Some pages of this thesis may have been removed for copyright restrictions.

If you have discovered material in Aston Research Explorer which is unlawful e.g. breaches copyright, (either yours or that of a third party) or any other law, including but not limited to those relating to patent, trademark, confidentiality, data protection, obscenity, defamation, libel, then please read our Takedown policy and contact the service immediately (openaccess@aston.ac.uk)
AN IN-DEPTH CASE STUDY OF BENEFICIARY ACCOUNTABILITY PRACTICES BY AN INDONESIAN NGO

MIRANTI KARTIKA DEWI

Doctor of Philosophy

ASTON UNIVERSITY

January 2017

© Miranti Kartika Dewi, 2017
Miranti Kartika Dewi asserts her moral right to be identified as the author of this thesis

This copy of the thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with its author and that no quotation from the thesis and no information derived from it may be published without appropriate permission or acknowledgement.
Thesis Summary

This study aims to build an understanding of beneficiary accountability, including defining the term, the operational mechanisms through which it is discharged, the processes that enable such practice and the consequences that result from those processes. To achieve the aim, a qualitative case study design is adopted and a rich fieldwork carried out in an Indonesian NGO to gather empirical evidences via 46 interviews, five focus groups and field observations. Framed by Nahapiet and Ghoshal (1998)'s three dimensions of social capital (cognitive, structural and relational), this study shows that social capital acts as both an antecedent factor facilitating the discharge of beneficiary accountability, and also as its consequence. The study thus makes a theoretical contribution to social capital literature while also addressing Inkpen and Tsang (2005)'s call for research to examine interaction effects among the three dimensions of social capital, particularly within NGO accountability context. Moreover, the discharge of beneficiary accountability, as understood by participants in this study, can be viewed as the non-procedural practice of positioning beneficiaries as the central focus of an NGO's activities, whether in delivering provisions and assistance, disclosing financial information or strategically empowering beneficiaries to become self-reliant. This investigation into what constitutes beneficiary accountability serves as a critical path to shedding light on the operationalisation of beneficiary accountability. It also enables this study to respond to recent calls (e.g. by Banks, Hulme, & Edwards, 2015; Boomsma & O'Dwyer, 2014; Schmitz, Raggo, & Vijfeijken, 2012) for a more comprehensive understanding of beneficiary accountability practices. Additionally, practitioners working in NGOs may also derive benefits from this study as it provides empirical evidence for them to reflect on their commitment to beneficiaries as the very reason for their work, allowing them to be inspired by a comprehensive discussion of the mechanisms through which accountability is discharged to beneficiaries.

**Key words:** Beneficiary Accountability, Indonesia, NGO, Social Capital, Trust
Acknowledgment

Indeed, all perfect praise belongs to Allah Ta’ala, the Lord of the Worlds, and blessings and peace be upon His final Prophet and Messenger, Muhamad, the Leader of the monotheists, the greatest role model for the followers, and upon all his family and Companions, and upon those who follow his path until the Day of Judgement.

To begin with, I express my sincere appreciation to my supervisors Professor Ataur Rahman Belal and Dr Melina M. Manochin, whose guidance, advice, careful reading and constructive comments have been essential in supporting me through this 3.5-year journey and making it so enjoyable and rewarding. I would also like to express my sincere gratitude to my examiners, Professor Ian Thompson and Professor Carolyn Cordery, for providing their critical yet beneficial comments to improve the quality of this work.

I am grateful to the Directorate General of Resources for Science, Technology, and Higher Education, Ministry of Research, Technology and Higher Education of Indonesia for providing me with a full scholarship to study at Aston Business School. I also thank SOS, the case organisation of this study, and all of its leaders, staffs, volunteers, and beneficiaries for being so supportive in my study. My special thanks go to the RDP team, Liz, Jeanette and Ranjit for their kind support and assistance as well as to all fellow researchers at Aston, especially Munirah, Mis’ida, Suad and Sandrine, for their enlightening discussions and friendship. I greatly appreciate all my Indonesian friends in Birmingham, particularly Mba Nurul, Mba Nirmala, Mba Devi, Uni Mila, Uni Eppy and their family members, for making this lovely city our ‘second home’ as well as Abu-Umm Ibrahim and their family members for being so helpful and caring during our stay in Birmingham.

I am greatly indebted and thankful to my beloved parents and parents-in-law whose prayers, patience and encouragement have played a great role in enabling me to accomplish this uphill task so easily at the end. To my only dear brother, Andhika, and all family members and relatives, the warmest thanks from me for your prayers and support.

Last, but furthest from the least, I would like to express my sincere and deepest love to my husband, Bang Reza, for his encouragement, support and sacrifice throughout these years, as well as to our lovely son, Faiz, for inspiring me in his own ways to finish my study, and also the little princess/prince in my womb for completing our happiness.

I ask Allah Ta’ala, the Most Sublime to add this work to the scale of our good deeds, and that it may become a source of benefit for mankind, the author and everyone else who support the completion of this study. Aamiin.
# List of Contents

Thesis Summary ................................................................................................................................. 2
Acknowledgment ................................................................................................................................. 3
List of Contents .................................................................................................................................. 4
List of Abbreviation ............................................................................................................................. 9
List of Figures ..................................................................................................................................... 10

## Chapter 1: Introduction ............................................................................................................... 11

1.1. Background ................................................................................................................................. 11
1.2. Research Context .......................................................................................................................... 13
1.3. Motivations of the Study .............................................................................................................. 17
1.4. Research Questions and Objectives ............................................................................................. 19
1.5. Social Capital Theory ................................................................................................................. 20
1.6. Research Method ......................................................................................................................... 21
1.7. Contributions of the Study ......................................................................................................... 23
1.8. Thesis Structure ......................................................................................................................... 24

## Chapter 2: Literature Review ..................................................................................................... 27

2.1. Introduction ................................................................................................................................. 27
2.2. Defining Accountability .............................................................................................................. 27
   
   2.2.1. Accountability: A General View ......................................................................................... 28
   2.2.2. Islamic Perspectives of Accountability .............................................................................. 29
2.3. Understanding the Landscape of NGO Accountability ................................................................. 30
   
   2.3.1. NGO Accountability: Its Emergence and Definition ......................................................... 30
   2.3.2. Multiple Dimensions of NGO Accountability ................................................................... 31
2.4. A Closer Look at Beneficiary Accountability ............................................................................... 34
   
   2.4.1. Disparity between Donor vs Beneficiary Accountability .................................................. 34
   2.4.3. NGOs’ Mechanisms in Discharging Beneficiary Accountability ...................................... 42
2.5. Exploring the Relevance of Trust in the Beneficiary Accountability Discourse ......................... 45
2.6. Remaining Gaps in Beneficiary Accountability and Its Relevance to Trust ................................. 49
2.7. Conclusion .................................................................................................................................. 50
Chapter 3: Social Capital Theory as a Theoretical Lens ................................................................. 52

3.1. Introduction .................................................................................................................................. 52

3.2. NGO Accountability Viewed through the Theoretical Lenses of Prior Studies ..................... 53
   3.2.1. Principal–Agent Theory ........................................................................................................... 54
   3.2.2. Stakeholder Theory .................................................................................................................. 55

3.3. Social Capital as a Theoretical Lens ............................................................................................. 56

3.4. Social Capital and Beneficiary Accountability .............................................................................. 60
   3.4.1. Structural Dimension of Social Capital ...................................................................................... 62
   3.4.2. Relational Dimension of Social Capital .................................................................................... 66
   3.4.3. Cognitive Dimension of Social Capital ..................................................................................... 69

3.5. Conclusion ..................................................................................................................................... 71

Chapter 4: Research Methods .................................................................................................................. 73

4.1. Introduction ................................................................................................................................... 73

4.2. Interpretive Research Methodology ............................................................................................... 73

4.3. Research Design and Process ......................................................................................................... 75

4.4. Validity and Reliability of the Case Study ....................................................................................... 79

4.5. Data Collections ............................................................................................................................... 80
   4.5.1. Semi-Structured Interviews ..................................................................................................... 80
   4.5.2. Focus Group Discussions (FGDs) .......................................................................................... 82
   4.5.3. Observations ........................................................................................................................... 84
   4.5.4. Documentary Analysis ............................................................................................................. 84

4.5. Data Analysis .................................................................................................................................. 85

4.6. Conclusion ..................................................................................................................................... 87

Chapter 5: The Case Study Context ......................................................................................................... 88

5.1. Introduction ................................................................................................................................... 88

5.2. Background of the Case Organisation ............................................................................................. 88

5.3. Human Resources of SOS .............................................................................................................. 91

5.4. Financial Resources of SOS ........................................................................................................... 92

5.5. SOS’s Programmes ......................................................................................................................... 96

5.6. Programme Management at SOS ................................................................................................. 100
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5.6.1. Prevention Phase</strong></td>
<td>101</td>
</tr>
<tr>
<td><strong>5.6.2. Emergency Phase</strong></td>
<td>102</td>
</tr>
<tr>
<td><strong>5.6.3. Post-Emergency and Recovery Phase</strong></td>
<td>104</td>
</tr>
<tr>
<td><strong>5.7. Conclusion</strong></td>
<td>106</td>
</tr>
<tr>
<td><strong>Chapter 6: Beneficiary Accountability in Natural Disaster Management</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.1. Introduction</strong></td>
<td>107</td>
</tr>
<tr>
<td><strong>6.2. The Different Dimensions of Beneficiary Accountability</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.2.1. Socialising Form of Beneficiary Accountability</strong></td>
<td>108</td>
</tr>
<tr>
<td><strong>6.2.2. Holistic Form of Beneficiary Accountability</strong></td>
<td>111</td>
</tr>
<tr>
<td><strong>6.2.3. Strategic Form of Beneficiary Accountability</strong></td>
<td>117</td>
</tr>
<tr>
<td><strong>6.3. How Does SOS Discharge Beneficiary Accountability?</strong></td>
<td>119</td>
</tr>
<tr>
<td><strong>6.3.1. The Process of Beneficiary Accountability in Natural Disaster Management Programmes</strong></td>
<td>119</td>
</tr>
<tr>
<td><strong>6.3.2. Beneficiary Accountability Processes in Social Community Development Programmes</strong></td>
<td>126</td>
</tr>
<tr>
<td><strong>6.4. Conclusion</strong></td>
<td>131</td>
</tr>
<tr>
<td><strong>Chapter 7: Social Capital as an Enabling Mechanism in the Process of Beneficiary Accountability</strong></td>
<td>133</td>
</tr>
<tr>
<td><strong>7.1. Introduction</strong></td>
<td>133</td>
</tr>
<tr>
<td><strong>7.2. Better Together: The Role of the Structural Dimensions of Social Capital in the Discharge of Beneficiary Accountability</strong></td>
<td>133</td>
</tr>
<tr>
<td><strong>7.2.1. Marching with Volunteers</strong></td>
<td>134</td>
</tr>
<tr>
<td><strong>7.2.2. Synergy through Partnership</strong></td>
<td>136</td>
</tr>
<tr>
<td><strong>7.2.3. Donors said, “We do watch what you did!”</strong></td>
<td>140</td>
</tr>
<tr>
<td><strong>7.3. Cognitive Dimensions of Social Capital as Glue for the Structural Networks</strong></td>
<td>143</td>
</tr>
<tr>
<td><strong>7.3.1. Care for Humanity as a Common Value that Motivates the Pursuit of Beneficiary Accountability</strong></td>
<td>143</td>
</tr>
<tr>
<td><strong>7.3.2. Be Good to God: The Role of Shared Religious Values in Harmonising the Humanitarian Actors</strong></td>
<td>147</td>
</tr>
<tr>
<td><strong>7.4. Relational Dimensions of Social Capital as Enabling Mechanisms in the Discharge of Beneficiary Accountability</strong></td>
<td>151</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>COMDEV</td>
<td>Community Development</td>
</tr>
<tr>
<td>DERM</td>
<td>Disaster Emergency and Relief Management</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>INW</td>
<td>Integrated Nutritious Workshop</td>
</tr>
<tr>
<td>NADIM</td>
<td>Natural Disaster Management</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisations</td>
</tr>
<tr>
<td>SC</td>
<td>Social Capital</td>
</tr>
<tr>
<td>SOS</td>
<td>Sympathy of Solidarity</td>
</tr>
</tbody>
</table>
List of Figures

Figure 1.1: Mapping of Indonesian Population........................................................................................... 14
Figure 1.2: Trust in NGOs ............................................................................................................................ 16
Figure 2.1: Dimensions of NGO Accountability ........................................................................................... 32
Figure 2.2: Beneficiary Accountability (BA) Mechanisms ............................................................................ 42
Figure 2.3: Interaction between NGO Accountability and Trust ................................................................. 46
Figure 3.1: The Operationalisation of Social Capital Adapted from Nahapiet and Ghoshal (1998)’s Framework .................................................................................................................................................. 61
Figure 3.2: The Operationalisation of Social Capital in Facilitating the Discharge of Beneficiary Accountability ............................................................................................................................................. 72
Figure 4.1: General Research Design .......................................................................................................... 76
Figure 4.2: Example of Conceptual Framework of Thematic Analysis........................................................ 87
Figure 5.1: Organisational Structure of SOS ............................................................................................... 91
Figure 5.2: SOS’s Income and Fundraising Efficiency Ratios for 2011–2015 .............................................. 93
Figure 5.3: SOS’s Income for 2011–2015 based on Sources ....................................................................... 94
Figure 5.4: Samples of SOS’s Digital Posters ............................................................................................... 95
Figure 5.5: SOS’s Distribution of Funds for 2011–2015 .............................................................................. 97
Figure 5.6: SOS’s Distribution of Funds for 2011–2015 based on Programmes ........................................... 98
Figure 5.7: SOS’s Total Disaster Management Concept ............................................................................... 100
Figure 8.1: The Role of Social Capital in Facilitating the Discharge of Beneficiary Accountability .......... 186
Chapter 1: Introduction

1.1. Background

The role of Non-Governmental Organisations (NGOs) in assisting governments and supporting the business sector to stimulate development has become widespread (Banks et al., 2015; McKague, Zietsma, & Oliver, 2015). With their social innovation and voluntary work, NGOs – especially those performing development and humanitarian work – have become important players who, through their programmes, fill gaps in governments’ provision of services to society. While these programmes are necessary, they may not in themselves be sufficient to solve the entirety of societal problems that governments are attempting to address (Clark, 1992). This is because NGOs typically operate with limited resources, making it challenging for them to work on a national or international scale. NGOs are thus required to establish sustainable programmes which can act as catalysts and enable them to serve a greater number of beneficiaries and assist governments in improving their lives.

One way in which NGOs can establish such sustainable programmes is by engaging beneficiaries from the planning stage onwards, in order to secure their participation (UNDP, 2014). These beneficiaries are all recipients of NGOs’ activities whose aspirations and needs are supposed to be located in primary priorities of the NGOs (Wellens & Jegers, 2014a). Beneficiaries who take an active part in a programme tend to develop greater attachment to it and cooperate more in terms of ensuring

---

1 Definitions as to what constitutes an NGO tend to vary. Salamon and Anheier (1992), in their groundbreaking research, classified NGOs into sectors and viewed them from structural-operational perspectives. According to them, an organisation can be classed as an NGO when it can fulfil the following five criteria: be formally constituted, non-governmental in basic structure, self-governing, non-profit-distributing and voluntary. Moreover, Vakil (1997, p.2060) provided one of the most comprehensive definitions that is frequently cited by authors in the NGO literature. He suggests that NGOs are best understood as ‘self-governing, private, not-for-profit organisations that are geared to improving quality of life for disadvantaged people’.

2 In this study, beneficiaries are defined as recipients of NGO’s programmes who may be in a position to reveal their preferences (including local leaders of beneficiaries’ communities) or may not be in such position (e.g., children, mentally handicapped) (Puyvelde, Caers, Bois, & Jegers, 2012; Wellens & Jegers, 2014a).
its success (Awio, Northcott, & Lawrence, 2011). In this way, NGOs are able to ensure that beneficiaries become self-reliant in managing programmes independently at the end of their period of assistance. It is essential to have the trust of beneficiaries in order for them to be engaged and have attachment to NGOs. Mishra (1996) argued that trust could increase truthful communication between transacting parties, which leads to collaboration in allocating a scarce resource. Trust may also increase cooperative efforts and reduce transaction costs (Bromiley & Cummings, 1992), as well as increase trustees’ performance and reduce conflict between the trusting parties (Zaheer, McEvily, & Perrone, 1998). NGOs are thus better able to effect a transfer of their capabilities to beneficiaries if they have their trust. In contrast, should there be a lack of trust, Tyler and Kramer (1996) noted a tendency for the trustors to be unwilling to take a risk and impose costly sanctioning mechanisms to defend their interests. In the context of NGOs’ operations, a lack of trust from beneficiaries may prevent them from cooperating with NGOs and mean they are more reluctant to participate in NGO programmes. In this situation, NGOs will be exposed to more costly and inefficient programmes as they will need to continuously commit resources to assisting beneficiaries to improve their lives, or else only be able to provide one-shot-, hit-and-run-type programmes to beneficiaries (Clark, 1992; Gugerty & Prakash, 2010), neither of which are adequate for achieving the above-mentioned development goals.

Furthermore, while beneficiaries placing their trust in NGOs may serve as an acceptance by the former of the latter (McKernan, 2012), others argue that NGOs should seek to provide visible proof by validating their accountability in the eyes of beneficiaries, by, for example, fulfilling their promise to beneficiaries (Brown & Moore, 2001) or providing access to information to increase transparency (Gray, 1992; Shearer, 2002). In this sense, the issue of accountability to beneficiaries warrants further exploration, and indeed numerous scholars have indicated the need for further studies on the operationalisation of beneficiary accountability (see for example, Boomsma & O’Dwyer, 2014; Unerman
However, the operationalisation of beneficiary accountability is seen as inordinately difficult due to the fact that its definition is also unclear (Wellens & Jegers, 2014a). These two areas sit among other topic areas in this niche field of NGO accountability which is gaining more attention in both conceptual and empirical studies (Ebrahim, 2003; O’Dwyer & Unerman, 2008). This kind of study has become more crucial as it is argued that NGOs have tended to favour powerful stakeholders such as donors over beneficiaries in the process of discharging accountability to their stakeholders (Agyemang, Awumbila, Unerman, & O’Dwyer, 2009b; Bladescu, de Las Casas, & Lloyd, 2005; Dixon, Ritchi, & Siwale, 2006a; Ebrahim, 2003, 2003a, 2005; O’Dwyer & Unerman, 2007, 2008). This unequal position in terms of discharging accountability to the two groups of stakeholders may lead to a blurring of, or even damage to, NGOs’ image of committing to serve beneficiaries (Chenhall, Hall, & Smith, 2010) as one of their most significant groups of stakeholders.

1.2. Research Context

Discussion about NGO beneficiary accountability can be even more meaningful when brought to the context of developing countries. Serving the populations of these countries offers NGOs better opportunities to perform actions that may improve people’s quality of life and assist the governments of those countries by carrying out their role in enhancing public welfare (White, 2006). Aside from studies on the NGO beneficiary accountability practised in some developing countries, such as Bangladesh (Uddin & Belal, 2013), India (O’Leary, 2016), and Uganda (Awio et al., 2011), Antlöv, Ibrahim, and Tuijl (2006) noted that there has been no prior detailed study conducted on beneficiary accountability practices in Indonesia which is a home to tens of thousands of NGOs.
This huge number of NGOs operating in Indonesia stand as a reflection of the public’s frustration with the failure of both the government and the market in delivering welfare, public goods and jobs (Hadiwinata, 2003) to people of the world’s fourth most populous country (estimated population of approximately of 248.8 Million as of 2013), the world’s largest Muslim nation (around 87.18% of the Indonesian population), and one of the world’s most culturally diverse countries (around 300 ethnic groups which are dominated by the Javanese who represent around 40% of the population – please see Figure 1.1 for the mapping of diverse ethnic groups within Indonesian population)\(^3\).

\textbf{Figure 1.1: Mapping of Indonesian Population}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.1.png}
\caption{Mapping of Indonesian Population}
\end{figure}

Source: National Museum of Indonesia

The NGOs represent the public when pressing the government to be fair and just, and at the same time complement the role of government and businesses in fulfilling the basic rights of people (Rukmantara, 2013). However, some NGOs also engage in institutional reform projects in conjunction with certain state institutions such as the Supreme Court and the police (ICNL, 2015).

\(^3\) Statistical Year Book of Indonesia 2015, Statistics Indonesia
The Indonesian NGOs were mostly established after the collapse of the New Order regime, prompted by the resignation of President Soeharto in 1998, when there was a wave of pro-democracy movement and freedom of expression. Indonesia has since become the world’s third-largest democracy (USAID, 2013), a phenomenon that has also influenced the incredible growth of NGOs in Indonesia. The presence of such a massive number of NGOs in the country can also be explained by the sociocultural ethic of gotong royong (cooperation within and between social networks), for either social or political motives, that appears to be both a strong social norm in Indonesia as well as a powerful determinant of social capital in the country (Beard, 2005; Koentjaraningrat, 1961). However, a lack of reliable statistics and wide variation in the definitions of what exactly constitutes an NGO have both contributed to the near impossibility of stating exactly how many NGOs there currently are (Gray, Bebbington, & Collison, 2006; Lewis & Kanji, 2009). In Indonesia, this is made worse by the lack of any single regulatory or supervisory body for NGOs, making it difficult to precisely state the exact number of NGOs operating within the country.

---

4 Hadiwinata (2003) noted that the number of NGOs has grown significantly, from 10,000 in 1996 to around 70,000 in 2000. Despite these large numbers and the organisations’ varied activities, a survey conducted by the Indonesian Central Bureau of Statistic (BPS) in 2014 revealed that a single NGO employs, on average, five paid employees and 21 unpaid employees (volunteers), and provides services to about 423 individual beneficiaries (BPS, 2015). The data show that although Indonesian NGOs are large in number, they are relatively limited in the scope of their operations.

5 The terms used in reference to NGOs vary in accordance with local social and political situations in Indonesia. During former President Soeharto’s authoritarian rule, specifically during the 1970s, the term ‘Organisasi non-Pemerintah (ORNOP)’ – translated directly from ‘non-governmental organisations’ (NGOs) – was used. However, due to an objection from the government that ORNOP gave rise to connotations of an anti-government movement, the term used to denote NGOs was altered to ‘Lembaga Swadaya Masyarakat (LSM)’, meaning self-reliant community institutions (Bunnell, 1996). Again, the use of the term LSM was not without conflict. Some activists wondered whether the term LSM was more representative of membership-based associations. They instead recommended the use of LPSMs (‘Lembaga Pengembangan Swadaya Masyarakat’ or self-help community support institutions) to represent NGOs. With the country’s current burgeoning democracy and the rising prominence of its business sector, the terms Organisasi Kemasyarakatan (ORMAS, Societal Organisation) and Organisasi Nir-Laba or Lembaga Non-Profit (LNP, Non-profit Organisation) are now more widely used when referring to NGOs. Additionally, others still prefer to use the term Organisasi Masyarakat Sipil (OMS, Civil Society Organisation) as an alternative. Despite these different terms, no consensus has so far been reached by Indonesian NGO activists, since they interchangeably use the terms ORNOP, LSM, LPSM, ORMAS, OMS and LNP in reference to NGOs (Hadiwinata, 2003). To avoid confusion with terminology, in this study I will use the term NGOs as it is used internationally.
Beyond their large numbers, when viewed through the recent 2016 Edelman Trust Barometer\(^6\), NGOs in Indonesia have gained higher overall levels of trust than their global counterparts; although the trust levels have experienced a decrease in 2016 (see Figure 1.2)\(^7\).

**Figure 1.2: Trust in NGOs**

![Figure 1.2: Trust in NGOs](source: Edelman Trust Barometer, 2016)

However, the barometer presented an assessment based on the assumption that the trust scores only showed the public's propensity to trust rather than reflected results of past actions of the NGOs (Edelman, 2016). The barometer also did not provide any further explanations behind those scores. That would be worthwhile to be further investigated.

---

\(^6\) The 2016 Indonesia's Edelman Trust Barometer can be accessed through [http://www.slideshare.net/EdelmanAPAC/edelman-trust-barometer-2016-indonesia-57819184](http://www.slideshare.net/EdelmanAPAC/edelman-trust-barometer-2016-indonesia-57819184)

\(^7\) Such scores were obtained when selected samples from public were asked to indicate how much they trust using a nine-point scale questionnaires where higher score represents greater amount of trust. This barometer assumed that the trust scores showed the public's propensity to trust rather than reflected results of past actions of those institutions (Edelman, 2016).
1.3. Motivations of the Study

Studies concerning the role of trust within NGO operations has become of interest to many authors (see Section 2.5). However, such studies are still lacking in the context of Indonesian NGOs. A study investigating trust in Indonesian NGOs was performed by Prihatna and Kurniawati (2005). Their study found that religious and humanitarian NGOs were more likely to obtain the trust of the public as demonstrated in the form of funds raised. Their research also showed that the highest average value of respondent donations was given to religious organisations when compared to donations to individual and non-religious organisations regardless the former accountability mechanisms. Their findings indicate support towards Knutsen and Brower (2010)’s study which informs that service-providing NGOs whose actions are underpinned by a cultural and religious identity can provide meaningful insight for understanding the dynamics of accountability.

While Prihatna and Kurniawati (2005)’s study has seemed to focus more on depicting trust and accountability from the perspective of donors, studies looking further into the issues of trust and accountability related to beneficiaries are still lacking. Moreover, although donor accountability and trust may lead to increases in the level of an NGO’s financial resources that can be used to revitalise development programmes, without the active participation and empowerment of beneficiaries to become self-reliant, any such aid may not be sufficient in helping to achieve effective programme delivery. This certainly opens an avenue for me to address the above research gap and present a study that is useful, usable and can be used by actors in NGO sectors in performing sustainable development programmes (Lindblom & Cohen, 1979; Thomson, 2014).

With the progress on my review of literature, especially on NGO accountability, I noted that programme delivery to beneficiaries is closely associated with beneficiary accountability. Moreover,
authors (e.g. Ebrahim, 2003; Ebrahim, 2003a, 2005; O'Dwyer & Unerman, 2007, 2008) argue that there is significant emphasis in the literature on the under-researched aspect of beneficiary accountability, even more in the context of developing countries. This finding directed my motivation to advance knowledge on beneficiary accountability research, notably by taking the case study of Sympathy of Solidarity (SOS – an anonymised name), an Indonesian NGO with a relatively substantial history of operations in serving more than 20 million beneficiaries both across the country and abroad, to contribute to a better understanding about beneficiary accountability and the way it is operationalised by the case NGO.

Additionally, prior studies have revealed other potential interplays between trust and beneficiary accountability whereby stakeholders’ trust in NGOs (Awio et al., 2011; Unerman & O’Dwyer, 2006a) and their religious affiliations (Abdul-Rahman & Goddard, 1998; Goddard & Assad, 2006; Jayasinghe & Soobaroyen, 2009; Osman, 2011) affect the ability of NGOs to deliver beneficiary accountability. The cultural and religious identities that inspire NGOs to perform their actions are also deemed to provide meaningful data to aid in understanding the dynamics of beneficiary accountability (Knutsen & Brower, 2010). I am therefore interested in observing the role of trust in NGOs’ attempts to discharge beneficiary accountability, especially against the backdrop of Indonesia’s diverse cultures and religious backgrounds, where such accountability dynamics have not been extensively studied.

As trust may not be a stand-alone factor, further enquiry is also open to observing other factors that influence the operationalisation of beneficiary accountability (Banks et al., 2015; Boomsma & O’Dwyer, 2014; Schmitz et al., 2012). It is thus worthwhile to see the interplay of other factors, such as informal interaction and shared norms and closeness, which are also essential to the informal nature of the discharge of beneficiary accountability (Awio et al., 2011; O’Dwyer & Unerman, 2007). As these factors are also closely related and considered essential elements of social capital (Awio et al., 2011;
Leana & Van Buren III, 1999; Paldam, 2000), further enquiry into social capital theory is therefore the interest of this study.

1.4. Research Questions and Objectives

Before finding out how beneficiary accountability is operationalised, it is essential to examine the definition of beneficiary accountability by taking into account the perspective of participants in this study. This objective leads to the first research question:

RQ 1 : What constitutes beneficiary accountability?

Through the investigation into what constitutes beneficiary accountability, I intend to analyse how beneficiary accountability is operationalised, particularly in the context of SOS as the case object of this study. However, understanding the operationalisation of beneficiary accountability would be incomplete without scrutinising the process that takes place behind it. This study applies Nahapiet and Ghoshal (1998)’s three dimensions of social capital to explain such process while at the same time reveal the interplay between beneficiary accountability and social capital (from the perspective of the three dimensions of social capital). The above objectives along with the background to this study, research context and motivations as presented in Sections 1.1 to 1.3, have led to the second research questions this study is attempting to address:

RQ 2 : How beneficiary accountability is operationalised?

Addressing those two questions would add to the current stock of knowledge on NGO accountability literature as suggested recently by O’Dwyer and Boomsma (2015), Romzek, LeRoux, and Blackmar (2012), and Wellens and Jegers (2014a), as well as offer a better understanding of beneficiary accountability to NGO practitioners, donors, regulating bodies, academia and other relevant
stakeholders so that NGOs may optimise their roles in benefiting their beneficiaries and the public as a whole.

1.5. Social Capital Theory

The term social capital has been widely used across disciplines yet has no universal definition (Adler & Kwon, 2002). However, researchers in general conceptualise social capital as an asset which stems from a combination of networks, relationships and norms that enable individuals, communities or societies to act collectively in securing benefits through value creation processes (Granovetter, 1992; Leana & Van Buren III, 1999; Portes, 1998; Woolcock & Narayan, 2000). Although social capital shares similarities with the financial, physical and human forms of capital, it is a resource whose supply increases rather than decreases through use (Bebbington & Perreault, 1999), in direct contrast to the three other mentioned forms of capital.

Social capital has cemented its place in sociological theory (Portes, 1998) through the sociological work of Durkheim (1893, 1984) and Marx (1894, 1967). Despite its sociological roots, social capital theory has been widely used in various contexts due to the diverse backgrounds of the leading authors of social capital studies who have used the theory to explain the positive outcomes of social connections to facilitate various social phenomena (Portes, 1998).

Expansion of the use of social capital theory, notably through a focus on the role of Nahapiet and Ghoshal (1998)'s three interrelated dimensions of social capital (structural, relational and cognitive) is used to frame the analysis of this study. I show that social capital plays a role as both an antecedent and consequence of beneficiary accountability. It can also be a facilitator in NGOs’ discharge of
beneficiary accountability, in which such practices can also enhance the social capital of the NGOs. Moreover, it is also found that there is likely to be complex interplay between the dimensions of social capital and the different facets of those three dimensions (Nahapiet & Ghoshal, 1998). The usage of this particular concept of social capital within this study provides a unique theoretical framing, especially within accounting and accountability literature. Previous studies in this area have explained the broader use of the sociological concept of social capital in supporting Ugandan grass-roots NGOs in their discharge of outcome-focused and informal accountability to beneficiaries (Awio et al., 2011). A study by Nyamori and Gekara (2016) looked at Nahapiet and Ghoshal (1998) three interrelated dimensions of social capital in terms of facilitating the operationalisation of performance contracting at Nairobi City Council to reform the works of government entities and employees in serving the public.

1.6. Research Method

This study takes SOS as its focus to help in attaining the research objectives as discussed in Section 1.4. The NGO was selected as the case of this study as it represents unique characteristics (Yin, 2009) which can be distinguished from many of the other case studies investigating beneficiary accountability practices (e.g. Awio et al., 2011; O’Leary, 2016), which by contrast, are quite small organisations on the ground. Moreover, SOS is selected as the case object as it can meet several criteria for this study, including the amount of funding, number of beneficiaries, donors, employees, and volunteers to allow the possibility of those factors in influencing the implementation of beneficiary accountability by the NGO.

---

8 For in-depth discussions on the workings of beneficiary accountability and social capital to address the aims of this study and offer a new insight of both empirical and theoretical importance, please see Sections 2.4, 3.3, and 3.4.
As a large NGO in Indonesia, SOS has served a great number of beneficiaries from diverse background and located in various locations with the support of its employees, multiple donors (mainly from individual and institutional donors); and massive base of volunteers. With such characteristics, the study will aim to examine the potential role played by those factors in influencing the NGO’s discharge of beneficiary accountability. SOS also runs its activities by applying Islamic principles which are also of interest in this study. Moreover, to allow an exploration of the differences in beneficiary accountability practices within and between SOS’s two main activities, natural and social disasters programmes, this study has focused on two of SOS’s programmes: the 2010 Merapi eruption programme (representing SOS’s activities in handling natural disasters) and the Integrated Nutritious Workshop Programme (INW programme, exemplifying SOS’s responses to mitigating social disaster). Despite focusing on these two programmes, the analysis is also enriched by an investigation into the links between these programmes and other SOS initiatives.

This study employs interpretive methodology in the belief that reality is socially constructed through the first-hand experiences of individuals (Burrell & Morgan, 1979). As such, to gain insight through the eyes of my research participants, I used engaged scholarship (Van de Ven, 2007) by involving participants from different backgrounds (beneficiaries, volunteers, NGO officers, individual donors, representatives of corporate donors and NGO experts). I spent about three months with participants in the field conducting semi-structured interviews, focus group discussions (FGDs), observations and document reviews. Beyond that, I also had several incidental as well as guided communications with a number of officers from SOS during the period of study, through emails and messaging services, to either confirm or request additional data.
1.7. Contributions of the Study

This study provides empirical and theoretical contributions to the literature on NGO accountability and social capital as well as practical implications for NGO practitioners. Empirically, this study attempts to respond to recent calls (e.g. by Banks et al., 2015; Boomsma & O'Dwyer, 2014; Schmitz et al., 2012) for a more comprehensive understanding of beneficiary accountability practices. By addressing what constitutes beneficiary accountability through the eyes of beneficiaries and the various stakeholders of the case NGO, this study attempts to shed light on the operationalisation of beneficiary accountability as an area which remains deeply unexplored (Romzek et al., 2012; Unerman & O'Dwyer, 2006a) and its definition is also unclear (Wellens & Jegers, 2014a). Moreover, despite the availability of conceptual studies (e.g. Avina, 1993a; Ebrahim, 2010; Edwards & Hulme, 1996; Knutsen & Brower, 2010) outlining mechanisms of beneficiary accountability from a theoretical perspective, there are few insights available in the way of empirical evidence on how NGOs conduct practices and forms of beneficiary accountability. This study, through its analysis, seeks an understanding of how beneficiary accountability is operationalised and the processes which are embedded within such practice through the lens of the three dimensions of social capital, as conceptualised by Nahapiet and Ghoshal (1998).

Theoretically, this study offers at least three contributions to social capital theory. Firstly, by demonstrating the ways in which the three dimensions of social capital and beneficiary accountability are interrelated, self-reinforcing and able to create cumulative circles, this study enriches prior studies within the NGO accountability literature that have applied a general theoretical framing of social capital (Awio et al., 2011). Secondly, this study enhances prior studies by investigating the impact of religiosity on individuals' social capital (e.g. Anheier & Salamon, 1998; Jeong, 2010), examining the less explored impact of Islamic teachings on social capital and the beneficiary accountability practices of the NGO.
Thirdly, by examining the interaction effects among Nahapiet and Ghoshal (1998)’s three dimensions of social capital, this study responds to Inkpen and Tsang (2005)’s call for research.

In practice, this study systematically outlines the processes behind the formation of social capital and its three dimensions that facilitate the discharge of beneficiary accountability. Understanding these processes may assist NGO practitioners to optimise the role of their networks in facilitating the practices of beneficiary accountability. It also helps practitioners to activate their individual and organisational social capital to achieve common goals. Additionally, by providing comprehensive accounts of beneficiary accountability, this study may assist NGO practitioners to be (more) accountable to their beneficiaries which may, in turn, lead to their programmes becoming sustainable in the long run.

1.8. Thesis Structure

Subsequent to this chapter, the thesis comprises another eight chapters, as follows:

Chapter 2 examines discourses on NGO accountability by covering discussions on: (1) the need for beneficiary accountability; (2) the motivation of NGOs to render beneficiary accountability; and (3) the mechanisms used in the discharge of beneficiary accountability. It also explores the issues of trust and its potential to support the discharge of beneficiary accountability. The chapter ends with reflections on the gaps remaining in the literature, which will demonstrate the novelty of this study.

Chapter 3 examines the main theories used in the NGO accountability literature, using which I discuss potential theoretical lenses through which to frame and signify my empirical analysis. I look at how the
principal–agent and stakeholder theories are widely used as a theoretical framework. However, these two theories seem to have less relevance in helping to frame my study, the aim of which is to focus more on beneficiary accountability and trust. After reviewing social capital theory, I note that Nahapiet and Ghoshal (1998)’s three dimensions of social capital may fit with analysis of the data that emerges from my study.

Chapter 4 explains the research design and process, as well as detailing the data collection methods and analysis that I undertook to answer the research questions. It also presents ethical considerations and attempts to maintain the validity of the analysis. Through these discussions, this chapter provides assurance that this study has paid due attention to achieving reliable and novel results.

Chapter 5 provides a descriptive background of SOS as the case NGO of this study. It outlines SOS’s chronology and both human and financial resources. The chapter goes on to explain the approaches that SOS uses to manage its programmes for dealing with the natural and social disasters emphasised in the empirical analysis of this study.

Chapter 6 begins by examining participants’ perceptions of beneficiary accountability and continues with a discussion of how SOS discharges its beneficiary accountability in the context of its main programmes – natural disaster management and community development.

Chapter 7 examines the interplay between the structural, relational and cognitive aspects of social capital, as suggested by Nahapiet and Ghoshal (1998), explaining how these three dimensions act to facilitate SOS’s discharge of beneficiary accountability.
Chapter 8 examines in greater detail the findings described in Chapters 6 and 7 with reference to previous studies, as elaborated in Chapter 2, and the theoretical framework, as outlined in Chapter 3. It begins with a discussion of the various dimensions of beneficiary accountability and looks at the practices of such dimensions in greater detail through analysis of two of SOS’s programmes dealing with natural and social disasters. It then continues to discuss how social capital, along with its three dimensions, plays a role in enabling the discharge of beneficiary accountability. The chapter concludes by highlighting the interplay between beneficiary accountability and social capital.

Chapter 9 briefly summarises the critical main points from the previous chapters and reaffirms the findings from the research. Additionally, it discusses the empirical, theoretical and practical contributions of this study. It also discusses the limitations of this study and provides suggestions for potential future research.
Chapter 2: Literature Review

2.1. Introduction

This literature review chapter explores the concept of accountability and NGO accountability in general, as well as beneficiary accountability in particular. It provides a mapping of the current debates on NGO accountability, particularly those focusing on beneficiaries. The review covers discussions on: (1) the need for beneficiary accountability; (2) the motivation of NGOs to discharge beneficiary accountability; and (3) the mechanisms via which beneficiary accountability is discharged. This mapping is aimed at enabling me to position my study and contribute to the development of knowledge in the area. Additionally, there remains a lack of studies looking further into the issues of trust and accountability related to beneficiaries, despite the potential importance of these issues in supporting the discharge of beneficiary accountability. This review, then, also discusses the concepts of trust, how trust in NGOs is developed and its interplay with NGO accountability. The literature review provides a synthesis of accountability research in accounting, the voluntary sector and development journals, as well as the literature on trust contained in management and business ethics journals. Reflections on the gaps remaining in the literature, which will demonstrate the novelty of this present research, complete the chapter.

