

THE DIGITAL NGO: SOME ETHICAL INSIGHTS

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Abstract. *The internet presents many strategic advantages to NGOs. Most studies investigating the relations between nonprofits and the internet concentrate on the operational aspects and the practical influences of the internet on NGOs. Lesser attention has been given to the ethical aspects related to the use of the internet, although being ethical is not only compulsory but also brings many practical benefits to NGOs. The present paper highlights two of the most sensitive ethical aspects that are associated with the communication online of a nonprofit organization: transparency and accountability. The two items are strongly connected. This study is a brief literature review which helps nonprofit to better communicate online, being ethical and relevant for their stakeholders and the public.*

Keywords: *NGO; the internet; ethics; transparency; accountability.*

Introduction

The internet is a strategic tool for communication and information dissemination, especially for NGOs – due to its accessibility, ease of use, and low costs. It could be an effective channel to fundraising, to raise awareness, to engage the stakeholders and the general audience. The effective and complex use of the internet could determine a competitive advantage for NGOs. It also allows the public to contact NGOs, but studies show that most nonprofit organizations use the internet as a one-way communication tool (Messner, 2014, p.83). The complex interactions between NGOs and the internet have been investigated by many researchers (Pohl, 2001; Hart, 2002; Kang & Norton, 2004; Sargeant, West, and Jay, 2007; Waters, 2007; Cramer, 2009; Ingenhoff & Koelling 2009; Waters et al., 2009; Curtis et al., 2010; Lovejoy & Saxton, 2012; Levine, Zahradnik, 2012; Lovejoy, Waters & Saxton, 2012; Shier & Handy, 2012; Díaz *et al.*, 2013; Eimhjellen, 2013; Quinton & Fennemore, 2013; Eimhjellen, Wollebæk &

Strømsnes, 2014; Guo & Saxton, 2014; Saxton & Guo, 2014; Saxton & Wang, 2014). Most of the perspectives investigated have been related to operational aspects and the practical influences of the internet on NGOs. Lesser attention has been given to the ethical aspects related to the use of the internet.

Being ethical is “good business”, protecting organizations from a bad reputation and communication crises. Being ethical and professional in the online communication would bring the organization several benefits, very valuable, among which competitive advantage, better relations with the stakeholders, or increased trust from volunteers and the wider public. The present paper investigated all these aspects, stressing on the sensitive ethical aspects which are associated with the communication online of a nonprofit organization: transparency and accountability. The two items are strongly connected. This study is a brief literature review which helps nonprofit to better communicate online, being ethical and relevant for their stakeholders and the public. Besides transparency and accountability, some other items, such as privacy and Big Data, are relevant in better understanding what an ethical NGO is when considering its online communication and operations.

Transparency

Transparency refers to the easy access of the wider public to information on an NGO, on its aims and activities. This information is easily transmitted online, while stakeholders or other interested parties first browse the internet for such data. Gandía (2011) states that stakeholders should have access online to various information related to the way an NGO is organized and functions.

Vaccaro and Madsen (2009b) classify transparency in two categories: one static and the other dynamic. The first one refers to one-way communication of information towards the stakeholders of the organization. The dynamic transparency does not limit to transmitting information and disclosure of data, it also includes communication among the stakeholders and members of the public. The second one would be desirable and bring additional benefits to the organization.

Transparency influences the credibility of nonprofit organizations (Gálvez Rodríguez, Caba Pérez & López Godoy, 2012, 2016) and it legitimates them (Gálvez Rodríguez, Caba Pérez & López Godoy, 2012; Gandía, 2011). Transparency is thus related to accountability. Gálvez Rodríguez, Caba Pérez and López Godoy (2016, pp.70-71) synthesize the items which should be considered via the internet by transparent NGOs: 18 items referring to the profile of the organization, 14 items for performance, 8 items for governance, 17 items for financial management, 4 items for stakeholders' participation.

Table 1. The online transparency of NGOs

Author(s)	Aspects investigated
Vaccaro and Madsen (2009a)	A dynamic transparency – ICT facilitated information sharing - determines greater openness, more transparent operations, organizations prove their accountability, both for their and stakeholders' benefit.
Burger and Owens (2010)	The paper investigates the gap between what NGOs (in

	Uganda) are claiming to do and what they are doing, as an obstacle for transparency. Factors to which transparency is mainly related are grants, capacity, and ability, as well as beneficiary satisfaction.
Murtaza (2011)	The ethical reasons for NGOs transparency are its contribution to the society and its representativeness, transparency about their projects, proof of correctness in the context of the recent experiences of abuse of power.
Gandía (2011)	Potential donors are positively influenced by online transparency.
Saxton and Guo (2014)	The voluntary disclosure of financial information (in the Taiwanese Hospital sector) is determined by the strategy, by the size of revenues and the characteristics of the board.
Gálvez Rodríguez, Caba Pérez and López Godoy (2012)	Spanish NGOs have a rather low transparency. Most information disclosed refers to activities, followed at large distance by financial information transparency, use of financial resources, and organizational transparency. The online disclosure of information depends on several factors. A literature review done by Gálvez Rodríguez, Caba Pérez, and López Godoy (2012) shows that large organizations (mainly measured by the number of volunteers) release more information, older organizations tend to improve their financial disclosure approach and are more transparent, financial disclosure is also related to public funding, foundations are more transparent than associations, organizations with larger and more active boards are more transparent. Online transparency might also be positively related to internationalization.
Gálvez Rodríguez, Caba Pérez and López Godoy (2016)	Online transparency strongly influences organizational efficiency and financial aspects.

