadores de transparencia y de buen gobierno (CONGDE, 2019; Fundación Lealtad, 2019), pero cada batería considera múltiples aspectos indicativos de dichos conceptos, sin existir un criterio unánime sobre cuáles los representan mejor;
-  Las baterías previamente mencionadas consideran todos los aspectos de igual importancia para medir transparencia o buen gobierno, sin especificar el peso que cada indicador tiene en la medida del grado de transparencia o de buen gobierno;
-  La única batería que proporciona pesos para los indicadores, es el documento que proponen la CONGDE (2019) que, ofrece una ponderación subjetiva, sin justificar teóricamente ni contrastar el mayor o menor peso con la opinión de expertos en el ámbito de las ESAL.

De todo lo anterior se puede deducir que la investigación en el ámbito no lucrativo necesita desarrollar herramientas y propuestas que permitan la divulgación de

información y buenas prácticas para fortalecer la credibilidad de las ESAL ante la sociedad.

- **Hipótesis de partida:**

H₁

Los modelos económico-financieros que en la actualidad utilizan las ESAL, son insuficientes para medir el grado de buen gobierno y la transparencia como elementos esenciales de la gestión de los recursos, en un marco de condicionantes económicos actuales de mayor competencia en cuanto a la obtención de fondos y recursos y exigencia de mecanismos internos de buen gobierno.

H₂

La batería de indicadores propuesta por la CONGDE (2019) se puede mejorar mediante un proceso de validación con expertos de ESAL de referencia en el sector, obteniendo una nueva propuesta de ponderación más ajustada a las necesidades del sector no lucrativo.

H₃

Es posible implantar una adecuada batería de indicadores de transparencia y de buen gobierno que ofrezca una ponderación adecuada de los mismos basada en la experiencia de profesionales del sector no lucrativo, que pueda ser aplicada a cualquier ESAL para medir el grado de transparencia y de buen gobierno y así permitir la divulgación de tal información.

- **Objetivo general:**

El objetivo general es establecer un sistema de medición de la credibilidad (tanto para su aspecto de transparencia como de buen gobierno) de la información divulgada por las ESAL que tenga en cuenta los diferentes aspectos señalados por la literatura como representativos de transparencia y de buen gobierno. Haciendo uso de indicadores ya definidos en el documento de la CONGDE (2019), se pretende ofrecer una adecuada ponderación de los mismos validado empíricamente mediante la aplicación de técnicas estadísticas rigurosas: Best-Worst Method (en adelante, BWM) que, además, estén basadas en la opinión de expertos que pertenecen a ESAL de

referencia en el sector. Con todo ello, se propondrá un sistema capaz de valorar apropiadamente desde el punto de vista cuantitativo el grado de transparencia y buen gobierno de la información divulgada por las ESAL a través de indicadores.

- **Objetivos específicos:**

Se enumeran a continuación los objetivos específicos, los cuales pueden verse alterados en función de la evolución de la investigación, incorporando otros o modificando aquellos a los que seguidamente hacemos referencia:

- 1 Conocer el sector no lucrativo, profundizando en la importancia del papel de las ESAL en la prestación de determinados servicios, de manera que lleguemos a conocer la relevancia que este sector tiene como objeto de investigación, tanto por lo novedoso del mismo como por su contribución modélica a la sociedad en su conjunto, en tanto que se constituye en muchos casos en un ejemplo a seguir en determinados campos en los que el sector público es incapaz de atender y satisfacer esas necesidades de sus ciudadanos.
- 2 Determinar los déficits informativos prevalentes en este tipo de organizaciones, sus necesidades y debilidades, conociendo las dificultades que los sistemas tradicionales contables plantean para el desarrollo de una gestión exitosa.
- 3 Conocer los problemas de gobierno y los niveles de transparencia deseables en estas entidades, así como la misión que las mismas han de desempeñar, tratando en todo caso de valorar las dificultades para conciliar los múltiples objetivos que tratan de satisfacer.
- 4 Identificar las técnicas de medición del grado de transparencia y de buen gobierno en literatura, comparándolos e identificando potenciales problemas. Dentro de este objetivo, se selecciona para un análisis más profundo de la problemática y posible gap de literatura una técnica bastante empleada hasta el momento: puntuación en base al cumplimiento de una batería de indicadores.