2.2. Defining Accountability

Scholars have acknowledged that defining accountability involves complex and contrasting debates (e.g. Dixon et al., 2006a; Kearns, 1994; Patton, 1992). Section 2.2.1 attempts to briefly discuss the definition
of accountability in general perspective. Moreover, as definitions of accountability are also influenced by the “ideologies, motifs and languages of our time” (Sinclair, 1995, p. 221) and as the principles of Islamic teachings are also of interest in this study, Section 2.2.2 will explore how accountability is viewed from an Islamic perspective.

2.2.1. Accountability: A General View

Ongoing debates concerning accountability are evident within the accounting literature. Some authors argue that accountability has been interpreted as a legitimising mechanism which reports organisational activities in passive and objective manners (Roberts, 1991; Schweiker, 1993; Shearer, 2002). In this sense, accountability, in general, is frequently linked to the notion of an act of account-giving (Mulgan, 2000; Roberts & Scapens, 1985). It is often conceptualised as a procedural notion with formalised administrative practices (Sinclair, 1995; Walker, 2016).

However, there is a growing strand of research detailing how ‘socialising forms of accountability’ (Roberts, 1991) evolve in line with existing systems of social, political and cultural communications. This perspective yields the insight that accountability reflects not only a formal but also a moral order of social practices to fulfil a specified promise involving the reciprocal rights and obligations of the interacting actors (Brown & Moore, 2001; Jacobs & Walker, 2004; O’Leary, 2016; Schweiker, 1993; Shearer, 2002). These debates, according to Sinclair (1995), are ‘chameleon’-like in nature due to the subjectively constructed nature of accountability. To address the ‘floating and transcendental’ nature of accountability, enquirers seek to explore its meaning in the discursive, social and political contexts in which it occurs (Shenkin & Coulson, 2007), and also in terms of reflective relationships among the interacting actors (Ebrahim, 2005). In Section 2.2.2, we will see that accountability is conceptualised
uniquely from an Islamic perspective. Moreover, this search for a definition of accountability is also ever-expanding (Mulgan, 2000) in the context of NGOs, as discussed later in Section 2.3.

2.2.2. Islamic Perspectives of Accountability

Accountability in Islamic perspective is related to the concept of *Tawhid* (Islamic monotheism) (Adnan & Sulaiman, 2006). *Tawhid* is the very foundation of Islam that brings an abundance of Allah’s favour and rewards, as well as compensates for one’s sins (Ibn Abdul Wahhab, 1996). A person can be said to achieve *Tawhid* only when he/she testifies that none is worthy of worship except Allah whereas other things that are worshipped with Allah are nothing but falsehood. Therefore, *Tawhid* includes negation and confirmation (Al-'Uthaimeen, 2003). The very concept of *Tawhid* is explained in the Holy Qur’an, Adz Dzariyat (51):56, “And I (Allah) did not create the jinn and men except that they should worship me alone”. Worship, as a comprehensive term covering everything (sayings or actions, both outward and inward) that Allah loves and is pleased with, according to Islamic law, should be conducted by observing the commands and prohibitions of Allah with love, hope and fear for and of Him (Ibn Abdul Aziz, 2003). Therefore, all actions – prayers, sacrifices, living and dying – should be dedicated only to Allah (Holy Qur’an, Al An’am (6):162). Understanding the concept of *Tawhid* also leads Muslims to have faith that Allah is the sole Creator, Sustainer and Giver of life and death (Holy Qur’an, Al-Baqarah (2):21-22). It enlightens Muslims that He entrusts resources to humankind, to be managed according to His commands as they are created as vicegerents on the earth (Holy Qur’an, Al-Baqarah (2):30). Moreover, the ultimate Owner of everything is Allah alone (Holy Qur’an, Al-Baqarah (2):284) and individuals’ ownership of wealth is not absolute. Individuals are custodians of all the resources that Allah entrusts to them. Thus, individuals will be accountable for their stewardship missions and (good and bad) deeds to Allah, not only in this world but also eventually on the Day of Judgement (Abdul-Rahman, 2010; Iqbal &

Furthermore, aspirations to be ‘vertically’ accountable to Allah by worshipping Him alone and performing all deeds for the sake of His blessings, from an Islamic perspective, is reflected in ‘horizontal’ accountability towards other individuals, including organisations and the society to which an individual belongs. Such horizontal accountability is discharged through the fulfilment of promises or accomplishment of contracts (Adnan & Sulaiman, 2006). This concept of accountability, which departs from that found in Western societies (Baydoun & Willett, 1997; Haniffa & Hudaib, 2010), has the potential to influence the ways in which accountability is discharged by Muslim individuals and organisations (Adnan & Sulaiman, 2006), and will be explored further in this study.

2.3. Understanding the Landscape of NGO Accountability

2.3.1. NGO Accountability: Its Emergence and Definition

There has been growing debate on NGO accountability since the mid-1990s, when Edwards and Hulme stated that, ‘as independent organisations with a mission to pursue’, NGOs need to demonstrate that they can perform effectively and be accountable for their actions and commitments (Edwards & Hulme, 1995, p. 224) among others by reporting to ‘a recognised authority, or authorities, and are held responsible for their actions’ (Edwards & Hulme, 1996, p.967). Moreover, the position of NGO accountability within accounting research only started to become clearer from the mid-2000s onwards (Unerman & O’Dwyer, 2006). Since that time, the literature reveals that the multidimensional aspects of NGO accountability may enable NGOs to demonstrate evidence of the actual impacts of their
programmes (Benjamin, 2012; Schmitz et al., 2012), as well as cultivate and maintain the trust of multiple stakeholders (Jacobs & Wilford, 2010).

Despite these emergent discourses on NGO accountability, a single, commonly agreed definition of ‘NGO accountability’ has yet to emerge within the literature. Its meaning seems to be imprecise (Patton, 1992), complicated and even ambiguous (Ebrahim, 2003; Najam, 1996a). In the same way that there are variations in the definitions of ‘accountability’, NGO accountability also has different definitions. Various scholars (e.g. Kearns (1994); Edwards and Hulme (1995); Brown and Moore (2001); Schmitz et al. (2012)) have attempted to define the notion. Their definitions clearly reveal several intertwined concepts in terms of NGO accountability relating to how NGOs are responsible for their actions (accountable for what) to their stakeholders (accountable to whom) via the conduct of relevant accountability mechanisms (how to be accountable). This definition shows that NGO accountability goes beyond being a mere consequence of the principal–agent relationship and that perceiving it based on the central logic of a single lens (that NGOs are only held accountable to certain authorities) may narrow its interpretation (Coule, 2015).

2.3.2. Multiple Dimensions of NGO Accountability

In order to live up to their claims in front of their various stakeholders, NGOs are expected to carry out the multidimensional scope of accountability (Creed & Miles, 1996; Lehman, 2007), which further influences the mechanisms of discharge available to them. It would be insufficient for an NGO to only provide functional, short-term and instrumental accountability. Rather, they are challenged to move towards a more strategic, long-term and expressive form of accountability (Avina, 1993b; Ebrahim,
2010; Edwards & Hulme, 1996; Knutsen & Brower, 2010). Many authors have attempted to discuss the various dimensions of NGO accountability, as summarised in Figure 2.1.

![Figure 2.1: Dimensions of NGO Accountability](image)

**Source:** Summarised from Avina (1993b); Edwards and Hulme (1996); Ebrahim (2003); Knutsen and Brower (2010); Coule (2015); and O’Dwyer and Boomsma (2015)

Referring to Figure 2.1, one of the most cited dimensions of NGO accountability is based on accountees, as suggested by Edwards and Hulme (1996). They define upward accountability as relationships with the patrons of NGOs, such as donors and governments, while downward accountability is defined as accountability discharged to their partners, beneficiaries and staff. Christensen and Ebrahim (2006) extended this accountee dimension by framing the accountability discharged by NGOs to their staff as lateral accountability.

Beside formulating the accountees’ dimension of NGO accountability, Edwards and Hulme (1996) also categorise NGO accountability according to the mechanisms via which it is discharged. They
divide this dimension into formal and informal accountability. These accountability mechanisms are by some means analogous with the instrumental and expressive dimensions of accountability formulated by Knutsen and Brower (2010). Using formal mechanisms, NGOs discharge accountability through various instruments such as reports, disclosures, performance assessments and evidence of compliance with regulations. This mechanism normally relates to a rule-based principal–agent relationship which involves explicit and objective standards of assessment (Coule, 2015). As for informal mechanisms, NGOs discharge accountability through ongoing communications with their partners, staff and beneficiaries through both networks and the sharing of information to express their values and mission. In contrast to formal, instrumental types of accountability, the latter types tend to involve more implicit, subjective standards of appraisal, requiring no external evaluator to directly assess the accountability (Coule, 2015).

In terms of time frames, Avina (1993b) distinguished accountability into short-term or functional, and strategic or long-term accountability. The former type of accountability is discharged by NGOs through the provision, to upward stakeholders especially, of accounts detailing the resources used and via reports of any immediate impact resulting from such usage. Meanwhile, the latter type of accountability is delivered by NGOs via assessment of the developmental (long-term) impact of its programmes which is disseminated to its wider stakeholders, including downward ones. Furthermore, Ebrahim (2003) observed that NGOs can be motivated by internal and external factors. Internal factors include an NGO’s commitment to achieving its mission and being transparent to its stakeholders. External factors include a willingness to fulfil the accountability requirements as set out by its stakeholders.
2.4. A Closer Look at Beneficiary Accountability

There is an undeniable fact that NGOs are evaluated more often by their influential stakeholders (e.g. donors and government) as opposed to by parties who are powerless but are directly influenced by its work (e.g. staff and beneficiaries) (Ebrahim, 2003; Hyndman & McDonnell, 2009; Unerman & O’Dwyer, 2006). This situation entails the risk of power imbalances in terms of engaging in the mechanisms of NGO accountability (de Montclos, 2012). Asymmetrical accountability may undermine an NGO’s mission and vision to provide social benefits to their downward stakeholders, especially beneficiaries, if sustained over a longer period (Chenhall et al., 2010; Murtaza, 2012; O’Dwyer & Unerman, 2008). This is because beneficiaries are the very reason for NGOs’ existence (Wellens & Jegers, 2014a). This phenomenon has attracted the attention of academia and experts in the NGO sector who call for more comprehensive studies addressing the subfield of downward accountability, particularly the mechanisms used by the NGOs to discharge accountability to beneficiaries (Banks et al., 2015; Benjamin, 2012; Boomsma & O’Dwyer, 2014).

2.4.1. Disparity between Donor vs Beneficiary Accountability

The fact that NGOs in general tend to privilege powerful stakeholders like donors over beneficiaries, has an impact on their accountability priorities (Agyemang et al., 2009b; Dixon et al., 2006a; Ebrahim, 2003; O’Dwyer & Unerman, 2007). This gives rise to a somewhat paradoxical situation for organisations whose raison d’être is the provision of maximum benefits to beneficiaries (Ebrahim, 2003; Hyndman & McDonnell, 2009). The literature contains explanations of the tendency for NGOs to be characterised by accountability disparity, a condition whereby NGOs put dominance on upward rather than beneficiary accountability. Among the factors influencing the formation of this gap are the controlling party, unclear
accountability mechanisms, a hesitancy to disclose and the size of NGOs (de Montclos, 2012; Najam, 1996a; O’Dwyer & Unerman, 2008).

The most unsurprising fact illuminating the cause of any accountability disparity lies with those who provide resources for NGOs’ work and who have the ability to demand coercive and punitive accountability through their mechanisms of control, monitoring and evaluation (O’Dwyer & Unerman, 2008). There tends to be a common perception among the management of NGOs that upward stakeholders, such as donors and governments, play substantial roles in these mechanisms despite their distance from work being carried out on the ground, which may certainly lead to their accountability being skewed towards the demands of these powerful parties (Benjamin, 2012; de Montclos, 2012). This priority also puts NGOs in a situation that challenges them to negotiate any commitments they have made to those less demanding beneficiaries who are directly influenced by their work (Kissane & Gingerich, 2004; O’Dwyer & Unerman, 2008; Ospina, Diaz, & O’Sullivan, 2002). Nevertheless, on the one hand, although a disproportionate level of attention paid to upward stakeholders may bring with it a risk of neglecting to adequately engage in beneficiary accountability, on the other hand, this situation also represents the flip side of the same coin. NGOs may pay more attention to their beneficiary accountability when government and donors are actively encouraging them to be accountable to beneficiaries (e.g. through performance measurement and evaluation) (Benjamin, 2012; Christensen & Ebrahim, 2006; Fine, Thayer, & Coghlan, 2000; Uddin & Belal, 2013).

Another rationale that lessens NGOs’ attentiveness to beneficiary accountability is unclear mechanisms for the discharging of such accountability (Boomsma & O’Dwyer, 2014; Kilby, 2006; Najam, 1996a). In an empirical study conducted using interviews with transnational NGO leaders, Schmitz et al. (2012) found that leaders were aware of the importance of being accountable to their wider
stakeholders, including beneficiaries. However, they obtained little evidence on how NGOs can be held to account by their extensive stakeholders and whether the discharge of accountability (if any) is externally driven in response to demands from beneficiaries or other neglected stakeholders, or is internally motivated by their own norms and commitment to being reasonably responsible to their stakeholders.

Although it is noted within the literature that the mechanisms of beneficiary accountability remain somewhat blurred (O’Dwyer & Unerman, 2010), some researchers have attempted to formulate potential alternatives for NGOs to discharge accountability to their beneficiaries. Ebrahim (2003) and Agyemang et al. (2009b) suggested that participatory review and social audit have the potential to be used as proof of strategic beneficiary accountability. However, the main and most complex issue relating to these mechanisms lies in the extent to which participatory review and social audit involve beneficiaries in the decision-making process, are able to increase interactions between beneficiaries and NGOs, and the amount of bargaining power they accord to beneficiaries in regard to NGOs’ programmes (Hyndman & McDonnell, 2009). Implementation of the above mechanisms requires NGOs to treat beneficiaries as their consumers. However, unlike in the business sector that views consumers as buyers who are willing to pay for their services, NGOs must consider beneficiaries as those whose needs they must address, whose complaints they must listen to and for whom they must act as agents of change (Locke, Begum, & Robson, 2003). Thus, participatory review and social audit will be merely functional when the participation of beneficiaries is pseudo in nature and limited only to consultation initiatives, or when social audit is used only as an evaluation tool rather than in support of decision-making (Mir & Bala, 2015). Furthermore, they argued that there is less expectation for NGOs to provide reports or disclosure to the beneficiary community due to the cost-benefit aspect of using this mechanism. The
management of many NGOs still associate beneficiary accountability with the act of providing financial reports to beneficiaries (e.g. Mir & Bala, 2015; Schmitz et al., 2012). Management frequently assume that such reports are infrequently read by common members of the beneficiary community, yet they only focus on short-term results and are thus irrelevant in terms of demonstrating accountability to beneficiaries.

While the above beneficiary accountability mechanisms are available, there also appears to be the additional problem of hesitancy to disclose. Participatory review that evaluates the view of beneficiaries on the impact of NGOs’ programmes is often conducted on an ad hoc basis using first-party evaluation that carries the risk of a lack of critical distance, as opposed to being carried out by independent appraisers or researchers. Reviews are barely standardised, tend to be poorly documented and are rarely published. Therefore, this mechanism is not effective for use as a lesson to improve NGOs’ performance in the future (de Montclos, 2012). Unlike public companies which are required to publish full disclosures relating to their activities, NGOs, who are also frequent critics of such companies, only rarely publish reports on their operations by reasoning that the act of generating such reports may negatively impact on their funding (Lloyd, Warren, & Hammer, 2008). For example, Jacobs and Wilford (2010) attempted to review over 500 documents to identify the beneficiary accountability mechanisms used by NGOs. However, very few reliable records contained information sufficient to understand the operationalisation of beneficiary accountability in the field. Moreover, the ineffectiveness or unavailability of NGO watchdogs, in certain contexts, capable of playing a supervisory role in this regard may even reduce NGOs’ motivation to execute beneficiary accountability (Mir & Bala, 2015; Schmitz et al., 2012).
Furthermore, the size of NGOs is also considered another factor that contributes to the accountability disparity. Jacobs and Wilford (2010) discovered that when NGOs increase in size, they generally face greater conflicting internal interests and confounding bureaucracy that negatively impact on the level of attention being paid to beneficiary accountability. Their study did not expose any justification in this regard. On the other hand, studies by Verbruggen, Christiaens, and Milis (2011) and Elbers and Schulpen (2013) explain that when NGOs reach a size at which they become heavily dependent on either one or only a very few donors, they tend to seek to satisfy the interests of these ruling parties. This relates to the phenomenon of donors’ risk-averseness in terms of their preference to channel funding to large NGOs that, whilst appearing more professional, may be less innovative and too focused on their speed, growth, numbers and material success (Banks et al., 2015). Moreover, a study conducted by Mir and Bala (2015) may complement this discussion. The latter authors observed through their qualitative study that the personnel costs incurred by foreign-funded NGOs in Bangladesh represent a major percentage of project expenditures, despite there being an abundant supply of cheap labour in the country. They also found that costly personnel were recruited to meet the upward accountability requirements (such as preparation of reports using special software) of multiple foreign donors and regulatory authorities, rather than to deliver beneficial programmes to beneficiaries. Unremarkably, this inefficiency is also acknowledged by their donors. However, Schmitz et al. (2012) argued that accountability disparity was even more prevalent in NGOs with smaller budgets (<USD 1 million). When leaders of these NGOs were asked “How does your organisation define accountability?”, a majority of them referred to financial accountability (by presenting financial reports), with only a few managers mentioning that accountability could be defined as fulfilment of the NGO’s commitment. Nevertheless, those in charge of large transnational NGOs (>USD 10 million) more frequently cited the need for NGOs to fulfil their missions than did the leaders of small- and medium-sized NGOs. Their study
appeared, however, to bring limited evidence in terms of explaining the rationale behind these empirical findings.

### 2.4.2. Rationales for Discharging Beneficiary Accountability

A study by Schmitz et al. (2012) involving the leaders of NGOs as respondents demonstrated how they were mindful of the importance of beneficiary accountability. However, further analysis is required to explain any rationale that would motivate them to put beneficiary accountability into practice. Prior literature has identified, mostly at a conceptual level, some of the exogenous and endogenous logic that stimulates NGOs to be accountable to their powerless beneficiaries. Among the exogenous factors are impulsion from donors (Benjamin, 2012; Christensen & Ebrahim, 2006; Mir & Bala, 2015) and social sanctions (de Montclos, 2012). Endogenous factors include the moral duty of management and an awareness of obligation (O’Dwyer & Boomsma, 2015; Ospina et al., 2002).

As discussed in the previous section, donor influence is something of a double-edged sword that may simultaneously discourage and promote beneficiary accountability (Benjamin, 2012; Christensen & Ebrahim, 2006). Through their power, donors may shape coercive institutional isomorphism on NGOs by requesting certain measurable outcomes that include data related to beneficiaries (DiMaggio & Powell, 1991; Mir & Bala, 2015). However, when donors’ goals are in accordance with those of NGOs, meaning that the practice of upward accountability is used strategically to improve NGOs’ performance in achieving their missions, this will morally encourage NGOs to be more accountable to their beneficiaries (Nicholls, 2009). Yet, this is not the end. The findings of a study by O’Dwyer and Boomsma (2015) revealed that even though their case NGOs continually complied with the accountability requirements as set out by upward stakeholders, the unavailability of sufficient evaluations by those stakeholders meant the mechanisms were not particularly effective in terms of covering the interests of beneficiaries.
Therefore, both quantitative and qualitative assessments of accountability are essential to ensure that NGOs work effectively to serve beneficiaries, but a certain level of autonomy is still required to protect their organisational philosophies (Baruah, 2015).

Another external factor that may compel NGOs to place more emphasis on discharging beneficiary accountability is social sanctions applied through the media that have the potential to be more effective than private reminders in warning NGOs to be mindful of their mission to serve beneficiaries (de Montclos, 2012; Gugerty & Prakash, 2010). Lloyd et al. (2008) found that NGOs tend to avoid publishing disclosures of their activities in the media, arising from a fear of losing some of their funding if the public should be dissatisfied with their reports. However, this type of tension should not arise if NGOs are truthful with regard to their actions and reports. Moreover, NGOs can also make use of the media as a means to create, maintain and repair legitimacy by highlighting their tangible actions and good performance as one way of demonstrating beneficiary accountability (Conway, O'Keefe, & Hrasky, 2015). Deegan, Rankin, and Voght (2000) identified tremendous upsurges in NGOs’ levels of voluntary social and environmental disclosure in the immediate aftermath of any negative media coverage as they made efforts to distance themselves from such negative publicity. Moreover, NGOs are also set to benefit from the growing use of social media, which can turn out to be ‘a major component of the communication armoury’ (Grant Thornton, 2015, p.5), by publishing their actions in serving beneficiaries, establishing transparency and unlocking potential sources of funding to support their work.

The moral duty of NGO management to help beneficiaries may well be another motivating factor behind NGOs’ discharging of beneficiary accountability (Ospina et al., 2002). Romzek et al. (2012) found that beneficiary accountability, which is discharged mostly in informal ways, is driven by the
shared norms (which may include faith) and facilitative behaviours (e.g. frequent communication) of interorganisational and interpersonal relationships between NGOs and their stakeholders. However, their study left open the gap of whether the different levels of interaction (e.g. NGOs–beneficiary groups; NGO officer–individual beneficiary) may have different effects on NGOs’ motivation to discharge accountability. Moreover, O’Dwyer and Boomsma (2015) suggested that awareness of their obligations may drive NGO management to carry ‘felt accountability’, which refers to the degree to which they feel they are accountable for whether their work has both satisfied themselves and achieved their mission. These authors found, as part of their case study at Oxfam Novib, that felt accountability was perceived as ‘both shaping and being shaped by Oxfam’s organisational culture’ (p.49). Additionally, a study by Jacobs and Wilford (2010) identified two factors that encouraged the application of beneficiary accountability. First, the commitment of NGOs’ management to support the work of field staff; second, the attitude of field staff with regard to helping to release power to beneficiaries to enable them to gain the self-confidence required to be able to solve their problems independently. The addressing of unequal power relations that commonly appears between NGOs and beneficiaries is deemed necessary, as, without this, whichever mechanisms of beneficiary accountability an NGO chooses to adopt will not be effective (Ebrahim, 2003). Ospina et al. (2002) and Schmitz et al. (2012) suggested that one of the ways in which NGOs can seek to reduce the power gap is by maintaining and increasing intense, proactive and engaging communication with beneficiaries. Therefore, there is more demand for the support of personnel who have an understanding of beneficiaries’ culture than for that from staff members who, despite being educated, may be less knowledgeable in terms of such specific areas (Banks et al., 2015; Baruah, 2015).
2.4.3. NGOs’ Mechanisms in Discharging Beneficiary Accountability

The literature on accounting, NGOs and organisation studies has identified several beneficiary accountability mechanisms using both conceptual and empirical approaches. With the framing mentioned in Figure 2.1, Figure 2.2 provides an assessment of the diverse beneficiary accountability mechanisms that are identified, based on their dimensions.

Figure 2.2: Beneficiary Accountability (BA) Mechanisms

Source: Summarised from Avina (1993b); Agyemang et al. (2009b); Edwards and Hulme (1996); Ebrahim (2003); Knutsen and Brower (2010); Coule (2015); and O’Dwyer and Boomsma (2015)

Figure 2.2 indicates that the most commonly used mechanisms for discharging beneficiary accountability tend to be informal in nature (Edwards & Hulme, 1996; Romzek et al., 2012) and require ongoing expressive communication between beneficiaries and NGO personnel (Knutsen & Brower, 2010). To further explain the figure, the participatory review report is located in the upper-left portion of the figure as such a report is normally requested by external, upward stakeholders (e.g. donors or governments) but involves beneficiaries in the data-gathering process and is administered using a formal
instruments (e.g. questionnaires) and presented in the form of an official report, with the aim of evaluating either past or existing programmes (Agyemang et al., 2009b). It is thus more likely to have a shorter-term orientation. Beneficiary participation which is argued to ensure the NGO’s long-term (strategic) goal of benefiting beneficiaries (Avina, 1993b), in contrast, is located in the lower middle-right portion of the figure as it could be actualised by the felt obligation of an NGO’s management (e.g. O’Dwyer & Boomsma, 2015; Wellens & Jegers, 2014a) and could also be the result of donor stipulation (Uddin & Belal, 2013).

A few empirical studies have scrutinised how NGOs implement the above-mentioned beneficiary accountability mechanisms in practice. Awio et al. (2011) examined how accountability is discharged by small grass-roots NGOs to the communities they serve. They found in their case study of a small Ugandan NGO that, to meet the needs of beneficiaries, the NGO needed to perform effective accountability with respect to both their upward (through formal financial reporting) and downward stakeholders (through simple, transparent and trustable interactions, as well as high community involvement in public services). The authors also observed that social capital, defined by (Coleman, 1988, p. 95) as “ability of the people to work together for common purposes in groups or organisation”, underpins community engagement and participation in NGOs’ activities through ongoing trustable interaction between community and NGOs. Social capital in their study was also deemed to facilitate effective grass-roots accountability which “must be reconceptualised as accounts of actions and transactions, rather than the numerical abstractions of accounting” (Awio et al., 2011, p. 86).

In other national settings, Uddin and Belal (2013) examined when beneficiary accountability can be practised more effectively in the context of a large Bangladeshi NGO. They found that beneficiary accountability was better in donor-funded projects as compared to projects that are self-funded by
NGOs with no donor intervention. Their study highlighted that donor intervention may complement or enhance NGO’s accountability towards its beneficiaries. Using the case studies of two development projects in rural villages in India, O’Leary (2016) reveals why NGOs discharge beneficiary accountability, that is, to fulfil their promises and self-determination values that are indicative of a rights-based approach.

In a study on a developed country, Taylor, Tharapos, and Sidaway (2014) looked at beneficiary accountability practices in relation to the 2009 Black Saturday bushfires disaster in the Australian state of Victoria. They found that written reports are not viewed as being important mechanisms of beneficiary accountability by NGOs working with beneficiaries of natural disaster recovery at the grassroots level. More important is the closeness to, empowerment and engagement of beneficiaries. Interestingly, Taylor et al. (2014) demonstrate in their study that NGOs seek to engage in beneficiary accountability to both satisfy donors as well as to demonstrate their commitment to their mission and values. This can call into question both the concept and mode of beneficiary accountability. However, this critique may also be influenced by their views on the principal–agent relationships between beneficiaries and NGOs.

In the context of Indonesia, Dixon and McGregor (2011) started a debate on the tensions arising when seeking to discharge accountability to multiple stakeholders in the context of their case study on the fishing industry in Aceh. They found that conflicting accountabilities between powerful and powerless stakeholders have the tendency to weaken the potential of beneficiary empowerment in the relief and development programmes. They have also noted that contractors (local partners of international NGOs) influenced the discharge of beneficiary accountability. They observed that local participation through volunteers was better suited to the empowerment of beneficiaries.
2.5. Exploring the Relevance of Trust in the Beneficiary Accountability Discourse

The importance of trust in relation to an NGO being seen as legitimate and obtaining support from its stakeholders has been well explored (Bryce, 2007; Sargeant & Lee, 2002a). The literature acknowledges that trust can enable NGOs to establish more honest communication with beneficiaries, which in turn leads to further collaboration (Mishra, 1996). Trust may also increase cooperative efforts and reduce transaction costs (Bromiley & Cummings, 1992), as well as increasing trustees’ performance and reducing conflict between the trusting parties (Zaheer et al., 1998). In contrast, if there is a lack of trust, Tyler and Kramer (1996) noted a tendency for the trustor to be unwilling to take a risk and impose costly sanctioning mechanisms to defend its interests. In the context of NGOs’ engagement with beneficiaries, trusting interactions between NGOs and beneficiaries have appeared, in the findings of prior empirical studies, to be of importance in the discharge of beneficiary accountability, especially with regard to the participatory mechanism (Kilby, 2006). A lack of trust from beneficiaries may act to prevent them from cooperating with NGOs and make them more reluctant to participate in NGOs’ programmes (MacIntyre et al., 2013).

Beyond the above findings, most prior studies have tended to focus more on donor accountability and its interplay with trust. Less well understood is the interplay between trust and beneficiary accountability, particularly in the context of NGO sustainability (MacIntyre et al., 2013). Even so, a review of current studies on the interplay between trust and NGO accountability in general may help to shape further understanding when applied to beneficiary accountability. Figure 2.3 provides an overview of the conceptual framework generated from prior studies that may summarise the possible interplay between trust and NGO accountability in general.
Figure 2.3: Interaction between NGO Accountability and Trust

Source: Summarised, with modification, from Mayer, Davis, and Schoorman (1995); Brenkert (1998); Hart and Johnson (1999); Handy (2000); Sargeant and Lee (2002a); Berman and Davidson (2003); Goddard and Assad (2006); Sargeant, Ford, and West (2006); Bryce (2007); Sloan (2009); Greenwood and Van Buren III (2010); Gandía (2011); Saxton and Guo (2011); Rehli and Jäger (2011); Verbruggen et al. (2011); Waters (2011); Lee, Johnson, and Prakash (2012); Saxton, Kuo, and Ho (2012); Dainelli, Manetti, and Sibilio (2013); and Yasmin, Haniffa, and Hudaib (2014).

Figure 2.3 shows that the process of generating trust begins with stakeholders’ perceptions (Sargeant & Lee, 2002b) of the elements required for them to place their trust in NGOs. These comprise the NGO’s ability (skill and capacity to perform certain expected roles), benevolence (positive contribution to meeting the trustor’s demands) and integrity (adherence to delivering expected acceptable values) to achieve their expectations (Mayer et al., 1995). To maintain their trust, NGOs may discharge accountability as a way of proving to stakeholders that they have the competence to handle and be responsible for the resources entrusted to them (Goddard & Assad, 2006; Uddin & Belal, 2013). In this regard, trust seems to be an antecedent that motivates NGOs to discharge their accountability. However, trust is not the only factor that explains NGOs’ motivation to be accountable to their stakeholders. Other factors that may influence the discharge of accountability are the larger size of NGOs and better NGO board performance (Saxton & Guo, 2011), lower debt/asset ratios, larger boards with more inside members (Saxton et al., 2012) and more funding (Dainelli et al., 2013).

Also, it is important to note that the accountability that has been discussed in the above literature is mostly viewed in the form of NGOs’ disclosure and accounting reports that put more
emphasis on meeting the requirements of upward stakeholders as opposed to on delivering a more holistic form of accountability to other stakeholders in the NGO, including beneficiaries. Among the few studies to have discussed the factors influencing NGOs to deliver beneficiary accountability is that by Romzek et al. (2012). These authors found that beneficiary accountability is mostly discharged in informal ways. It is driven by shared norms (which may include faith) and the facilitative behaviours (e.g. frequent communication) of interorganisational and interpersonal relationships between NGOs and their stakeholders. This finding is in accordance with the view of Rawls (1972) that formal accountability is only required when there is a lack of closeness between accountor and accountee. Others have noted that the putting in place of too many formal systems would not be effective in relation to beneficiaries’ interactions with NGOs (Dixon et al., 2006a; Wellens & Jegers, 2014a).

Additionally, it has been elucidated in the literature that an NGO’s discharge of (upward) accountability contributes positively to the building of public trust (Gandía, 2011; Handy, 2000; Sargeant et al., 2006). However, it is also noted that such mechanisms may or may not be the most important indicators of an NGO’s trustworthiness (Greenwood & Van Buren III, 2010). Various other internal and external factors may also help NGOs to obtain trust.

The following internal factors can help NGOs gain public trust. First, a reputable board of trustees, affiliation with reputable organisations, disclosure of past and current achievements and testimonies from recipients or other donors (Handy, 2000). Second, a commitment to maintaining relationships with stakeholders (Sargeant & Lee, 2004). Third, stakeholders’ attitude to beneficiaries and philanthropy and an NGO’s service quality and competence in its role (Sargeant & Lee, 2002a). Fourth, an NGO’s organisational performance and communication (Sargeant et al., 2006) and, fifth, an NGO’s donor engagement (Waters, 2011).
Other than the above-mentioned internal factors, an NGO’s trust-building efforts can also be shaped by external factors, such as the involvement of an independent media that reports on NGOs (Lee et al., 2012). The media can publish both positive and negative stories about NGOs and help to position them in either a positive or negative light. Sloan (2009), however, made the interesting discovery that although a positive rating from the media may have a significant influence on the level of stakeholder trust in and contributions to NGOs, a negative rating was not proved to produce the opposite result. A low rating that arises from limited and descriptive (rather than judgmental) disclosure does not affect contributions from donors (especially individuals). This is because donors tend to place high levels of trust in NGOs (Verbruggen et al., 2011; Yasmin et al., 2014). The same reason may also apply to why increased regulation obliging NGOs to be more accountable does not significantly influence stakeholders’ trust in NGOs (Berman & Davidson, 2003) and why NGOs’ donors do not have a strong influence on the selection of an NGO’s board (Rehli & Jäger, 2011). With regard to beneficiaries’ trust, MacIntyre et al. (2013) note that in a low-trust society, which may be applicable in many developing countries, the formation of trust may be more challenging, especially when beneficiary communities are sceptical of outsiders and where they have prior experience of colonialism.

The above discussions may set a viewpoint that trust is both an antecedent and consequence of beneficiary accountability. It may start from stakeholders’ perceptions of NGOs (Brenkert, 1998; Sargeant & Lee, 2002a) and then deepen as NGOs commit to ‘never tak(ing) advantage of stakeholder vulnerabilities, by being fair, reliable, competent and ethical in all dealings’ (Hart & Johnson, 1999, p.12).
2.6. Remaining Gaps in Beneficiary Accountability and Its Relevance to Trust

The growing number of proponents of beneficiary accountability (Banks et al., 2015; Benjamin, 2012; Clark, 1992; Ebrahim, 2003; Hyndman & McDonnell, 2009; Murtaza, 2012; O’Dwyer & Unerman, 2007, 2008, 2010; Unerman & O’Dwyer, 2006, 2010; Wellens & Jegers, 2014a) is not without contestation. Taylor et al. (2014) argue, using the principal–agent lens, that beneficiary accountability ‘should not be conceptualised as part of an accountability typology’ (p.650) as it does not represent the typical transactional-economic features of a principal–agent relationship and because beneficiaries’ interest in such accountability is subsumed by upward and/or internal accountability. The debate becomes more thought-provoking with the assertion by Coule (2015) that NGO accountability is beyond a consequence of a principal–agent relationship. That to perceive accountability based on single lens by focusing on how individuals and organisations are only held responsible for their actions to certain recognised authorities may narrow its interpretation and limit their responsibility to enhance empowerment and the voices of the less powerful (Coule, 2015).

Beyond such debates on nomenclature, in the context of development, beneficiaries’ engagement with and participation in the work of NGOs – as the central locus of beneficiary accountability – have also been explored as an essential factor to assist NGOs in creating sustainable NGO programmes (UNDP, 2014). The active involvement of beneficiaries helps NGOs to go beyond performing service delivery and acts as a catalyst in helping to empower beneficiaries to become more independent upon completion of the NGOs’ period of assistance (Hilhorst, 2002; Wellens & Jegers, 2014a). In contrast, the passivity of beneficiaries ‘strikes at the heart of effective capacity building’ (Brown & Moore, 2001, p.584).
As discussed in Section 2.4.3, several attempts have been made by authors (e.g. Awio et al., 2011; O'Leary, 2016; Taylor et al., 2014; Uddin & Belal, 2013) to observe how NGOs implement the above mechanisms of beneficiary accountability in practice. Prior literature has also identified that the existence of trust is essential to engaging beneficiaries in NGOs’ programmes and to act as the glue that binds NGOs and beneficiaries together, allowing informal accountability to function effectively (Awio et al., 2011; Unerman & O'Dwyer, 2006). However, several research gaps can be identified from the above reviews. First, there is still very little discussion within the literature of how trust (and other factors) can assist NGOs to engage with beneficiaries and act as a catalyst for development. Second, further enquiry is also open to observing whether these factors have an influence on the operationalisation of beneficiary accountability (Banks et al., 2015; Boomsma & O'Dwyer, 2014; Schmitz et al., 2012).

Third, the relevance of social capital in influencing beneficiary accountability is also an interesting avenue to be explored. This is because the elements of trust, informal interaction, shared norms and closeness may create self-reinforcing and cumulative circles which are precursors to higher levels of cooperation and engagement between beneficiaries and NGO personnel (Putnam, 2000). These elements are also essential to the informal nature of beneficiary accountability (Awio et al., 2011; O'Dwyer & Unerman, 2007), while at the same time sitting at the heart of social capital theory (Awio et al., 2011; Leana & Van Buren III, 1999; Paldam, 2000) which will be further elaborated in the next chapter.

2.7. Conclusion

This chapter has contained a review of prior scholarly works in the areas of NGO accountability, development and trust and has demonstrated that the concept of beneficiary accountability remains
largely undefined. This lack of clarity is often cited by NGOs as justification for being less attentive in their discharge of beneficiary accountability, despite growing substantiation of its importance in facilitating NGOs to carry out more sustainable programmes. This review therefore motivates this study to further empirically examine the conceptual and operational aspects of beneficiary accountability and to incorporate an understanding of the role played by trust in shaping and enabling NGOs to become more strategic agents of development. Moreover, as trust, along with informal interaction, shared norms and closeness, are interrelated elements closely associated with social capital, it would be interesting to explore the interplay of these elements with beneficiary accountability. The next chapter will discuss the concept of social capital as well as its potential relevance to the discussion of beneficiary accountability.
Chapter 3: Social Capital Theory as a Theoretical Lens

3.1. Introduction

A central idea has been suggested in previous chapters that beneficiary accountability is an important aspect in enabling NGOs to carry out a greater number of sustainable programmes. In framing the empirical analysis of this study, this chapter discusses the main theories – principal–agent and stakeholder – that are frequently referred to in the NGO accountability literature. However, observation of the socialising form of accountability (Roberts, 1991) is essential to the context of NGOs’ interactions with their beneficiaries, but is an area not sufficiently covered by the two above-mentioned theories. This chapter, then, elaborates social capital theory in greater detail to justify its potential in helping to make sense of how the case NGO discharges accountability to its beneficiaries. Moreover, empowerment, as a means of beneficiary accountability, requires the existence of trust between interacting parties. The interplay between these concepts provides an indication that social capital theory is relevant for this study. In this chapter I aim to extend the understanding through this theoretical lens by elaborating the definition, concepts and dimensions of social capital (SC). Prior to its conclusion, this chapter envisages the context in which SC may be appropriate for use as a skeletal framework to make sense of the analysis of empirical data emerging from the study as well as to establish links between the research question, research context and the data (Chapman & Kern, 2012; Chua & Mahama, 2012; Humphrey, 2014).
3.2. NGO Accountability Viewed through the Theoretical Lenses of Prior Studies

As discussed in Chapter 2, definitions of NGO accountability can be found in the literature, while the theorisation of NGO governance, including its accountability, is a relatively underdeveloped area, especially when compared to that of corporate governance (Cornforth, 2012; Coule, 2015). Ebrahim (2003) notes that resource dependence theory has influenced the discussion of accountability in organisational behaviour literature. More specifically, in NGO accountability literature, stakeholder theory has gained increasing prominence in framing the discussion of NGO accountability (Dhanani & Connolly, 2012). As noted in Chapter 2, NGO accountability literature observes dominance of upward accountability to donors rather than balance this with downward accountability to beneficiaries. In this context, principal–agent theory, wherein agents conduct their work on behalf of principals (donors) (Dhanani & Connolly, 2015; Stewart, 1984), seems relevant for illuminating discussions of the theoretical framework pertaining to NGO accountability (Dixon et al., 2006a).

