Organizational Effectiveness in Nonprofit Organizations: The Value of Broadened Accountability

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Abstract:

To more adequately assess the effectiveness of nonprofit organizations (npos), the necessity to complement traditionally used objective criteria (such as fundraising efficiency and financial reserves) with perceptions of diverse nonprofit stakeholders is frequently advocated.

Nevertheless, when reviewing the literature, research investigating how npos’ stakeholder-focused activities can contribute to (perceived) effectiveness appears to be sparse. This paper addresses this gap by investigating, with a case study design, a) which accountability mechanisms characterize npos nowadays, b) the link between broadened accountability and organizational effectiveness. The results are based on insights gained through analyzing 35 semi-structured interviews (with board members, management, and government employees involved in their organizations’ oversight and subsidizing), 12 focus group interviews (with beneficiaries, or with beneficiaries’ representatives, or with the coordinators of beneficiaries’ councils), internal company documents and annual reports, and questionnaires (addressed to randomly selected board members, managers, employees and volunteers). Eight Belgian npos from 4 different sectors participated within the study. Practical and theoretical implications are discussed.