5

Fruto del objetivo anterior, se ha detectado el problema de una ausencia de ponderación de múltiples criterios representativos de transparencia y de buen gobierno o, en el mejor de los casos, de una ponderación establecida de manera subjetiva sin contrastar empíricamente. Nuestro siguiente objetivo es aportar mediante el análisis estadístico con una metodología novedosa y de rigor, el BWM, una validación empírica de la técnica de medición de la transparencia en base a cumplimiento de baterías de indicadores, ofreciendo una adecuada ponderación de los mismos en base a la opinión de expertos (Rezaei, 2015).

6

A raíz de nuestros trabajos de revisión de literatura, se detecta la relevancia del “caso español” a nivel internacional (Ortega-Rodríguez et al. 2020). A partir de aquí, se pretende desarrollar una propuesta uniforme para medir los niveles de transparencia y buen gobierno en las ESAL, validado por expertos, que integre los aportes más importantes, en este sentido, del caso español dada su relevancia. Pretendemos integrar las principales baterías existentes en España de indicadores como son las propuestas por la CONGDE (2019) y la Fundación Lealtad (2020).

4. Planteamiento metodológico general

Para solucionar esta heterogeneidad de indicadores y ante la actual ponderación establecida de manera subjetiva y sin contrastar empíricamente por parte de las baterías de indicadores propuestas (CONGDE y Fundación Lealtad) planteamos la siguiente metodología.

Para obtener las ponderaciones de los indicadores utilizamos una metodología ampliamente utilizada en la toma de decisiones multicriterio, el denominado Best-Worst Method (BWM) (Rezaei 2015). El BWM permite derivar las ponderaciones de los indicadores a partir de las preferencias de los expertos seleccionando los mejores y peores indicadores y comparándolos con el resto (Los cuestionarios enviados a los expertos se adjuntan en el Anexo del Capítulo 4 y el Anexo del Capítulo 5. Estos cuestionarios se enviaron a los expertos de las ESAL españolas, motivo por el cual los anexos se presentan en español). Sin embargo, el uso de BWM da como resultado

tantos pesos para un indicador como el número de expertos. Por lo tanto, puede haber desacuerdos en las opiniones de los expertos.

Una herramienta común que se utiliza para conciliar estas diferencias es el proceso de consenso (CRP) (Labella et al. 2018; Rodríguez et al. 2018). Entre los diferentes tipos de CRP descritos en la taxonomía proporcionada en (Palomares et al. 2014) los procesos automáticos pueden obtener un acuerdo rápido y confiable. Por lo tanto, en nuestro estudio aplicamos un modelo de Consenso de Mínimo Coste (CMC, de aquí en adelante) (Ben-Arieh and Easton 2007). El CMC modifica automáticamente las ponderaciones obtenidas de BWM preservando en la medida de lo posible las opiniones iniciales de los expertos, obteniendo una ponderación consensuada para cada indicador y eliminando los desacuerdos si existen.

Las principales aportaciones de este trabajo a través de la metodología descrita son las siguientes:

- Un procedimiento para medir la transparencia y el buen gobierno en las ESAL a través de un método de toma de decisiones grupal multicriterio.
- Aplicación de BWM a indicadores de peso.
- Uso de un método de consenso para eliminar conflictos.

Así, se obtiene un conjunto de indicadores para medir la transparencia y el buen gobierno en las ESAL con las siguientes características:

- Ponderación de indicadores según su importancia considerada por expertos del sector.
- Consenso sobre el poder de los indicadores.

5. Estructura de la tesis doctoral

La presente tesis doctoral ha sido estructurada en siete capítulos.

El Capítulo 1 titulado “Introducción” muestra la motivación del tema a investigar, las hipótesis de partida y objetivos de investigación además de la metodología propuesta.

Tras el primer capítulo introductorio, cada uno de los cinco capítulos siguientes que conforman este trabajo de investigación hacen referencia a artículos científicos publicados o bien, presentados a evaluación. Cada uno de los capítulos muestra el devenir de la investigación y cada una de sus etapas conformando una unidad temática entre todos ellos.

Así, los capítulos 2 y 3 hacen referencia a dos revisiones sistemáticas de literatura sobre los conceptos de “transparencia” y “buen gobierno”. Cada capítulo aborda de forma individual y teóricamente uno de estos conceptos. Más adelante, los capítulos cuatro, cinco y seis abordan la parte empírica de esta tesis doctoral.