Despite their frequent mention in NGO accountability literature, the principal–agent and stakeholder theories provide little room to include discussion of the socialising form of accountability that is more evident in the interactions between an NGO and its beneficiaries. I argue that SC theory is more useful as a theoretical lens since it extends the perspective of the two theories by bringing insight into the ways in which structural networks, relationships and shared cognition among actors can reduce transaction costs and create better agents for achieving common objectives (Leana & Van Buren III, 1999). Before elaborating SC theory in further detail, the following two sections briefly discuss the principal–agent and stakeholder theories in the NGO accountability literature.
3.2.1. Principal–Agent Theory

The principal–agent theory explains a relationship ‘under which one or more persons (the principal[s]) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent’ (Jensen & Meckling, 1976, p.308). In the context of an NGO acting as the agent, it is unclear who the principals are (Anheier, 2005) and which side has the greatest weight (Brown & Moore, 2001). Moreover, while there are no owners such as shareholders within an NGO, its work does have a bearing on the moral and legal interests of certain stakeholder groups (Puyvelde et al., 2012). Gugerty and Prakash (2010) attempted to define principals as any parties who have a legal course to influence an NGO’s activities, such as resource providers (e.g. donors, granting bodies) and those able to exercise authority over the NGO (e.g. government, regulatory bodies).

Principal–agent theory states that the interests of the principal (donor) dominate the relationship, while the agent (NGO) is assumed to have a potential opportunity to retreat and create goal conflict, such as concealing evidence (typically instrumental) needed by the principals to monitor its performance. In this regard, sanctions and incentives may play a significant role in minimising the possibility for agency abuse (Brown & Moore, 2001). The principal–agent theory is widely used to analyse NGO accountability in the literature (Cavill & Sohail, 2007; Puyvelde et al., 2012), including of those in the accounting sphere (Jacobs & Walker, 2004). Despite this, the fact that donors are not necessarily concerned about an NGO’s performance, so long as it adheres to its mission and social values to embrace beneficiaries, seems to challenge the use of principal–agent theory (Coule, 2015; Perego & Verbeeten, 2015). Moreover, as the theory is more relevant to explaining an NGO’s relationship with its upward stakeholders that typically serve with instrumental accountability, emphasising incentives and monitoring to ensure compliance, it seems less relevant as a tool for framing NGO accountability to
beneficiaries that tends to involve expressive accountability and be influenced by social relationships (Knutsen & Brower, 2010). Using the principal–agent theory to understand the phenomenon of beneficiary accountability may not fit into a stakeholder-oriented accountability framework (Taylor et al., 2014). Thus, some studies apply stakeholder theory to extend the discussion on beneficiary accountability.

3.2.2. Stakeholder Theory

According to the stakeholder theory, an NGO is expected to ‘respond to broader social issues’ (Cornforth, 2003, p.9) and be accountable to ‘any group or individual who can affect, or is affected by, the achievement of the organisation’s objectives’ (Freeman, 1984, p.46). The application of this theory is very relevant to the multidimensional nature of NGO accountability as discussed in Chapter 2. Additionally, stakeholder theory also asserts that an NGO has a morally binding obligation to involve its powerless stakeholders, including beneficiaries, to actively participate in its programme (Bouckaert & Vandenhove, 1998; Hyndman & McMahon, 2010). Discourses within the literature bring two approaches to stakeholder theory: i) the instrumental/positive approach (Donaldson & Preston, 1995) which states that an NGO’s motivation for being accountable to its wider stakeholders is to legitimise its actions in the eyes of its relatively powerful stakeholders (Dhanani & Connolly, 2012), or to seek additional funding prospects (Tinkelman, 2009); and ii) the ethical/normative approach (Arenas, Lozano, & Albareda, 2009) that explains how NGOs seek to discharge accountability to their stakeholders as a result of their moral obligations.

While scholars suggest that stakeholder theory provides a broader lens through which to understand the discharge of accountability to multiple NGO stakeholders (Coule, 2015; Dainelli et al.,
2013; Dawkins, 2014; Puyvelde et al., 2012; Wellens & Jegers, 2014b), the theory appears to intersect with principal–agent theory whereupon both theories draw on a functional construct that classifies multiple actors based on their power, legitimacy and urgency towards the focal organisation (Mitchell, Agle, & Wood, 1997). Moreover, as reviewed extensively by Laplume, Sonpar, and Litz (2008), stakeholder theory seems to contain fewer angles from which to view the detailed social interactions taking place among multiple actors which involve the beliefs, cultures and shared norms of these interacting players. These elements are also prevalent in discussion on the role played by trust in beneficiary accountability practices that this study also seeks to elaborate. Therefore, in the context of the above considerations, stakeholder theory appears to be less relevant to the context of the present study. Instead, SC theory would seem to be more suitable for use in informing the study as it contains the elements of trust and closeness that are essential to the socialising form of accountability to beneficiaries (Awio et al., 2011; O’Dwyer & Unerman, 2007). The following sections discuss why this is the case.

3.3. Social Capital as a Theoretical Lens

SC has no universal definition (Adler & Kwon, 2002), but a review of leading management and organisational studies journals by Payne, Moore, Griffis, and Autry (2011) suggests that most researchers conceptualise SC as defined by Burt (1992) and Coleman (1988, 1990); (Coleman, 1990). However, their definitions tend to traverse a general agreement that SC is an asset which stems from a combination of networks, relationships and norms that enable individuals, communities or societies to act collectively in securing benefits through value creation processes (Granovetter, 1992; Leana & Van Buren III, 1999; Portes, 1998; Woolcock & Narayan, 2000).
As an asset, SC shares similarities with other types of capital, such as financial, physical (land, equipment, etc.) and human capital (people’s knowledge, skills and capabilities), whereby greater amounts of SC are mostly considered better. However, SC cannot be accumulated or dispersed qualitatively or quantitatively in the same way as the other three forms of capital (Tzanakis, 2013). While the supply of financial, physical and human capital can decrease through usage, supply of SC increases with its utilisation (Bebbington & Perreault, 1999).

Drawing on the sociological work of Durkheim (1893, 1984) and Marx (1894, 1967), SC has a well-established place in sociological theories (Portes, 1998). However, it was Hanifan (1916), an educator and social reformer working in the rural school system in West Virginia, who was among the first to introduce the term ‘social capital’. He defines SC in the following quotes:

\begin{quote}
In the use of the phrase social capital, I make no reference to the usual acceptation of the term capital, except in a figurative sense. I do not refer to real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of people: namely good will, fellowship, sympathy, and social interactions among the individuals and families who make up a social unit [...] The individual is helpless socially, if left to himself [...] If he comes into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital, which may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole community. (p. 130)
\end{quote}

Hanifan (1916) also noted that SC can yield both private and public benefits. Moreover, he suggests that when SC within individuals is coordinated by skillful leadership, it can be used to solve most of the social, economic and political problems faced by those individuals’ communities (Putnam, 2002).

Woolcock and Narayan (2000), however, note that Hanifan’s concept of SC was missing from academic discussions until other researchers reinvented it. Among these were Seeley, Sim, and Loosley (1956) in their study of the culture of suburban life, Jacobs (1965) in her research on American cities, Homans (1974) in his study on social behaviour, and Loury (1977), who studied income differences across different races. Moreover, among SC scholars, there are ‘the three fathers of the concept’ whose
studies have inspired most of the current work on SC (Adam & Rončičević, 2003, p.157; Brown, 2012). They are Bourdieu (1986), well known for his argument that elites have greater potential to acquire self-perpetuating SC; Coleman (1988), who combined sociology and economics with an understanding of rational choice theory; and Putnam (1995), a political scientist who differentiated SC into bonding and bridging capital based on network ties.

As research on the topic continued, Woolcock (2010) outlined how discussions on SC had spread into at least eight distinct fields: management and organisations, education, families and youth behaviour, crime and violence, community life, public health, economic development, and democracy and governance. Within the accounting literature, Awio et al. (2011) explored how SC and its elements (trust, cooperation, reciprocity and voluntarism) can support community-led groups to deliver effective public services and discharge outcome-focused and informal accountability to the beneficiaries of Ugandan grass-roots NGOs. Moreover, Nyamori and Gekara (2016) showed the influence of performance contracting at Nairobi City Council, which requires government entities and employees to commit and be accountable to a set of objectives and targets. They found that to enact its performance contracting, the government constructed network structures that worked intensively to promote, implement and monitor it, thus creating relational SC. Also, the network can stimulate the construction of cognitive SC as actors in the public sector are motivated to achieve the network’s common objectives through the internalisation of norms of trust and ethics, collaboration and cooperation. However, formation of the three dimensions of SC has not been sufficient to transform the Kenyan public sector due to insufficient political will, embedded attitudes and networks of corruption and nepotism, especially at the top levels of government.

The flexible application of SC in various contexts may be explained in two ways. First, discussions on SC emphasise the positive outcomes of social connections over its undesirable impacts. For example,
SC that is socially constructed is seen as a non-monetary solution to many social problems. A study on the role of volunteers in facilitating NGO programmes by Dewi, Manochin, and Belal (2016) provided evidence that an NGO can better serve its beneficiaries by drawing heavily on volunteers’ SC. This view may explain the use of SC in an economic context and has largely reduced the distance between the sociological and economic concepts of SC (Portes, 1998). Second, the diverse backgrounds of the leading authors of SC studies may also have influenced the shape of SC and its popular use in various settings.

Even with the widespread use of SC concepts across different contexts, scholars do not contest the central point that SC signifies the role of social ties in providing information, influence and solidarity for interacting actors that they would not otherwise be able to access (Kwon & Adler, 2014). Scholars, however, take different perspectives when analysing SC. They see SC through macro, meso and micro lenses, such as in the context of nations or regions (Fukuyama, 1995), communities (Putnam, Leonardi, & Nanetti, 1993), individual networks (Burt, 1992; Coleman, 1988, 1990) and individual actors (Belliveau, O'Reilly, & Wade, 1996). The difference in the level of analysis gives rise to the enduring debate of whether SC is a private (benefiting individuals) or public good (benefiting the wider community). Other studies sit in the space between these dichotomous positions and find that individual SC as a private good can create organisational SC (Cao, Simsek, & Jansen, 2015; Kostova & Roth, 2003; Leana & Van Buren III, 1999; Moran, 2005; Nahapiet & Ghoshal, 1998). In the context of the NGO, organisational SC can be generated from the individual SC of its management officers when these officers have shared norms, develop networking, interact more intensively with stakeholders and facilitates in transferring their individual SC to the NGO.
3.4. Social Capital and Beneficiary Accountability

The discussion in Chapter 2 focused on how the beneficiary engagement and participation in an NGO’s work that becomes central to beneficiary accountability requires the existence of trust to bind the NGO and beneficiaries in close and informal settings (Unerman & O’Dwyer, 2006). These themes of closeness, informal interaction and shared norms and trust that stimulate people to work together are at the heart of SC theory (Awio et al., 2011; Leana & Van Buren III, 1999; Paldam, 2000). In this study, SC will be used to inform two levels of analysis – individual and organisational – to demonstrate how social relationships among actors influence the discharge of beneficiary accountability and lead to either beneficial or detrimental outcomes. While SC is a powerful lens through which to better understand the multilevel social systems of the management and organisational phenomena (Payne et al., 2011), its usage in multilevel analysis is relatively unexplored, thus several researchers have called for further studies on this regard (e.g. Ivy, Larty, & Jack, 2015; Kwon & Adler, 2014; Payne et al., 2011).

This study will draw on Nahapiet and Ghoshal (1998)’s three interrelated dimensions of SC (structural, relational and cognitive) as these dimensions intermingle with each other in many different ways to influence combinations of access, anticipation of value, motivation and capability that can be beneficial to the interacting actors. The use of these dimensions has been widely accepted by researchers as an organising framework (e.g. Inkpen & Tsang, 2005; Ivy et al., 2015; Nyamori & Gekara, 2016).
Figure 3.1: The Operationalisation of Social Capital Adapted from Nahapiet and Ghoshal (1998)’s Framework

Source: adapted from Nahapiet and Ghoshal (1998)

Figure 3.1 provides an overview of how these dimensions (dotted-lines) from the framework are applied to the empirical analysis carried out in this study. It represents the theoretical arguments that SC can facilitate an NGO to carry out collaborative works which are essential in delivering the practices of beneficiary accountability, and such practices can also enhance the SC of the NGO. These interplays and their directions are represented with solid lines and arrows in the Figure 3.1. Each dimension of SC and the facets of those dimensions are also likely to have interplay between one another in complex ways (Nahapiet & Ghoshal, 1998). For example, the cognitive dimension of SC manifested through shared values and shared goals can stimulate formation of its structural dimension in the bonding, bridging or linking forms. Additionally, the interactions between actors in the structural networks can further reinforce the shared values and goals. Moreover, both the structural and cognitive dimensions also influence establishment of the relational dimension which can also strengthen the two former
dimensions. Further details and attributes of each of the three dimensions of SC are discussed in Sections 3.4.1 (structural), 3.4.2 (relational) and 3.4.3 (cognitive).

3.4.1. Structural Dimension of Social Capital

The structural dimension of SC represents the configuration of social networks and how the actors within these networks are connected to one another (Nahapiet & Ghoshal, 1998). Researchers have divided the connections between actors into more organised nuances, such as those based on their ‘external and internal ties’ (Adler & Kwon, 2002; Putnam, 2000), termed by Gittell and Vidal (1998) as ‘bridging and bonding’ SC following Putnam et al. (1993).

**Bonding** SC can be defined as horizontal relationships which include strong ties and personal trust among the members of a network who share the same socio-economic status or ethnic background (Putnam, 2000). It also relates to a communal resource that is generated through internal/exclusive/strong solidarity formed among a group of actors within the same network, such as family ties, close friendships or neighbourly relations. **Bridging** SC, on the other hand, refers to the cross-relationships between members of different networks who are dissimilar in age, socio-economic status, race/ethnicity and education (Szreter & Woolcock, 2004). This type of SC is facilitated through external/inclusive/weak bonds that are formed between actors from different social networks. Collaboration between local communities, volunteers and NGOs in handling social problems is one example of bridging SC in action. Furthermore, besides bonding and bridging SC, researchers also introduced a third perspective ‘**linking**’ the internal and external views of SC (Adler & Kwon, 2002; Woolcock, 1998). Unlike bonding and bridging SC that are horizontal metaphors, linking SC represents the vertical relationships which members of a network build with institutions and individuals who have
relative power differentials over them (Titeca & Vervisch, 2008), such as the connections between a local community, NGOs, government agencies, business sectors, donor institutions and politicians.

Researchers discuss how bonding, bridging and linking SC are not only relevant to establishing the varied definitions of SC but are also essential in responding to theoretical debates on the beneficial and harmful impacts of SC (Manning, 2015; Putnam, 2000; Titeca & Vervisch, 2008). Although the literature contains many positive features of SC, Woolcock and Narayan (2000) remind us that SC has both costs and benefits, and can thus be both a liability and an asset. For instance, bonding SC may have a stronger influence on enabling actors within the structural networks to create norms, build relationships and perform collective actions to generate resources in comparison to the role played by bridging SC for actors between networks (Nahapiet & Ghoshal, 1998). Bonding SC, as is evident in the neighbourly solidarity between pre-disaster community members that is built on trusting relationships, may enable members to be more responsive in working collaboratively to overcome any disasters that befall them (Bhandari, 2014). However, Portes (1998) suggests that SC researchers need to balance over-optimism about SC and accept its negative externalities. He argues that the negative side of SC includes the ‘exclusion of outsiders, excess claims on group members, restrictions on individual freedoms and downward levelling of norms’ (p. 15). These critiques imply that the negative elements of SC are caused by bonding rather than bridging and linking SC (Putnam, 2000). The critiques on bonding SC serve to open the discussion that bridging SC is needed to establish a more open, tolerant and supportive environment as it can create more inclusive forms of solidarity (Putnam, 1995, 2000) that prevent actors from becoming too focused on their internal interests (Paxton, 2002). To bring more strategic resources that stimulate the formalisation of communities’ internal interests, bridging SC needs to be linked to wider structural networks, thus stimulating the formation of linking SC.
In the context of this study, a recognition of bonding, bridging and linking SC may help the NGO to focus on ensuring there is an adequate level of bonding SC within its beneficiaries’ community prior to it being able to effectively ‘reach out’ to the community via its programmes. Additionally, the balance of bonding and bridging SC may enable interacting actors to ‘scale up’ the impacts of their interactions through linking SC (Titeca & Vervisch, 2008). This dynamic may provide an analytical tool for comprehending the beneficiary accountability process and its potential to stimulate beneficiaries to become more self-dependent whilst also generating value for the NGO and its stakeholders. Additionally, as discussed in Chapter 2, the NGO requires the participation of beneficiaries in order to be fully accountable to them. Beneficiaries with bridging and linking SC who are willing to extend networks and trust beyond their community tend to be more cooperative with NGO personnel, donors and other NGO stakeholders in terms of improving their lives (Gilchrist & Taylor, 2016). In contrast, those who are reticent and focus too much on bonding SC and intragroup trust are more reluctant to participate in the NGO’s programmes (Widmalm, 2008). Bhandari (2014) demonstrated, through his study observing beneficiaries of the Kathmandu Valley earthquake, how, at the time of the disaster, beneficiaries first sought support from their closest networks, indicating that bonding SC among community members is essential in an emergency situation. Despite highlighting the positive aspects of bonding SC, scholars agree it is bridging and linking SC that supports longer-term survival and provides the way for further recovery attempts.

To understand variations in the above empirical results, we may learn from discussions by Coleman (1988), Granovetter (1974) and Burt (1992) regarding the role of bonding, bridging and linking SC. Although they believe SC is essential to support collective activities, they also examine the role of SC from different perspectives. Coleman examines it from the perspective of ‘density of network ties’, which contrasts with the views taken by Granovetter and Burt, who observe SC in terms of its ‘paucity’
Coleman (1988) argues that strong ties (bonding SC) involving trust and cooperation between community members are more effective in facilitating activities which carry high uncertainty. This situation requires actors to collaborate, share their tacit knowledge and enhance the ‘cohesiveness’ among them in order to overcome such ambiguity (Hansen, Podolny, & Pfeffer, 1999). On the other hand, bonding SC may also have shortcomings due to the influence of kinship, class, ethnicity, religion and other factors that form this type of SC (Portes, 1998). Granovetter (1974) and Burt (1992), moreover, believe in the ‘strength of weak ties’. They view weak ties as being effective in bridging and linking ‘sparse networks with many structural holes’, especially when the actors merely seek to establish their networks and perform tasks which are relatively certain in nature but wide in scope (Adler & Kwon, 2002; Hansen et al., 1999; Walker, Kogut, & Shan, 1997). ‘Brokerage opportunities’ are open to provide a resource, facilitate linkage and enable interaction between the new partners (Coleman, 1990).

Understanding the structural dimensions of SC may thus help in understanding how an NGO’s networks with its stakeholders facilitate the discharge of beneficiary accountability, particularly by involving them as active participants in the NGO’s programmes. However, this dimension does not provide sufficient insight into how to engage beneficiaries with such collective action. Gilchrist and Taylor (2016) suggest a short step sideways into the theoretical perspective that frames what motivates actors to carry out collective actions and how the processes behind such motivations occur. Realising that most empirical studies argue that SC has the ability to enhance public goods, Donati (2014) notes that it is important to understand the process of such enhancement. He suggests that the relational dimension of SC can provide a rich verification of how and why SC brings such results. Related to this, Woolcock (2001) reveals that trust and reciprocity may act as conditions under which SC networks are generated and maintained. Putnam (2000) observes that trust combined with norms and networks tends to create self-reinforcing and cumulative circles that result in higher levels of cooperation and
engagement between actors. The following section moves to discuss SC from another angle, that of the relational dimension.

3.4.2. Relational Dimension of Social Capital

The relational dimension of SC indicates a move beyond the configurations of social networks. It represents the quality of the interactions between actors within the networks that are built upon trust and associability (Leana & Van Buren III, 1999) and which enable them to generate or share resources (Nahapiet & Ghoshal, 1998). As discussed in Chapter 2, beneficiary accountability is often represented in the form of participation which can be facilitated through a network structure. However, a network on its own will not be sufficient to form SC without also including the existence of simple, transparent and trusting interactions among beneficiaries and between the NGO and its beneficiaries (Awio et al., 2011; Hassan, 2014). These interactions may operate via informal processes involving norms, values, trust and community membership, thereby producing resources and known as SC (Coleman, 1988; Kwon & Adler, 2014).

The levels of trust and associability within a network may provide motivation for the interacting actors to engage in common activities (e.g. participation in NGO programmes). Through such participation, the NGO and its beneficiaries can achieve ‘community capacity’ that has the leveraging potential to generate beneficiaries’ sense of self-dependency, solve collective problems, improve or maintain the well-being of the society and stimulate microeconomic development (Chaskin, Brown, Venkatesh, & Vidal, 2001; Díaz, 2007). However, participation is effectively a means to an end, not a goal in itself (Parfitt, 2004; Vervisch, Titeca, Vlassenroot, & Braeckman, 2013). Scholars have sounded a note of caution that participation could represent a challenge in achieving the goal of generating community
capacity, particularly when beneficiaries are unable to voice their genuine interests to the NGO (O’Dwyer & Unerman, 2010; O’Leary, 2016). Therefore, ensuring that interacting actors (e.g. beneficiaries and NGOs) share a highly reciprocal level of trust between each other is important from the perspective that trustworthiness lubricates social life (Putnam, 2002).

In a case study of NGOs in Bangladesh, Islam (2014) investigated those elements of SC such as collective action, social trust and mutual benefits that encourage beneficiaries to participate in NGOs’ programmes while establishing bridging SC with organisations and people outside their communities. If such elements are missing, there is a corresponding lack of bridging SC. In addition, Dzialek, Biernacki, and Bokwa (2013) examined the social attitudes of communities in Southern Poland towards natural disasters. They found a real challenge for flood risk management in communities with a high inflow of immigrants, where there is a lack of elements of SC. In contrast, they demonstrated how communities whose members have great interactions with one another tend to have less complicated participatory risk management as a result of social dialogue, thereby enabling them to have greater local flood preparedness in terms of taking preventive measures against potential future disaster. These communities’ strong in-group ties act to facilitate communication between community members and encourage a greater level of preparedness for a disaster. Older members of the community with direct experience of flooding are able to share stories with younger members. Vervisch et al. (2013) supported this finding in their study examining NGO interventions in post-conflict Burundi. They suggested that the creation of an enabling environment (such as one featuring cooperative actions among community members) is more relevant and useful to the building of social cohesion in a post-conflict situation in comparison to attempting to engineer social cohesion from the outside. The distinctive results of the above-mentioned empirical studies indicate that community capacity is not an automatic outcome of SC
since trust is situational and may vary from one interaction to another (Cohen & Prusak, 2001; Dzialek et al., 2013; Murphy, 2007).

SC theory explains that to establish cooperative actions, actors build trust in, and networks to, others. The trusting behaviour among actors thus acts as ‘glue’ that serves to create SC (Fuller, 2013; Leana & Van Buren III, 1999; Paldam, 2000). However, this process is not linear but rather dynamic as actors continuously update information concerning their interacting parties, thereby influencing their decisions to trust (Rousseau, Sitkin, Burt, & Camerer, 1998; Tomkins, 2001; Wicks, Berman, & Jones, 1999). Putnam et al. (1993, 2002) argued that SC has a historical or ‘path dependence’ dimension highlighting that consistency in relational interactions generates trust-based interaction, creating virtuous circles that develop over time. Similarly, Lau (2012) examined how communities with a higher level of interactions tend to have more SC, which contributes to the increasing degree of trust in society. Likewise, Adler and Kwon (2002), arguing that trust is an essential source of SC, asserted that today’s trust will be reciprocated and amplified tomorrow. Granovetter (1985), meanwhile, outlines how trust formed in the past may lead to trust in the future. These studies seem to suggest that interaction among actors is both an antecedent and a result of their trusting behaviour.

However, it may be worth noting how various other researchers contend that trust may not always increase but may actually fluctuate throughout interactions (Dirks, Lewicki, & Zaheer, 2009; Fulmer & Gelfand, 2012). As interactions become more intense, some actors may continuously discover new opportunities to interact. Through their interactions, they may encounter both positive experiences that reinforce trust, and negative experiences that may lower it (Bryce, 2007; Lewicki, McAllister, & Bies, 1998; Lewicki, Tomlinson, & Gillespie, 2006). In the case of negative experiences, to restore trust in such a way that it re-enhances SC, the interacting actors need to consider the reasons for why the trust was
damaged, strategies to repair this damage and the level of forgiveness that may be discharged by the suffering actors (Schoorman, Mayer, & Davis, 2007).

This dynamic circle of SC and trust generates various outcomes for the interacting actors. For Bourdieu (1986), SC can contribute to economic and cultural capital. With SC, interacting actors can gain access to economic resources (e.g. sources of funding, reduced employee costs) as well as improve their embodied cultural capital (through contacts with experts) and institutionalised cultural capital (through affiliations with credible institutions). SC may also facilitate closure among interacting actors and openness towards generalised others (e.g. donating resources to help disaster survivors) (Donati, 2014; Kwon & Adler, 2014), ease information sharing (Kwon & Adler, 2014), provide social control (Portes, 1998) and have reputational impacts on the actors involved (Coleman, 1990; Fukuyama, 1995). All of these outcomes are more effective in terms of achieving organisations’ strategic goals when the interacting actors hold shared interpretations of how to achieve the goals. It is thus to the cognitive dimension of SC that the ensuing section turns.

3.4.3. Cognitive Dimension of Social Capital

The cognitive dimension of SC highlights how the shared values, beliefs, interpretations and norms held by interacting actors may combine to form a collective understanding and common approaches to attaining their shared goals (Nahapiet & Ghoshal, 1998). In other words, cognitive SC comprises two elements: shared goals and shared values among actors in a network (Inkpen & Tsang, 2005). Unlike the relational dimension of SC that is based on concrete ties between actors, the cognitive dimension of SC constitutes beliefs and aspirations in the minds of the actors that influence them to work for the common goals (Kwon & Adler, 2014). These invisible ties, even without direct contact between actors, can stimulate the wider sense of community and solidarity that surmount actors’ narrow networks.
Understanding this cognition may therefore help researchers explain why certain physically close actors are unable to generate benefits from their structural networks, while other, distant actors are able to work smoothly towards achieving common goals (Kwon & Adler, 2014).

Although shared beliefs are considered one of the pertinent aspects of the cognitive dimension of SC (Weaver & Agle, 2002), there has only been limited research focusing on the role of religious values as a source of SC (Anheier & Salamon, 1998; Jeong, 2010). The level of actors’ religiosity, which represents the actors’ behaviours and attitudes towards a religion (Park & Smith, 2000) can not only influence intrinsic motivations to engage in ethical behaviour (Weaver & Agle, 2002), but can also drive the construction of both bonding and bridging SC. For instance, the more frequently actors attend religious services, the greater the level of bonding SC they are able to generate; and the greater their participation in religious activities, the more opportunities they can obtain by doing volunteering activities (Forbes & Zampelli, 2012; Paik & Navarre-Jackson, 2011). This is because religious values, which promote the belief that a celestial power can drive people to make immense sacrifices, may also influence people to be active in charitable and voluntary activities and work towards common goals (e.g. helping those in vulnerable situations) (Jeong, 2010).

Studies focusing on the role of religious attachment on SC have shown that Christianity and Catholicism have a significant impact on the formation of individuals’ SC, but that this effect is reduced in Buddhism as the latter places greater emphasis on life in the hereafter than in this world (Jeong, 2010). To the best of my knowledge, however, there still appears to be scant research within the literature on the role of Islam and the practising of its values on SC, despite the fact that Islam encourages Muslims to achieve a balance between excessive socialising and total isolation (Ibn Taymiyyah). Since the NGO examined in this study is inspired by Islamic values in terms of the activities it undertakes, it is also worthwhile to see the impact of Islam – as a prominent religion in Indonesia and
inspiration for the case NGO of this study – on the formation of cognitive SC in facilitating the discharge of beneficiary accountability. Additionally, understanding of the cognitive aspect of SC, particularly in terms of its religious aspect, can be used as a diagnostic means to comprehend the motivations of the NGO and its relevant stakeholders on the networks used to discharge beneficiary accountability.

Moreover, while SC can be generated through structural network ties, expanded through relationships and strengthened by shared cognition, there is a gap in the literature on how SC is mobilised from an individual to an organisational level. Kwon and Adler (2014), who acknowledge that a saturation point appears to have been reached in terms of studies providing evidence that SC is essential to the formation of solidarity among actors, the challenge for future researchers of SC is to clarify the cross-level dynamics of SC, which involve actors from vertical structures, and to be more specific, examining the dynamics within particular disciplines and topics. In the NGO context, this challenge relates to the dynamics of bonding, bridging and linking SC in facilitating interactions between NGO beneficiaries (Hawkins & Maurer, 2010; Yila, Weber, & Neef, 2013).

### 3.5. Conclusion

This chapter provides the theoretical lens needed to frame the empirical analysis carried out in this study. Upon reviewing past studies on NGO accountability and trust, I observed that the principal–agent and stakeholder theories are widely used as theoretical frameworks. However, these two theories seem less relevant to the framing of my study, the aim of which is to focus more on beneficiary accountability and trust. Drawing on Nahapiet and Ghoshal (1998)'s three interrelated dimensions of SC (structural, relational and cognitive), and combining this SC framework with prior literature on NGO accountability and trust as discussed in Chapter 2, this study holds the main theoretical arguments that SC would be an
antecedent and consequence of the establishment of collaborative works (Nahapiet & Ghoshal, 1998), and along with beneficiary collaboration, such works may act as an enabling antecedent of beneficiary accountability discharge (Awio et al., 2011; O’Leary, 2016). Interplays between these dimensions are represented in Figure 3.2 as follows:

**Figure 3.2: The Operationalisation of Social Capital in Facilitating the Discharge of Beneficiary Accountability**

![Figure 3.2: The Operationalisation of Social Capital in Facilitating the Discharge of Beneficiary Accountability](image)

Source: (Awio et al., 2011), (Nahapiet & Ghoshal, 1998), (O’Leary, 2016)

In this sense, the present study will demonstrate how SC can facilitate the discharge of NGO accountability to beneficiaries (particularly in its socialising form) through collaborative works and how such practices may then enhance the SC of the NGO. Chapter 8 contains an analysis of empirical data based on this theoretical lens.
Chapter 4: Research Methods

4.1. Introduction

This chapter elaborates the ontological position and epistemological assumptions underpinning this study. It starts by discussing the research design, the rationale behind the selection of the case object and the process of gaining access to it. The chapter then continues by detailing the data collection methods used, including semi-structured interviews, FGDs, observation and documents review. Next, it explains the data analysis carried out in this study, and ends with a conclusion.

4.2. Interpretive Research Methodology

This study seeks to build a holistic understanding of beneficiary accountability, from formulating an informed definition of the term according to the view of this study’s participants to analysing the operational mechanisms of discharging it, as well as the processes which enable such practice and the consequences that result from them. In setting out such objectives, it takes the ontological approach of interpretive studies, thus believing that reality is socially constructed through the first-hand experiences of individuals (Burrell & Morgan, 1979).

Aligned with this ontological position, from an epistemological perspective, I take a position as a constructivist, believing that knowledge is constructed (not discovered) from an understanding about the research context as well as engagements with the human actors and experiences I engaged with and gathered during the study. These ontological and epistemological assumptions are in accordance with the points discussed in Chapter 2, that NGO accountability may vary from time to time, and from one context to another (Gray et al., 2006). It is also deemed inappropriate to make any presumption about
the form of beneficiary accountability that ‘ought to be’ in place for the participants of this study in line with my understanding of this concept, without first accessing their perceptions of what accountability means to them (Awio et al., 2011, p. 70). It is also not appropriate to apply an objectivist approach in which the focus is mainly on explaining a phenomenon by testing it using measurable variables, as this approach is unlikely to confirm that all types of NGO need to discharge the same degree of accountability and apply a single measurement of accountability mechanism that is suited to all beneficiaries (Unerman & O'Dwyer, 2006a, 2006b).

Moreover, as researchers ‘who take an interpretive approach are usually the strongest advocates of qualitative data’ (Holborn & Haralambos, 2004, p. 871), in viewing matters through the eyes of my research participants, whom I approached using engaged scholarship (Van de Ven, 2007), I conducted a qualitative analysis of a range of collected data to construct the knowledge required to address the research questions in this study (Ahrens & Chapman, 2006; Bryman, 2012). Having collected and triangulated the data, further analysis was then conducted using a thematic approach. Such empirical analysis was carried out at the same time as reflective enquiry, to determine the most suitable theoretical framing to make sense of the perceptions and experiences of research participants as well as to derive a more comprehensive explanation of social phenomena (Ahrens & Dent, 1998). With this approach, this study is able to form generalisations at the analytical or theoretical levels through consistent analysis between the empirical results and the theoretical framework described in Chapter 3. In contrast, this study has not attempted to derive any form of statistical generalisation, an approach usually more relevant to studies based on quantitative analysis, as this study was not conducted with the aim of making any inference about ‘a population (or universe) on the basis of empirical data
collected about a sample from that universe’ (Yin, 2014, p. 38). More details on the design and process of the data collection are presented in the following sections.

4.3. Research Design and Process

The nature of the research questions and the researcher’s philosophical position influence the research design (Creswell, 2009). As this study aims to understand contemporary phenomena in a relatively unexposed but real-life context, that of beneficiary accountability as practised by an NGO, case study design may help in achieving this aim (Eriksson & Kovalainen, 2010; Yin, 2009). A case study is a research strategy that consists of a design, a set of data collection methods and a specific approach to data analysis (Mills, Eurepos, & Wiebe, 2010; Yin, 2009). With each method having its own strengths and weaknesses, in order to obtain a deeper understanding of the topic, a combination of semi-structured interviews, FGDs, document analysis and observation is used in this study (Patton, 2002).

To attain the research objectives, I take an NGO in Indonesia that meets several criteria, including its size (reflected from its incomes) as well as its number of beneficiaries, donors, employees and volunteers, to examine the potential role played by those factors in influencing NGO’s discharging of beneficiary accountability. Additionally, I chose to look at an NGO which serves beneficiaries from diverse backgrounds, through various programmes and that operates in several locations; has a well-managed volunteer basis; receives funding from multiple donors (individual, institutional and international parties); and whose activities are inspired by Islamic principles. After coming up with some names of potential NGOs, I held discussions with my supervisors to assess which NGO would best meet the selection criteria. I summarise the general research in Figure 4.1.
The case NGO, Sympathy of Solidarity (SOS – an anonymised name) focuses its operations on providing humanitarian services at a local, national and global level. It claims to run its operations according to a set of independent, non-discriminatory, transparent, accountable and neutral objective principles. Its head office is in Jakarta, capital city of Indonesia, allowing for ease of access. To December 2015, SOS has served 20,098,315 individual beneficiaries and had the support of 141,746 volunteers. In addition to providing emergency disaster responses, SOS has broadened its initiatives to recovery work, disaster management, community development and religious-based-programmes called ‘Global Qurban’\(^9\), ‘Global Zakat’\(^{10}\) and ‘Global Waqaf’\(^{11}\). In terms of funding, SOS relies on public donors,

---

\(^9\) Qurban (Qurbani) is the voluntary (but strongly recommended) sacrifice of an animal (e.g. a sheep, goat, cow, camel) to Allah the Almighty during the period of Eid ul Adha (one of two holy days celebrated by Muslims). Some or all of the sacrificed animal’s meat is distributed to people in need. SOS escalates the social impact of this annual religious ritual by empowering farmers in many different regions in Indonesia to become suppliers of sacrificial animals while in return providing them with modern farming knowledge. Other than Indonesia, SOS also performs the slaughter of sacrificial animals internationally in 27 other countries in need.

\(^{10}\) Zakat (Zakah) is the compulsory payment of alms when one’s wealth has reached a determined threshold (nisaab), the beneficiaries of which are specified in the Qur’an (the poor and needy, among others). It is one of the five pillars of Islam (along with shahadah (declaration of faith), prayer, fasting in Ramadan and Hajj) that Muslims are obliged to perform.

\(^{11}\) Waqaf (waqf) is the voluntary donation of cash or assets (land, buildings, water wells, etc.) for religious or charitable purposes, the disbursement of which must be carried out in sharia-compliant ways. SOS is keen to revitalise the great potential of waqf in the country by offering both social and productive waqf programmes to its donors. The benefits of social waqf assets may be directly received by beneficiaries.
communities, companies’ corporate social responsibility funds, with relatively less support from international agencies. As part of its accountability to stakeholders, SOS provides annual financial statements that are audited by public accounting firms.

In order to gain access, a letter was sent to SOS’s president requesting access to collect data for this study. Although there had been no interaction prior to this communication, the president agreed to grant access after assessing the research proposal, the expectations from SOS and the potential benefits that SOS may derive from its participation in this study. He then made a recommendation to contact SOS’s corporate secretary to arrange further technical matters. Finally, in mid-July 2014, SOS formally granted access through a research approval letter, on the condition that the anonymity of its organisation and staff be maintained. Although access was now granted, in order to guarantee the ethical aspects of this study, no data were collected until after the granting of ethical approval by Aston University’s Ethics Committee in mid-August 2014 (see Appendix A).

This ethical consideration is paramount for this study and centres on protecting the case NGO, the research participants and the researcher (Bryman, 2012; deRoche & deRoche, 2010). To prevent any harm to the research participants, their privacy was kept by maintaining both their confidentiality (except for the FGDs) and anonymity. Moreover, all of the data obtained from interviews and FGDs were recorded so that all the research processes could be accessed in a transparent manner. The data are securely kept on both a password-protected laptop computer and in cloud-based storage.