Studies conducted in developing countries such as Colombia, as well as in developed countries such as Spain, the US, and Switzerland, show that the online transparency of NGOs is rather low (Gálvez Rodríguez, Caba Pérez & López Godoy, 2012; 2016, p.75). Information regarding the financial management and governance is the least shared online.

Some ethical aspects related to transparency are the scale of disclosure, the accuracy, and completeness of the information provided. Lack of transparency in itself is not only depriving an organization by an open image and other benefits mentioned above, but it is also unethical – an NGO uses funds raised from the public, and influences various categories of stakeholders – therefore it should be open in what its activity is concerned. Not communicating with them means the organization does not feel accountable to the public and stakeholders. Accountability is an ethical issue, too. Being accountable, an organization takes responsibility for its actions.

Ethical aspects related to social media communication of nonprofit organizations are of concern for the most active and more experienced organizations in the online environment, which are more likely to have formal or informal codes of ethics related to the communication of their employees and volunteers on various social media platforms (Messner, 2014, p.91).

Another ethical concern when considering online transparency is not only the topics approached but also the extent and correctitude of information. For instance, an organization could present in detail a certain program it has, not specifying the actual impact of that program and its effectiveness.

Transparency and privacy are key issues in the way organizations communicate and cooperate today (Zinovatna & Cysneiros, 2015). Both aspects influence each other. The complete disclosure of information might lead to privacy issues. If the public is not familiar with the transparency and disclosure policies of an organization, it could experience privacy violation. The public should be aware of how, when, why and how personal information is collected and used. Thus, an ethical organization makes sure that its stakeholders are informed and are aware of its disclosure policies.

Accountability

Organizations that are accountable benefit from increased trust and better image. This would lead to various benefits such as more effective networking and advocacy, more trustworthy fundraising campaigns, or increased visibility to mention some of them. Being online accountable, organizations are pro-active and responsive to their stakeholders, which leads to better relations with them.

The first aspect that comes to mind when mentioning accountability is financial reporting. But, since nonprofits are representatives of the society and they are active for the society’s well-being, they are also accountable considering non-financial items, such as outcomes, governance (Candler & Dumont, 2010; Morrison & Salipante, 2007). Koppell (2005) proposes five dimensions for accountability: transparency, liability, controllability, responsibility, and responsiveness. Although the model is proposed for public administration, it could be also considered for nonprofit organizations to a large degree. There are also several mechanisms to be considered: disclosure, evaluation, self-regulation, participation and adaptive learning (Ebrahim, 2010). Among these, especially disclosure, and in some extent participation and evaluation have a contribution to the online accountability of an NGO.

Table 2. The online accountability of NGOs

Author(s)	Aspects investigated
Candler and Dumont (2010)	Ethical accountability – which exceeds legal provisions – is influenced by elements such as faith, professionalism, standards and social values. The stakeholders, to whom organizations feel the need to be accountable to, are donors and members, as well as government – when considering financial resources. The issues most often considered are the offer of the organization, the mission, and financial resources.

Saxton and Guo (2011)	By online accountability, organizations could reach segments of public with which is not physically connected and extends the level of trust. NGOs use their websites for disclosure, but they are not promoting these releases in order to stimulate communication. Dialogue is identified as a key dimension of online accountability, which allows the engagement of stakeholders. Disclosure is related both with financial and performance accountability. Online accountability is positively linked to the board performance and asset size
Saxton and Guo (2014)	Since the NGOs get their funding from the public, they should be accountable and should reveal the way they use the funds or other financial aspects.
Tremblay-Boire and Prakash (2012)	The authors developed an accountability index. The more a nonprofit is visible in the media, the more accountable is. NGOs tend to disclose more information when they attract the interest of media. The size of an organization is related to the accountability, nevertheless, when an organization reaches a certain size (and status), it no longer depends on online disclosure and the accountability index decreases. There are sectoral differences referring to accountability, the organizations active in education are more accountable than others.
Dumont (2013a)	The article presents a nonprofit virtual accountability index. The components identified are a mission, governance, accessibility, engagement, and performance. The engagement dimension of online accountability diminishes stakeholder resistance.
Dumont (2013b)	In the contemporary society, the stakeholder-centric accountability is important. It is not enough to be transparent but also interactive. NGOs use the internet especially for pushing information and build relationships, and less for being accountable by presenting programs outcome and evaluating their activity. Transparency is at the core of virtual NGO, while online accountability is a relatively rare approach, although organizations recognize the need to adapt to the new requirements of the contemporary stakeholders.

Being accountable is desirable from many considerations, and the internet facilitates the process. Nevertheless, Ebrahim (2010) investigates the actual extents of accountability, positing that organizations should prioritize to whom and for what they should be accountable.

Conclusions

Transparency and accountability online are two key issues in the strategic approach of the internet by NGOs. They are also tightly related to each other. They are important in order to ensure a high degree of trust, as well as the desire of stakeholders and the wider public to cooperate. Nevertheless, NGOs tend to have a low transparency, especially on an issue such as financial management and governance. Accountability has many dimensions, but it is tightly related to evaluation and financial transparency. Therefore, accountability is an item to which many NGOs fail to relate.

The literature review shows that dialogue with the public and stakeholder involvement are key issues in developing the communication strategy online, but many organizations fail to integrate them on their online communication platforms.

Not only being transparent and accountable are key indicators of ethics, but also how NGOs are approaching these issues is relevant in an ethical framework. In some situations, there is either a gap between what organizations are saying and what they are actually doing, or/and between what they present and what they actually achieve – for instance leaving the impression that they are implementing special programs, but failing to report on the actual outcomes of these programs. This might be surprising when considering that online transparency and accountability influences positively an organization, including in what financial aspects are concerned.

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