En definitiva, cada capítulo se trata de una copia de artículos que actualmente se encuentran publicados (se adjunta para ello documento acreditativo de haber sido publicado al final del capítulo en cuestión), pendientes de publicar o en proceso de elaboración. De este modo, los capítulos 2, 3, 4, 5 y 6 responden a la siguiente estructura:

- Resumen del capítulo
- Introducción
- Marco teórico
- Metodología
- Discusión de resultados
- Conclusiones del capítulo
- Referencias del capítulo

Todo esto se detalla a continuación:

CAPÍTULO 2. LA TRANSPARENCIA COMO ELEMENTO CLAVE EN LA RENDICIÓN DE CUENTAS EN LAS ENTIDADES SIN ÁNIMO DE LUCRO: UNA REVISIÓN SISTEMÁTICA DE LA LITERATURA.

El propósito de este Capítulo 2 es presentar un marco para entender la transparencia en el sector no lucrativo y luego explorar las principales corrientes de investigación sobre la divulgación de información y la rendición de cuentas mediante la realización de una revisión sistemática de la literatura sobre la transparencia de la

información divulgada por las ESAL. Para ello, exploramos tres preguntas de investigación:

- (1) ¿Por qué las ESAL deberían revelar información transparente a las partes interesadas?
- (2) ¿Por qué no todas las ESAL divulgan información transparente?
- (3) ¿Qué medios utilizan las ESAL para divulgar información transparente?

Se analizó un conjunto de 54 artículos de Web of Science de 2005 a 2019. Los resultados destacan la falta de legislación sobre transparencia en el sector no lucrativo, lo que lleva a las ESAL a adoptar políticas de divulgación voluntaria de información para mejorar su credibilidad percibida y la relevancia del caso español en el panorama internacional. Se destaca en este capítulo que no existe una forma única de medir la transparencia utilizándose para ello diferentes técnicas, en particular, modelos de regresión, índices y pruebas estadísticas, para responder preguntas específicas. Esto genera un vacío en la literatura a cubrir: la cuantificación objetiva del nivel de transparencia en una ESAL es una cuestión abierta.

Por tanto, es necesario encontrar la técnica más adecuada para medir los niveles de transparencia para cubrir este propósito: un sistema de medición de la transparencia a través de indicadores.

Este capítulo se encuentra actualmente publicado en formato artículo:

Referencia Ortega-Rodríguez, C., Licerán-Gutiérrez, A., & Moreno-Albarracín, A. L. (2020). Transparency as a key element in accountability in non-profit organizations: A systematic literature review. *Sustainability*, 12(14), 5834.

DOI <https://doi.org/10.3390/su12145834>

CAPÍTULO 3. BUEN GOBIERNO NO LUCRATIVO PARA LA RENDICIÓN DE CUENTAS: UNA REVISIÓN SISTEMÁTICA DE LA LITERATURA.

Este Capítulo 3 tiene como objetivo desarrollar un cuerpo de conocimiento sistemático sobre los mecanismos de buen gobierno en el sector no lucrativo como prácticas éticas para prevenir y evitar la ocurrencia de casos de fraude. Exploramos dos preguntas de investigación:

- (1) ¿Cuáles son las principales razones que inspiran a las ESAL a implementar mecanismos de buen gobierno?
- (2) ¿Cuáles son los mecanismos de buen gobierno que llevan a cabo las ESAL?

Para resolver estos problemas, se utiliza una metodología de revisión sistemática de la literatura para la identificación, selección y evaluación de las investigaciones publicadas sobre el buen gobierno de las ESAL. Se analizó un conjunto de 81 artículos de Web of Science y Scopus publicados hasta 2020. Este análisis permitió una nueva clasificación de la literatura contable y no lucrativa identificando 3 líneas de investigación y 13 sub-líneas de investigación. Nuestros resultados destacan la escasa atención al estudio del concepto de buen gobierno y la variedad de mecanismos internos disponibles además del nutrido grupo de iniciativas de terceros organismos internacionales que, apoyadas en la necesidad de apegarse a los estándares de ética y honestidad, se han consolidado como herramientas relevantes para cultivar la imagen y la reputación del sector no lucrativo. Este capítulo se encuentra actualmente en revisión mayor en formato de artículo por “*Journal of Business Ethics*”.