To initiate the data collection process, I interviewed the president and some of SOS’s senior managers. Following these discussions, a ‘snowballing’ strategy was subsequently used to acquire
information on potential participants (within the NGO, its beneficiaries and other external stakeholders) and to ask for their assistance in gaining access to those participants (Given, 2008; O’Dwyer & Boomsma, 2015). SOS management also allowed me to volunteer at their ‘Global Qurban event’ taking place in the area of Mount Merapi, Yogyakarta, Central Java, where I was able to communicate with some of NGO’s current and past beneficiaries (who were involved in SOS’s 2006 Yogyakarta earthquake emergency and recovery programmes as well as the 2010 Merapi eruption emergency and recovery programmes). Further access to beneficiaries was obtained through SOS’s Integrated Nutrition Workshop programme at a village in South Tangerang, West Java; the Babelan Community Development Programme in Bekasi, West Java; and the Kampung Muka Community Development Programme in North Jakarta. While conducting the fieldwork, I came to understand that SOS focuses its activities on two main programmes to handle both natural (e.g. earthquakes, tsunamis, volcanos, floods, etc.) and social disasters (e.g. social conflict, war, hunger, malnutrition, poverty, corruption, etc.). These programmes cover emergency response, relief, recovery management as well as preparedness aimed at mitigating damage caused by future disasters. Considering the comprehensiveness of the data as well as to allow an exploration of the differences in beneficiary accountability practices within and between the above two types of activities, this study focused on two of SOS’s programmes: the 2010 Merapi eruption programme (representing SOS’s activities in handling natural disasters) and the Integrated Nutritious Programme (exemplifying SOS’s responses to mitigating social disaster). Despite focusing on these two programmes, the analysis was also enriched through an investigation of the links between these programmes and other SOS initiatives. The following section details the ways in which this study was carried out in order to ensure its validity.
4.4. Validity and Reliability of the Case Study

The issues of validity and reliability need to be addressed by every researcher conducting an interpretive study, including in the accounting field, as the ability to communicate how these two criteria are handled within a study may enable criticism to be avoided and increase the likelihood of assurances of credibility from the audience of such a study (McKinnon, 1988). To address the reliability standard, the study has to be supported by sufficient data on which the researcher is able to rely (McKinnon, 1988). Sections 4.5.1 to 4.5.4 present the various data collection methods used in this study as attempts made to meet the reliability criterion. Meanwhile, to meet the validity criterion, research should be ‘authentic, plausible and convincingly drawn’ (Parker, 2012, p. 59).

Authenticity can be attained by providing ‘an account that is genuine to their field experience such that readers are convinced that the researchers have “been there”’ (Lukka & Modell, 2010, p. 469). In an attempt to ensure such authenticity, I spent about three months in the field with the participants of this study, as well as having several incidental communications with a number of officers from SOS during the period of study through emails and messaging services, to either confirm or request some additional data. Moreover, it was hoped that involving participants from different backgrounds (beneficiaries, volunteers, NGO officers, individual donors, representative of corporate donors and NGO experts) would increase the authenticity of the analysis (Fereday & Muir-Cochrane, 2006).

In addition, the plausibility requirement of the research can be fulfilled by making an intuitive case to the audience through the presentation of credible theoretical insights that are used to explain the subject of enquiry (Parker, 2012). In order to make sense of the analysis, I went through a process of constant backward and forward iteration between (re)examining empirical findings, redefining the research questions, exploring more evidence within the collected data, making confirmations or seeking
additional data and examining potential theories to explain the findings (Eisenhardt, 1989). To ensure this study was plausible, I initially explored the broad sociological perspectives of social capital while also remaining open to any alternative theoretical explanations. However, through continuous reflexive processes to make sense of the empirical observations, I later discovered that Nahapiet and Ghoshal (1998)'s three-dimensional framework of social capital might help me to make more sense of the explanations of the empirical findings and help to ensure the study was deemed plausible (Lukka & Modell, 2010).

### 4.5. Data Collections

The following sections, as mentioned above, discuss how I collected the data as part of ensuring the validity and reliability of this research.

#### 4.5.1. Semi-Structured Interviews

The interview is the most significant part of this study. It is also one of the most widely employed methods of data collection in qualitative research (Bryman, 2012). The interview is a process of seeking knowledge, understanding and stories of personal experience through conversation (Mears, 2009; Mills et al., 2010). The interview can be conducted in either a structured, standardised, semi-structured, unstructured, oral history or life history format (Bryman, 2012). The semi-structured interview format was used for this study, wherein I prepared questions prior to the interview while also remaining open to the possibility of developing further questions relevant to the interviewees’ responses (Bryman, 2012). In contrast, unstructured interviews were not used in this study as the conversations they tend to be too broad. Structured interviews were also not used since interviewees’ answers in this format tend to be limited. Thus, these formats may not enable me to obtain a deeper understanding of interviewees’ experiences, opinions, attitudes and values (Rowley, 2012).
The semi-structured interviews involved members of SOS management, staff, beneficiaries, representatives of institutional donors, individual donors, as well as experts and academia (see Appendix B). The most information-rich participants were selected to answer the research questions (Marshall, 1996) and were contacted prior to the interviews. However, for some interviewees, especially beneficiaries, this type of prior arrangement was not possible because I had only just met them and assessed their potential as informants during my time in the field. I took this step in an attempt to maintain neutrality and reduce the chances of beneficiaries being steered by the case NGO’s management. Regardless of the conditions, I always asked for participants’ consent for interviews to be recorded, noted and transcribed, after briefing them on the interview guide, consent form (see Appendix C) and protocol (see Appendix D) in simple language that was familiar to them (Creswell, 2009). I also gave a guarantee that their participation was voluntary, and that their names would be kept anonymous and confidential. No interviewee denied their consent to be recorded.

Furthermore, each interview began with indirect questions to begin building a relationship and trust with the interviewees (Creswell, 2007; Woodside, 2010). This approach was also applied by Dixon, Ritchie, and Siwale (2006b) to assure research participants that they were safe in expressing their opinions and thoughts about their answers to the questions being posed. I also positioned myself as part of their communities when interacting with them. When they sat on the floor, I did the same, and when they broke for a snack break in the middle of the interview, I also joined in. I did this to make the situations more friendly in nature and hopefully encourage them to express their opinions freely with no unnecessary and unintended pressure arising from the interview process. Once the participants appeared more engaged, I asked questions from the interview guide and adjusted these in line with any new issues that emerged (Goddard & Assad, 2006; Patton, 2002). I used the first several interviews as a
pilot study. Data obtained from the pilot study were used as part of the primary study as they enriched the analysis (Teijlingen & Hundley, 2001). Each interview was conducted face-to-face to capture any visual cues, and lasted for around one hour. At the end of each interview, I summarised the discussions to obtain validation from the informants.

The interviews were continued until I felt I had reached saturation – a point where I was no longer finding new information that added to my understanding of the category (Creswell, 2007). Additionally, to enhance the objectivity of my analysis and provide opportunities for participants, especially beneficiaries, to speak their minds, I also conducted FGDs, as explained in the following section.

4.5.2. Focus Group Discussions (FGDs)

FGDs are discussions consisting of qualified people that are organised to gain an understanding of specific issues from their views, feelings, attitudes, motivations and interactions (Edmunds, 1999; Kitzinger, 1994). Although the use of FGDs in research first arose around 60 years ago (Kamberelis & Dimitriadis, 2005; Morgan, 1996), its usage in social accounting, particularly with regard to NGO accountability literature, remains rare (Agyemang et al., 2009b).

This study used FGDs in combination with semi-structured interviews to obtain a more in-depth understanding from different individuals in the group, to answer the research question about the NGO’s mechanism of beneficiary accountability, its effectiveness, challenges and potential interrelation with the dimensions of social capital. Additionally, FGDs were also used to establish the presence of any ‘group effect’ on perceptions about the topic resulting from interaction between the participants and
which may have remained untapped during the individual interviews (Agyemang, Awumbila, & O'Dwyer, 2009a; Morgan, 1996).

A total of five FGDs were conducted in this study. Each group consisted of informants from heterogeneous groups (NGO representatives, beneficiaries and donor representatives, please see Appendix E for more detail), to maximise the amount of free discussion. To minimise bias, participants were recruited following discussions with neutral parties (e.g. with volunteers, to nominate beneficiaries) (Krueger & Casey, 2009). I acted as the facilitator in each FGD and controlled the questions as well as the group dynamics. Each FGD started by re-briefing the participants on the purpose of the discussion and asking for their consent for me to make audio recordings and notes during the discussion (see Appendix F). I then asked each participant to briefly introduce themselves as this would help in recognising their voices during the audio transcription process (Bloor, Frankland, Thomas, & Robson, 2001).

The questions used in the FGDs were derived from the research questions. They were posed to the groups in a semi-structured way to enable comparison but also to allow a natural flow of discussion so that participants could speak on their terms (Goddard & Assad, 2006). In probing the discussions, I also used the critical incident technique (Chell & Pittaway, 1998; Pedigo & Marshall, 2009). This technique is essential for obtaining detailed descriptions of events in which participants feel that the NGO has performed its beneficiary accountability, when they put their trust in the NGO and also for when the opposite of these perceptions has been the case. After the discussions, I analysed the transcripts from the FGDs on an iterative and cyclical basis in which I searched for premises raised in the discussions and attempted to identify links between them (Bloor et al., 2001).
4.5.3. Observations

Other than semi-structured interviews and FGDs, I also conducted observations to gather meaningful and contextual information to aid in answering the research questions. SOS management granted me access to participate in several SOS meetings and undertake voluntary work at the Qurbani festival at SOS’s Integrated Community Shelter, Mount Merapi area, Yogyakarta. During these observations, I documented and reflected points relating to NGO’s management and stakeholders’ views on beneficiary accountability and the verbal and non-verbal cues behind their interactions and daily routines (Tedlock, 2005). Furthermore, from the fieldwork in Yogyakarta, I obtained significant additional information on SOS’s interactions with its beneficiaries, which I would not otherwise have been able to access through the interviews and FGDs alone. I also gained access to a number of beneficiaries and staff at SOS’s branch office. With a view to maintaining the ethical aspects of this study, I took an overt approach in which I disclosed my research interest to all whom I approached (Brannan & Oultram, 2012).

4.5.4. Documentary Analysis

I use documentary analysis to support analysis of the above data collection methods. Bryman (2012) classifies four types of documents that support most research: personal documents, official documents (both public and non-public), mass-media outputs and virtual documents. Considering their relevance with this study, I employed the latter three types of documents. I analysed both private and publicly available documents as primary documentary data. Among the internal records used are SOS’s accounting and internal control manuals, programme audit reports, internal evaluation reports, the minutes of meetings and standard operating procedures (see further details of reviewed documents in Appendix G). The publicly available information includes SOS’s annual reports and archived articles from
SOS’s website. I found these documents useful in enhancing my understanding of SOS’s context and also for developing questions for the interviews and FGDs.

4.5. Data Analysis

For the analysis, I triangulated the data gathered from the above collection methods. Denzin (1970) noted that at least four bases can be used to perform triangulation: data, theoretical, investigator and methodological. Of these four methods, I apply only data triangulation in this study. I chose not to use the latter two types as I am the only investigator conducting this research, using only a qualitative methodology for the study. As for theoretical triangulation, I do not apply this as the social capital theory, in particular the three-dimensional framework as proposed by Nahapiet and Ghoshal (1998), discussed in Chapter 3, will be sufficient to frame my analysis.

I use thematic analysis for the data analysis. It focuses on ‘identifying, analysing and reporting patterns (themes) within data’ (Braun & Clarke, 2006, p.79). Thematic analysis is one of the most commonly used approaches when analysing qualitative data (Bryman, 2012). Even though it is still not considered an identifiable method, it has been used as part of other qualitative data analysis techniques such as critical discourse analysis, narrative analysis and grounded theory (Braun & Clarke, 2006; Bryman, 2012). In conducting the thematic analysis, I use NVivo 11 qualitative data analysis software. I benefited from the software as it enabled me to find key patterns, search for connections between themes and be more efficient in undertaking the analysis and data management. However, it cannot ‘do the thinking’ or mechanise the process of data analysis, as can be the case with quantitative data analysis software (Bazeley & Jackson, 2013; O’Dwyer, 2004), nor is it able to develop theories from the
data (Dixon et al., 2006b). Therefore, I also use Microsoft Word and Excel to organise and sort the themes.

In conducting the analysis, I firstly transcribed the interview and FGDs recordings using NVivo 11. I then translated quotes from the transcripts from Bahasa Indonesia into English. I carried out all the transcriptions and translations myself to familiarise with the data so that I could get more ‘feel’ for the data (O’Dwyer, 2004) and to maintain the confidentiality of my research participants. This strategy also allowed me to minimise the risk of any person other than myself not being thoroughly familiar with the research topic, related terminology and the vernacular used by interviewees (Marshall, 1996; McLellan, Macqueen, & Neidig, 2003). As a result, due to time and resource constraints, I did not translate the entirety of every transcript. When this was the case, I opted to translate selected quotes. Additionally, I gained support from colleagues who have a good level of proficiency in English and are familiar with NGOs’ works to check the anonymised translations.

Next, I combined the transcripts of interviews and FGDs with notes from observations and documentary reviews. I continued my analysis by conducting open coding to distil concepts that emerged from the data. Examples of the codes (sub-themes) used are ‘beneficiary involvement’, ‘actual works and services to beneficiaries’ and ‘financial accountability to beneficiaries’. Next, I grouped these first-order codes which have affiliated features into second-order themes. For instance, ‘mechanisms of NGO accountability’ was selected as a theme that represented the above mentioned codes. Then, I categorised the codes and themes based into a set of conceptual framework to help me in answering my research questions. An example of conceptual framework of thematic analysis for answering the first research question is presented in Figure 4.2.
To identify the codes, I used both a deductive and inductive approach (Lapadat, 2010). The inductive approach was conducted by looking out for emerging themes, while the deductive approach was based on the theoretical constructs that I aim to investigate, following discussion with my supervisors and experts in NGO accountability. The involvement of individuals from different backgrounds in setting the themes may increase the internal validity and reliability of the analysis (Fereday & Muir-Cochrane, 2006).

With the codes and themes established, I applied thematic analysis in an iterative way (Dixon et al., 2006b; Miles & Huberman, 1994). I did this by performing ‘continuous movement back and forth between theoretical conceptualisation, data collection, analysis, and interpretation’ (Bryman, 2012) to focus on finding the answers to my research questions, while at the same time examining other issues that emerged from the data.

4.6. Conclusion

This chapter has presented the research design and process, as well as providing details of the data collection methods and analysis employed in this study to answer the research questions. It has also discussed ethical considerations and attempts to maintain the validity of the analysis. With examination of these elements, this chapter provides assurance that this study has been conducted in a manner conducive to achieving reliable and novel results.
Chapter 5: The Case Study Context

5.1. Introduction

This chapter provides a descriptive background of Sympathy of Solidarity (SOS, pseudonym), the case NGO. It focuses on the background and activities of SOS. The chapter begins with information pertinent to SOS’s chronology, such as how it was established and its progress over the years, in addition to the ways in which it manages its resources to achieve its vision and mission to improve the lives of beneficiaries. The chapter also outlines the programme management that SOS conducts to handle the natural and social disasters emphasised in the empirical analysis of this study. Most of the information presented in the descriptions, unless explicitly stated otherwise, was obtained either from interviews, FGDs, observations, informal conversations with NGO staff, volunteers and beneficiaries or from public sources. To maintain the anonymity of the NGO, the sources of references are not provided.

5.2. Background of the Case Organisation

In its early development, SOS was a division of one of the largest zakat management organisations in Indonesia, and carried out special missions to undertake activities related to disaster emergency and relief management. Over time, the division’s team members realised that the incidence of natural disasters worldwide had steadily increased and resulted in multidimensional crises at the expense of human rights. Thus, they were eager to act more responsively to deliver services to beneficiaries in need. Conscious of the fact that their position as a divisional part of a larger organisation may be hindering their ability to make quick decisions, combined with internal disagreements between SOS and
its former parent organisation, team members elected to work independently of the parent organisation and established a full-fledged non-governmental organisation (NGO).

Since April 2005, SOS has been legally registered as a social and humanitarian foundation. Its activities have expanded from providing emergency disaster response to conducting post-disaster recovery programmes, delivering disaster preparedness and management courses, community development programmes, volunteering promotion programmes as well as religious-based programmes focusing on the management of Qurbani, Zakat and Waqf. Its vision is “to become a professional global humanitarian organisation based on global community philanthropy and volunteerism in order to realise a better world civilisation”. This vision has been split into three separate missions: “(1) to organise and manage a wide range of humanitarian issues in a planned, conceptual, integrated and sustainable way, so that it becomes a blueprint for solving various problems of humanity on a local, national, regional and global scale; (2) to organise and manage any potential global community philanthropy as social capital to resolve humanitarian problems on a local, national, regional and global scale; and (3) to organise and manage any potential global community volunteering as social capital to resolve various humanitarian problems on a local, national, regional and global scale”. These three missions are internalised in SOS’s three main values of humanity, philanthropy and volunteerism.

Starting from 2007, SOS’s role in assisting the government in conducting disaster management initiatives has been acknowledged through the Law of the Republic of Indonesia No. 24 Year 2007 Concerning Disaster Management, Articles 28 and 29, Chapter VI Part 1. These articles state that private institutions (including commercial companies and NGOs) shall have the opportunity to take part in disaster management jointly with other parties, by considering the principles of humanity in performing their disaster management functions. Moreover, since 2012, SOS has transformed itself into a global humanitarian organisation and conducted activities on a local, national and global level. It has
developed its network through country representatives and offices abroad. In 2015, SOS’s programmes, partnerships and global representations have reached 45 countries in South East Asia, South Asia, Indochina, the Middle East, Africa, America and Europe. In Asia, SOS is considered one of the fastest-growing humanitarian organisations in the region (Dias, Stokes, & Pido, 2013).

Moreover, the NGO’s management is keen to make SOS’s teams humanitarian ambassadors in terms of representing the human side of Indonesian people. Through its humanitarian actions, SOS is also passionate about demonstrating to the world that Islam is a religion of blessing for all mankind. Although its religious foundations are not explicitly enunciated within its mission and vision statements, SOS’s leaders and officers frequently mentioned during their interviews and informal interactions with the researcher that their works are inspired by Islamic values. Among such opinions were stated by one of SOS’s senior vice president as follows:

“In fact, we are starting to show that our works are inspired by Islamic values. We act with the principle that Islam is rahmatan lil alamin, blessing for the whole world; and that Islam is not slum, so that’s why we rent two floors in this prestigious office tower. When we meet CEOs, we tell them that Allah teach us to work totally. Not only commercial business needs to be managed professionally by fulltime officers. Islam teaches about ‘itqanul amal’ (professionalism in actions). We tell them that we manage this organisation with our great efforts, and they agree with us” (M3)

With this background, SOS can be classified as both a faith-based NGO whose activities are inspired by religious values as well as an externally funded, well-resourced NGO since it obtains funding from public donors, communities and companies’ corporate social responsibility (CSR) funds, with less reliance on support from international agencies. As part of its accountability mechanism to donors and other stakeholders, and in alignment with its aims to apply independent, non-discriminatory, transparent, accountable and neutral-objective principles, SOS has issued annual financial statements audited by public accounting firms since its foundation.
5.3. Human Resources of SOS

As a well-resourced NGO, SOS is run by both professional staff and volunteers. As of December 2015, SOS employed 164 full-time employees and had the support of 141,746 volunteers to serve its beneficiaries, themselves numbering 20,098,315. In light of this statistical data, SOS can be categorised as a large NGO. Most NGOs in Indonesia have an average of only five paid employees, are supported by 21 volunteers and provide services to about 423 individual beneficiaries (BPS, 2015). Moreover, in recognition of the importance of its volunteers, who contribute their time, expertise, access to their networks and even their reputation, SOS has established a specific division under the Humanity Network Department dedicated to supporting its volunteers by offering them regular training and capacity building opportunities. The detailed organisational structure of SOS at the time of the data collection period is presented in Figure 5.1.

Figure 5.1: Organisational Structure of SOS

Source: Interviews with SOS personnel and SOS’s 2013 Evaluation Report Presentation Slides (Valid at the time of data collection period)
As presented in Figure 5.1., in general, SOS’s activities are supported by four main departments, namely the operational (managing operations and administrative activities), humanity network (handling disaster emergency and relief management (DERM), community development (COMDEV) and disaster preparedness programmes as well as volunteer management), philanthropy network (managing donors and fundraising activities) and global philanthropy and communication (managing SOS’s interaction with the media, global stakeholders and partners) departments.

While these departments are the main functions that handle SOS’s day-to-day activities, their respective names, chains of command and coordination, as well as the remits of each department have purposely been made flexible by SOS leaders in order for them to be able to cater for the needs and dynamics of the organisation.

5.4. Financial Resources of SOS

Besides the above support from its human resources, SOS, as a well-resourced NGO, obtains funding from various sources, but in most years, the majority of its funds are derived from humanitarian income, with less than 4% of its funds generated from zakat funds paid by the public, with the remainder derived from other income sources. The details of the structure of SOS’s income, based on the sources obtained from SOS’s 2011–2015 financial reports, are presented in Figure 5.2.
In addition, as can be observed from Figure 5.3, in 2012 and 2013, SOS has diversified its generation of income from various sources. Related to the upsurge of SOS’s income in 2014, the major increase in terms of proportions come from non-cash grants (donations in kind) which rose to approximately three times from their level in 2013 as well as from humanity funds. However, in terms of actual value the non-cash grants and humanity funds have been six times higher (IDR 2,160,121,249 in 2013 and IDR 13,667,763,729 in 2014) and tripled (IDR 15,389,911,119 in 2013 and IDR 47,118,551,996 in 2014), respectively, from their level in 2013. At the same time, a decrease in CSR funds was offset by potential new income sources, namely Qurban and Aqiqah, as well as non-cash grants. In 2015, the funds received from Qurban and Aqiqah doubled from the level seen in 2014, potentially indicating broader acceptance by the public of SOS’s position as an NGO that manages religious-based funds.

---

12 GBP1 was approximately IDR 17,050 during 2011-2015 period.
13 Humanity funds come from both SOS’s donors (individual and corporate) in their response to various humanitarian issues, including natural and social disasters.
Figure 5.3: SOS’s Income for 2011–2015 based on Sources

Besides the occurrence of several major disasters in 2014 (e.g. Gaza Crisis and Kelud Eruption), among the possible reasons explaining this upsurge in SOS’s income was a sharpening of its communication strategy to boost the public’s trust in it. SOS believes that with such trust, it can develop its social capital further, which will also be reflected in the financial capital (income) that it is able to generate from the public. It might also be reflected by its fundraising efficiency ratio\(^\text{14}\), as shown in Figure 5.2, of around 1.26% (average for the period 2011–2015), far below the threshold of 35% suggested by Sorensen and Kyle (2007) and Sulaiman, Adnan, and Nor (2009).

Additionally, using these strategies, SOS tends to prioritise a softer, more indirect form of campaigning as opposed to direct fundraising appeals, by publicising activities on the ground that demonstrate how funds reach beneficiaries in need. SOS also employs a story-telling approach to inform its audience of how public donations can be so meaningful in the eyes of beneficiaries in terms of

\[^{14}\text{Fundraising efficiency ratio indicates how efficient an NGO undertaking on fund raising activities is. The ratio can be calculated using this following formula: } \text{Fundraising efficiency ratio} = \frac{\text{Fundraising expense}}{\text{Total income}} \text{ (Sorensen and Kyle 2007; Sulaiman, Adnan, and Nor, 2009).}\]
alleviating their vulnerability and assisting them to become self-reliant. Testimonies from beneficiaries are also added to provide more assurance of the impact of SOS’s programmes on their lives. Along with these activity reports, SOS also frequently publishes digital posters and short status updates referring to the values of Islam and humanity that it embraces, in a bid to strengthen the ties between itself and the wider public.

**Figure 5.4: Samples of SOS’s Digital Posters**

For example, for the digital poster ‘The True Inner Beauty’, presented as the left-hand image in Figure 5.4 above, SOS added the following quote from Prophet Muhammad (peace be upon him), narrated by Imam Muslim: ‘Allah does not look at your figures, nor at your attire but He looks at your hearts [and deeds]’. SOS publishes daily activity reports and/or digital posters to the public via both its website and social media channels such as Facebook, Twitter, YouTube and Instagram.
Moreover, it was also revealed during observations and informal interactions with SOS’s officers that there seems to be an internalised understanding within SOS that no matter how good a programme is, without good publicity, any such programme may be doomed to fail. While SOS tends to promote such socialising (Roberts, 1991), non-procedural (Sinclair, 1995) strategies to communicate its accountability as well as to develop and maintain the public’s trust, it continues to maintain the procedural forms of accountability by regularly publishing financial reports which are audited by an independent public accountant.

Other than ensuring it publicises its activities to an optimal level through online channels, SOS also uses offline channels such as its volunteers, an essential component of SOS’s social capital, who reside both in Indonesia and abroad, to introduce the NGO to their community by promoting its programmes as well as broadcasting any update on natural and social disasters along with any fundraising opportunities to assist the survivors of those disasters. SOS also participates in roadshows by sending well-known speakers (mostly famous religious teachers) to give talks on selected topics at Islamic gatherings, both in Indonesia and foreign countries. At the end of any such event, an accompanying representative from SOS will introduce the NGO and its programmes to attendees as well as promote fundraising sessions to support its programmes.

5.5. SOS’s Programmes

Through its combination of human, financial and social capital, SOS is able to carry out its activities to cater to the needs of beneficiaries through its various programmes. Figure 5.5 shows that the efficiency ratios of SOS’s programmes have been above 65%. The programme efficiency ratio indicates what proportion of the money generated by SOS is spent on achieving its objectives (i.e. the amount of
money allocated to programmes) as opposed to spent on administration (Sulaiman et al., 2009). Sorensen and Kyle (2007) suggested that to be deemed efficient, an NGO should have programme efficiency ratios of at least 65%. Any ratio below this threshold is viewed as indicating an excessive allocation of an NGO’s donated funds to its operational expenses. Using this criterion, it can be interpreted that SOS’s efficiency in distributing its generated funds to programmes has continuously stood above the minimum acceptable level, and indeed, has shown a gradual increase over time.

![Figure 5.5: SOS’s Distribution of Funds for 2011–2015](source: SOS Financial Reports 2011–2015)

Programme efficiency ratio can be calculated using the following formula: $\text{Programme efficiency ratio} = \frac{\text{Programme expense}}{\text{Total expense}}$ (Sorensen and Kyle, 2007; Sulaiman, Adnan, and Nor, 2009).
Furthermore, Figure 5.6 indicates the relative lack of variety in SOS’s activities in 2011. Meanwhile, as explained in Section 5.2, the year 2012, when SOS began its transformation into a global humanitarian NGO, saw a rapid increase in the amount of funds channelled to international humanitarian response. In the same year, SOS’s programmes had already become more diversified, as can be seen from the funds allocated to community development programmes, Qurban & Aqiqah, the development of the Indonesian Volunteer Society and the intensification of awareness of disaster risk mitigation through SOS’s Disaster Management Institute (DMII).

Figure 5.6: SOS’s Distribution of Funds for 2011–2015 based on Programmes

Figure 5.6 also shows there has been a year-on-year increase in the amount of funds allocated to volunteer development. This may have a corresponding impact on SOS’s increasing efficiency, as represented by its programme and fundraising efficiency ratios 16. Moreover, although there was a decrease in the funding allocated to the COMDEV programme as a proportion of total funding allocation between 2012 and 2014, followed by a slight increase in 2015, the actual value of funds disbursed to SOS’s programmes showed a constant increase (IDR 11,624,605,650 in 2011 vs IDR 21,714,296,953 in 2015). The fact that there was no corresponding increase in the proportion of funds allocated to COMDEV was likely caused by SOS’s policy of not becoming overly reliant on funds from corporate donors, who mostly act as funders of the COMDEV programmes. From interviews and informal conversations with SOS’s leaders and officers, insight was gained that the NGO has a preference for donations from individual donors as opposed to those from corporate donors. One of SOS’s managers provides explains:

“It is easier to manage programmes that are initiated by SOS and funded by public funds. Typically the programme will last longer. However, if the programme is CSR-funded usually it is more complicated as community members also have a specific interest in the company.” (M6)

This relates to the fact that the latter group tends to be relatively rigid in terms of being concerned with their own needs in areas such as branding, which can sometimes lead to greater demands being placed on resources. Meanwhile, there tends to be more flexibility when managing funds donated by the public, insofar as the public tend not to place such demands on SOS, thereby permitting greater flexibility in terms of them using resources in whichever ways they deem best suited to their goals.

16 Programme efficiency ratio indicates an NGO’s spending into programmes (rather than administer them) as compare to total NGO’s expenses. Sulaiman, Adnan, & Nor (2009) quoted from Sorensen and Kyle (2007) stated that this ratio should be at least 65%. The benchmark is set to avoid too high operational expenses that may hoard the NGO’s income.
In addition, despite being a large NGO with a wide range of activities, SOS aspires to be the most responsive NGO in terms of handling social and humanitarian issues, and is committed to remaining neutral with respect to any political movements. It is revealed from interviews, observations and informal interactions that SOS also maintains its attention to delivering services to beneficiaries by focusing on two main programmes which handle both natural and social disasters. Considering this focus, as discussed in Chapter 4, the present study highlights these two types of programmes in its analysis. The following section discusses the two programmes in further detail.

5.6. Programme Management at SOS

In Indonesia, SOS has gained a reputation as a dominant NGO in the field of handling both natural and social disaster management programmes. It has also set out its watchword, that ‘wherever there is a disaster, SOS will be there’. To maintain and improve this core competence, SOS has developed a Total Disaster Management approach, as presented in Figure 5.7.

![Figure 5.7: SOS’s Total Disaster Management Concept](image)

Summarised from SOS’s Policies on Disaster Management
Each of SOS’s programmes, whether handling natural or social disasters, is normally split into a series of discrete stages, including preparedness for disaster risk mitigation, emergency response and relief management, as well as post-emergency and recovery processes. Since in many cases SOS arrives in beneficiaries’ communities only in the aftermath of a disaster, disaster preparedness programmes aimed at mitigating the risks posed by future disasters are carried out during the recovery stage. The following subsections elaborate these total disaster management phases in greater detail.

5.6.1. Prevention Phase

Considering Indonesia’s location within the world’s most active seismic region, the Pacific Ring of Fire, the country is exposed to a high risk of natural disasters such as earthquakes and volcanic eruptions. This fact motivates SOS to educate the public, especially those who reside in disaster-prone regions, to ensure they are sufficiently prepared for the occurrence of any such disaster. SOS also ensures that it is in possession, or is able to call upon, sufficient resources (i.e. staff, volunteers, vehicles, equipment, funding) to handle a disaster that may strike any area at any time. SOS also creates structural networks with its stakeholders (e.g. partner organisations and donors) to collaboratively conduct the recruitment, support and mobilisation of volunteers. SOS believes that the social capital generated by its networks may enable it to be among the responsive organisations in terms of providing emergency disaster services. Its network also enables SOS to obtain updated information regarding any disasters or other humanitarian issues that hit an area and enable it to rapidly provide an emergency response, even in remote areas which are not accessible as part of SOS’s existing coverage. SOS also benefits from the knowledge of its volunteers in terms of enabling it to bridge and link structural holes with its beneficiaries. This cooperation with local resources is deemed essential for SOS in terms of enabling it to
conducting its programmes on the ground, since local people understand the needs of beneficiaries, are familiar with the language to use and also with which approach to take.

Moreover, SOS perceives that humanitarian problems are not always about natural disasters, but also include social disasters such as poverty, social conflicts and poor nutrition. As the world’s fourth most populous country, Indonesia continues to be challenged with regard to its handling of such social disasters. SOS, through its disaster preparedness initiatives, conducts programmes such as training in hygiene and healthy food preparation aimed at reducing the level of poor nutrition, and also entrepreneurship aimed at helping reduce unemployment, etc. In order to allow it to carry out all of these prevention programmes, SOS to a large extent invites its volunteers to anticipate the requirements for handling any potential humanitarian disaster. To invest in the social capital provided by its volunteers, SOS offers training on total disaster management delivered by a specialist division focused on providing training and education in disaster management.

5.6.2. Emergency Phase

The emergency phase often applies to the handling of a natural disaster. Even so, this phase is also relevant in the case of overcoming social disaster. When a natural disaster occurs, the first thing that SOS normally does is to mobilise emergency vehicles, equipment, staff and volunteers located closest to the impacted area, to evacuate victims as well as provide emergency rescue and aid to survivors. Personnel will carry out at least three types of emergency response activities: rescue, relief and medical. Emergency rescue is carried out by investigating and mapping the exact points where disasters have struck, searching for survivors, evacuating victims, conducting funeral prayers and burials of the dead, establishing emergency posko (community command posts), as well as estimating the death toll, number of survivors and refugees and the amount of potential losses caused by the disaster. Emergency
relief is carried out by setting up a community kitchen to prepare food for beneficiaries, as well as providing logistical aid and, if required, building refugee camps. In terms of distributing logistical aid to beneficiaries, SOS uses a scale of priorities. For the initial stage of emergency response, SOS uses the technique of Rural Rapid Appraisal as a method of conducting a needs assessment to establish what beneficiaries actually need. In conducting this appraisal, SOS also takes into consideration aspects of cultural, social and political forces while also approaching influential people and existing local organisations in a bid to assist its emergency and relief programmes.

Among the obvious results from a Rural Rapid Appraisal is beneficiaries’ need for prepared (ready-to-eat) foods. To cater for this emergency need, SOS distributes prepared foods at the same time as setting up a community kitchen. When beneficiaries are ready to cook food for themselves, logistical support is provided in the form of donations in kind. In addition, to escalate the impact of its emergency aid and reduce the costs of distribution, SOS has a policy in place for procurement. SOS instructs its personnel to prioritise buying logistical aid from shops located near to the area impacted by the disaster, to support local economic activities in the area while also lowering its aid distribution costs. SOS also adopts this policy for religious reasons, in order to distribute wealth to the wider public and not only to big businesses that are already rich.

Furthermore, emergency medical aid is delivered to beneficiaries by assisting those in need of more advanced medical treatment to reach the nearest suitable hospital, in addition to offering mobile healthcare services to beneficiaries located far from refugee camps. SOS personnel gather information and take pictures of their work as part of their initial reports on the facts and figures of the disaster. These reports are then sent to SOS’s management for further publication on both their website and via social media. Management also uses these field reports as part of a fundraising and partnership
proposal that is distributed to stakeholders. SOS also works to the above framework when working on social disasters, such as those caused by war, social conflict or malnutrition.

Furthermore, SOS sees branding as an essential mechanism to conduct further fundraising as it usually finances its initial emergency response activities using its own internal operational funding. SOS also finds that demonstrating to stakeholders that the organisation has performed actual and observable works on behalf of beneficiaries, even before asking others to join them in humanitarian missions, makes it easier to gain trust and additional support (in cash, kind or in the form of other moral contributions) from both individual and institutional donors.

These initiatives relate to what Mayer et al. (1995) referred to as gaining trust from potential donors. SOS demonstrates its trustworthiness through its ability to conduct emergency responses, in addition to its benevolence and integrity to utilise funds to attend to beneficiaries’ needs. Moreover, stakeholder funds are not used exclusively in support of emergency programmes. The organisation also allocates a portion of funds to recovery programmes, which normally require greater amounts that are used for longer periods of time.

5.6.3. Post-Emergency and Recovery Phase

SOS is committed to carrying out emergency response activities within a week and continues to provide services to beneficiaries through programmes covering social (mental/spiritual), physical and economic recovery initiatives. During this post-emergency stage, SOS performs at least two main activities: rehabilitation and reconstruction. The rehabilitation activities include providing spirituality-oriented psychotherapeutic interventions to beneficiaries, involving them in a number of art- and sport-related activities, delivering post-emergency health treatment, preventing any post-disaster outbreak of disease, preparing emergency schools for beneficiaries’ children, facilitating economic recovery programmes (e.g. by providing rice seeds, fish seeds, agricultural tools and machines or by lending
financial capital for beneficiaries to begin making a living), in addition to approaching potential donors in a bid to secure their support for the recovery programmes.

In terms of reconstruction activities, SOS prepares temporary shelters for homeless beneficiaries, constructs vital public facilities (e.g. schools, masjids, markets, bridges, clean water wells) and (re)constructs houses for beneficiaries by giving priority to larger families and to those whose homes have been more severely damaged or destroyed. Upon obtaining sufficient funding, SOS extends its recovery programmes by building integrated community shelters (ICS) in less risky areas. The areas in which ICS are situated, such as those in Jogjakarta, Padang and Aceh, provide opportunities to beneficiaries to live in more suitable environments than refugee camps, as the areas are typically equipped with community facilities such as a park, playground, place of worship, school and community market.

In this recovery stage, SOS begins engaging beneficiaries to actively participate in determining the types of programmes that may suit their needs. The NGO may utilise the Participatory Rural Appraisal (PRA) to gather beneficiaries in a series of community meetings with the aim of enabling them to set common goals prior to the commencement of the recovery programme. Once beneficiaries have reached agreement on the common goals, SOS facilitates empowerment programmes, such as by improving the level of beneficiaries’ education, health status and access to sources of economic growth such as capital, technology, information, employment and markets. At this empowerment stage, SOS seeks to involve beneficiaries to participate actively in the process of making decisions relating to themselves and their societies. The expected outcome of these two stages is for beneficiaries to be self-reliant so that they are able to more independently improve the quality of their lives without having to rely on the help of others. SOS believes that involving beneficiaries in the recovery process is among the best mechanisms to enable them to cope with their losses and go through the grieving process.
Moreover, SOS has found through its experience that the more solid the beneficiary community, the easier it is for SOS to approach them. This is aligned with the discussion in Chapter 3 that neighbourly solidarity among community members may represent bonding social capital and enable them to work more collaboratively, based on trusting relationships, to handle any future disasters (Bhandari, 2014).

5.7. Conclusion

With a historical record as an organisation established to focus on disaster management activities, along with its 11 years’ experience, SOS has securely built a core competence in its field. Supported by sufficient numbers of full-time employees and a huge army of volunteers, SOS is able to carry out its various programmes not only at a local and national level, but also at an international level. Moreover, by briefly discussing the ways in which SOS manages its different forms of capital (human, financial and social), this chapter provides a background to how SOS exploits these resources to discharge accountability to its beneficiaries, which will continue to be discussed further in the remaining chapters of this thesis.
Chapter 6: Beneficiary Accountability in Natural Disaster Management and Social Community Development Activities

6.1. Introduction

This chapter discusses how beneficiary accountability is perceived by the participants in this study and how SOS delivers accountability to its beneficiaries in the context of its main programmes – natural disaster management and social community development. Focusing on SOS’s 2010 Merapi eruption emergency and recovery programme, in addition to Integrated Nutrition Workshop (INW) programme, the discussion in this chapter illustrates how SOS tends to focus on delivering beneficiary accountability in its socialising (Roberts, 1991) and strategic forms (Agyemang et al., 2009b; O’Dwyer & Unerman, 2010; O’Leary, 2016). The chapter examines participants’ perceptions of beneficiary accountability (Section 6.2) and how SOS discharges its beneficiary accountability (Section 6.3). The conclusion of this chapter is then presented in Section 6.4.

6.2. The Different Dimensions of Beneficiary Accountability

Beneficiary accountability, from the perspectives of participants in this study, differs between actors and across contexts. It is subjectively constructed through their cognitive processes. There are at least three forms of beneficiary accountability as interpreted by the participants in this study: the socialising (an informal, expressive and non-procedural form); holistic (combining both socialising and hierarchical forms); and strategic forms. Each of these forms is explained in the following sections.
6.2.1. Socialising Form of Beneficiary Accountability

“I never think that far. I have been grateful to get their assistance. What is the benefit for me to question about their accountability? I never even think to ask them about it. What I ask them was why the programme should be ended?” (B9)

‘Accountability’ beyond ‘accountancy’ appears to be the primary focus when discussing beneficiary accountability. In general, beneficiaries and other stakeholders in SOS expect beneficiary accountability to be discharged in the form of concrete programmes from which beneficiaries may derive concrete benefits, rather than being presented merely as a set of financial reports. Some interviewees and participants in the FGDs perceived beneficiary accountability as a socialising (Roberts, 1991), informal, non-procedural form (Sinclair, 1995) of accountability resulting from close interactions between NGO staff and beneficiaries. Most beneficiaries rarely expect a hierarchical, formal, instrumental form of accountability, which commonly results from a principal-agent relationship. One beneficiary of the Merapi eruption emergency and recovery programme explained:

“In my opinion, SOS is responsible for reporting to the donors, not to us – the beneficiaries. [...] We only knew about the general financial reporting through the media. SOS did not directly report to us. I thought it was not my concern. I just did not want to know.” (B2)

In this sense, beneficiaries did not consider that systematic and fully disclosed reporting influenced their judgement of whether an NGO was accountable or not. Rather, as explained by a volunteer who used to interact with beneficiaries, beneficiary accountability can be discharged through the provision of services which meet the needs of beneficiaries in a well-timed manner:

“From the side of beneficiaries, accountability means fast service, and not to hold [the donations] and distribute them slowly. [...] Beneficiaries tend to see quality and quantity of the given donations. They do not go into more detail. As long as we give good service, fast response, with the kind approach, usually they do not ask for any further form of accountability.” (V1)
Therefore, the perception that beneficiary accountability consists of concrete actions, fulfilment of a promise and assurances that funding from donors will effectively reach the correct beneficiaries seems stronger than the need for presentations of instrumental reporting. A similar view was expressed by a representative of an SOS institutional donor:

“They among the beneficiaries want to read the written reports? No one! Mostly, beneficiary accountability means that they can deliver what they have committed to the beneficiaries at the beginning of the programme. So basically, they can do what they say they would do.” (Participant 1, FGD 4)

This opinion reflected a comment made by an informal leader who survived the 2006 Yogyakarta earthquake:

“I did not know about the financial detail. What I know as a public figure was that they came to help us. That’s it. We did not need to know too much detail about who gave the funds, how much the raised funds were. What was more important to us was that we were happy because of their help. I put these doctrines to my community. [...] I have stressed to the [community] people that ‘during this difficult time, we just need to thank SOS as they have helped us’. “ (B5)

Other than the putting in place of mechanisms to demonstrate promise fulfilment and the provision of effective services, beneficiary accountability can also be explained as the initiatives that an NGO takes to involve beneficiaries in planning for and participating in its programmes. Two NGO experts commented:

“Beneficiary accountability is supposed to be seen in two ways. On the one side, the community must be involved, but on the other hand, NGOs’ research should also be strong. They cannot 100% rely on the aspirations of the beneficiaries. It should not be like that. It is worrying too. It will be biased.” (E1)

“The programmes should come from the needs expressed by the beneficiaries. For example, if we go to the disaster area, we will see how we could assist the victims. We will observe and understand what they need. We do the field survey directly. [...] Secondly, in formulating the programmes, we listen to the voice of community: how they feel, what they need. [...] We will assess the opinion from three parties: formal leaders, informal leaders and the most grassroots – most marginalised people of the communities. We will not find the roots of the problem if we just see one point of view.” (E3)

---

17 I observed during my data collection period that an informal leader of a beneficiary community is normally someone who has lived in the community for a long time and is relatively better educated than other beneficiaries.
Both opinions demonstrate the need for beneficiary participation in determining an NGO’s programme, to ensure that beneficiaries get what they need, not just what they are perceived to need. In the context of SOS, its management tends to categorise the degree of beneficiary participation based on the type of activity and programme undertaken. As its president explained:

“For emergency response, we come directly to the disaster location, as fast as we could. [...] However, for long-term programmes such as community development, of course, we have to do a preliminary assessment. There must be an integrity pact. Thus, we could not do any programmes unless the beneficiaries want them.” (M4)

Though the level of beneficiary participation may differ according to the type of programme being carried out, SOS management discovered that the greater beneficiaries’ bonding social capital (observed through solidarity, for example, and highlighted in Section 3.3.1), the easier it is for the NGO to approach and stimulate them to perform collective actions, in contrast to those who live in a more individualistic community. SOS also found that beneficiary communities accustomed to disasters (e.g. those in Yogyakarta who have faced frequent earthquakes and volcanic eruptions) tend to be more cooperative than those who are not used to dealing with such disasters (e.g. people in Aceh, who were mostly unprepared to face the sudden and massive impact of the tsunami). SOS’s observations indicate that the role of structural and relational social capital (as evident in the degree of solidarity in beneficiary communities, see Sections 7.2 and 7.4), as well as cognitive social capital (embedded in the beneficiaries’ common understanding of ways to overcome disasters that hit their communities, see Section 7.3), may facilitate their provision of services to beneficiaries.

However, the notion of participation in relation to an accountability mechanism seems unfamiliar from the point of view of beneficiaries. My interaction with the grassroots level of beneficiaries during the data collection period indicates that beneficiaries, especially those who interact with an NGO during
emergencies, tend to submit to and place blanket trust in the NGO, as the NGO is perceived as having greater knowledge and understanding of what is required. Although the demand for beneficiary accountability in emergency situations seems to be weakened by such trust, indicating beneficiaries’ sense of powerlessness and attitude of subordination to the NGO, such demand may vary according to the specific circumstances, such as types of programmes, the level of bonding social capital in beneficiaries’ societies, and experience in facing disasters. Sections 6.2.2 and 6.2.3 elaborate further upon the other dimensions of beneficiary accountability as perceived by the participants in this study.

### 6.2.2. Holistic Form of Beneficiary Accountability

Although most interviewees perceived beneficiary accountability to be non-procedural in nature and capable of being discharged via a process of interaction, there were also small groups of beneficiaries who held different opinions. These comprised people in receipt of NGO assistance who occupied positions of power and influence, such as formal community leaders. For these latter participants, viewing beneficiary accountability in its socialising form was not sufficient. They felt it should be seen more holistically, thus incorporating both instrumental account-giving practices alongside disclosure of information such as the total amount of funds obtained by SOS from donors, the proportion of funds allocated to each programme and also SOS’s operating costs.

A formal (elected/authorised) leader who co-supervises SOS’s Community Development Programme in Babelan provided a somewhat different perspective to that of the informal leader and the majority of participants (Section 6.2.1). He expected beneficiary accountability to go beyond promise fulfilment, the timely provision of services and beneficiary involvement in the decision-making process. He demanded that SOS and its corporate donors deliver a more formal, instrumental and individualised form of accountability. He expressed his expectation as follows:
“Prior to the commencement of the CSR programme, they gathered my residents in some meetings. [...] In the meetings, the residents told SOS that they want schools, mosques and many other things. However, I do not even have any idea regarding the amount of the CSR funds that SOS manages for my village. I recommended them to do many projects as have been discussed at the community meeting. But they only approved the water well project. [...] I expect the corporate donor to be transparent as well. I want them to disclose how much funds are managed by SOS, and how much of the funds are self-managed by the company. I want everything to be clear.” (B10)

Another community leader from another village in Babelan struck a similar tone:

“I want to know the detail of the funds. How much [of the funds] were allocated to our village. Then, we can see how SOS runs the programmes and calculate whether they made any sense with the allocated funds. If there were any discrepancies, it is a natural thing for the SOS to get some portions for their operations.” (Participant 2, FGD 2)

These comments from community leaders imply that promise fulfilment continue to be perceived as the central element of beneficiary accountability. However, in cases where an NGO has not been able to deliver on a promise, they perceive the need to demand greater transparency regarding the allocation of funds received by SOS in the form of corporate donors’ CSR contributions in relation to any community development programme conducted in their village. They wish to identify where any bottlenecks occur (e.g. limited funds provided by the donor, misuse of funds by SOS) through the instrumental form of accountability. Although they do understand that SOS requires a proportion of donor funds to finance the operational costs of running a programme, they still expect SOS to be transparent in terms of the donor funds allocated to programmes conducted in their community. Additionally, they were not particularly concerned with details such as SOS’s income statements, statements of financial position or cash flow.

One community leader also suggested an alternative for resolving the situation through open communication with relevant decision-makers from both the corporate donor and SOS. He felt that existing interactions between them were good, but not sufficient to clarify the situation:
From a social capital perspective, demand for a holistic form of beneficiary accountability is aimed at engaging various relevant stakeholders (structural social capital, see Section 7.2) in their shared understanding of the objective of bringing improvements to the lives of beneficiaries (cognitive social capital, see Section 7.3) through trustable interactions (relational social capital, see Section 7.4).

Additionally, another formal leader, also a survivor of the 2010 Merapi eruption, and one of beneficiaries of SOS emergency and recovery programmes shared similar views on the requirements for accountability:

“Most representatives from SOS and the corporate donor have close communication with me. However, they are only low-level staff. They cannot make decisions.” (B10)

He even expected the NGO to comply with government regulations that provide more standardised guidance on mechanisms for discharging beneficiary accountability, and encouraged the government to establish such regulations if there were none:

“If SOS needs to take some portions from the collected funds for their operational costs, it is a natural thing. They have worked for that, so it is not a problem at all. [...] there is no regulation. Thus it is not clear. [...] As beneficiaries, we never get the report. We must, not only should, know about the report. It is because we are the selling object for their fundraising. [...] We will be happy to see their information about to whom and where the donations were distributed, we do not need to see the physical cash.” (B2)

According to my observations and informal conversations with beneficiaries, volunteers and SOS staff, the driving factor behind community leaders’ demands for accountability may also be a lack of information on their part about the NGO programmes, and being less able to intervene despite their formal authority. It may also derive from leaders’ concerns that any problems caused by the NGO (e.g. misuse of funds, unprofessional services, etc.) could impose risks on their own legitimacy and credibility.
since members of their community may view them as incapable leaders who have failed to effectively control the work being carried out in their area. In this sense, these power actors may consider that an informal, socialising form of accountability is not sufficient to engender their trust in the NGO and for them to retain their legitimacy in front of their community. They need a more formal, individualised form of accountability in order to assess the extent to which the NGO is delivering on its responsibilities and to ensure that the work of the NGO is in line with their own expectations.

Additionally, when financial accountability becomes a requirement, a further issue lies in the time and expertise needed for the preparation of financial reporting. As a result, there may be a requirement for reporting to be less complicated whilst still remaining informative. A community development officer at SOS stated:

“*Our consultant suggested that when SOS works in the community, it needs to mention how much funds it gets from donors, how much is allocated to the programme, operations and physical activities. It’s just like those presented in information boards that you typically see at a construction site.*” (M17)

Moreover, the officer also emphasised the need for financial information that could be accessed by beneficiaries, to include the total amount of funds and allocation of those funds. With such disclosure, beneficiaries would be able to monitor the budget and evaluate whether it tied in with the actual work being carried out on the ground.

However, other interviewees considered too much transparency regarding financial matters as undesirable. A senior vice president at SOS argued:

“We would not disclose the financial information to our beneficiaries as it may raise unnecessary suspicions from beneficiaries’ side. [...] Our responsibility to them is to bridge between them and the donors.” (M3)

A representative of an institutional donor who collaborated with SOS on a community development programme supported the vice president’s argument, stating:
Moreover, a representative of another institutional donor, who trusted SOS to carry out another community development programme, made a similar comment:

“It was not important to disclose the amount of the funds [to beneficiaries]. They do not need to know about it. More importantly, they can feel the benefits, including the community leaders. The important thing was that they could see SOS’s works and felt the benefits from the works.” (IND 1)

The above quotations serve to demonstrate that while formal and standardised financial reports are less preferred as tools in the discharge of beneficiary accountability, SOS accept the need for some level of disclosure regarding the total funds allocated to its beneficiary programmes. It was also apparent that SOS management teams agree on the need for disclosure on the amount of funds assigned to its programmes. One SOS senior vice president, who leads the humanity network department, commented:

“Some of the beneficiaries asked for the financial reports, but most of them have never asked for the reports. It was our responsibility. [...] They usually know about the funds allocated for the programme from the event reports or the documentations of our works. The results of the programme audit never reach the beneficiaries, but only to the donors. Who among the beneficiaries want to read it [laughing]?” (M12)

Supporting the senior vice president’s comments, a volunteer explained as follows:

“If I’m not mistaken, it’s about IDR1 Billion. [...] At the launching event of the programme, there was also a symbolic handover to one of the beneficiaries, showing that the [donor] company has entrusted IDR1 Billion for the programme.” (V3)

---

18 The mock-up referred to here is a board that is normally used at the inauguration of an SOS programme. It contains information regarding the nominal amount of donations from the donor, the name of the donor, SOS and donor logos, etc.
In a similar tone, another senior manager explained that the disclosure of funds allocated to a beneficiary programme is presented in the form of a mock-up board shown during the programme’s opening ceremony.

“We usually show the mock-up containing the total amount of the funds. [...] We do not disclose the detail to the public.” (M19)

The disclosure of financial information is important as a mechanism of beneficiary accountability. It should be tailored to satisfy beneficiaries’ demand for a certain level of visibility into the issue rather than aim to reveal the minutiae of the financial reports, which they do not wish to see. One SOS volunteer made a suggestion of whom the NGO needed to prioritise in terms of delivering accountability, in addition to a minimum acceptable mechanism required for SOS to be more transparent and encourage greater participation from the community leaders as representatives of the beneficiary communities. He explained:

“There should be transparency between the executives. That is, between the community leaders, SOS and the company. The residents might not need the financial disclosures. The community leaders demand this transparency because they did not want to be deceived. [...] it would be great if SOS and the corporate donor provide more detailed information to the village leaders. It will raise a sense of mutual trust.” (VS)

In suggesting that SOS should provide community leaders with greater financial transparency, the volunteer seems to be intending to address the issue of symbolic participation (Ebrahim, 2010) and to reduce the imbalance of power between SOS and the leaders. From a social capital perspective, this suggestion that SOS should provide greater access to community leaders for them to monitor the disbursement of funding and resources represents an initiative to construct shared interpretation and understanding – cognitive social capital – which may lead to greater control over SOS’s programmes and assurance that donor funds reach beneficiaries effectively.
Despite the above dynamic discourses on the holistic form of beneficiary accountability, it should not be seen that SOS is free of the demand for financial accountability. There is no objection to SOS continuing its commitment to being a financially transparent NGO. As one of its vice presidents mentioned, “We have been audited since our establishment in 2005 by different accounting firms. [...] Alhamdulillah (thanks God) we get an unqualified opinion.”

6.2.3. Strategic Form of Beneficiary Accountability

While Sections 6.2.1 and 6.2.2 discussed both non-procedural and instrumental elements of beneficiary accountability, most SOS management and key volunteer participants advocate the strategic form of beneficiary accountability. According to these groups, being accountable to beneficiaries relates to helping them become more autonomous and better able to stand on their own feet, in addition to becoming more resilient in empowering themselves, also extending beyond formal completion of the programme. As illuminated by SOS’s senior vice president, SOS “educates beneficiaries that vulnerable situations have to be considered as a turning point for them to jump even higher”. SOS management also formally stated their strategic view of beneficiary accountability in their annual report:

“Empowerment is directed to build self-reliance on the local community after the programme ended, while participatory method is intended to involve beneficiaries actively in the implementation of the programme, so that they will have a sense of ownership on the results of the programme.” (SOS Annual Report, 2012, p. 12)

In this sense, although participation is deemed by many to be the essence and goal of beneficiary accountability, for SOS, it is seen as a means by which to achieve the actual discharge of beneficiary accountability. There appears to be an unwritten credo shared by SOS officers and volunteers: “Give beneficiaries a fish and SOS will feed them for a day. Teach beneficiaries to fish, and SOS will feed them for a lifetime.” With this internalised strategic objective of enabling beneficiaries to become more self-
reliant, one SOS programme manager noted that beneficiary accountability can also be demonstrated through formal mechanisms, such as a programme audit. He stated:

“Beneficiary accountability is more related to the programme audit, either through visit, assessment on what they have received from the SOS, and the impact of the programme.” (M2)

In the event that a programme fails to deliver the expected results in terms of helping beneficiaries become more self-reliant, SOS personnel seem to feel personally responsible. One volunteer made the following comment:

“It becomes our problems when the programme is about to finish, and we still have not been able to make them (beneficiaries) become independent persons. We aim not only to provide them with a fish, but also a fishing rod so that they could eat the fish even without having to wait for someone else to carry it to them.” (V1)

Among the indicators used by SOS to measure success in its self-reliance objective is beneficiaries’ ability to bear their own and their families’ costs of living. A programme manager shared an SOS success story about helping beneficiaries who had survived the 2010 Merapi eruption to become self-reliant:

“They [beneficiaries] stayed in the shelter for about one year. They were given activities such as breeding worms, catfish, canaries, etc. [...] some of them have been even more successful (as compared to their condition prior to the eruption) because now they could live above the average. Previously all their properties vanished due to the Merapi eruption. Now some of them have been able to buy houses, land, etc. They started from breeding, and then they worked as sellers of sand for constructions.” (M14)

Another indicator used by SOS to evaluate the success of their beneficiary self-reliance initiatives is beneficiaries’ and their networks’ (structural social capital, see Section 7.2) ability to trust SOS and support the organisation to deliver more benefit to those in need (relational social capital, see Section 7.4) by optimising the knowledge, skills, norms and beliefs shared between them and their networks (cognitive social capital, see Section 7.3). Some donors, volunteers and employees were once beneficiaries themselves, in receipt of assistance from SOS. Their experiences of disaster, social conflict
and/or poverty mean they went through spiritual journeys together and developed the motivation to help others in need as a result of them overcoming adversity themselves. The SOS president reflected:

“By helping others, we teach them lessons on how to give. [...] When Mount Merapi in Yogyakarta erupted in 2010, the first logistics that were distributed to our refugee camps in Yogyakarta came from our former beneficiaries of Pangalengan earthquake in Bandung. It was so awesome. [...] Social sensitivity, caring and empathy flourished in the souls of our former beneficiaries. [...] To care for the beneficiaries means to prepare generations who are tougher than us who never suffer from any disaster. We have seen a lot of tough generations in the areas of catastrophe.” (M4)

6.3. How Does SOS Discharge Beneficiary Accountability?

Section 6.2 discussed how beneficiary accountability is perceived across a wide spectrum of SOS beneficiaries and other stakeholders. Some consider beneficiary accountability to be similar to donor accountability, which focuses mainly on functional financial reporting. Others see it as mechanisms of promise fulfilment, effective and timely provision of services, participation in the decision-making process and even efforts to assist beneficiaries in becoming self-reliant individuals. Based on the above understanding of the beneficiary accountability concept, the following sections discuss how beneficiary accountability is rendered in the context of SOS. As examined in Chapter 5, SOS’s operations are focused on two main types of programme – disaster management and community development. Both types of programme have unique characteristics and different stages in providing services to beneficiaries. Hence, the discussions contained in the following sections are organised according to how SOS renders beneficiary accountability in both types of programmes.

6.3.1. The Process of Beneficiary Accountability in Natural Disaster Management Programmes

When implementing disaster management programmes, especially emergency and recovery programmes, SOS seeks to encourage beneficiaries, mostly comprising the survivors of any given disaster, to become self-reliant in their post-disaster lives. This focus has led to SOS concentrating on
two forms of beneficiary accountability: non-procedural and strategically oriented. Since it takes time for beneficiaries to recover from their ordeal and new-found vulnerability, SOS initiates an integrated disaster management programme to support them through a series of initiatives aimed at fostering their self-reliance, ideally to even greater levels than prior to the disaster. SOS’s actions in serving the beneficiaries of the 2010 Merapi eruption reflected this process.

In late October 2010, Mount Merapi, one of the most active volcanoes not only in Indonesia but also in the world, had its worst eruption in a century which continued until mid-November of that year. From the onset of the eruption on 26 October 2010, SOS deployed its officers and volunteers on emergency action to assist the government in the evacuation of victims and survivors. Prior to the actual eruption, however, SOS had already responded in preparation for a worst-case scenario following the Center for Volcanology and Geological Hazard Mitigation’s raising of the alert of an eruption to its highest level. This was a stage in which evacuation was compulsory due to the threat of an imminent eruption. SOS began coordinating with local community leaders in locations which were relatively safe from the Merapi eruption. Although there was very little time in which to carry out this coordination prior to the eruption, it served to illustrate how adequate preparation can significantly affect the level of responsiveness during an emergency.

Due to the widespread and powerful impact of the eruption, the local authorities had difficulty preparing temporary shelters for survivors. A new refugee camp was established by the Sleman local authorities in the Maguwoharjo football stadium (located 23 km from Merapi). This camp accommodated more than 21,000 internally displaced persons (IDPs) and was the largest refugee camp in the area. However, since facilities in the stadium were insufficient in terms of both their quantity and quality, this only served to compound IDPs’ levels of physical and psychological exhaustion, as illustrated by a participant in a FGDs of Merapi beneficiaries:
“In Maguwoharjo Stadium, there was no water in the bathrooms, and the conditions were very crowded. It was terrible. All men, women, old, young and babies gathered in a limited space. We just ate when there were food supplies.” (Participant 5, FGD 1)

Some refugees were also relocated a number of times due to capacity constraints at the stadium. One SOS beneficiary was relocated a total of six times before finally settling in an SOS shelter.

Faced with this situation, SOS, supported by the local governments of Hargo Binangun village and Candi Binangun village, Sleman, Yogyakarta, agreed to develop an area of Integrated Community Shelters (ICS). This area contained 140 shelter units, a community hall, kitchen and health centre, shared toilets, a playground, treehouse, mini park and a masjid (a place of Muslim worship). Construction was carried out by taking into account ecological factors and applying the concept of green construction. SOS established construction policies ensuring trees around the shelter were unfelled, roads were unpaved and the shelters were built using environmentally friendly materials (e.g. wood, bamboo and even stones ejected from Merapi during its eruption). All of the required materials were sourced from close to the site of the ICS. SOS also invited a number of IDPs to participate in the ICS construction process as a way of helping them come to terms with and move on from their grief and shift their focus away from continuous mourning for their wealth and properties. Through this involvement, SOS intended for IDPs to develop a stronger sense of belonging on the ICS programme. Interestingly, SOS also had support from former beneficiaries whom they had helped during the 2006 Yogyakarta earthquake. These beneficiaries offered proof of the ability to move forward from being recipients of aid to people who were self-reliant and able to provide construction assistance for other beneficiaries. The above narrative provides an insight into how, through construction of the ICS, SOS was also able to trigger all three dimensions of social capital owned by donors (both individuals and corporates), volunteers and their various contributions (e.g. architects, construction workers, medical staff, psychologists, etc.), along with other partners (structural dimension) to cooperate in building the ICS within one month (relational
dimension) in a spirit of humanitarism and helping others (cognitive dimension). As a result of this collaboration, the ICS was built and ready for use within one month. All of the IDPs registered with SOS were then able to stay at the ICS development until the 140 shelters were all full. Once this capacity was reached, they were then transferred to government shelters. The ICS maintained a one-family-one-shelter policy in order that IDPs could have some privacy with their families.

“We moved to the SOS’s shelter in December. It was about one month after the Merapi eruption. When I went back to the location of my home, everything was gone. I cried terribly. My house was flat with the land. Nothing left, and we did not know where to stay. Our only option was to stay in SOS’s shelter.” (Participant 5, FGD 1)

In general, life in the ICS was more comfortable than in the government shelters. Beneficiaries also came to feel like part of one big family with SOS. One beneficiary said:

“We feel much better there; we consider SOS as our family. If one day SOS needs us, in shaa Allaah (God willing), we are ready to help them.” (B4)

Additionally, following completion of the physical recovery element (i.e. construction of the ICS), SOS provided trauma therapy alongside a variety of skills training, children’s entertainment and religious study groups aimed at hastening the psychological recovery of beneficiaires who were prevented from carrying out almost all of their daily activities following the eruption. SOS also encouraged beneficiaries to once again start earning a living through a series of economic recovery programmes. Although some beneficiaries preferred to return to their regular jobs as farmers, stock farmers and volcanic sand miners, other families opted to remain at the ICS and engage in SOS’s economic recovery programmes. Among the programmes offered by SOS at that stage were trading; canary, cattle and worm farming; horticulture; mushroom, corn and tomato farming; and ribbon embroidery crafts. As a start-up, SOS provided each family with capital in the range of IDR 1,000,000–2,000,000 (~ GBP 50–100), depending on the nature of the business. SOS also organised a weekly business mentoring programme.
Although, in general, beneficiaries came to feel a sense of comfort and closeness with SOS’s officers and volunteers, since the ICS was only ever intended as a temporary shelter, they gradually left and moved to the government’s shelters. Among the factors that led them to move, despite the fact that most considered the ICS to be more convenient, was the government’s provision of a living allowance of IDR 5,000 (~ GBP 0.25) per person per day. In contrast, SOS had no such policy of distributing a cash allowance (although it did provide start-up capital to those participating in its economic recovery programmes), but instead relied on donations in kind. Most beneficiaries were also reluctant to continue asking SOS to provide their groceries and preferred to hold some amount of cash to fulfil their daily needs themselves. One participant in the Merapi FGD explained:

“The government only gave the allowance for two months. Even so, we still needed it. Thus, we did not have any other option but to move out to the government shelter even though the condition was entirely different. Sometimes, we still came back and stayed in SOS’s shelter.” (Participant 1, FGD 1)

Beneficiaries also explained that they moved to the government’s shelter in view of longer-term considerations. They were aware that as an NGO, SOS’s function was to assist the government and that it had no responsibility to provide compensation for the beneficiaries’ lost homes, cattle and belongings. Despite this, beneficiaries remained in contact with SOS and its officers and volunteers, who also visited them regularly to distribute aid from donors. Until 2014, at the time of Qurbani, SOS also centred its Qurbani activities on the ICS and delivered sacrificial meat to people now residing in permanent housing provided by the government.

Furthermore, despite beneficiaries of the 2010 Merapi eruption no longer staying in the ICS, SOS did not leave the area unintendedly. The ICS was maintained to provide continuous benefits for residents living in the vicinity and to bring additional income for SOS. The ICS is currently used as a training centre for students and youth. The building that was once used as a community centre is now often booked as a wedding reception venue.
Implementation of the 2010 Merapi eruption emergency and recovery programme, as discussed above, has provided an overview of how SOS discharges accountability to its beneficiaries in their socialising and strategic forms. However, the participation of beneficiaries in decision-making, commonly perceived as the essence of beneficiary accountability, was not fully identified. The following passages on the emergency and recovery program delivered in the 2006 Yogyakarta earthquake provide a unique insight into how SOS involved beneficiaries in its decision-making process during implementation of the programme.

On 26 May 2006, an earthquake measuring 6.3 on the Richter scale struck the city of Yogyakarta. Although lasting ‘for only 57 seconds’, it killed 6,000 people, injured a further 50,000 and led to around 600,000 people in the Bantul-Yogyakarta area becoming IDPs. It also destroyed 127,000 houses, damaged an additional 451,000 and led to total losses valued at approximately 3.1 billion U.S. dollars (Tsuji et al., 2009).

In responding to the emergency situation, SOS’s president and team conducted a series of programmes, from search and rescue to physical recovery activities (e.g. house reconstruction) to assist survivors. Even though the programme conducted was not as comprehensive and integrated as the 2010 Merapi eruption response, it was deemed a success in terms of the power of beneficiary participation by the many SOS officers who participated in this study. The combination of SOS’s quick emergency response, cooperation with informal community leaders and the involvement of beneficiaries contributed to the achievement of beneficiaries’ self-reliance. One of SOS’s senior managers briefly explained the 2006 Yogyakarta earthquake response programme:

“We set the beneficiaries as actors, not mere recipients of the programmes. We involved and engaged them to participate from the planning. When we built the houses, they made the bricks and worked as builders as well. Many of them have those skills. Then, they decided themselves the priority of whom should get the houses earlier than others using specific criteria.” (M20)
The above quotation reflects how SOS used several mechanisms to encourage the participation of beneficiaries in its programme, including the planning, execution and control stages. Beneficiaries were also positioned as both recipients and actors in the programmes. As recipients, they were the target of the services, while as actors, they were the implementers in direct charge by contributing their skills and labour to support implementation of the programme. Additionally, beneficiaries also took part in decision-making processes by determining who should be a priority for house reconstruction. At this stage, both the selection of the area to be served and the availability of a strong informal community leader also played a large part in establishing this programme as a benchmark for SOS’s work to this day.

The informal community leader who played a prominent role in the programme commented:

“The society members work hand in hand because our culture here is to do anything with gotong-royong\textsuperscript{19}. [...] we wondered how to set the criteria of whose house should be made first. Then, I had a meeting with the SOS’s president and my colleague. We set the priority criteria. We decided to prioritise the poor, families with more members, families whose members were dead due to the earthquake, and then families with pregnant women. The criteria were taken from these lists. The government modelled our criteria when they made recovery programmes in other places as well.” (B5)

Evidence that beneficiaries operated on an equal level to SOS in terms of their contribution to decision-making in the programme was seen when they applied their local wisdom and culture of gotong-royong (cooperation within and between social networks) to concrete works (see Section 7.4.1). Moreover, their experience of dealing with frequent earthquakes had enabled them to develop strategies and find ways to overcome the situation. The social capital and cultural influence encouraged beneficiaries to participate in the recovery programme. Additionally, it was also indicated that SOS has discharged accountability to its beneficiaries through customisation using cultural aspects of its programme and by

\textsuperscript{19} Gotong-royong is mutual cooperation within and between a social network. It is a value that is embedded in Indonesian societies.
specifying that a needs assessment had contributed to its planning of the programme. A senior vice president added:

“We benchmarked to the local wisdom of Prambanan temple construction. Unlike its surrounding, the temple did not collapse at the time of the Yogyakarta earthquake. That was because the temple uses the sand foundation that contributes to its flexibility. [...] It reduced the destruction power of the quake. We also used the excavated soil to make bricks. [...] Some of the bricks were used for reconstructing their houses while others were sold. From then, they began earning incomes. [...] Later, the village got many requests to help the reconstruction projects of other villages.” (M3)

It is apparent from the above quotation that through the Yogyakarta earthquake recovery programme, SOS provided its beneficiaries with resources that enabled them to become self-reliant, and, beyond that, some became volunteers who helped to build the SOS ICS for survivors of the 2010 Merapi eruption. The informal community leader noted:

“I joined SOS to build the shelter for the Merapi survivors in Gondang village. I carried my community as well. We helped them as SOS had helped us. We became its volunteers.” (B5)

The Yogyakarta earthquake recovery programme demonstrates how beneficiary involvement and the role of community leaders can serve as essential ingredients and become the strongest factor determining the success of SOS in discharging programme accountability that enables beneficiaries to re-establish their post-disaster livelihoods.

6.3.2. Beneficiary Accountability Processes in Social Community Development Programmes

Whilst disaster management programmes are mostly conducted in response to natural disasters, community development programmes are typically initiated as a result of social disasters such as poverty, unemployment, hunger, malnutrition, etc. Despite the differing nature of these two types of programmes, SOS seems to apply identical procedures in terms of how they are managed, by dividing them into emergency and recovery phases. However, due to the fact that the two types of programme
rely on different sources of funding, the influence of donors in driving formal mechanisms of beneficiary accountability is more evident in community development programmes. SOS’s Integrated Nutritious Programme (INW), mainly funded by a corporate donor, serves to illustrate this phenomenon.

SOS, in collaboration with a corporate donor - a global retailer with operations in Indonesia – ran the INW at a village in South Tangerang, West Java from October 2012 to November 2013. The location was selected after SOS conducted a health care programme in the same area and found a number of children with poor and inadequate nutrition. The parents of those malnourished children earned erratic incomes as they did not have permanent jobs to help them meet the needs of their families. Most of the families lived in small dwellings that may not have been properly monitored by the local government. Apart from its poverty, this area was selected for its relative proximity to the headquarters of the corporate donor. Therefore, from a commercial point of view, the donor perceived that selecting this location as the target of its CSR might also yield positive benefits for its business.

Prior to commencement of the programme, SOS, together with its corporate donor, presented a proposal for the INW programme to the region’s mayor and her staff, asking for their approval. The director of the CSR department at the corporate donor explained:

“They [the local government] did not immediately say ‘yes’. They sanction about SOS’s data. They want us to synchronise our data with the data available from the local Department of Health. They were also embarrassed when I mentioned that there were 1000 malnourished children in their area.” (IND2)

Therefore, understanding that the programme appeared quite sensitive within the local government, he requested that SOS map the key stakeholders in the beneficiaries’ communities who may be able to support them in conducting the programme. As a follow-up to this request, SOS approached religious and community leaders and obtained their support for the programme. Finally, they obtained the approval from the mayor, and had her formally launch the programme.
To support SOS in operationalising the programme, SOS trained volunteers who would act on the front line, serving beneficiaries, providing regular information on health education and monitoring the children’s nutritional status. These volunteers came mostly from local health care (Posyandu) cadres and cohorts of students taking majors in Public Health who resided near to the location where the INW was conducted. With the involvement of local volunteers, SOS intended to form communities who would be able to manage food insecurity and malnutrition and be self-reliant in undertaking participation-based problem-solving to overcome the health issues facing their environments. These communities would thus act as SOS affiliates to continuously monitor the children’s nutritional status both during and following completion of the SOS programme. In addition to volunteers providing technical support, SOS also involved volunteers who were experts in INW-related activities, including general practitioners, paediatricians and nutritionists, to assist in implementing the INW programme.

Furthermore, as explained above, SOS conducted the INW programme in three stages: health care intervention (January–June 2013), health education for families (May–July 2013) and economic empowerment for mothers (September–December 2013). In the health care intervention phase, SOS was assisted by the volunteers. The programme included medical examinations, treatment and provision of supplementary food packages for malnourished children. In this phase, volunteers not only assisted SOS in their technical work, but also shared their structural social capital (by connecting SOS with their networks) and cognitive social capital (by sharing useful information with SOS). A volunteer described the process as follows:

“Based on the literature and our discussion with the expert, she suggested that for children whose weight were still less than required standard, they should be given F100 formula to increase their weight sooner […] To handle children with malnutrition, I recommended a paediatrician to SOS’s officer.” (V3)
After the health intervention programme had been running for around six months, SOS had improved the nutritional status of children with malnutrition by 75% (75 out of 100 children), or 5% higher than the key performance indicators which SOS had agreed to deliver with its corporate donor prior to commencement of the programme. Additionally, to acknowledge those children who had seen an increase in their nutritional status, SOS provided a certificate bearing the child’s name and an inscription stating that he/she had ‘graduated’ from the INW programme.

Then, in the second stage, SOS conducted an educational programme intended to motivate beneficiaries to be more concerned about their family’s health. At this stage, several workshops were held on topics such as exclusive and early initiation of breastfeeding; a clean and healthy lifestyle; sanitation and a healthy environment; sanitary systems; nutritional needs for toddlers and children; and creative mothers and a healthy family. SOS encouraged participation by giving nutritious food packages to those beneficiaries in attendance at the end of each session. This strategy seemed to work well, as each session was attended by an average of 93 out of 100 beneficiaries (93%). In addition to recording attendance, SOS also measured the level of beneficiary participation and understanding of the workshop materials by undertaking pre- and post-session tests, which showed an 89% improvement in beneficiaries’ understanding of the material. Further, to monitor how the beneficiaries applied the material to their daily lives, home visits were carried out over a period of four days from 24 to 28 July 2013.

In the third stage, SOS provided family economic empowerment through revolving start-up capital to support 55 mothers whose children were suffering from malnutrition. The women ran a variety of businesses, including a grocery shop, coffee shop, vegetable shop, tailoring service and handicraft and furniture businesses. Each was given approximately IDR 500,000 (~ GBP 25) to assist them with their business. They were also given the flexibility to repay the loan interest-free in line with
the turnover of their business and each individual’s ability. One person informed me during the data collection period that she tried to save a daily amount from her sales revenues that she could use to make a weekly payment of IDR 10,000 (~ GBP 0.5). Besides providing capital, SOS also offered business mentoring and a series of workshops in entrepreneurship and financial planning to equip beneficiaries with the knowledge they need to run their small businesses. These workshops were delivered by SOS volunteers with expertise in the field. One of the volunteers for business coaching session, who is also SOS’s donor, stated:

“When I taught in the workshop, some beneficiaries did not come to the training. However, they have a punishment mechanism [...] It was either fines or reduction of the loan amount. The participants were very enthusiastic; even the Q&A session finished quite late because they had so many questions. Alhamdulillah (thank God), the sessions were optimal.” (ID1)

This series of programmes helped beneficiaries develop their self-reliance, as noted by two beneficiaries as follows:

“With the start-up capital, I could help my husband to earn a living, to pay for our children’s school fee. Before, I had to owe here and there to pay those expenses. Since I run my own business, I can save IDR200,000 (~GBP10) per month. I’m so grateful.” (B7)

“I felt fortunate to meet SOS. [...] As my son requires special attention, it is rather difficult for me to work outside my home.” (B8)

Upon completion of the programme, SOS submitted a financial statement and activity report to the corporate donor as a form of accountability. They also presented, for the first time since the NGO was founded, a programme audit report conducted by a public accounting firm. Although the audit report was demanded by the donor’s parent company as a formal record of accountability, it also
enabled SOS to measure the impact of its programme on the beneficiaries more reliably due to the fact that it was carried out an independent external party.  

6.4. Conclusion

From the discussion in this chapter, different types of interviewees have different perceptions of what constitutes beneficiary accountability. Most participants, including the majority of beneficiaries, understood beneficiary accountability to be mechanisms for measuring the extent to which pledges or promised are fulfilled, as well as the effective and timely provision of services. Meanwhile, a number of experts and NGO officers consider it to be the involvement of beneficiaries in the decision-making process. In this sense, such perceptions resonate with the socialising, informal, non-procedural form of accountability. However, some participants, particularly those in positions of authority to lead their community, did not share the same views. These individuals viewed beneficiary accountability from a more holistic perspective that covered all – formal and informal, individualising and socialising, functional and expressive – forms of accountability. As for most NGO officers and volunteers, they viewed beneficiary accountability through a more strategic lens, believing that an NGO can be considered accountable to beneficiaries when it assists them in becoming more self-reliant people who are able to survive and improve their well-being with no further support from the NGO once its programmes in the beneficiary communities have been concluded.