CAPÍTULO 4. INDICADORES DE TRANSPARENCIA PARA MEJORAR LA RENDICIÓN DE CUENTAS DE LAS ENTIDADES SIN ÁNIMO DE LUCRO: ESTUDIO DEL CASO ESPAÑOL.

Tras los resultados obtenidos en el Capítulo 4 sobre la falta de legislación sobre transparencia en el sector no lucrativo y la relevancia del caso español en el panorama internacional, el concepto de transparencia de la información revelada por las ESAL se ha convertido en un interés creciente. Sin embargo, muy pocos estudios miden

empíricamente el grado de transparencia en las ESAL. Para abordar este tema, este capítulo valida empíricamente el documento de ponderación de los indicadores de la alianza entre dos entidades españolas: la ONG Plataforma de Acción Social y la ONG Española Coordinadora de Desarrollo (CONGDE), con la opinión de expertos españoles de reconocidas ESAL (motivo por el cual el Anexo del Capítulo 4 “Cuestionario para Indicadores de Transparencia” se presenta en español). Usamos el BWM para asignar pesos de manera óptima a situaciones de toma de decisiones de múltiples criterios. Los resultados muestran diferencias interesantes en el nivel de importancia otorgado a los indicadores por la CONGDE y expertos, sugiriendo la necesidad de una revisión de la importancia propuesta previamente por la CONGDE.

Este capítulo se encuentra actualmente publicado en formato artículo:

Referencia Moreno-Albarracín, A. L., Ortega-Rodríguez, C., Licerán-Gutiérrez, A., Labella, Á., & Martínez, L. (2021). Transparency indicators to improve accountability for non-profit organizations: a Spanish case study. *Technological and Economic Development of Economy*, 1-20.

DOI <https://doi.org/10.3846/tede.2021.14821>

CAPÍTULO 5. INDICADORES DE BUEN GOBIERNO PARA MEJORAR LA RENDICIÓN DE CUENTAS DE LAS ENTIDADES SIN ÁNIMO DE LUCRO: ESTUDIO DEL CASO ESPAÑOL.

El concepto de “buena gobernanza” está motivado actualmente por los casos de fraude de varias ESAL que han causado daños al sector, ya que los donantes se preocupan por si los recursos donados se están utilizando correctamente, como notamos anteriormente en el Capítulo 3. Sin embargo, muy pocos estudios miden empíricamente el grado de buen gobierno en las ESAL. Para abordar este tema, el Capítulo 5 valida empíricamente la ponderación de los indicadores de la alianza entre la ONG Plataforma de Acción Social y la ONG Coordinadora Española de Desarrollo (CONGDE) documento (2019) con expertos en opinión de ESAL. Usamos el método Best-Worst (BWM) para asignar pesos de manera óptima a situaciones de toma de decisiones de múltiples criterios. Los resultados sugieren la necesidad de una revisión

de la importancia propuesta por CONGDE ya que muestra interesantes diferencias en la ponderación de los indicadores por parte de los expertos de reconocidas ESAL (motivo por el cual el Anexo del Capítulo 5 “Cuestionario para Indicadores de Buen Gobierno” se presenta en español). Este capítulo se encuentra actualmente en proceso de revisión en “*Journal of Fuzzy Systems*”.

CAPÍTULO 6. MEDIR LO QUE NO SE VE: INDICADORES DE TRANSPARENCIA Y BUEN GOBIERNO NO LUCRATIVOS PARA SUPERAR LAS LIMITACIONES DE LOS MODELOS CONTABLES.

Tal y como venimos presentando en esta tesis doctoral, la transparencia y el buen gobierno son cuestiones de gran valor para la supervivencia de estas organizaciones que conforman el sector no lucrativo. Sin embargo, los estudios y modelos empíricos para medir estos conceptos son escasos y carecen de consenso. El objetivo de este Capítulo 6 es desarrollar un procedimiento uniforme para medir los niveles de transparencia y buen gobierno en las ESAL, validado por expertos, que integre los aportes más importantes del panorama español. Las principales propuestas de la CONGDE (2019) y de la Fundación Lealtad (2020) están respaldadas por listas de indicadores cuyo cumplimiento intentan verificar. Finalmente, se consideraron las preferencias de los expertos para obtener las ponderaciones de los indicadores mediante el BWM y el MCC. Como resultado y partiendo del caso español, tomamos como referencia las propuestas de estas dos organizaciones y presentamos una única batería que combina el contenido de los conjuntos de indicadores, dando como resultado 59 indicadores. Este capítulo se encuentra actualmente publicado en formato artículo:

Referencia Moreno-Albarracín, A. L., Licerán-Gutierrez, A., Ortega-Rodríguez, C., Labella, Á., & Rodríguez, R. M. (2020). Measuring What Is Not Seen—Transparency and Good Governance Nonprofit Indicators to Overcome the Limitations of Accounting Models. *Sustainability*, 12(18), 7275.

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CAPÍTULO 7. CONCLUSIONES.

Finalmente, el Capítulo 7 presenta un resumen global donde se recogen las principales conclusiones que abordan tanto el objetivo general como los diferentes objetivos específicos. También mostramos los aportes, limitaciones derivadas del desarrollo de la investigación, así como las futuras líneas de investigación que se deriven de los resultados encontrados hasta la fecha.

6. Conclusiones

6.1. Consideraciones finales

De acuerdo con los objetivos establecidos en esta Tesis Doctoral, y tras de haber realizado los correspondientes análisis teóricos y empíricos, podemos concluir lo siguiente:

La aportación social que el sector no lucrativo ha realizado en los últimos años a través de sus organizaciones ha proporcionado ayuda a colectivos tradicionalmente desfavorecidos a los que ningún sector había asistido anteriormente. Por tanto, no es de extrañar considerar a las ESAL como uno de los agentes más importantes de nuestra sociedad (Schatteman 2013).

Sin embargo, esta meritoria labor no siempre ha ido acompañado de las mejores prácticas para rendir cuentas en el ámbito de la transparencia y la buena gobernanza. De no hacerlo, las ESAL corren el riesgo de que su reputación y credibilidad sean cuestionadas por la sociedad y, por lo tanto, afecte el futuro del sector. Parece injusto negar su merecido reconocimiento a las ESAL pero se ha observado la aparición de varios casos de comportamiento fraudulento por parte de varias ESAL en el ámbito internacional (Greenlee et al. 2007). Esto ha provocado una supuesta crisis de confiabilidad en el sector no lucrativo (Keating and Thrandardottir 2017) y, ha generado nuevas preocupaciones sobre la calidad de la divulgación transparente de la información y los mecanismos de buen gobierno. Si bien la transparencia y el buen gobierno son conceptos importantes para cualquier organización, en el caso de las ESAL es especialmente relevante demostrar que los recursos que reciben son utilizados para cumplir con el propósito para el cual fueron concebidas estas organizaciones.

Considerando todo lo anterior, uno de los objetivos a alcanzar por todas las organizaciones que conforman el sector no lucrativo es contar con buenas prácticas de gobernanza y divulgación de información transparente que garantice la rendición de cuentas y hacer accesible la información relevante a sus diferentes grupos de interés. Entendemos por esto no solo aquellas prácticas y requisitos legales, sino todas aquellas prácticas de carácter voluntario que contribuyan a fortalecer la confianza de la sociedad.

Así, fortalecer la confianza en la sociedad y satisfacer las necesidades de información de los grupos de interés va más allá de lo meramente contable, financiero o administrativo. Asumiendo esto, las medidas comúnmente utilizadas en los sectores público y privado (rentabilidad, resultado del ejercicio, etc.) carecen de sentido en el sector no lucrativo. Por lo tanto, en su lugar deberían implementarse otros elementos de medición como los indicadores de transparencia y buen gobierno. Los indicadores de transparencia y buen gobierno son objeto de análisis de esta Tesis Doctoral.

La implementación de indicadores de transparencia y buen gobierno permitirá a las ESAL evaluar los logros y señalar las deficiencias o áreas de posible mejora para aplicar las correcciones necesarias. Además, de si la gestión se ha realizado con un uso correcto de los fondos recibidos para lograr su objeto social (misión social). Así, dicha implementación de indicadores en la ESAL debe basarse en la autorregulación y, por ello, se considera interesante que en su implementación participen todos los responsables de las distintas áreas que integran la ESAL cuya gestión se va a medir. Por esto y por el éxito de estas ESAL, consideramos de gran valor que sus gerentes o responsables estén convencidos de la importancia y valor de los indicadores como herramientas para mejorar las demandas de rendición de cuentas.