In considering the above concepts of beneficiary accountability, this chapter identifies that SOS has a tendency to discharge its beneficiary accountability in the socialising and strategic forms, while the holistic form is discharged only following requests, which come mostly from the formal leaders of

---

20 The programme audit will be discussed in more detail in Section 7.2.3.
beneficiary community. Additionally, the practice of beneficiary accountability seems to follow a similar pattern across SOS’s two main types of programme – disaster management and community development. However, the mechanisms by which it discharges its beneficiary accountability differ across the different stages of the programmes. During the emergency stages of both types of programme, in which beneficiaries were not prepared for active participation in the process, SOS focuses on a discharge of beneficiary accountability in the form of promise fulfilment and the effective and timely provision of services. At this stage, beneficiaries are positioned purely as the recipients of the programme. When the programmes are in their recovery stages, SOS begins to more intensively engage beneficiaries in terms of securing their active participation. However, beneficiary involvement in the decision-making process was not clearly identified from the data since SOS still takes the lead in determining which programmes it carries out, although it does, through its close relationship with the beneficiaries, seek their opinion as part of a programme needs analysis. SOS also tends to take another participative approach, in which beneficiaries are not only the recipients of SOS’s programmes, but also the implementers of the programme. This approach appears more effective for SOS in supporting the strategic objective of discharging accountability to its beneficiaries: that is, to encourage them to achieve self-reliance.
Chapter 7: Social Capital as an Enabling Mechanism in the Process of Beneficiary Accountability

7.1. Introduction

This chapter illuminates the process and motivations (the ‘how’ and the ‘why’) behind the discharge of SOS’s accountability to beneficiaries. By drawing on the three dimensions of social capital as suggested by Nahapiet and Ghoshal (1998), this chapter examines the interplay among the structural, relational and cognitive aspects of social capital and how those three dimensions facilitate SOS in discharging beneficiary accountability.

7.2. Better Together: The Role of the Structural Dimensions of Social Capital in the Discharge of Beneficiary Accountability

“The biggest problem is not the disaster itself, but how to inspire the unaffected public to learn lessons from the disasters. When we are sick, what blessings can we get out of the pain? That is when we are healthy, we can be more thankful for our health. [...] We want to inspire how a disaster that happened only to a group of people can be a powerful reminder for millions of individuals. [...] We want them to be more caring to the humanity.” (M1)

Disaster, according to SOS, is capable of raising the spirit of humanity. SOS acknowledges that significant resources are required to cope with both natural (e.g. earthquake, tsunami, volcano, flood, etc.) and social disasters (e.g. social conflict, war, hunger, malnutrition, poverty, corruption, etc.). Thus, SOS takes the position of viewing a disaster as an opportunity to invite wider collaboration between itself and its networks in performing collective actions to provide benefits to beneficiaries. The following sections discuss how SOS employs the structural dimension of social capital, e.g. networking with its volunteers (Section 7.2.1), partners (Section 7.2.2) and donors (Section 7.2.3) to facilitate the discharge of its accountability to beneficiaries, especially in its socialising and strategic forms.
7.2.1. Marching with Volunteers

“In SOS, the branches have their volunteers. [...] This has impacts on the costs and the reach. SOS holds broad coverages as it has extensive volunteer networks. When SOS meets people in Papua, these people can become its volunteers, just because both parties have shared a sense of humanity.” (M14)

At SOS, volunteers are seen as one of the three pillars of its operations, along with humanity and philanthropy. They provide an enormously valuable set of resources across a range of activities, from being part of the emergency rescue team and facilitating community development programmes, to sharing their skills and expertise to support SOS’s activities. Volunteers enable SOS to simultaneously conduct multiple programmes at different locations, something which may not otherwise be possible given its resource constraints.

To recruit, manage and accommodate the activities of its volunteers, SOS established an independent societal organisation to work alongside. Furthermore, to assert its vision as a global humanitarian NGO, SOS recruits volunteers not only from Indonesia, but also from overseas and the wider region. These individuals may be part of the Indonesian diaspora, studying, working and living abroad, or other international citizens. SOS has a reputation as one of the Indonesian NGOs with the highest number of volunteers, and its engagement approach is well known.

SOS’s engagement with its volunteers creates bonding social capital, in the sense of stimulating the passion of its leaders and staff to provide solutions to humanitarian problems as they obtain support from various parties. It has also developed bridging social capital, in the sense of connecting its organisation to form collaborations with volunteers from different social networks. Likewise, the

---

21 Parts of the discussion in this section are included in a paper entitled “Marching with Volunteers: An Indonesian Case Study of The Role of Volunteers in Discharging Beneficiary Accountability”. An earlier version of this paper was presented at the APIRA Conference, Melbourne, 13–15 July 2016, and it has also been submitted to the Accounting, Auditing & Accountability Journal (currently under 1st round revision).
volunteering practices stimulate linking capital, such as when SOS invites government officials to launch, participate in and monitor its programmes. SOS typically encourages officials to wear vests branded with its logo when taking part in SOS programmes, thus fostering a sense of closeness and associability. This type of collaboration aimed at improving the lives of beneficiaries has brought the government and NGO into the same movement, thus ensuring any hierarchical power gap is kept to a minimum.

Furthermore, volunteers’ participation in SOS’s programmes demonstrates their roles as donors of social capital for the NGO. They contribute this capital in many ways, such as through tacit understanding of local wisdom, skills, knowledge, expertise and prominence, alongside endorsement of NGO’s reputation. Moreover, the role of volunteers in discharging beneficiary accountability, especially in its socialising (promise fulfilment, provision of services, beneficiary engagement) and strategic (empowerment of beneficiaries to gain self-reliance) forms, is also seen and is related to the perceptions of beneficiaries, donor representatives and officers. Some beneficiaries commented:

“The volunteers were usually the ones who communicated with us.” (Participant 1, FGD 1)

“Some volunteers stand by in the ICS. They took care of us. If we needed anything, we just told them and they would give us what we needed.” (Some participants, FGD 1)

Through its use of volunteers, SOS is able to save resources since officials do not need to be permanently stationed at programme locations, and many technical duties can be delegated to volunteers. Moreover, a representative of SOS’s corporate donor for the INW programme also noticed the role played by volunteers in bridging the interactions between donors and NGOs when providing assistance to beneficiaries.

“SOS involves a significant number of volunteers as well. I was surprised when SOS included the community members as volunteers on the programme. They trained some women with skills. They (the volunteers) were trained before they handled the programme. They were happy. Well, that’s what makes me applaud too. We did not make a wrong choice by selecting SOS to run the programme.” (IND2)
To ensure that services are provided in accordance with its standards, SOS seeks to transfer its programme management ability to volunteers through the mechanism of volunteer training. Volunteers are also provided with the necessary guidance, which is then re-transferred to beneficiaries to help them become self-reliant. A senior vice president at SOS also detailed the significance of local volunteers in supporting its work:

“When the tsunami hit Aceh in 2004, SOS’s president went alone to Aceh. [...] It was much cheaper and more efficient that we sent only one person to go there. He communicated with volunteers in the nearest city, Medan. About 12 volunteers went from Medan to Aceh through road access. [...] While he was on his way to Jakarta airport, he called the volunteers in Medan. They met in Medan. Everything was conducted in parallel. The volunteers had more understanding of local conditions, languages, customs and the like. Psychologically, the disaster survivors were happier when approached by people who have shared culture and language with them (volunteers).” (M3)

The above quotes illustrate that volunteers can improve the relationship between beneficiaries and the NGO through their understanding of local customs and traditions in the beneficiaries’ environment. By having volunteers spread throughout Indonesia when a disaster occurs or is detected, SOS is able to activate its base in the affected areas in order to instantly provide the necessary responses. Therefore, when conducting programmes in the area, it is relatively easier for SOS to gain access to beneficiary communities. This is because volunteers are able to build closeness with the beneficiaries and encourage them to participate in the NGO’s programmes, with some beneficiaries even coming to regard the volunteers ‘as part of their own family’ (SOS senior manager).

### 7.2.2. Synergy through Partnership

“When partners are one of our most important success factors. We cannot just enter a new location or country without any partner who can provide information to us, accompany us from one place to another, and help us in solving any language barrier.” (M18)
Just like its volunteers, SOS’s networking with partner organisations is vital to ensuring its efficient use of resources, increased sustainability and improved services to beneficiaries. When SOS implements programmes within Indonesia, it obtains great assistance from its home volunteers. Meanwhile, when conducting programmes abroad, SOS involves the support of the Indonesian Ministry of Foreign Affairs and Indonesian embassies in the countries targeted, as well as local volunteers and partners in those countries. To ensure that all of its programmes are conducted in line with its global vision and are dedicated as a means of humanitarian diplomacy to build real strength and pride in Indonesia, SOS established a specific department to handle its global partnership network.

SOS management teams believe that vulnerable beneficiaries across the globe have something in common regardless of their race, religion and culture: they are happy for someone to greet and help them. Provided local governments support its programmes, SOS usually sends teams to conduct needs assessments. Moreover, insofar as is possible, it aims to replicate programmes that have already been tested at home, with the support of local volunteers. However, the reality on the ground may not always support SOS’s works. There have been cases where the governments of countries in which SOS has sought to conduct a response have not supported its work. For example, in humanitarian missions, the governments of Myanmar, China and Kashmir prohibited foreign aid workers from travelling to assist beneficiaries who were suffering as a result of natural disasters or social conflict. In situations such as these, SOS teams are required to be diplomatic and attempt to negotiate with the authorities, in addition to calling upon the NGO’s network by delegating programmes to local partner organisations. An SOS team leader assigned to a humanitarian mission with Rohingya refugees in Bangladesh stated in an interview with an Indonesian newspaper:

22 For this section, I distinguish between the types of volunteers in humanitarian missions conducted abroad. Home volunteers are those in Indonesia, while local volunteers and partners are those in the countries where SOS conduct its programmes.
The above quote suggests that SOS’s interactions with its local partners have formed bridging social capital which facilitates SOS to deliver services and assistance to beneficiaries effectively, therefore facilitating the discharge of beneficiary accountability. SOS sees itself as having equal partnerships with local organisations in terms of their shared collaborative and professional experience. Thus, although SOS is the party to whom financial resources are entrusted (in the form of funds from donors), and local partners serve more as actors on the ground, the interactions between both parties are far from a donor–beneficiary or principal–agent relationship.

To illustrate this, the ongoing humanitarian conflicts in Palestine and Syria have attracted the attention of philanthropists across the globe, including in Indonesia, to contribute to alleviating suffering on the part of survivors of the conflicts. However, due to the complex political nature of these conflicts, the relevant country-level authorities do not always provide flexible opportunities for NGOs to deliver their aid and carry out humanitarian work. Faced with situations such as these, SOS is not deterred from seeking to help those beneficiaries living in conflict areas. If local governments deny entry permits for teams to enter the country and conduct programmes directly, SOS utilises local partner organisations to act on its behalf in the field. SOS transfers funds to its partner organisations and provides sets of implementation standards (e.g. standards for programme delivery and reporting). SOS then monitors the works of its partners through intensive communication via calls, messaging services, emails, etc., to ensure that funds are being properly channelled to the targeted beneficiaries. Through this mechanism, SOS has successfully conducted recovery programmes, such as the construction of clean water wells in

“When helping the Rohingya refugees in Bangladesh, we have to move carefully and tactically as the government of Bangladesh banned any form of assistance to Rohingya refugees. Then, we found right partners there so that we can provide assistance to the refugees without any significant hassle.” (Interview with SOS personnel in article published in an Indonesian newspaper)
Gaza, Palestine and bread factories in Aleppo, Syria. SOS’s President explained the partnership approach in the following comments:

“Today, we have many local NGO partners in Gaza. Anytime we need to distribute public donations to Gaza; they will be ready. […] We test their professionalism. They have worked with us for years, so we have no doubt. We have hundreds of billions [Rupiahs] donations to Gaza because all of our partners there are very professional. […] we must ensure that our local overseas partners are professional and share the same passions with us.” (M4)

In negotiating expectations and sharing its common goals and passions, SOS and its partners build a bridge of mutual learning and engagement. This relationship enables more efficient mobilisation of resources and innovative delivery of programmes to extend benefits to beneficiaries. As stated by the SOS President, the advantage of having partnerships with local organisations is evident. They have jointly collaborated in delivering innovative programmes for beneficiaries in Gaza, such as mass *aqiqah* for newborn babies, boats for anglers, reconstruction of a school for disabled children and childbirth assistance for pregnant women.

Moreover, a public figure, who also joined SOS as a volunteer, collaborated with SOS on the provision of a birthing service to pregnant women in Gaza, assisting in fundraising activities held across various cities. She explained that partnerships with local organisations in Gaza had assisted them in enhancing beneficiary accountability in the form of service provision to beneficiaries. The value of the local partnerships was evident when seen in the context of the complex nature of aid delivery and the often complicated immigration procedures. SOS thus entrusted an amount of funding to its partners in Gaza, who would go on to represent them in delivering services to the targeted beneficiaries. The volunteer commented:
Volunteers explained that as part of its duty to ensuring beneficiary accountability, SOS requires its partners across the world to use SOS-branded materials (e.g. vests, banners, backdrops and flags) when working on its programmes. This means that readers can easily identify SOS through published media reporting in the form of narratives and photographs. The network synergies built by SOS between itself and its partners enables them to undertake work they would not otherwise be able to do. Moreover, the inter-organisational sharing of resources and experiences is a key factor in ensuring that effective outcomes are delivered to the intended beneficiaries.

7.2.3. Donors said, “We do watch what you did!”

“At the end, beneficiaries become the ultimate focus. We always inspect the ground, [and check] whether SOS has really conducted the programmes. [...] We could come anytime to the beneficiaries without SOS’s knowledge. [...] From the beginning, all parties know that we had open access to them. The beneficiaries know how to contact us. [...] We received SMS from the community leaders. If they were not happy with SOS’s works, they would let us know.” (Participant 2, FGD 4)

Aside from volunteers and partners, donors are also a part of the structural network that enables SOS to discharge accountability to its beneficiaries. Corporate donors have direct access to beneficiaries, as mentioned in the above quote by a representative of one such donor. This allows beneficiaries to report on SOS’s actual work without delay and to notify donors of any problems occurring on the ground. In addition, communication between SOS and its corporate donors appears to be transparent and relatively informal. They are accustomed to communicating via telephone or even messaging services. A representative of SOS’s corporate donor commented:
Donors stimulate SOS to improve its beneficiary accountability in many ways. One such way is through direct monitoring of beneficiaries, as mentioned in the previous quote. This type of control can either be incidental or facilitated by SOS. When conducted incidentally, representatives from donors typically visit the location of a programme without giving prior notification to SOS. Furthermore, donors also play a role in encouraging beneficiary accountability through their involvement in setting up key performance indicators (KPIs) for programmes. The following comments by a representative of an SOS corporate donor, in charge of the INW programme, clarify this:

“I determined the KPIs. For example, the body weight of the malnourished children should increase by so and so, etc. These things also contributed to SOS’s accountability to beneficiaries, in the sense that all of the targets were achieved.” (IND2)

Furthermore, when assessing performance in terms of meeting KPIs, the donor also requires SOS to be audited from both the financial and programme sides. The representative from an institutional donor stated:

“We expect SOS to hire an external auditor to conduct a programme audit. The auditor cost was also included in the budget that we cover. We set the requirements for the appointment of auditor. SOS provided some alternative auditors who can offer reasonable prices, as it is not a business (non-profit). [...] Then we decided which auditor to be appointed to avoid any potential conflict of interest.” (IND2)

Engaging donors in monitoring and evaluating the implementation of programmes enables SOS to learn and build its capacity through a process of self-evaluation and analysis of any areas in which its performance has failed to meet expectations. It also helps SOS to move from a more traditional, distant philanthropic relationship with donors to a more collaborative relationship in which the latter engage directly with beneficiaries. A more formal mechanism of beneficiary accountability ensures SOS learns
from and reports on its experiences, thereby enabling it to perform more effectively in the future. One SOS senior manager expressed this process as follows:

“Now, more people look at us. We should be getting excellent in providing services to beneficiaries and must be prepared to be audited by various stakeholders. It requires simultaneous preparations. To run a programme is straightforward, but to be audited? We have to prepare the documents. So far, the audit results were fine because we were prepared. We even exceed the KPIs.” (M20)

The manager acknowledges that although the donor’s requirements entail a tremendous amount of extra work, this level of interaction between SOS and its corporate donor reinforces the envisaged mechanisms to ensure that beneficiaries receive their rights and that they are supported in becoming self-reliant.

However, this study also found that such support only exists when donors share the common objective of delivering long-term welfare to beneficiaries. If donors are concerned only with their own short-term goals (e.g. promoting their brands), which may not necessarily align with SOS’s long-term plans, then donors’ interest will have limited impact on SOS’s beneficiary accountability. A manager of SOS stated the following:

“It is a bit rigid to cooperate with companies as they have their branding needs, which sometimes need more efforts to fulfil. […] As for public donors, they tend to give full trust to our organisation. They have the power to change their preference to other organisations if they consider that we do not show sufficient performance. Therefore, we are focusing more on the public segments as we feel that we could be more flexible in using the resources to implement programmes that suit our idealism.” (M6)

Therefore, ensuring there is an alignment of values between SOS and its structural network will have a significant influence on the level of impact that SOS programmes may have on the lives of its beneficiaries. The following section contains further discussion on the role of shared values in facilitating beneficiary accountability.
7.3. Cognitive Dimensions of Social Capital as Glue for the Structural Networks

The structural dimension of social capital outlines how SOS’s access to its structural networks and the interactions that take place within such networks can assist the NGO in its discharge of accountability to beneficiaries. This study has also found that the development of structural networks and dynamic interactions between SOS and its networks (volunteers, partners, donors) were stimulated by the existence of shared goals and values. The presence of shared values between SOS and its networks seems to strengthen the ties between them. Moreover, this manifestation of the cognitive dimension of social capital in the networks also encourages members of those networks to interact in harmony, to not only provide services to beneficiaries but also, more importantly, to assist them in becoming self-reliant. This section elaborates how the cognitive dimension of social capital embodied in the existence of shared values may enable SOS to activate its networks to achieve their shared goals.

7.3.1. Care for Humanity as a Common Value that Motivates the Pursuit of Beneficiary Accountability

“Beneficiaries are the reasons, not the effects. Beneficiaries are our all in all. Thus, they are the reason why we are here. If there are great fundraising activities within our organisation, it is because of the beneficiaries. If there is excellent governance, it is because of the beneficiaries. If there is good recruitment system, it is because of the beneficiaries. Thus, the position of the beneficiaries is the reason, not the result. Because of the beneficiaries, we must be professional.” (M4)

This aspiration of the SOS President to place beneficiaries at the heart of the NGO’s activities appears to be well internalised within the organisation. When asked to mention what motivates SOS to be accountable to beneficiaries, a vice president stated:
“We should treat beneficiaries like we treat ourselves. Therefore, we give them what they are supposed to get. If we do not want to get instant noodles all the day, then do not give them only noodles. If we do not want to be given second-hand goods, then do not provide them with those goods. If we want to be appreciated and given an appropriate assistance, then offer them the necessary support. All of our actions are based on these values.” (M1)

SOS management teams maintain their commitment to beneficiaries by setting certain service standards as a reflection of how they would wish to be treated if they themselves were in the beneficiaries’ position. Despite the existence of such sets of service standards, in reality, when there is only limited assistance available and the number of beneficiaries exceeds the distribution of coverage, SOS opts to adjust these standards to respect the local culture and avoid conflicts between beneficiaries.

“We never provide a teeny-weeny assistance to our beneficiaries. [...] I requested that the cooking oil should be at least 1 litre, rice should be at least 2 to 3 kg, so it would not disappoint our beneficiaries. For meat, we distribute at least 1 kg per family [...] However, there are areas where we could not apply this policy because everyone in the areas has to get the packages. It is the discretion of the community leaders. Otherwise, it would cause conflict. [...] We must also respect the local wisdom.” (M19)

Another manager explained SOS’s commitment to serving beneficiaries as soon as a disaster strikes:

“We’ve started to construct the foundation of the earthquake resistant houses just a week after the earthquake although there was also controversy at the beginning [...] However, our spirit is to help the refugees, to give the best for them.” (M20)

The above quotations illustrate how SOS’s drive to place beneficiaries at the centre of its activities leads to the timely provision of services and aid to beneficiaries, which functions to assist in the discharge of beneficiary accountability, particularly in its socialising form.

Moreover, there is a clear impression that humanity, as one of the three pillars of SOS’s operations, acts as a powerful magnet attracting a variety of sources of social capital to form a network with SOS to collaborate in the creation of a more humane world and thus develops the structural dimension of social capital. The values and thinking shared by SOS and its networks in relation to
humanitarian issues also act as glue that maintains their relationship, thus strengthening the relational
dimension of social capital. This was expressed by a volunteer coordinator in the following comments:

“In conducting its programmes, SOS has to include massive personnel. SOS’s officers cannot handle
this. Therefore, they require other people who are familiar with the humanitarian issues to be
involved in their programmes. The volunteers have at least the same orientation with SOS that is to
provide humanitarian-related services to the community. When we run the programmes, we share
the same humanitarian spirit with SOS.” (V1)

Another volunteer mentioned that his motivation for joining SOS as a volunteer was rooted in the
humanitarian values instilled in him by his parents during childhood and that he put into practice during
previous humanitarian-related activities. He was also honoured when SOS assigned him responsibility
for coordinating volunteers on a national scale, commenting:

“Since attending junior high school, I was already involved in social activities. [...] Alhamdulillah
(Thank God), now I am given the mandate to work with SOS’s volunteers on the national scale. I
hope to be able to bring even more benefits to the society.” (Interview with SOS volunteer in article
published in an Indonesian newspaper)

Interestingly, it is not only volunteers who take values of humanity into account prior to joining SOS’s
activities. SOS itself considers such values before agreeing to collaborate with potential networks. For
example, as discussed in Section 7.2.1, SOS involves its vast army of volunteers to provide a speedy
response when faced with an emergency situation. In an effort to recruit volunteers dedicated to
serving beneficiaries, SOS uses informal interviews as part of the recruitment process to explore the
identity and characters of volunteer candidates and ensure that their values align with those of SOS.

Similarly, the value of humanity was a factor cited by an institutional donor when evaluating
SOS’s ability to run its humanitarian missions and to provide clear accountability to the public. A
representative of the institutional donor stated:
This study also acknowledges the concern of a majority of interviewed donors of the extent to which SOS is able to meet its formal form of accountability (e.g. through audited financial reports). In fulfilling such expectations, SOS relates its discharge of functional accountability to its efforts to generate more funds from donors, which can then be leveraged to provide more services to beneficiaries. This is reflected in the following opinion provided by an SOS manager in charge of fundraising activities. He said:

“We want a person or organisation to accompany us who are experts in managing our CSR programme. [...] We then decided to choose SOS [...] we have seen their track record and they've worked internationally. [...] Our management was also impressed with their very fast actions and professionalism that gain positive responses from the community there.” (IND2)

Although there is an inescapable need to secure donor funding, this study indicates that SOS discharges functional accountability to donors to provide more sustainable services to beneficiaries. In this case, SOS positions such procedural forms of accountability not as an ultimate objective, but as a means. As SOS’s President mentioned in the quote which opens this Section (7.3.1), beneficiaries provide the motivation for the NGO to work professionally, which includes meeting donors’ reporting requirements. In doing so, SOS believes it can maintain donors’ trust and ensure they continue to supply the necessary resources for SOS to channel to beneficiaries through its programmes. Moreover, as has been discussed in Section 7.2.3, SOS has a preference for funding derived from public (collective individuals) as opposed to corporate donors, since there is a potential for the latter to impose their own set of corporate branding requirements that may hinder SOS’s flexibility in operating programmes for beneficiaries. So as not to be overly reliant on support from donors, SOS also uses its own resources to aid beneficiaries. This is noticeable in the following comment from an SOS vice president:
Meanwhile, SOS’s networks also have a shared understanding of the strategic form of beneficiary accountability that is manifested through programmes aimed at supporting beneficiaries to become self-reliant. A representative from an institutional (corporate) donor stated:

“With the intention of it acting as a catalyst in the development process, the donor expects SOS to be able to develop beneficiaries’ ability to be self-reliant upon completion of their assistance. A similar tone was also noticeable in a volunteer’s comment, as follows:

“SOS can be positioned as the catalyst at the beginning of the community development process. They have to transmit the knowledge to the society.” (Participant 1, FGD 4)

With the intention of it acting as a catalyst in the development process, the donor expects SOS to be able to develop beneficiaries’ ability to be self-reliant upon completion of their assistance. A similar tone was also noticeable in a volunteer’s comment, as follows:

“Alhamdulillah (Thank God), to date many of them [beneficiaries], who initially obtained help from us, now become volunteers who finally help people in other places. We always develop that. Therefore, next time if there is any problem, we do not need to come back as the volunteers have been there already.” (V1)

7.3.2. Be Good to God: The Role of Shared Religious Values in Harmonising the Humanitarian Actors

In addition to caring for humanity, shared religious values seem to be another, even stronger, driving factor that ties SOS to its networks to collaborate in the discharge of beneficiary accountability. Although the religious basis of SOS has never been mentioned in the NGO’s visions, Islamic teachings that uphold the value of humanity encourage SOS’s officers and volunteers to embody the universal values of Islam in their humanitarian services. The President of SOS revealed:
This view, which is also held by most SOS officers, considers humanitarian work conducted on behalf of beneficiaries as a noble activity of worship through which one may obtain blessings from Allah (God) the Almighty. This perspective, embodying a consideration of rewards in the afterlife, is shaped by a unique form of accountability in which Allah the Almighty is the Most Powerful stakeholder. Meanwhile, recognising that its activities are possible only with the resources entrusted to it, SOS considers its work as the fulfilment of amanah (trust). Two SOS leaders revealed how amanah acts as an essential source of SOS’s trustworthiness:

“We need to humanise others as we want to be treated so. This principle helps us a lot in doing our works. We work based on amanah, the thing you call accountability. We work based on the values that our religion teaches us. These values become our guidelines.” (M1)

“Amanah is the soul of this organisation. We will end our story when we are not trustworthy. amanah cannot be bargained. [...] Amanah is not merely to convey what are mandated to those who are eligible to receive it. Amanah is, also, about how we manage our programmes as far as possible so that it could produce much more values. [...] accountability is our responsibility. Amanah is not the only dimension of the heart, but also the aspect of reality which needs to be visualised and realised.” (M4)

These quotes reflect the way in which SOS’s method of ensuring accountability is heavily influenced by an internalisation of Islamic principles that inspires individuals when carrying out their work for the organisation.

Observations made during this study’s three-month data collection period also suggest that the internalisation of Islamic principles at SOS is apparent at both organisational and individual level. At the organisational level, SOS has established a particular structure of Sharia Supervisory Board whose members are responsible for supervising sharia aspects within SOS’s activities and programmes (such as
zakat, waqf and qurbani management, treatment of prohibited incomes from banking interest, etc.). SOS also adheres to Indonesian Financial Accounting Standard No. 109 Concerning Accounting for Zakat, Infaq and Shadaqah (Islamic social funds) when preparing its financial reports. At the individual level, SOS’s leaders and officers practise Islam in their daily activities, such as performing five daily prayers in early time, voluntary Dhuha (mid-morning) prayer every day, voluntary fasting on Mondays, Thursdays and for three days in the middle of the Hijri calendar, wearing of the hijab (headscarf) by most female officers and sensible interactions between males and females, etc.

Due to the bearing that Islamic teachings and practice have on its activities, any violation of these religious values has the potential to damage the development of social capital. For example, there was a time when a large state-owned company wished to channel its CSR funds through SOS. However, few officers of the company asked for gratification in return, which was considered a violation of the values of religion and humanity. Since SOS and the representatives of the potential corporate donor did not share the same values, no further structural or relational social capital could be formed from the interaction. A vice president at SOS explained:

“There was a big state-owned company whose officers asked for gratifications from us. [...] We withdrew from the partnership. For us, reputation is something that must be maintained, because trust is the key for a humanitarian NGO like SOS. Once trust is lost, it would be difficult for us to regain it.” (M7)

Additionally, while humanitarian values are an influential factor in encouraging SOS’s stakeholders to work with them to provide services to beneficiaries, so too are religious values, particularly in regard to volunteers. This study found that many SOS volunteers aspire to cultivate their minds and bodies to embody Islamic teachings and have identified SOS as an institution in which such cultivation is legitimised. This is evident in some of the volunteers’ views, such as the belief that providing services to beneficiaries enriches their spirituality, happiness and can even provide
unexpected material wealth. As an example, one volunteer involved in the evacuation process during the 2010 Merapi eruption turned down the opportunity of becoming a civil servant, preferring instead to work as an SOS volunteer. He explained this as follows:

“I love to be a volunteer; my parents also supported me. When I depart from home, I always make an intention that I would dedicate my activities only for Allah. If you want to be a volunteer, never expect anything in return. I believe that my earning will come by itself through the power of Allah.” (Interview with SOS personnel in article published in an Indonesian newspaper)

Another SOS volunteer who contributed his advertising skills also decided to leave his job at the multinational advertising agency where he had worked for the past 13 years. He joined SOS as one of its directors. He commented:

“It is happiness for me to work here. When we make advertising; it stimulates the collection of funds which are transferred in the form of tangible assistances to the beneficiaries. To see the children laugh when they receive aid is something priceless. […] I am lucky. I want to be here because SOS has the vision to become a global humanitarian organisation. Here, I also learned that inspirations come from the Qur’an and the Hadith. […] It seems like we study about religion every day.” (M9)

Volunteering can have long-lasting and personal impacts on volunteers. They frequently refer to a feeling that ‘something is missing from their life’ when they stop volunteering. Another volunteer expressed:

“The more we help people, the more people ask for our help, the more we will feel guilty if there is an opportunity to help but we cannot assist them.” (V5)

Furthermore, most of the volunteers interviewed believe that working in this world is essentially an investment for life in the hereafter. They also have faith that when they relieve others’ distress in this world, Allah the Almighty will rescue them from a difficulty in the hereafter. This belief influences the way they work as they believe that Allah the Almighty is monitoring every single one of their deeds. This

---

23 Hadith is the statements, actions and tacit approvals reported from the Prophet Muhammad (peace and blessings be upon him). Together with the Qur’an, the hadith is used as the basis of the Sharia (Islamic Law).
view is in accordance with the Holy Qur’an in which Allah the Almighty says, “Whoever works righteously, man or woman, and has Faith, verily, to him will We give a new Life, a life that is good and pure and We will bestow their reward according to the best of their actions” (Qur’an, 16:97). A volunteer commented:

“My mandate is from Allah. [...] I work for Allah. Thus, I always have to minimise any potential falls, losses and wastes. Whenever we work for Allah, we must always strive for the best that we can.” (V2)

7.4. Relational Dimensions of Social Capital as Enabling Mechanisms in the Discharge of Beneficiary Accountability

The discussions in Sections 7.2 and 7.3 have examined the make-up of SOS’s social networks, how SOS is linked with its volunteers, partners, donors and beneficiaries, and how shared values between these interacting parties become potential aspects that assist SOS in the discharge of its beneficiary accountability. However, the two sections have not elaborated in detail on the process of how such networks support SOS in delivering accountability to its beneficiaries, who form the heart of SOS’s activities. In this regard, SOS acknowledges that earning the trust of beneficiaries is important in supporting the provision of services to them and facilitating them to become self-reliant:

“A humanitarian organisation, just as a business entity, needs trust. [...] The spirit of humanitarian works is also based on trust from donors, NGO, as well as beneficiaries. Why do beneficiaries also need to put their trust on NGO? Since a lack of beneficiaries’ trust may lead to their rejection. In turn, it will decrease the credibility of the humanitarian organisation. If this happens, the humanitarian mission will fail.” (SOS website)

The following analysis on the relational dimension of social capital – which has interplay with the structural and cognitive dimensions of social capital – aims to provide insight into how such trust is formed and works in facilitating SOS’s discharge of beneficiary accountability.
7.4.1. Initial Formation of Beneficiaries’ Trust

“SOS came and offered us to stay at its shelter. [...] As we did not have any home at that time, we automatically said yes. We just have come to know about SOS after we stayed at the shelter. They acted quickly and responsively. They gave a home to the homeless. [...] In the beginning, they gave us packed rice and foods, but as time passed, they provided us with stoves as well as vegetables and rice so that we could cook our food.” (Participant 1, FGD 1)

The above quote illustrates how these beneficiaries’ trust in SOS grew despite them having no prior understanding of SOS’s identity and credibility nor history of interaction with them. With a general expression of optimistic expectation, the beneficiaries perceived SOS to be benevolent and as intending to benefit them. Additionally, a high level of uncertainty and chaos combined with their post-disaster vulnerability seemed to make them believe they had no choice but to accept SOS’s offer and take a risk in trusting them. Similarly, in the context of SOS’s community development programme, where beneficiaries had a greater choice of whether to become involved, they also seemed to take a position of trust without first having a clear understanding of SOS’s reliability. Beneficiaries expected to benefit from joining SOS’s programme:

“I had not known about SOS before. When the community health centre referred me to join their programme, I thought I needed to do so because my daughter has special needs. It was better for me to join them rather than just staying at home. I directly said yes.” (B8)

The above quote reflects a conscious and calculated choice made by beneficiaries, who preferred to join SOS’s programme rather than just stay at home. It also indicates that beneficiaries tend to trust SOS until any contradictory evidence leads them to think otherwise.

Some beneficiaries, however, were more inclined to revisit their disposition of trust in SOS over time. Another beneficiary in SOS’s INW programme commented:

24 A community health centre is an institution mandated and supervised by the Indonesian Ministry of Health to provide curative and preventive health services for populations on a sub-district level across Indonesia.
“I became less worried when I get same answers from four SOS’s staffs. They would not lie to me. [...] I also see their concrete charity aids to the community. Then, they promised to provide free medical treatment. It builds my trust as I have seen their real work. However, I still questioned whether they would fulfil their promise. Then, when I saw them conducting the free medical treatment, and I realised that they were right.” (B7)

Beneficiaries’ trust, as seen in the above quotes, is not gained immediately, but rather through a process of (re)checking and (re)assuring the perceived trustworthiness of SOS. In seeking answers from staff about the work being carried out, beneficiaries made assessments of whether SOS could be trusted. Seeing that it was able to deliver on its promises, beneficiaries’ trust in SOS was confirmed and any fears that SOS would seek to exploit or endanger them were allayed.

While being seen to deliver on promises can be considered an internal factor influencing SOS’s gaining of beneficiaries’ trust, there were also external factors, including the level of interaction between beneficiaries in their community, beneficiaries’ cultural values and beneficiaries’ prior experience in dealing with NGOs. Beneficiaries were less reluctant to trust (and less calculative towards NGO) when living as part of a communal society. A senior vice president at SOS said, “The collective society is easier to approach than individual society”. This view reflects the significance of communality (gotong-royong) that is highly encouraged in Indonesia, especially by Javanese culture and which was evident when SOS ran its emergency and recovery programmes to assist survivors of the 2006 Yogyakarta earthquake and the 2010 Merapi eruption. These communities of beneficiaries tended to welcome SOS’s presence and were relatively easy to guide and motivate to cope with their losses and go through the grieving process. This demonstrates their commitment to retaining the values of communality which continue to prevail in Yogyakarta (a main city in Central Java, where both disasters took place) despite the surge of modern values of individualism and materialism. As mentioned by a beneficiary of SOS’s 2010 Merapi Eruption’s emergency and recovery programme:
“The people of Yogyakarta could move on rapidly from the disaster [...] because of their solidarity.” (B2)

In their high-trust society, strangers like SOS and other NGOs are openly accepted because the beneficiaries’ communities are used to there being trust between one another. Moreover, they also have a social system which functions as a safeguarding mechanism in case these strangers go on to cause any problems within the community. The beneficiary continued:

“Our communication with SOS has been like family. For me, I have to maintain good communication with anyone, whether they are from the government, NGOs or whoever. I regard all of them as my family.” (B2)

However, despite the highly cooperative nature of their society, other factors including the beneficiaries’ religious values, type of NGO programme and the context in which a programme is conducted also have an impact on beneficiaries’ propensity to trust the NGO. Beneficiaries who practise their religion intensively (which can be observed from their appearance and communication) are more willing to accept help from NGOs from a similar religious background, even if they have been severely impacted by natural disaster. In this sense, the cognitive dimension of social capital seems to affect its relational dimension. A beneficiary who survived the Merapi eruption said:

“I prefer to be assisted by Muslims rather than non-Muslims to avoid any potential problem. [...] In some areas, especially in the locations where people have weak economic capability, the non-Muslims approached the people to convert to their religion after giving what they need.” (B3)

However, there is also some variation in beneficiaries’ opinions. One beneficiary who joined SOS’s INW programme had no objection to receiving assistance from an institution that was run based on a different religious background. She received support from this organisation in conjunction with the SOS programme. Moreover, she seemed to be at a different stage of practising religious teaching (e.g. she did not wear a headscarf as commanded in the Qur’an) in comparison to the previously quoted beneficiary. She said:
Additionally, beneficiaries seemed more reluctant to accept assistance from SOS when it was aimed at community development activities which required them to move outside their existing comfort zones, as opposed to when such help was offered in an emergency. For instance, as part of a programme to help farmers in Yogyakarta deal with a shortage of fodder which was contributing to the rising cost of raising livestock, SOS attempted to introduce an innovative fermentation system to ensure fodder was fit for consumption for longer. According to SOS, this system would have helped farmers to cope with the drought season at a time when grass was in short supply and farmers were often compelled to sell some livestock in order to feed the remainder of their herds. An SOS officer commented, “Now cows eat other cows because to feed a cow, the farmer needs to sell another cow”. With the innovative system that SOS was aiming to introduce, farmers would have had no difficulty procuring fodder in either the dry or rainy seasons. It would be possible to store fodder in barrels or sacks. Although SOS considered this mechanism very easy to implement, the farmers seemed reluctant to embrace the suggestion. According to the SOS manager, the farmers were quite satisfied with their current set-up and were reluctant to either seek or make any improvement:

“There is a unique culture of the community of Yogyakarta. First, they were relaxed, slow and easy to satisfy with their current condition. It is very hard to ask them to run. Second, they need examples to be involved in the programmes.” (M14)

As mentioned by the SOS manager, the beneficiaries’ need to be shown a concrete example prior to placing their trust in SOS and participating fully in its programme represents the importance of a transfer of trust between parties.
Beneficiaries’ previous experiences of dealing with other NGOs prior to SOS also affect their propensity to trust. Any who have been cheated or let down by other NGOs before meeting with SOS have a lower propensity to trust in comparison to individuals who are new to NGO activities. A community development officer at SOS said:

“There were many local NGOs who often conduct FGDs with the community. [...] But after that, the discussion’s results were never shared with the community. [...] There were NGOs who utilised them (for the NGOs’ interest). [...] When they checked to the field, there was no programme. [...] It was understandable that when SOS came and invited the community members to discuss, many of them did not come, a lot of pros and cons because they used to such thing.” (M17)

The prior negative experience of some beneficiaries with other NGOs resulted in an uneasy situation for SOS, as some members of the community were apathetic to becoming involved in another NGO’s programme. Significant effort, such as influence from referent parties, would need to be made in establishing and building trust between the parties prior to beneficiaries committing to any involvement.