Finalmente, tras la implementación de los indicadores propuestos en la ESAL, es fundamental analizar, interpretar y evaluar los resultados que obtenemos de esta medición que estamos realizando. Solo así, la ESAL obtendrá información útil para sus grupos de interés, para la propia organización y para la toma de decisiones exitosa en general.

Como se mencionó en el Capítulo 1, concluimos que las leyes vigentes en el ámbito español no regulan específicamente la necesidad de implementar mecanismos de transparencia y promoción de prácticas de buen gobierno. Esto nos lleva a concluir que no existe una legislación española que obligue a las ESAL a cumplir con la transparencia y el buen gobierno. Para finalizar, solo mediante el estudio de estos

conceptos se puede abordar este desafío: desarrollar mecanismos internos que midan los niveles de transparencia y buen gobierno y así, divulgar información veraz sobre el destino de los recursos de acuerdo con su misión social a los grupos de interés.

6.1.1. Conclusiones de las revisiones sistemáticas de la literatura

La revisión sistemática de la literatura desarrollada en los Capítulos anteriores nos ha permitido probar la hipótesis presentada en el "Capítulo 1 Introducción" como detallamos a continuación:

Los resultados obtenidos en nuestra revisión de la literatura del Capítulo 2 sobre la transparencia de la información divulgada en las ESAL, nos permiten concluir sobre la falta de legislación que regule los procedimientos de transparencia en el sector no lucrativo. Esto lleva a las ESAL a adoptar mecanismos voluntarios de divulgación de información, buscando una mejor percepción de la credibilidad de las organizaciones por parte de sus grupos de interés. Además, destacamos la escasez de estudios publicados sobre transparencia en ESAL en relación a la muestra final analizada. Solo el 12% (54 de 449) de los artículos se centraron en el concepto de transparencia en esta área, y solo el 1,34% (6 de 449) realizó una validación empírica de la medida de transparencia. Con base en el número total de artículos publicados en revistas que abordan las ESAL (20.037), 54 artículos abordaron la transparencia en el campo no lucrativo como el tema principal; esto representa el 0,27% del total. A pesar del creciente interés en los últimos años en este campo, este aspecto ha sido poco estudiado y se requieren esfuerzos para llenar este vacío existente desde una perspectiva empírica. Del análisis de los pocos trabajos empíricos publicados entre 2005 y 2019, se dedujo que no existe una forma única de medir la transparencia en las ESAL. Por tanto, es necesario estudiar e implementar herramientas que permitan cuantificar el nivel de transparencia requerido por cada ESAL, y la determinación de los criterios utilizados para calificar una organización como más o menos transparente.

En el Capítulo 2 también destacamos la importancia del contexto español, objeto de estudio de esta Tesis Doctoral. En este sentido, dos entidades que brindan una herramienta para medir los niveles de transparencia (y buen gobierno como se detalla más adelante) se destacan en el Capítulo 2: la alianza entre la Plataforma del Tercer Sector, a partir del convenio suscrito con la Coordinadora de ONGs para el Desarrollo. - España (2019) (CONGDE, en adelante) y Fundación Fidelización (2020).

En primer lugar, enfocamos nuestro estudio en la batería de indicadores propuestos por la CONGDE. Este hecho está justificado, como explicamos en la motivación de este estudio (Capítulo 1), ya que es la única batería que presenta una ponderación de los indicadores. Es cierto que presenta una serie de inconsistencias y una falta de validación empírica por parte de expertos que abordamos en los Capítulos 4, 5 y 6.

En suma y a pesar de la importancia que tiene el concepto de transparencia para generar credibilidad con la sociedad en el sector no lucrativo, no es un fenómeno ampliamente estudiado. Por esta razón, nuestro estudio contribuye a abordar un tema de investigación importante que requiere un mayor desarrollo en la literatura.