### 7.4.2. The Transfer of Trust

Recommendations from referent parties to beneficiaries demonstrate there is a process of trust transfer. A beneficiary in one of the INW programmes explained the process of trust transfer in the following narrative:

“Before SOS conducted its programme, I have brought my son for therapy in a hospital. However, we had to stop because we did not have enough money to pay for it. Not long after, I got an invitation from the community health centre to join SOS’s programme. [...] Its volunteer and driver took me to bring my son for treatment by car. Within a week, we could go five times to hospital for his treatment. I followed what they said because they always took care of my son.” (B8)

This process of the transfer of trust involves interactions at both the interpersonal and inter-organisational level. Interpersonal interactions occur between staff at the community health centre, beneficiaries, volunteers and SOS officers. Meanwhile, at the inter-organisational level, communication
involves organisational/group actors, such as the beneficiary community, community health centre and SOS. As the beneficiary in the above quote revealed, transfer of trust is more likely to occur when beneficiaries have trust in the people endorsing SOS to them. Since beneficiaries have regular contact with a community health centre (e.g. to periodically check their children’s health), it is easier for SOS to first approach the community health centre prior to reaching out to beneficiaries directly.

As discussed in Section 7.2.1, in the INW programme, SOS secured the involvement of staff at the community health centre as volunteers. Additionally, through training and other forms of interaction with them, SOS was able to transfer its objectives in conducting the programme as well as its values in providing service to the beneficiaries. Through these mechanisms, volunteers were transformed into intermediaries or brokers of trust who would be more willing to endorse SOS and its programmes to beneficiaries, thus enabling SOS to involve the beneficiaries in its programmes, not only as recipients but also as implementers.

In another community development programme, SOS also applied a similar mechanism of trust transfer by invoking the help of its structural network to shape the relational dimension of social capital and enhance the quality of interactions with its beneficiaries. In conducting a transfer of trust, SOS is also supported by respected individuals and authorities from within beneficiaries’ communities, in addition to its donors and volunteers. A manager explained how SOS conducts its strategy for gaining trust during the initial interaction with targeted beneficiaries:

“One of our officers stayed with the community for some time. He joined their conversations in the coffee shops or rest areas. He approached the community leaders. We invite the leaders to come to our office. [...] and most importantly, we have local volunteers there. We did not just come and plunge into the community. This would have been weird for them. We reach the community with our local volunteers. They are the bridge between the beneficiaries and us. That’s the key to approaching the community. [...] but for the initial plan, of course, we deal with our local volunteers.” (M19)
Aside from its internal management, SOS is also directed by its corporate donors in relation to engaging respected persons in beneficiary communities to provide legitimacy to its programme and increase the likelihood of beneficiaries placing their trust in SOS. A representative of one of its institutional donors explained this:

“This programme was quite sensitive for the local government [as it involved malnourished children in their authority area]. Thus, I also reminded SOS to check the situation and conduct a personal approach to religious and community leaders. They made us secure to implement the programme. I want them to introduce me to the leaders [...] Finally, the programme was opened by the Mayor.” (IND2)

7.4.3. Development of Beneficiaries’ Trust through Interactions

More interactions between SOS and beneficiaries were established when SOS delivered its services to beneficiaries. Since they were involved as implementers who ran the programme, the participation of beneficiaries was stimulated and this contributed to their sense of ownership with regard to the programme, which served to gradually increase the trust they placed in the NGO. A senior manager at SOS explained this as follows:

“When we come to the community, we do not position ourselves as a helper God, but as their family who sympathise with the tragedy or disaster that has befallen them. We aim to gather with them, entertain and help them as much as we can. We do not want to sell our promise to provide them with this and that so that they too can be patient, continue to rise, keep on working hard and so on. From those interactions, we gain their trust.” (M20)

This quote from a senior SOS manager also reveals other elements that contribute to the development of beneficiaries’ trust. Firstly, further interactions between SOS and beneficiaries may help SOS demonstrate its credibility to beneficiaries. SOS prefers to demonstrate its trustworthiness by focusing on concrete activities and by not making unrealistic promises. Beneficiaries’ trust seems to grow in line with actual interactions with SOS. Additionally, SOS’s initiatives to motivate beneficiaries to be patient when seeking to overcome their vulnerable situation and to achieve a better livelihood serves
to form a shared goal and strengthen the associability between the different parties, which subsequently smooths the informal interactions between SOS and its beneficiaries. This informal interaction is also prevalent when SOS implements a family-based approach in its activities with beneficiaries. This approach enables SOS to build trust that is more resilient and can enhance interactions between both parties. One beneficiary stated that “Almost all the residents are already familiar with SOS. I am sure about it”. Additionally, an individual donor also observed a harmonious relationship between SOS and beneficiaries when she visited one of SOS’s programmes and made the following comments:

“I noticed that they have a friendly relationship. The beneficiaries and the volunteers were close to each other. The beneficiaries also knew some of SOS’s officers by names and greeted them warmly. SOS was highly accepted by the society.” (ID1)

This visible demonstration of commitment to assisting beneficiaries in the shared goal of becoming more self-reliant, together with the actualisation of competence and the caring approach that SOS presents to beneficiaries, may contribute to the confirmation of SOS’s perceived trustworthiness which allows beneficiaries’ trust in SOS to develop.

7.4.4. The Risk of Trusting an NGO

Although interactions have the potential to increase beneficiaries’ trust, problems may sometimes arise that lead to beneficiaries re-evaluating their trust in SOS, since no one is immune to mistakes. There was a conflict of trust, for instance, when some beneficiaries expressed their concerns about the delayed distribution of aid in the field even though SOS had a system in place aimed at preventing such a situation. A volunteer coordinator in the Greater Jakarta area explained, “SOS teaches us the fast system, First-in-first-out. Not to accumulate the donations, but to use the zero stock system” (V1).
However, a beneficiary in another area, who was also a survivor of the 2010 Merapi eruption, found that the reality was different. This beneficiary said in an FGD:

“As SOS was afraid that donations would not be enough for all of us, they preferred to stack the aids. If we asked them directly, they would give us. However, we felt uncomfortable if we bothered them too much.” (Participant 1, FGD 1)

Nods, verbal agreement and supportive noises from other FGD participants seemed to support the above argument. Beneficiaries’ primary concern was for donations to actually reach them, even though they are not directly distributed among them. One beneficiary said:

“If they (SOS) did not want to distribute the donations to us (but to someone else), we would not mind at all. The most important thing is not to pile them. Yaa Allah, if the donations were just stacked, it would be a pity. The donors had given them to help us, but they just went useless. Imagine you donate something. If you visit the shelter, but you still see your donations are stacked, you will feel terrible, won’t you? We just do not want to see the donations went useless.” (Participant 1, FGD 1)

Perceived tardiness in the distribution of aid brings a sense of risk and negative feeling into the interaction between beneficiaries and SOS personnel. This type of situation can frequently lead to beneficiaries reassessing the trustworthiness of the NGO. The comments above illustrate beneficiaries’ disagreement with any decision taken by SOS to delay the distribution of aid and also hint at beneficiaries’ propensity to alter their perceptions of SOS, since its personnel are not being seen to work rapidly, as they were expected to do. However, in the later part of the FGD, when beneficiaries were asked whether such an incident would lead to a decrease in their trust in SOS, some appeared to be attempting to come up with logical reasons to explain the delay, such as to prevent conflicts between beneficiaries if the amount of aid distributed turned out not to be sufficient for the number of beneficiaries. This reasoning is likely to act as a mechanism of trust ‘auto-restoration’, which emerged automatically from the beneficiaries’ side despite SOS not having sought to undertake any corrective action in relation to that particular incident (e.g. some of the aid remained in storage at the time the...
FGD was conducted). This auto-restoration may also occur as a result of beneficiaries being satisfied with the other benevolent actions performed by SOS. Some beneficiaries said:

“Oh, no.. no.. Our trust on SOS would not erode because of that. It was just our suggestion so that the donations would not be useless. It was a pity to the donors. They must aim that their donations would reach the disaster victims effectively.”

Beneficiaries’ auto-restoration of trust in SOS seemed to be related to their gratitude to the NGO, which they clearly expressed when talking about the assistance provided:

“SOS was the first to help us. Other NGOs still handled the refugees dispersedly, but SOS had its shelter built already.” (Participant 6, FGD 1)

“They are faster than the other.” (Participant 5, FGD 1)

“I think SOS has done excellent service to us. I believe they are the best.” (Participant 4, FGD 1)

These comments show that beneficiaries’ perceptions of SOS’s benevolence and their belief in its ability were sufficient to outweigh any issues with integrity arising from the untimely distribution of aid. Moreover, such perceptions may also be influenced by the Javanese culture that respects conflict avoidance and the burying of others’ past mistakes. People embracing this culture, including the majority of those living in Yogyakarta, tend to hold the value of nrimo or acceptance and of being satisfied with what they have. Javanese people also tend to be very soft when it comes to criticising others since such criticism is considered morally improper and can hamper the achievement of harmony between interacting parties. If there is no way to avoid criticism, then one must ensure that it is delivered smoothly to maintain a peaceful life. This also reflects beneficiaries’ associability to SOS as they tend to subordinate their perceptions in order to maintain the level of collaborative interaction required to achieve the goals they share with SOS.
7.4.5. Outcome of Beneficiaries’ Trust

This study contains evidence that beneficiaries’ trust can yield positive results for SOS. It nurtures the relationship between beneficiaries and SOS. Beneficiaries tend to show a sense of closeness in front of SOS (particularly with its officers and volunteers), promote SOS to others, become volunteers in other programmes and appreciate SOS’s work. When these outcomes are published to a public audience, it may assist the NGO in gaining trust from wider stakeholders, such as donors and governments, since these latter groups tend to trust word-of-mouth communication from people satisfied with the services provided. Moreover, testimonies from beneficiaries may also facilitate the transfer of trust to other beneficiaries.

Beneficiaries’ willingness to trust SOS was apparent from their close relationship with personnel, and to the NGO as an organisation. Beneficiaries did not hesitate to share their personal and private issues with SOS officers and volunteers working on the ground. This may be the result of day-to-day programmes being run not solely on the basis of providing technical guidance, but also in accordance with the familial style of relationship established between SOS and beneficiaries. As such, communication is likely to be more informal and endure beyond completion of the programme. A beneficiary of the INW programme said:

“They often visit me and ask about my condition, even though the programme has ended. They also visit the other community members. [...] Alhamdulillah for about two years we have been like family.” (B7)

Additionally, beneficiaries’ relationship with SOS officers and volunteers also encourages them to act as voluntary endorsers of SOS to the wider public, either with or without any formal intention of so doing. Through observation carried out during the data collection process, it was also evident that
genuine and close relationships existed between beneficiaries and the NGO. One beneficiary showed her enthusiasm about SOS’s achievement and promoted the NGO to her community:

“On TV, there was news that SOS sent their representatives to help the people of Palestine. I am very proud of them. If SOS is on TV, I will tell my family and neighbours, ‘Look, there is SOS on TV!’ I am proud that my son got their assistance through its programme’. My friend said, ‘That’s SOS!’ I said, ‘Sure, they have helped my son’. She said, ‘You’re lucky that you don’t need to buy any milk.’ I said, ‘Sure, SOS is very kind.’” (B8)

This type of support from beneficiaries acts as an additional source of social capital for SOS that further facilitates its efforts to help them become self-reliant, which ultimately is the way in which the NGO discharges its beneficiary accountability and constitutes the very reason for its existence.

7.5. Conclusion

Through employing various mechanisms of beneficiary accountability, particularly in its socialising (promise fulfilment, provision of services and beneficiary engagement) and strategic (beneficiary empowerment to gain self-reliance) forms – as discussed in Chapter 6 – SOS gains support by establishing collaboration with its structural networks. Actors in these networks demonstrate their assistance in strengthening SOS’s bonding, bridging and linking social capital. Volunteers, with their varied skills and expertise, enable SOS to implement various programmes effectively, with fewer financial resources. They also act on behalf of SOS in delivering a speedy response to take care of beneficiaries whenever a disaster occurs or is detected. These volunteers, who normally share a common language and culture with beneficiaries, also help SOS to engage more closely with beneficiaries and encourage them to participate in its programmes. While volunteers play more active roles in programmes conducted in Indonesia, foreign NGO partners support SOS in mobilising resources and delivering services and assistance to the beneficiaries of programmes run outside the country.
Alongside volunteers and foreign NGO partners, donors also facilitate SOS in the discharge of accountability to its beneficiaries. This is evident when donors provide direct access for beneficiaries to notify them of any problems occurring within SOS’s programmes, as well as pushing SOS to meet pre-agreed KPIs and requiring them to conduct both financial and programme audits with the assistance of an independent public accountant.

Such collaborations between SOS and the various actors within its structural networks are made possible by, among others, the cognitive dimensions of social capital which this study identifies as being based on the actors’ shared cognition of humanitarian and religious values. With shared humanitarian values, actors are motivated to place beneficiaries at the heart of SOS’s programmes. With shared religious values, particularly those which are embodied in Islamic teachings, the actors believe that the act of serving beneficiaries and assisting them to develop their self-reliance has positive impacts in enriching their spirituality and happiness both in this world and the hereafter.

The manifestation of the two dimensions of social capital – structural and cognitive – strengthens the ties between SOS and its networks and enhances the formation of the relational dimension of social capital as well as developing the trust of beneficiaries to become actively involved in its programmes. This trust subsequently stimulates other impacts on SOS, including beneficiaries’ promotion of the legitimacy of SOS to others, becoming volunteers in programmes and transferring their trust to the wider public. The interplay between these three dimensions of social capital therefore has the potential to act as an enabling mechanism which assists SOS in the discharge of accountability to its beneficiaries.
Chapter 8: Discussion

8.1. Introduction

Beneficiaries, groups which are frequently overlooked in the accountability flows of NGOs, have gained attention from scholars across disciplines. Conceptual studies (e.g. Avina, 1993a; Ebrahim, 2010; Edwards & Hulme, 1996; Knutsen & Brower, 2010) have discussed the importance of beneficiary accountability in ensuring the effectiveness of NGO programmes and facilitating the achievement of NGOs’ visions and missions in contributing to community development. However, despite such growing attention being paid to beneficiary accountability, the concept remains ill-defined (O’Dwyer & Unerman, 2007) and is largely classified as a legitimising tool (Goddard & Assad, 2006). Taylor et al. (2014) even considered that using the principal–agent perspective, beneficiary accountability ‘should not be conceptualized as part of an accountability typology’ (p.650) as its discharge seemed to be mainly dedicated to attracting more funding from donors. However, a counter argument proposed by Coule (2015) that beneficiary accountability should not be viewed using the logic of unitarism. This study, therefore, firstly aims to conceptualise what constitutes ‘beneficiary accountability’ by taking into account the perspective of participants, who represent beneficiaries, front line NGO staffs, volunteers and other relevant stakeholders, in this study to contribute to this debate.

Furthermore, ambiguity arose when seeking to establish answers to the questions of both ‘what is meant by beneficiary accountability?’ and ‘how is beneficiary accountability discharged?’ Only a few studies have attempted to shed light on the operationalisation of beneficiary accountability (Romzek et al., 2012; Unerman & O’Dwyer, 2006). These have led to calls for a more comprehensive understanding of beneficiary accountability practices (Banks et al., 2015; Boomsma & O’Dwyer, 2014; Schmitz et al.,
Drawing on the informed conceptualisation of beneficiary accountability, this study secondly intends to examine how beneficiary accountability is operationalised in the context of SOS. Thirdly, it also aims to analyse the process which is embedded within such practice through the lens of the three dimensions of social capital, as conceptualised by Nahapiet and Ghoshal (1998). Fourthly, this study examines the interplay between beneficiary accountability and social capital (using its three dimensions).

By using a combination of multiple sources of data collection (in-depth interviews, FGDs, observation and reviews of documents) in an Indonesian NGO, this study demonstrates how SOS, the case NGO, and its stakeholders discharge beneficiary accountability through the delivery of services and assistance to motivate beneficiaries to achieve self-reliance following a period of vulnerability. The findings are articulated in four points that will be discussed in greater detail in this chapter: 1.) the various dimensions of beneficiary accountability; 2.) the observed practice of beneficiary accountability by comparing and contrasting analysis of beneficiary accountability practices in two types of NGO programmes – natural disaster management (NADIM) and social community development (COMDEV); 3.) the role of social capital and its elements in enabling the discharge of beneficiary accountability; and 4.) the interplay between beneficiary accountability and the three elements of social capital.

### 8.2. Various Dimensions of Beneficiary Accountability

The findings of this study confirm those found by prior studies (for instance Awio et al., 2011; O’Dwyer & Unerman, 2007) namely that beneficiary accountability does not have to be limited to any formal mechanism of accountability to the donor and other influential stakeholders. Rather, it needs to be viewed more widely in its socialising (Roberts, 1991) – informal – forms. Drawing on the latter
perspective, beneficiary accountability aims to fulfil the promise of delivering services to beneficiaries on a timely basis and in an effective manner (Brown & Moore, 2001; Jacobs & Walker, 2004; O’Dwyer & Unerman, 2007; Roberts, 1991; Shearer, 2002). Additionally, this study also supports the finding by Coule (2015) that beneficiary accountability does not fit well with the perspective of the principal–agent relationship as perceived by grassroots beneficiaries, management of the case NGO and its other stakeholders. It is observed in Section 6.2.2, however, that the formal leaders of beneficiaries’ communities tend to express their demands for functional accountability (e.g. through financial reports and disclosures). They even demand the establishment of a regulatory body and regulations which impose a binding supervision on NGOs so that their programmes will reach beneficiaries effectively (Antlöv et al., 2006; Cordery, 2013). Such an expectation may arise as a result of the limited amount of information to which the formal leaders have access to ensure the effectiveness of the NGO’s programme, and as a way of retaining their legitimacy in the eyes of their community (Christensen, Lægreid, Roness, & Røvik, 2007; Powers, 1967). Moreover, this study reveals that beneficiary accountability, in its strategic form, is perceived by most of SOS’s officers and volunteers as a mechanism for assisting beneficiaries to regain their self-reliance after periods of vulnerability (see Section 6.2.3). This is also in line with recent observation by O'Leary (2016) using the alternative theoretical perspective of transformation.

This study, however, reveals that self-reliance is not necessarily stimulated by the involvement of beneficiaries in the final decision-making process, although beneficiaries were also invited by the case NGO to participate in hearings and consultation sessions, to hear their opinions (see Section 6.2.3). Such an approach, according to some prior studies, is perceived as pseudo-participation because many beneficiaries are not involved in the decision-making process (Bawole & Langnel, 2016; Hug & Jäger, 2014; Kilby, 2006; Mir & Bala, 2015; O’Dwyer & Unerman, 2010). This phenomenon, termed ‘symbolic
participation’ by Ebrahim (2010), has also been noticed in prior studies. Najam (1996b, p. 346-7), for example, states how ‘the sham of participation translates into the sham of accountability’ because ‘[u]nlike donors, [communities] cannot withdraw their funding; unlike governments, they cannot impose conditionalities’. Under these circumstances, it is unlikely that participation will lead to beneficiary accountability (Cooke & Kothari, 2001).

Studies have identified several factors that contribute to symbolic participation. Among these are presumptions that beneficiaries lack experience, are less knowledgeable (Saxton & Guo, 2011; Wellens & Jegers, 2014b), are incapable of expressing and articulating their genuine interests effectively (Jayasinghe & Wickramasinghe, 2011; O’Dwyer & Unerman, 2010) and fear that the NGO will withdraw its programmes from the beneficiary communities if they express their critiques too strongly (Agyemang et al., 2009a). Nevertheless, this study does not regard the involvement of beneficiaries in the decision-making process (e.g. through frequent consultation and dialogue) to identify programmes to be conducted as the only means of applying the participatory approach. This is because cultural values also play a role in beneficiaries’ willingness to actively participate in the decision-making process. In the context of this study, for instance, the majority of Indonesians (particularly those with Javanese background) embrace the attitude of **nripo** or ‘accepting everything without protest’ (Hess, 2001, p. 10). Beneficiaries who hold this value tend to be thankful for whatever aid is provided by NGOs. They are also less keen to use their voice and become actively involved in the decision-making process or to criticise the work of the NGO when beneficiaries realise that the NGO did not do its job properly, such as when it piled the aid from donors and did not distribute the aid to them directly (see Section 7.4.4). Instead, this study observes that an ‘adjustable participation’ approach can be applied using various methods depending on the condition of the beneficiaries and the stage of the NGO’s programmes.
As a humanitarian NGO with more than a decade’s experience serving beneficiaries, SOS appears highly proficient in handling emergency situations. Therefore, although it has expanded the scope of its programmes to COMDEV and even, gradually, to advocacy on humanitarian issues, SOS tends to apply similar approaches to those typically used in its handling of NADIM programmes (see Section 6.3.2). This finding confirms Brown and Moore (2001)’s analysis that when an NGO’s management inherits the accountability perspective of a service-delivery NGO (such as during the emergency stage), then when the NGO shifts its strategy to become a capacity-building NGO, it is tough for the management to ensure there is a capacity-building emphasis. However, it is not impossible. Section 8.3 discusses this in greater detail.

When conducting its NADIM and COMDEV work, SOS divides programmes into three parts: emergency (meeting the basic needs of beneficiaries), recovery (supporting beneficiaries to become self-reliant persons) and prevention (mitigating the risks of any potential future occurrence of either natural or social disasters). With regard to prevention, this is usually carried out prior to the occurrence of the disaster. However, in cases where SOS has only arrived in beneficiaries’ communities in the aftermath of a disaster, it carries out its prevention programme at the recovery stage in an attempt to prevent any subsequent disaster in the future. Throughout these stages, the NGO renders its beneficiary accountability practices by applying a series of processes.

In programmes related to emergency responses, for both NADIM and COMDEV situations, SOS adopts promise fulfilment and timely aid delivery in delivering accountability to beneficiaries (this mechanism was also perceived as a mean of beneficiary accountability practice by prior studies, such as Awio et al., 2011; Cavill & Sohail, 2007; Kilby, 2006). Beneficiaries who are involved in the emergency response programme are mostly assumed to require more time to adjust to the vulnerability that they face, thus preventing them from being more actively involved in any decision-making process.
Meanwhile, interactions between SOS and beneficiaries in emergency response have resulted in smoother recovery efforts, and can lead to the development of a more sustainable society (Kopinak, 2013). In this sense, when beneficiaries have undergone a series of recovery processes (which in most cases include prevention programmes aimed at facing potential future disasters) and are perceived to be ready for further engagement, then SOS adopts another mechanism of engaging the beneficiaries in its programme by positioning them as both the recipients and implementers the NGO’s programme. SOS also provides additional resources which enable the beneficiaries to become self-reliant and even become part of the NGO’s volunteers corps. These mechanisms resemble the practice of the strategic forms of beneficiary accountability, which goes beyond what prior studies (e.g. Cavill & Sohail, 2007) describe as a mechanism for involving beneficiaries in the strategic decision-making process.

Even so, the involvement of beneficiaries in such a process was also evident in this study, particularly in situations where beneficiaries already had experience and understanding in managing a disaster, and also in conditions where beneficiaries lived in close-knit communities (see Section 6.3.1). Usually, they are more prepared to participate directly in the decision-making process as they tend to be stronger when faced with a catastrophe. Therefore, unlike many prior studies (e.g.Agyemang et al., 2009b; Edwards & Hulme, 1996; Unerman & O’Dwyer, 2010) which observed that the participatory approach through decision-making is considered to be one of the essential components of beneficiary accountability, this study finds that beneficiary participation varies across the stages of NGO programmes, and is thus in line with the distinct degrees of participation suggested by Ebrahim (2003). Moreover, the above discussions bring an insight that helps me to shape an informed definition as perceived by the participants in this study, in which beneficiary accountability can be defined as

“non-procedural practices of positioning beneficiaries as the central focus of NGO’s activities, whether in delivering provision and assistance, disclosing financial information or empowering beneficiaries in a strategic manner to achieve their self-reliance”.


8.3. The Process of Beneficiary Accountability in NADIM and COMDEV Programmes

The discussion in Section 8.2 considered what has previously been documented by prior studies (e.g. Awio et al., 2011; Everett & Friesen, 2010; Gray et al., 2006; Taylor et al., 2014), that the practice of beneficiary accountability is strongly related to the factor of trust resulting from social interactions between representatives of NGOs and beneficiaries (O’Leary, 2016; Roberts, 1991). The finding that accountability takes place outside formal hierarchical structures is also evident in this present study. It is revealed that the intensity of interaction and level of closeness between representatives of NGOs and beneficiaries influence the priority of accountability mechanisms that are discharged by the case NGO.

During SOS’s initial engagement with beneficiaries, which takes place mostly during the emergency stage, interactions between both parties may not be well developed. At this juncture, timely service delivery is the focus of SOS’s beneficiary accountability practices, in both its NADIM and COMDEV programmes. Although SOS adopts a more strategic orientation in performing its COMDEV programmes, however, this study finds that as an attempt to make an initial approach to the beneficiaries of its COMDEV programmes, SOS tends to begin by identifying fundamental issues in the community that can be addressed through service-delivery initiatives similar to those usually conducted during the emergency stage of its NADIM programmes (see Section 6.3.2). For example, in an effort to reduce the number of under- and malnourished children in a sustainable manner, SOS did not provide direct health education and economic empowerment to the mothers of those children straight-away. It did, however, commence its Integrated Nutrition Workshop (INW) programme during a so-called ‘emergency’ stage in which it delivered parcels of supplemental nutritious food and provided regular health check-ups and treatment aimed at improving the children’s nutritional status. Following six
months of emergency intervention, SOS continued its recovery and prevention programmes by providing training on health education and activities for economic empowerment, such as development of entrepreneurship skills of the mothers whose children were treated in the INW programme; provision of initial working capital and entrepreneurship mentoring sessions to assist them in starting their business.

During the service-delivery stage, SOS channels assistance as mandated by donors to beneficiaries in the largest and most far-reaching way as possible, ensuring they receive adequate aid supplies of sufficient quantity and quality to meet their needs. In the emergency period, SOS tends to target a large number of beneficiaries, while also conducting social mapping to identify the most deserving beneficiaries and prioritise communities whose members have stronger ties and where there are parties who are potentially willing to support SOS to conduct recovery programmes (see Section 5.6.2). This scaling back of the programme is preferred by SOS during the recovery stage as this stage requires more intensive communication between beneficiaries and representatives from SOS. When a certain level of closeness is achieved, some beneficiaries even come to regard SOS’s field officers and volunteers as members of their extended family with whom they can share stories about their lives and their personal matters and plans. The reaching of this stage usually acts as a signal to SOS that its priority in rendering beneficiary accountability can be shifted to a more strategic level. In this case, it begins to focus more on assisting beneficiaries to achieve their self-reliance.

The above discussions illustrate that SOS’s orientation can shift from being an NGO focused on service delivery to one involved in capacity building, with a more intensive level of close interactions. This finding extends Brown and Moore (2001)’s discussion, which argued that it is challenging for an NGO established as a service-delivery organisation to make the shift to a capacity-building role when there has been no negotiation of beneficiaries’ aspirations over those of donors. Instead, this study
demonstrates that such a shift is possible in a different situation where close interaction between SOS’s representatives and beneficiaries becomes the enabling factor. This finding also supports the findings of some prior studies (e.g. O’Dwyer & Boomsma, 2015; O’Dwyer & Unerman, 2008; O’Leary, 2016), that different priorities of beneficiary accountability mechanisms do not take place homogeneously across all stages of stakeholder engagement as well as among various groups of beneficiaries.

In the context of SOS, furthermore, building close interactions with beneficiaries involves a process of activating social capital in its three-dimensional forms (Nahapiet & Ghoshal, 1998). By utilising its social capital, SOS addresses the difficulty of gaining access to beneficiary communities, which, according to O’Dwyer and Unerman (2010), has become one of the leading reasons for the neglect of beneficiary accountability. It is therefore of interest to this study to discover the enabling process behind SOS’s practice of beneficiary accountability.

8.4. The Role of Social Capital in Enabling Beneficiary Accountability

The practices of beneficiary accountability take place in the context of SOS as a process rather than a tool (Brett, 2003; Ebrahim, 2003; O’Leary, 2016). The process is manifested in beneficiaries’ interactions with SOS and its structural networks, which are less associated with the efforts of engaging beneficiaries to determine what programmes are to be carried out. Such interactions, which are adjusted according to the readiness of beneficiaries to engage with SOS throughout the different stages of its programmes, are more concerned with the process of nurturing, mentoring and involving beneficiaries to perform as the actors in SOS’s programmes.

Those interactions, however, do not occur immediately. SOS requires trust from beneficiaries and its supporting structural network (typically comprising volunteers, partners and donors) to motivate
these actors to deepen relations and pursue interactions with SOS (Nahapiet & Ghoshal, 1998). Trust, as a component of the relational dimension of social capital, along with its structural and cognitive dimensions, encourages the development of further close interactions between the actors. More specifically, the findings from SOS reveal that the common values shared by SOS and its structural network (volunteers, partners and donors) create collaborative interactions between the actors. These combinations of structural, cognitive and relational aspects make social capital available as a public good to the actors and help to create an environment of high trust (Ivy et al., 2015). The existence of such trust has the effect of increasing truthful communication between transacting parties, which leads to collaboration in allocating scarce resources (Mishra, 1996), strengthened cooperative efforts and reduced transaction costs (Bromiley & Cummings, 1992), in addition to increasing trustees’ performance and reducing conflict between the trusting parties (Zaheer et al., 1998). In this sense, social capital enables SOS to gain beneficiaries’ trust, which in turn helps the NGO to engage beneficiaries to become the implementers, not just the recipients, of its programmes and to carry out a capacity-cloning process so that upon completion of SOS’s interventions, beneficiaries can achieve their self-reliance (Clark, 1992). These findings enrich prior beneficiary accountability studies (see for example, Agyemang et al., 2009b; O’Dwyer & Unerman, 2010) that beneficiaries’ participation in the decision-making process has not been sufficient to be regarded as the core of beneficiary accountability practices. Instead, these findings support O’Leary (2016), who investigated another potential form of beneficiary accountability and found it to exist as practices to facilitate and enable societal contribution to beneficiary communities as part of a rights-based approach to development.

Additionally, this study also makes theoretical contributions by embracing social capital’s potential as a multilevel lens (Ivy et al., 2015; Kwon & Adler, 2014; Payne et al., 2011; Weisinger & Salipante, 2005) through which we can understand the process behind the discharge of beneficiary
accountability. Previous studies have discussed how the formation of social capital impacts on many areas, including hiring and retention activities in employment practices (Leana & Van Buren III, 1999), knowledge acquisition and exploitation (Yli-Renko, Autio, & Sapienza, 2001), knowledge transfer between network members (Inkpen & Tsang, 2005), as well as reform initiatives in local government agencies (Nyamori & Gekara, 2016). Using the framework proposed by Nahapiet and Ghoshal (1998), this study contributes to the NGO accountability literature through analysis of how interplay between the structural, cognitive and relational dimensions of social capital at both the individual and organisational/societal levels assist the NGO in rendering accountability to its beneficiaries, particularly in its socialising and strategic forms.

8.4.1. The Structural Dimension
Regarding the structural dimension, SOS engages its networks to enable, operate or monitor (or a combination of these activities) the delivery of NGO services to beneficiaries as well as the empowerment of beneficiaries to achieve their self-reliance. The NGO’s structural networks allow the development of interactions at both the individual and organisational/societal levels: for example, between SOS, beneficiary communities and the Indonesian Volunteer Society (MRI); between corporate donors, SOS and beneficiary communities; between SOS and partner NGOs in foreign countries; between SOS and volunteers; between SOS officers, beneficiaries and volunteers; and between SOS, individual donors, representatives of corporate donors, community leaders and beneficiaries.

Intensive interactions and co-activities among actors in SOS’s structural networks stimulate the development of relational social capital, which, when maintained soundly, can enable a sharing of values (e.g. the spirit of self-reliance, care for humanity and religious values) between actors that enhances the cognitive social capital (Nahapiet & Ghoshal, 1998). Additionally, this study found that such structural
social capital also provides opportunities to improve bonding, bridging and linking social capital, not only for SOS but also for beneficiary communities. In the context of SOS, support from its structural networks increases the level of bonding social capital among SOS’s leaders and staff to consolidate their efforts in providing services for and improving beneficiaries’ self-reliance. At the same time, it boosts bridging social capital through SOS’s collaborative actions with its volunteers and partners. It also develops linking capital with more powerful stakeholders such as corporate donors, governments and policymakers. In the context of beneficiary communities, the relationship between community members and SOS, together with its officers, can create bridging social capital that allows beneficiaries to ‘reach out’ by obtaining access to resources from SOS (Titeca & Vervisch, 2008). Facilitated by SOS, beneficiaries act not only as the recipients of the programme but also as the implementers who run the programme. With this active involvement, bonding social capital between community members was strengthened even further in comparison to its level prior to SOS’s interventions. As demonstrated in the context of beneficiary communities of the Yogyakarta earthquake and Merapi eruption who received assistance from SOS (see Section 6.3.1), enhanced bonding social capital contributes to the creation of closer relationships among fellow community members based on mutual trust. This finding confirms Yila et al. (2013), who observed the post-flood recovery process in communities downstream of the Ba River in Fiji and found that intervention by an NGO (especially during the recovery period) in beneficiary communities which have strong ties among their members, particularly prior to the occurrence of a disaster, may reinforce bonding social capital among them. This trust-based relationship subsequently empowers beneficiaries to perform collaborative activities in fostering their self-reliance after a disaster has disrupted their lives (Jamali & Keshishian, 2009; Saegert, Thompson, & Warren, 2001) and smooths SOS’s attempts to discharge the strategic form of beneficiary accountability to them. In addition, with such self-reliance, beneficiaries are better able to develop further bridging social capital
with other communities in the area whom they did not know prior to their engagement with SOS (such as was the case with survivors of the Yogyakarta earthquake who helped survivors of the Merapi eruption). This combination of bonding and bridging social capital also enables beneficiaries to ‘scale up’ their networking by establishing linking social capital with local government and corporate donors to revitalise their neighbourhoods and provide long-term self-reliance to the communities on a level they might not otherwise be able to achieve (Bhandari, 2014; Brown, 1990; Saegert et al., 2001; Titeca & Vervisch, 2008). This was evident from the empirical results obtained during one of SOS’s COMDEV programmes, where beneficiaries had direct access to dedicated representatives from SOS’s corporate donor so that the former could report on whether SOS was carrying out its work as promised. This evidence contrasts with Kilby (2006), who argued that donors were indifferent to beneficiary accountability. However, it also confirms findings from prior studies (see for example, O’Dwyer & Unerman, 2007; O’Dwyer & Unerman, 2008, 2010; Uddin & Belal, 2013) that donor intervention has the ability to complement or enhance NGO’s accountability towards its beneficiaries and at the same time provide the NGO with capacity-building ability in conducting programme monitoring and evaluation and analysing any failures within their programme (Ebrahim, 2003; Frumkin, 2010).

8.4.2. The Cognitive Dimension

The dynamics of structural network ties, as discussed in the above section, can influence the creation of resources that enable the transfer and sharing of values, the level of cooperation in achieving common goals and the development of trust between actors in the network (Inkpen & Tsang, 2005). These resources, according to Nahapiet and Ghoshal (1998), are called cognitive social capital, which they define as a means of providing shared meaning and understanding between the members of a network. This study addresses the types of cognitive social capital that derive from humanity and the religious
values to which SOS’s officers and the actors within its networks appear to subscribe. These shared values create a wider sense of harmony and solidarity among the actors, transcending their narrow circle of contacts, to achieve common goals which are shared between them (Kwon & Adler, 2014). Volunteers and SOS officers who did not previously know each other, live in distant locations and who mix within different networks can work together easily and immediately, particularly during emergency situations, because of the similar values that they embrace. These very same values also underpin SOS’s trust in its partner NGOs to act as their agents in channelling donors’ funds into programmes conducted in foreign countries, even without the presences of any of its officers to supervise the work of partner NGOs. Here, this finding has parallels with Kraus, Kennergren, and von Unge (2016), who found that shared values can benefit an organisation as an ideological controlling mechanism to achieve the organisation’s goals.

Moreover, through such common goals, the actors also share a common understanding and approach to conducting ‘mutually beneficial collective actions’ (Uphoff, 2000, p. 241) to achieve their goals in providing optimum levels of assistance to beneficiaries (Inkpen & Tsang, 2005; Kwon & Adler, 2014). With such shared values of humanity, officers, volunteers, partners and donors aspire to position beneficiaries at the heart of the NGO’s activities. These values, in the short term, also motivate these actors within SOS’s networks to provide timely services and aid to beneficiaries. In the long term, such values motivate them to continuously support beneficiaries to become self-reliant. The holding of such shared values is found in this study to be a salient feature that helps actors to maintain their commitment to serving SOS’s beneficiaries. By assisting beneficiaries, their moral interest to embrace their values is fulfilled, although sometimes at the expense of their ‘homo economicus’ interests, such as those related to financial-related opportunity cost and disposable time (Vosselman & van der Meer-Kooistra, 2009, p. 274). This is supported by the fact that some of SOS’s officers and volunteers have
elected to remain at SOS despite having received tempting offers of employment from other institutions.

Conversely, when the actors present in close structural networks do not share common cognition with regard to humanity and religious values, they will not ‘reap the benefits associated with building social capital’ (Lesser, 2000, p.7). This makes the achievement of any expected goals even more distant. The case in which several officers from a large state-owned company wished to involve SOS in a quid pro quo that was in violation of the values of religion and humanity serves as a clear illustration that the cognitive dimension of social capital is indeed an important trigger for further creation of the structural and relational dimensions of social capital (Kwon & Adler, 2014).

Alongside the shared humanity values, the actors within SOS’s networks are also linked, often to a greater extent, by their shared religious values. While SOS’s religious foundations are not explicitly enunciated within its mission and vision statements, Islamic teachings that promote values of humanity appear to be very well internalised within SOS. Officers at SOS are also encouraged by SOS’s leaders, through their exemplary actions, to practise Islamic teachings as part of their daily routines. This includes the examples of performing both compulsory and voluntary prayers and fasting, wearing the hijab (headscarf) for female officers and maintaining sensible interactions between males and females. The NGO’s leaders encourage staff to view their work for SOS as an act of worship to Allah (God) the Almighty. This motivates SOS’s officers and the actors within its structural networks to work collaboratively in serving the beneficiaries who are held as the main reason for the NGO’s existence. This finding is in line with Harris (2003), who argued that shared religious values can enhance social capital by providing stronger ties for group cooperation at a higher level compared to that which could be achieved through shared secular values. This is because secular-driven cooperation tends ‘to rely on material incentives to induce individuals to cooperate with others’ (p. 123), while religious-driven
cooperation is able to gather them using non-material incentives, such as enrichment of their spirituality and happiness. This is also aligned with Jackson, Bachmeier, Wood, and Craft (1995), who found that those who practise religious teachings are more committed to engaging in volunteering and charitable giving than those who do not.