En cuanto al Capítulo 3, desarrolla un cuerpo de conocimiento sistemático sobre el buen gobierno en el sector no lucrativo como mecanismo para prevenir y evitar la ocurrencia de casos de fraude. Concluimos que las principales razones que inspiran a las ESAL a implementar mecanismos de buen gobierno son “evitar el fraude” y “rendir cuentas a las partes interesadas”. Para lograr estos objetivos, las ESAL han desarrollado una amplia variedad de mecanismos internos que hemos clasificado como: (1) estructuras y procedimientos internos, (2) mecanismos de desempeño de la junta, (3) mecanismos de representación de las partes interesadas y (4) mecanismos de autoevaluación. Además, ofrecemos en detalle un amplio grupo de iniciativas de terceros obtenidas luego de revisar la literatura, apoyadas en la necesidad de mostrar buenos niveles de gobernanza. De ahí que se haya consolidado como un instrumento relevante, sustentado en la necesidad de mostrar los mecanismos de buen gobierno de las ESAL.

Cabe destacar la siguiente conclusión sobre el análisis de los artículos empíricos. A partir del análisis de los artículos empíricos sobre buen gobierno publicados entre 2005 y 2020 (85,71%; 60 de 70), muy pocos han intentado investigar el concepto de buen gobierno (11,67%; 7 de 60). El análisis del foco de estudio de estos 7 artículos mostró que no existe una forma única de medir la buena gobernanza. Al analizar la buena gobernanza, contribuimos teóricamente a la literatura existente proporcionando una guía detallada sobre los mecanismos efectivos para aumentar las buenas prácticas y éticas para todo el sector. Creemos que este marco aumenta nuestra comprensión de la investigación existente sobre el buen gobierno de las ESAL y ayuda a diseñar futuras direcciones de investigación.

6.1.2. Conclusiones del análisis empírico

Las conclusiones sobre los Capítulos 4 y 5 se pueden abordar en conjunto. El primer aporte empírico de esta Tesis Doctoral se enmarca de hecho en los Capítulos 4 y 5.

Estos Capítulos validan empíricamente la ponderación de los indicadores de la CONGDE (2019) con expertos en opinión de ESAL. Para ello, utilizamos el método Best-Worst Method (BWM) para asignar ponderaciones de manera óptima a situaciones de toma de decisiones multicriterio (Rezaei 2015). Curiosamente, hemos encontrado diferencias significativas entre los pesos de los indicadores de transparencia y buen gobierno que se obtienen de los expertos y los que son propuestos por la CONGDE, dado que los indicadores que fueron propuestos por la CONGDE, como se dijo anteriormente, no se basan sobre cualquier validación empírica según los expertos. Como presentamos en los capítulos referidos, se han obtenido diferencias significativas tanto al alza como a la baja para cada uno de los indicadores.

En primer lugar, nuestra validación empírica en el Capítulo 4 muestra que el bloque de indicadores que se consideran más importantes a la hora de medir la transparencia en las ESAL son los del bloque TR2 “Misión, visión y valores” y los del bloque TR4 “Planificación y rendición de cuentas”.

En segundo lugar, en el Capítulo 5, el bloque de indicadores que se consideran más importantes a la hora de medir el buen gobierno en las ESAL son los del bloque BG2 “Misión, visión y valores” y los del bloque BG3 “Planificación y evaluación”. En relación a esto, destacamos para ambos conceptos el gran valor que se le da al bloque de indicadores que abordan la misión, visión y valores de la ESAL. En referencia al bloque de indicadores de transparencia, la misión, visión y valores de la ESAL deben ser accesibles y accesibles al público. Se debe dar a conocer cuándo se constituyó la organización, cuál fue su motivación, quiénes fueron sus fundadores, etc. En esta línea, pero en relación a los indicadores de buen gobierno, estos temas deben ser aprobados por el órgano de gobierno de la organización y reflejados en el Acta de cada encuentro. Además, los indicadores sobre planificación referentes a aspectos de transparencia y de buen gobierno se encuentran también entre los más valorados por el conjunto de expertos.

La segunda aportación empírica de esta Tesis Doctoral también se enmarca en los Capítulos 4 y 5 es que hemos establecido la prioridad que tiene cada bloque de indicadores en relación al resto de bloques en su conjunto, pues, la CONGDE, no propone una ponderación individualizada de cada bloque. Por lo tanto, consideramos que esta es una de las contribuciones prácticas más significativas.

La tercera aportación empírica de esta Tesis Doctoral se enmarca en el Capítulo 6. Este Capítulo 6 se basa en el contexto español. Tomando como referencia las propuestas de las dos organizaciones más importantes que coordinan entidades del sector no lucrativo (la CONGDE y la Fundación Lealtad), presentamos una única batería que combina el contenido de las baterías de indicadores de estas dos organizaciones, dando como resultado 59 indicadores. Un aspecto clave de nuestros resultados de esta batería única es que los expertos que participan en la gestión diaria de las ESAL confían en las personas que trabajan para las organizaciones, tanto en forma de gerentes (junta de gobierno de las ESAL) como que realizan directamente las acciones en la sociedad (voluntarios). En consecuencia, los expertos consideran crucial un marco en torno al cual deben basarse todas las acciones que lleve a cabo la ESAL; este marco constituye la esencia de lo que hace una ESAL y la razón de ser.

En general, como principales aportes del análisis empírico, mostramos que la formalización de un proceso de ponderación de indicadores puede contribuir a la literatura al mejorar la medición de la transparencia y la buena gobernanza en el sector no lucrativo. El análisis de los resultados nos ha permitido construir una batería de indicadores debidamente validados por la opinión de expertos en rendición de cuentas de ESAL, otorgando un peso único y óptimo a cada indicador y bloque de indicadores.

Además, esta Tesis Doctoral contribuye no solo a la literatura previa sobre transparencia y buen gobierno de las ESAL al proponer un conjunto de indicadores rigurosamente validados empíricamente, sino que también contribuye a que los reguladores y autoridades públicas sirvan de guía para futuras adaptaciones de los conjuntos de indicadores, así como para aquellos a cargo de la rendición de cuentas de una ESAL. También para los donantes de recursos y fondos, la medición de estos conceptos se traduce en información fundamental para la toma de decisiones, ya que permite obtener y analizar datos pertinentes y realizar evaluaciones a qué ESAL destina sus recursos.

6.2. Limitaciones

6.2.1. Limitaciones de las revisiones sistemáticas de la literatura

Una limitación de nuestras revisiones de la literatura sistemática es que estudiamos una selección de artículos solo de artículos publicados en revistas que pertenecen a los listados de *Journal Citation Reports - JCR*. Establecimos el criterio de selección de aceptar trabajos solo si fueron publicados en una revista de alto impacto; sin embargo, somos conscientes de la existencia de otros trabajos que se publican en revistas que, a pesar de no estar indexadas en JCR, también podrían ser interesantes para la comprensión de la medición de la transparencia y la buena gobernanza en las ESAL con aportes importantes.

6.2.2. Limitaciones del análisis empírico

Nuestras conclusiones específicas se limitan a un contexto español, mientras que este método podría ser aplicable a cualquier contexto de ESAL. Además, somos conscientes de que la muestra de expertos es reducida. En este sentido, si bien los expertos proceden de las principales ESAL de España y estas entidades cubren necesidades sociales muy diversas, una potencial limitación puede ser el sesgo en la evaluación por el reducido número de expertos. Sería necesario ampliar la muestra con otros expertos para comprobar si los resultados son comparables en otros países, reduciendo así el sesgo de evaluación antes mencionado.

6.3. Futuras líneas de investigación

En primer lugar, como futura línea de investigación, sería interesante realizar un estudio comparativo de las medidas de transparencia y buen gobierno en las ESAL con indicadores en un escenario internacional y observando posibles diferencias entre países.

En segundo lugar, pretendemos completar el análisis cuantitativo anterior con un análisis cualitativo mediante la técnica del panel de expertos. Es necesario para identificar otros aspectos que no han sido considerados en las anteriores baterías de indicadores de transparencia y buen gobierno. Así como mejorar la comprensión de las existentes desde el punto de vista de quienes laboran a diario en las ESAL.

En tercer lugar, también sería interesante diseñar un software basado en los indicadores propuestos en el Capítulo 6 con las ponderaciones obtenidas en nuestro estudio empírico para los expertos del sector no lucrativo. Este software sería de gran ayuda para automatizar el proceso de medición de la transparencia y el buen gobierno y, así, facilitar su implementación en cualquier organización del sector no lucrativo.

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