Additionally, SOS officers, volunteers, partners and donors also consider humanitarian work on behalf of beneficiaries as a means to fulfil their passion for obtaining both blessings from Allah and rewards, not only in this earthly life but also, more importantly, in the afterlife. Their motivation to work for the sake of Allah has both shaped and been shaped by a unique form of accountability which places Allah the Almighty as the Most Powerful stakeholder who will take into account all the amanah (trust) which Allah has entrusted to them. In Islamic teaching, humans are considered as Allah’s vicegerents (khalifah) on earth who are responsible for taking care of the amanah — such as families, resources, knowledge, property, society and the environment — and the actions that humans undertake in stewarding such amanah can be counted as part of the act of worship (Haniffa & Hudaib, 2011; Yasmin et al., 2014). This concept of accountability is formed through the internalisation of Islamic principles that inspired actors within SOS’s networks to conduct their work in serving beneficiaries. Understanding that individuals need to be accountable to Allah also stimulates them to render accountability to all elements of the society regardless of their positions (Sulaiman, 2001), which later become seeds that grow the essence of beneficiary accountability.

8.4.3. The Relational Dimension

The structural and cognitive dimensions of social capital as discussed in the previous two sections influence formation of the relational dimension. The latter is a dimension that represents the quality of the interactions between SOS and the actors within its networks (volunteers, partners and donors) that
are built upon trust and associability (Leana & Van Buren III, 1999). By having bonding, bridging and linking engagement (facets of the structural dimension of social capital), actors find that the shared values and goals (facets of the cognitive dimension) that link them are enhanced through their interactions. Moreover, such interactions also contribute to the development of trust and associability (facets of the relational dimension) among them, which serve not merely as a consequence or product of the structural and cognitive dimensions, but rather as an antecedent that can also strengthen the level of those two dimensions.

By trusting and being associable to each other, the actors are able to generate or share resources (Nahapiet & Ghoshal, 1998) as well as cooperate to achieve common goals. In this study, such goals include supporting beneficiaries to become self-reliant people who can rise confidently from their perilous conditions (MacIntyre et al., 2013). However, such cooperative actions between SOS and its networks (volunteers, partners and donors) have yet to satisfy the conditions needed to achieve the beneficiaries’ self-reliance initiatives without the existence of beneficiaries’ trust towards the NGO. It is commonly perceived that an NGO can quickly begin to take the trust of its beneficiaries for granted because the beneficiaries, due to their vulnerability, are happy to receive any amount of assistance provided by the NGO without critical questioning (Cornwall, 2008; Hosmer, 1995). In other words, beneficiaries already have what McKnight, Cummings, and Chervany (1998) call dispositional trust, which refers to their personal tendency to generally trust the NGO (or any other providers of assistance). This conceptualisation of trust may bring a perception that beneficiaries will accept whichever NGOs come to them with open hands as they expect those NGOs to do good things on their behalf. This common perception is also evident in this study, when, for instance, beneficiaries’ trust in SOS grew despite the fact they had neither any prior understanding of SOS’s identity and credibility nor history of interaction with or exposure to the NGO. However, there was also another counter-intuitive
finding. This study finds that the level of interaction between beneficiaries in their community, beneficiaries’ cultural values and beneficiaries’ prior experience in dealing with NGOs also results in different perceptions of the conditions that contribute to trust building (Section 7.4.1).

In the latter situations, beneficiaries did not seem to have dispositional trust towards SOS, but rather their trust was developed through dynamic processes that changed over time as a result of interactions between beneficiaries and SOS (along with the actors in its structural networks). Influence from referent parties that transfer their trust towards SOS to beneficiaries also plays a role in this dynamic (Curry & Fisher, 2012; Mueller, Carter, & Whittle, 2015; Sztompka, 1999). Through the ‘transference’ process, a trustor transfers its trust from a reliable source to an unknown one (Doney, Cannon, & Mullen, 1998, p. 606). For example, as discussed in Section 7.4.2, the process of ‘transferring and assuring trust’ (Bachmann, Gillespie, & Priem, 2015, p. 1134) from the staff at a community health centre to beneficiaries’ communities took place on both an interpersonal and inter-organisational level (Mueller et al., 2015). SOS, through its officers, volunteers and partners working on the ground, assured staff at the community health centre that its INW programmes would assist the centres to carry out their duties in improving the health of members of the communities. Once these staff were confident they could place their trust in SOS, it was easier for them to become intermediaries or brokers of trust by endorsing SOS to the beneficiaries (Bachmann & Inkpen, 2011; Coleman, 1990). In this case, a positive cycle of the transfer of trust to targeted beneficiaries will follow (Mueller et al., 2015). This mechanism relates to the fact that while people can trust one another, institutions and communities themselves cannot trust since the trust is held by the human members of those institutions or communities (Zaheer et al., 1998). Therefore, the essence of the trust in SOS held by beneficiary communities and the community health centre staff actually resides in their trust towards SOS’s officers, volunteers and/or partners. This finding is parallel to Inkpen and Tsang (2005)’s study, which argues that
individual social capital (including trust as a facet of its relational dimension) is critical as it drives the development of organisational social capital.

Furthermore, as the initial level of trust is developed through interactions, such trust facilitates more intensive interactions between beneficiaries’ communities, SOS and the actors within its structural networks. This is aligned with findings in prior studies that trust can act as both an antecedent to and a result of favourable interactions (Leana & Van Buren III, 1999). While SOS conducts its services to beneficiaries and involves them as the implementers of its programmes, this level of participation feeds their sense of belonging to the programmes and their trust towards SOS is developed even further (Ebrahim, 2003). It is also evident that there is a shift from generalised ‘moralistic trust’ that arises from intensive interactions with the NGO to knowledge-based ‘strategic trust’, formed through interactions (Uslaner, 2002, p.4). In this sense, beneficiaries’ trust is not static and is more likely to exist as relational trust (Zaheer et al., 1998). So long as beneficiaries’ expectations of SOS are confirmed through the NGO’s commitment to assisting beneficiaries to accomplish the shared goals with its competence and caring attitude, beneficiaries’ trust in SOS is likely to grow (Creed & Miles, 1996; Fisher, 2013; Kasperon, 1986; Mayer & Gavin, 2005; Rosanas & Velilla, 2003). This also exemplifies Sztompka (1999)’s view that such practice of beneficiary accountability may further enhance trust in the NGO:

“Accountability dampens inhibitions to grant trust and encourage a more open, trustful attitude, because it provides the truster with a kind of insurance against possible losses, a backup option against potential breaches of trust.” (Sztompka, 1999, p.88)

In contrast, when there is a conflict of trust, such as when SOS experienced delays to its distribution of aid as part of the 2010 Merapi NADIM programme, beneficiaries as trustors tended to re-assess their level of trust in the NGO as the trustee (Tomlinson & Mayer, 2009). As discussed in Section 7.4.4, in responding to such a conflict of trust, beneficiaries in the programme attempted to construct logical reasons to forgive SOS and to ‘auto-restore’ their trust in SOS as they were generally satisfied
with SOS’s benevolent actions. This situation is explained by Dirks and Ferrin (2001, p.460) as ‘an
individual with high initial trust will tend to perceive the violation in ways consistent with that level of
trust (e.g., as unintentional, a misunderstanding): through this process a high level of trust is preserved.’
Moreover, apart from SOS’s benevolence towards beneficiaries, its informal approach in conducting
programmes by treating its ground actors as if they are ‘part of beneficiaries’ families’ is also found to be
an obvious factor that boosts beneficiaries’ trust in the NGO and increases their associability with SOS to
work together in achieving their common goals as well as the very essence of beneficiary accountability,
namely, becoming self-reliant (Granovetter, 1985; Hosmer, 1995; MacIntyre et al., 2013; Zucker, 1985).

8.5. The Interplay between Beneficiary Accountability and Social Capital

Section 8.4 discussed how social capital, as formed through three interlinked dimensions, cognitive,
structural and relational, enables the actors in SOS’s networks (officers, volunteers, partners, donors
and beneficiaries) to come together in collaborative work to carry out SOS’s aspiration to serve
beneficiaries. This is particularly carried out through the timely delivery of aid and supporting
beneficiaries to become self-reliant, which, respectively, are embodiments of the socialising and
strategic forms of beneficiary accountability. However, in addition to confirming the theoretical
framework represented in Figure 3.1 and 3.2, this study found the accountability that SOS discharges to
its beneficiaries can also lead to the further enhancement of SOS’s social capital (Granovetter, 1985;
Payne et al., 2011). This reflects Cooke and Willis (1999)’s view that social capital can be considered as
the ‘origin and expression of successful network interaction’. In this sense, social capital as a ‘… not
unilinear but circular and multilinear’ (Adam & Rončićević, 2003, p. 178) concept serves as both an
antecedent and consequence of beneficiary accountability. This is evident when beneficiaries who are
satisfied with SOS’s work promote the NGO to the wider public and become part of SOS’s army of
volunteers (structural dimension); share the same values as both SOS and the actors in its initial structural networks (cognitive dimension); and maintain their relationships with SOS and its networks (relational dimension).

Although the reiterative nature of social capital whereby it is considered as antecedent and consequence of a collaborative action has become of interest to various authors (such as Coleman, 1990; Lin, 2001; Putnam, 1995) such discussion, however, appears trivial as the characteristics of social capital and its dimensions are interlinked (Nahapiet & Ghoshal, 1998) and its antecedents and consequences are mutually reinforcing and inseparable (Manning, 2015). Moreover, such a cyclical view of social capital is outlined by Cohen and Prusak (2001, p. 9):

“Many of the elements of social capital are both cause and effect, simultaneously its underlying conditions, indicators of its presence, and its chief benefits […] (the) lack of rigorous distinctions between social capital causes, indicators, and effects reflects the organic and self-reinforcing nature of social capital and not (in this instance, at least) the sloppy thinking of the authors.”

This study also provides evidence of the above understanding of the interlinked nature of social capital’s dimensions (Nahapiet & Ghoshal, 1998), as summarised in Figure 8.1 below.
Figure 8.1 illustrates how structural dimensions of social capital (bonding-bridging-linking) along with cognitive and relational dimensions as well as elements contained therein are interrelated in facilitating the process of discharging the three different practices of beneficiary accountability. However, there is uniqueness in such process. First, the combination of bonding social capital owned by each network (e.g. SOS, volunteers, partners) with bridging social capital formed by the cross-relationship between members of those networks can facilitate the collaborative work during the emergency stage. At this stage where beneficiaries tend to be positioned purely as the recipients of the program, SOS focuses on discharging beneficiary accountability in the form of promise fulfillment and the effective and timely provision of services by exercising its bridging social capital supported by cognitive and relational social capital that SOS shares with those networks. Secondly, at the post-emergency and recovery stages where beneficiaries tend to be more prepared to be involved in SOS’s Programs, SOS expands the
activation of its social capital by involving vertical relationships that SOS builds with its linking networks (e.g. government agencies, business sectors, donor institutions and Politicians) to support its strategic practice of beneficiary accountability. Thirdly, coordination between SOS and its linking networks, without involving collaborative works from its wider networks, seems to be sufficient in discharging the functional practice of beneficiary accountability (e.g. through disclosing Certain quantity of financial information to beneficiaries).

Moreover, although Figure 8.1 appears to represent the structural dimension as the main trigger of the other two dimensions of social capital, the structural dimension is intended to facilitate the complexities associated with such dimensions. The findings of this study indicate that collaborative work to carry out beneficiary accountability can be initiated through any facet of either the cognitive, structural or relational dimensions. Therefore, these findings provide critical understanding for NGOs that they may find alternatives and also that they have no excuse for not discharging accountability to those at the centre their existence – the beneficiaries. Furthermore, these findings may also serve to address the apathy regarding the financial concerns of rendering beneficiary accountability on the condition that NGOs are capable of creating, maintaining and providing the benefits of their social capital.

8.6. Conclusion

This chapter has examined the empirical findings discussed in Chapters 6 and 7 in greater detail by comparing and contrasting the findings with those found in prior literature, as elaborated in Chapter 2, the theoretical framework, as outlined in Chapter 3, and contextual materials introduced in Chapter 5. Following the introduction in Section 8.1, Section 8.2 discussed the various dimensions of beneficiary
accountability. This section emphasised that the practice of SOS’s beneficiary accountability tends to be shaped into three main forms: delivery of provisions and assistance, disclosure of financial information and the empowerment of beneficiaries to achieve their self-reliance. Of these three forms, the first and the third appeared to be more apparent in SOS’s practices of beneficiary accountability. Section 8.3 discussed such practices in greater detail through analysis of SOS’s two types of programme – NADIM and COMDEV, and found that in both programmes, SOS tended to practise different priorities of beneficiary accountability mechanisms according to the level of its stakeholder engagement as well as among various groups of beneficiaries. Section 8.4 discussed how social capital, along with its three dimensions, plays a role in enabling the discharge of beneficiary accountability. Finally, Section 8.5 highlighted the interplay between social capital and beneficiary accountability, and found that the former serves as both an antecedent and consequence of the latter.


Chapter 9: Conclusion

9.1. Introduction

This chapter concludes what have been discussed in the earlier chapters of this thesis. It summarises the findings elaborated in the last three chapters which at the same time provide answers to the research questions posed on this study. The chapter then identifies the empirical, theoretical and practical contributions of the study. It also highlights limitations of this study and ends with some recommendations of direction and areas for future research.

9.2. Summary of Findings

This study was conducted to build an understanding of beneficiary accountability, including defining the term, the operational mechanisms of discharging it, the processes which enable such practice and the consequences that result from those processes. It was carried out through an examination of a large Indonesian NGO whose vision is inspired by Islamic teachings and universal humanitarian values and which has the support of a wide structural network in terms of its provision of services to beneficiaries. Moreover, to understand the enabling process behind the discharge of beneficiary accountability, this study draws on the three dimensions of social capital (cognitive, structural and relational), as put forward by Nahapiet and Ghoshal (1998). In an effort to understand the interplay between social capital and the practice of beneficiary accountability, this study also examines various ways in which these dimensions interact with each other to facilitate the development and maintenance of social capital as part of an enabling process of beneficiary accountability.

The findings presented in Chapters 6-8 sought to answer the following research questions:
RQ 1 : What constitutes beneficiary accountability?

RQ 2 : How beneficiary accountability is operationalised?

The analysis in Section 6.2 focused to answer the first research question, while Section 6.3 and the whole of chapter 7 focused on answering the second research question. Chapter 8 discusses the findings in greater details with reference to previous studies (Chapter 2) and the theoretical framework (Chapter 3).

9.2.1. Answer to Research Question 1: Definition of Beneficiary Accountability

The findings show that beneficiary accountability is understood by the participants in this study as ‘non-procedural practices of positioning beneficiaries as the central focus of an NGO’s activities, whether in delivering provision and assistance, disclosing financial information or empowering beneficiaries in a strategic manner to achieve their self-reliance’. This definition reflects how the mechanisms of being accountable to beneficiaries are closely related to socialising, or informal, forms of accountability rather than the instrumental, or formal, forms commonly associated with donor accountability. Given this socialising nature, it is envisaged that NGOs can be enabled by the social capital embedded in their networks when it comes to discharging beneficiary accountability.

9.2.2. Answer to Research Question 2: Operationalisation of Beneficiary Accountability

The successful activation of social capital from officers, volunteers, partners, donors and even beneficiaries is a skill that NGOs are required to manage. This study reveals that the bonding, bridging and linking synergies that the case NGO develops with its networks (the structural dimension of social capital) are strengthened by, and will enhance, its shared goals and values (cognitive dimension of social capital). The integral intertwining of these two dimensions is strongly related to the development of
trust and associability (relational dimension of social capital) which may promote further enhancement of the cognitive and structural dimensions. However, such interplay between the three dimensions is complex and tends to be circular and multilinear as opposed to unidirectional. Thus, any of the three dimensions are capable of initiating the formation of social capital. With such reiterative interplay, the social capital, particularly its trust dimension, previously asserted by prior literature (e.g. Goddard & Assad, 2006; Uddin & Belal, 2013) to be an antecedent factor facilitating the discharge of beneficiary accountability was later found in this study to be developed further as a consequence or product of such discharge.

9.3. Contributions

This thesis provides both empirical and theoretical contributions to the literature on NGO accountability and social capital. Moreover, it also provides practical implications for NGO practitioners. Each of these contributions is discussed in further detail in the following sections.

9.3.1. Empirical Contributions

Among the significant issues frequently raised in the literature on NGO accountability is the unbalanced priority of NGOs in terms of satisfying the requirements of more powerful stakeholders, such as donors, versus being accountable to their beneficiaries (Agyemang et al., 2009b; Bladescu et al., 2005; Dixon et al., 2006a; Ebrahim, 2003, 2003a, 2005; O'Dwyer & Unerman, 2007, 2008). However, the operationalisation of beneficiary accountability is seen as inordinately difficult due to the fact that its definition is also unclear (Wellens & Jegers, 2014a). In an attempt to address this concern, this study provides an empirical contribution by investigating what constitutes beneficiary accountability by taking
into account the perspective of beneficiaries as well as those of other participating informants such as
NGO officers, donors, volunteers and NGO experts.

Moreover, very few studies have attempted to shed light on the operationalisation of
beneficiary accountability (Romzek et al., 2012; Unerman & O’Dwyer, 2006a) despite increasing
attention being paid to the discourse on beneficiary accountability in both conceptual and empirical
studies (Ebrahim, 2003; O’Dwyer & Unerman, 2008). While prior studies (e.g. Avina, 1993a; Ebrahim,
2010; Edwards & Hulme, 1996; Knutsen & Brower, 2010) are acknowledged as having outlined the
conceptual mechanisms involved in the discharge of beneficiary accountability, there is very little
empirical evidence in the literature about how NGOs’ practices and forms of accountability are
constructed in relation to their beneficiaries. This study contributes by examining how beneficiary
accountability is operationalised and the processes which are embedded within such practice through
the lens of the three dimensions of social capital, as conceptualised by Nahapiet and Ghoshal (1998). By
focusing on those issues specifically, this study is able to respond to recent calls (e.g. by Banks et al.,
2015; Boomsma & O’Dwyer, 2014; Schmitz et al., 2012) for a more comprehensive understanding of
beneficiary accountability practices.

Furthermore, taking the case of a large NGO sets this study apart from many of the other case
studies that have examined the various features of beneficiary accountability (e.g. Awio et al., 2011;
O’Leary, 2016) which, in contrast, have focused on relatively small, grass-roots organisations on the
ground. Large NGOs are typically characterised by social networks which are broader and require higher
commitments to maintain their more complex sets of accountabilities. They are therefore less likely to
be accountable to their beneficiaries (Andrews, 2014; Kilby, 2006). This study contributes to the NGO
accountability literature by presenting how SOS, as a large NGO, derives benefits from its broad
structural networks to develop and operationalise its beneficiary accountability through the creation and maintenance of social capital.

9.3.2. Theoretical Contributions

In addition to the empirical contributions outlined above, this study also offers some theoretical contributions to social capital literature. First, within social capital literature, to the best of my knowledge, no prior work has focused on demonstrating the ways in which the three dimensions of social capital (Nahapiet & Ghoshal, 1998) and NGO accountability, particularly that discharged to beneficiaries, are interrelated. This study is different in that it provides evidence that both social capital and beneficiary accountability serve as antecedents and consequences of each other. While prior studies within the NGO accountability literature have applied a general theoretical framing of social capital (Awio et al., 2011), this study has placed more emphasis on the role of social capital as an important driver of service delivery and accountability. It also outlines the process behind how social capital is able to perform such an enabling role, something not yet examined in a more in-depth and systematic manner by prior studies.

Secondly, by examining the less explored impact of Islamic teachings on social capital and the beneficiary accountability practices of the NGO, this study expands on works previously conducted in this area. Most of previous researches (e.g. Anheier & Salamon, 1998; Jeong, 2010) have shown that Christianity has a significant impact on individuals’ social capital. This study investigated the impact of Islam – as a prominent religion in Asian countries and a guiding force for SOS – in building the cognitive dimension of social capital which contributes to facilitating the discharge of beneficiary accountability. It found that actors within the NGO’s networks seemed to embrace the shared belief that their work constitutes part of the act of worshipping Allah, as He is the one who will take into account all of the
deeds they perform during their life. An understanding of this Islamic concept of accountability motivates them to be accountable to their stakeholders as part of their actions, including the beneficiaries who are the very reason for the NGO’s existence.

Thirdly, this study responds to Inkpen and Tsang (2005)’s call for research to examine the interaction effects among Nahapiet and Ghoshal (1998)’s three dimensions of social capital. This study confirms that the three dimensions are interlinked, re-enforcing and inseparable from one another (Manning, 2015; Nahapiet & Ghoshal, 1998). More particularly, this study discovers that the outcome of social capital creation (e.g. collaborative work among actors in SOS’s networks) to discharge beneficiary accountability can be initiated via a strengthening of any facet of either the cognitive, structural or relational dimensions. While this finding gives more flexibility to those aiming to build social capital by focusing more on their dimensions in order to stimulate the creation of other dimensions, this study also suggests that the cognitive dimension, particularly that formed through shared religious values, can enhance social capital to a greater and more sustainable level since it can be compensated for by non-material incentives as opposed to material ones.

9.3.3. Practical Contributions

This study offers important empirical evidence for practitioners within NGOs to encourage them to reflect on their commitment to beneficiaries as the very reason for their work, and allows them to be inspired by a comprehensive discussion of the mechanisms through which accountability is discharged to their beneficiaries. Additionally, it outlines the processes behind the formation of social capital and its three dimensions that facilitate the discharge of beneficiary accountability. Understanding these processes may assist them to appreciate the positive roles that can be played by other actors within
their networks, such as volunteers, partners and donors, in the development and operationalisation of accountability to beneficiaries.

For NGO managers, this study provides necessary empirical evidence on the positive role played by the volunteers, partners and donors in the development and operationalisation of accountability to the beneficiaries. Particularly related to volunteers, NGOs can be more proactive in marching with them by giving works that are relevant to their knowledge and skills set. It can be achieved through comprehensive volunteer management that includes proper training and greater explicit appreciation of the volunteer works. This study also shows that volunteers and NGO can work in a reciprocal relationship where social capital can be mobilised to each other’s advantage. To facilitate beneficiary accountability, NGOs can draw on the social capital held by the volunteers who appear to share the same norms and expectations with the beneficiaries. This process can also lead to the building of social capital by the volunteers themselves as they achieve great satisfaction and gain valuable experience in this process that could lead to greater satisfaction in their spiritual and material lives. Some of participants in this study talked about it explicitly with a profound sense of gratitude and pride.

Additionally, this study also reveals that in order to smoothen the process of engaging beneficiaries to be actively involved in NGO programmes, particularly those taking place during the recovery stages, NGOs need to pay attention to the bonding social capital that exists in beneficiaries’ communities. The greater this level of bonding, the more likely it is for beneficiaries to be motivated to participate in running the programmes, and vice versa. Therefore, when NGOs are involved with beneficiary communities that are less communal in nature, they need to assist beneficiaries to strengthen their bonding social capital (e.g. by encouraging them to agree on particular shared values or commit to specific shared goals) prior to making greater efforts to engage them in building bridging
social capital with the NGOs, or even linking social capital with donor communities or governments. To summarise, delivering beneficiary accountability may enable NGOs to conduct a greater number of sustainable programmes, which may later contribute to the development of more sustainable operations.

In the wider context, this study demonstrates that the role of social capital and its three dimensions in facilitating collaborative works for achieving common missions can be applied in many aspects of life either it is at an individual, organisational level, or the combination of both levels. A person who shared his/her values and values with another person (cognitive dimension) and has trust and associability (relational dimension) with his/her connections (structural dimension) can work together to achieve their common mission, and such collaboration can be expanded into organisations which those interacting persons belong to. Moreover, when those organisations establish joint actions to fulfil certain objectives, social capital is developed through this relationship and can be enhanced as time passes.

9.4. Limitations and Future Study

This study provides original contributions on the detailing of beneficiary accountability mechanisms and practices, as well as the role of social capital in enabling such practices. These findings undoubtedly add further insight to the growing academic literature on NGO accountability, mainly related to further possibilities of accountability, including its social and strategic forms. Such findings can also be used as a primary key for improving NGOs’ services in assisting beneficiaries to become self-reliant, specifically by optimising the power of their social capital, and this is unique in comparison to those findings added to the discourse by prior studies on NGO accountability. However, as it is based on an in-depth analysis using the context of a specific humanitarian NGO. Therefore, it cannot and does not claim any
‘generalisability’ and its wider applicability may be more limited. Even so, the use of two of SOS’s different programmes, namely NADIM and COMDEV in discussing beneficiary accountability practices is hoped to be able to present a richer analysis for this study. Concerning this, several epistemological avenues are available for future research, such as how the distinct characteristics of different NGOs may impact on their approach to practising accountability, and also the fact that earlier research in other settings used specific observations.

Related to this potential comparative study, taking an Indonesian NGO whose operations are inspired by Islamic principles as the case object, this study has included my tacit understanding of Islamic values and practices in addition to that of Indonesian customs and culture. However, such a close relationship may have had a bearing on my approach to analysing the data. Moreover, related with SOS’s agenda to go global, SOS’s top management requested me to assist the NGO to penetrate for donor potencies, particularly to Indonesian diaspora (expatriate and students) who are living in the UK, by forwarding updates on SOS’s programmes to my networks in the country. While this voluntary task aligns with my personal values to help those who are in need and can provide me with easier access for data, all these mentioned closeness factors bring a methodological challenge which I have always tried to maintain during this study, that is to remain neutral and see familiar phenomena in new ways. These situations open up exciting opportunities for future study to include more NGOs in their observations, including other types of NGOs or those operating in different countries, to enable a more comprehensive view of the phenomena. Furthermore, this study has established findings which were framed using social capital theory based on Nahapiet and Ghoshal (1998)’s three dimensions in a relatively straightforward manner. Even though these findings are based on reflective analysis, and not personal bias, this study did not reveal any paradoxical effects of social capital that challenge the
underlying assumptions of the ‘more is better’ approach promoted in most conceptual and empirical social capital studies (Edelman, Bresnen, Newell, Scarbrough, & Swan, 2005). To find such paradoxical effects, social capital needs to be explored in terms of its beneficial as well as less beneficial aspects. This study concludes that social capital can facilitate the discharge of beneficiary accountability. However, it has not found any detrimental impacts that may result from the existence of social capital. For instance, Locke (1999) identified that when actors become deeply embedded in an existing network, they tend to lose their objectivity to expand their networks. In the case of SOS, the existence of social capital may also limit the ability of actors within its networks to strengthen ties with actors in other networks that may provide opportunities to serve beneficiaries to an even greater extent. Further study may address this issue and find critical insights on the unfavourable effect of social capital by further exploring, for example, through a micro-perspective lens, the behind-the-scenes process that may explain why some beneficiaries opt to become SOS volunteers while others go as far as becoming officers of the NGO, yet others still prefer not to engage with such a process.

Furthermore, as this study is focused on beneficiary accountability, discussions on some potentially interesting empirical insights tend to be limited. For example, I did not elaborate the ways SOS manages its visual accountability tools to the wider public by posting its activities on a daily basis and (occasionally) its organisation’s values through various social media such as Instagram, Facebook, and Twitter, although I allude to this briefly in Chapter 5. This opens an interesting avenue for a future research agenda that may bring other interesting insights to the NGO accountability literature.


UNDP. (2014). *Institutionalizing Post-Disaster Recovery: Learning from Mentawai Tsunami and Merapi Eruption.* Retrieved from Jakarta:


Pages 215-217 removed for copyright restrictions.
## Appendix B: List of Interviews

<table>
<thead>
<tr>
<th>Interviewee No.</th>
<th>Interviewees</th>
<th>Gender</th>
<th>Designation/Field of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Current resident of Integrated Community Shelter (ICS), Yogyakarta</td>
</tr>
<tr>
<td>B2</td>
<td>Beneficiary</td>
<td>Male</td>
<td>Ex-formal leader for villages affected by 2010 Merapi Eruption, Yogyakarta</td>
</tr>
<tr>
<td>B3</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Current resident of Integrated Community Shelter (ICS), Yogyakarta</td>
</tr>
<tr>
<td>B4</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Current resident of Integrated Community Shelter (ICS), Yogyakarta</td>
</tr>
<tr>
<td>B5</td>
<td>Beneficiary</td>
<td>Male</td>
<td>Informal community leader of Kedaton Kidul area, Bantul, Yogyakarta</td>
</tr>
<tr>
<td>B6</td>
<td>Beneficiary</td>
<td>Male</td>
<td>Head teacher of an Islamic primary school located in Babelan, Bekasi</td>
</tr>
<tr>
<td>B7</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Volunteer and beneficiary of community health care located at Pondok Cabe, Tangerang</td>
</tr>
<tr>
<td>B8</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Mother of a child with hydro-cephalous who obtain assistance from ABC’s Integrated Health Clinic Programme</td>
</tr>
<tr>
<td>B9</td>
<td>Beneficiary</td>
<td>Female</td>
<td>Mother of a child with hydro-cephalous who obtain assistance from ABC’s Integrated Health Clinic Programme</td>
</tr>
<tr>
<td>B10</td>
<td>Beneficiary</td>
<td>Male</td>
<td>Formal community leader of a village in Babelan, Bekasi</td>
</tr>
<tr>
<td>B11</td>
<td>Beneficiary</td>
<td>Male</td>
<td>Formal community leader of a village in Babelan, Bekasi</td>
</tr>
<tr>
<td>M1</td>
<td>Vice President</td>
<td>Male</td>
<td>Humanity Network Department</td>
</tr>
<tr>
<td>M2</td>
<td>Manager</td>
<td>Male</td>
<td>Humanity Network Department</td>
</tr>
<tr>
<td>M3</td>
<td>Senior Vice President</td>
<td>Male</td>
<td>Global Philanthropy &amp; Communication</td>
</tr>
<tr>
<td>M4</td>
<td>President (CEO)</td>
<td>Male</td>
<td>Whole organisation</td>
</tr>
<tr>
<td>M5</td>
<td>Manager</td>
<td>Female</td>
<td>Philanthropy Network Department</td>
</tr>
<tr>
<td>M6</td>
<td>Manager</td>
<td>Male</td>
<td>Philanthropy Network Department</td>
</tr>
<tr>
<td>M7</td>
<td>Vice President</td>
<td>Male</td>
<td>Philanthropy Network Department</td>
</tr>
<tr>
<td>M8</td>
<td>Director</td>
<td>Male</td>
<td>Global Philanthropy Media Division</td>
</tr>
<tr>
<td>M9</td>
<td>Director</td>
<td>Male</td>
<td>Creative Strategic Communication</td>
</tr>
<tr>
<td>M10</td>
<td>Manager</td>
<td>Male</td>
<td>Corporate Secretary &amp; Legal HRM</td>
</tr>
<tr>
<td>M11</td>
<td>Vice President</td>
<td>Female</td>
<td>Operational Department</td>
</tr>
<tr>
<td>Interviewee No.</td>
<td>Interviewees</td>
<td>Gender</td>
<td>Designation/Field of Work</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------</td>
<td>------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>M12</td>
<td>Senior Vice President</td>
<td>Male</td>
<td>Humanity Network Department</td>
</tr>
<tr>
<td>M13</td>
<td>Head of Branch</td>
<td>Male</td>
<td>Whole organisation</td>
</tr>
<tr>
<td>M14</td>
<td>Programme Manager</td>
<td>Male</td>
<td>Branch Humanity Network</td>
</tr>
<tr>
<td>M15</td>
<td>Administration &amp; Finance</td>
<td>Male</td>
<td>Branch Operational</td>
</tr>
<tr>
<td>M16</td>
<td>Marketing Manager</td>
<td>Male</td>
<td>Branch Philanthropy Network</td>
</tr>
<tr>
<td>M17</td>
<td>Community Development Officer</td>
<td>Male</td>
<td>Humanity Network Department</td>
</tr>
<tr>
<td>M18</td>
<td>Manager</td>
<td>Male</td>
<td>Global Philanthropy Network</td>
</tr>
<tr>
<td>M19</td>
<td>Senior Manager</td>
<td>Female</td>
<td>Branch &amp; Networking Development</td>
</tr>
<tr>
<td>M20</td>
<td>Senior Manager</td>
<td>Female</td>
<td>Humanity Network Department</td>
</tr>
<tr>
<td>V1</td>
<td>Volunteer Coordinator</td>
<td>Male</td>
<td>Volunteer for whole programme</td>
</tr>
<tr>
<td>V2</td>
<td>Super Volunteer</td>
<td>Female</td>
<td>Volunteer for Humanitarian Solidarity for Islamic World</td>
</tr>
<tr>
<td>V3</td>
<td>Volunteer</td>
<td>Female</td>
<td>Integrated Health Clinic Programme</td>
</tr>
<tr>
<td>V4</td>
<td>Volunteer</td>
<td>Male</td>
<td>Information, Communication &amp; Technology Workshop</td>
</tr>
<tr>
<td>V5</td>
<td>Volunteer</td>
<td>Male</td>
<td>Community Development Programme</td>
</tr>
<tr>
<td>ID1</td>
<td>Individual Donor</td>
<td>Female</td>
<td>Whole Programme</td>
</tr>
<tr>
<td>ID2</td>
<td>Individual Donor</td>
<td>Female</td>
<td>Whole Programme</td>
</tr>
<tr>
<td>IND1</td>
<td>Representative of institutional donor</td>
<td>Male</td>
<td>Donor for Community Development Programme</td>
</tr>
<tr>
<td>IND2</td>
<td>Representative of institutional donor</td>
<td>Male</td>
<td>Donor for Integrated Health Clinic Programme</td>
</tr>
<tr>
<td>E1</td>
<td>Academician</td>
<td>Male</td>
<td>Expert on Islamic Philanthropy Organisations and Islamic Economics</td>
</tr>
<tr>
<td>E2</td>
<td>Journalist</td>
<td>Male</td>
<td>Writer and editor for Islamic finance and economics news</td>
</tr>
<tr>
<td>E3</td>
<td>Vice President</td>
<td>Female</td>
<td>ABC's founding organisation</td>
</tr>
<tr>
<td>E4</td>
<td>Philanthropist</td>
<td>Male</td>
<td>Founding father of ABC's founding organisation</td>
</tr>
<tr>
<td>E5</td>
<td>Professional Law Consultant</td>
<td>Male</td>
<td>Experts on legal issues related to Islamic finance</td>
</tr>
<tr>
<td>E6</td>
<td>Sharia Scholar</td>
<td>Male</td>
<td>Experts on Fiqh Muamalah</td>
</tr>
</tbody>
</table>
Appendix C: Interview Consent Form

CONSENT FORM - INTERVIEW

Full title of the research: Beneficiary Accountability and Trust: A Case Study of An Indonesian NGO

Researcher detail:

Miranti Kartika Dewi
PhD Student., Accounting Group
Aston Business School, Aston University, Birmingham B4 7ET
Email: kartikam@aston.ac.uk
Mobile: +44-(0)78-58-105-407

I confirm that I have read and understood the interview guide for the above study and had the opportunity to ask any questions in any stages of the study.

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I agree to take part in the above study.

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I understand that my participation is voluntary and that I am free to decide not to participate on this study at any time without giving reason.

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I agree that the data gathered in this study will be stored in a data centre and may be used for anonymised and future research provided that it will be known only to the researcher and her supervisors. It will be stored in accordance to the 1998 Data Protection Act.

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I agree to the interview being noted

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I agree to the interview being audio recorded

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I agree to the use of anonymised quotes in any type of publications for the follow up of this study

Please tick the relevant box(es)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Please sign your consent with full knowledge of the nature and purpose of the procedures. A copy of this consent form will be given to you to keep.

Name of Participant ___________________ Date ________________ Signature __________________

Appendix D: Research Protocol

Research Title:
*Beneficiary Accountability and Trust: A Case Study of an Indonesian NGO*

<table>
<thead>
<tr>
<th>Principal Researcher:</th>
<th>Research Supervisors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miranti Kartika Dewi</td>
<td>[Illustration removed for copyright restrictions]</td>
</tr>
<tr>
<td>PhD Researcher</td>
<td>Aston University</td>
</tr>
<tr>
<td>Accounting Group</td>
<td>[Illustration removed for copyright restrictions]</td>
</tr>
<tr>
<td>Aston Business School</td>
<td>Aston University</td>
</tr>
<tr>
<td>Aston University</td>
<td>Birmingham B4 7ET</td>
</tr>
<tr>
<td>Email: <a href="mailto:kartikam@aston.ac.uk">kartikam@aston.ac.uk</a></td>
<td>[Illustration removed for copyright restrictions]</td>
</tr>
<tr>
<td>Mobile: +44(0)7858105407</td>
<td>[Illustration removed for copyright restrictions]</td>
</tr>
</tbody>
</table>

**Proposed duration of fieldwork:**
13th August – 31st October 2014 in Indonesia

**Summary of research purpose, methodology, and analysis:**
The overall purpose of this research is to develop a more comprehensive understanding about the interplay between beneficiary accountability and trust in the context of an Indonesian Non-Governmental Organisation (NGO). Beneficiary accountability means the effort made by the NGO to empower and involve the beneficiaries in planning, executing, and evaluating their programmes that aimed to service the beneficiaries. This research will identify how and why NGO discharges its beneficiary accountability and what are the impacts of the beneficiary accountability. Moreover, this research will investigate factors that enable beneficiaries to put their trust on the NGO. This research, further, will discover whether NGO beneficiary accountability may interplay with trust. The findings of this research are expected to contribute to the growing debate on NGO accountability, particularly on theoretical contribution related to beneficiary accountability and its interplay with trust in the context of an NGO in Indonesia. The research is also purposed to provide a deeper and more operational insight for NGOs on how to discharge accountabilities to the beneficiaries, who are indeed the very reason of the NGOs’ existence. Finally, findings of this study are expected to be able to assist the NGOs and their stakeholders to optimise the NGOs’ services in providing their services to the beneficiaries and public as a whole.

This research will examine the beneficiary accountability that is discharged by a case NGO in Indonesia. The data will be collected using semi-structured interviews, focus group discussions (FGD), observations, and review of documents. The data will be triangulated and analysed using thematic analysis.
Selection of participants:
The interviews will involve 30 participants (consist of NGO's management and stakeholders). They will be recruited through snowball sampling. Participants from NGO management should have at least two years working experience in the NGO and have involved in direct interactions with the NGO’s beneficiaries. Moreover, the OST forum will involve about 20 participants (from NGO's beneficiaries) and they will be recruited through advertisement. This advertisement will be discussed with the community leaders prior to its publication. Age range of these participants is expected between 20-50 years old. Of the OST forum(s)' participants, 10 beneficiaries will be asked to participate in the interviews. In addition, there will be at least two observations on beneficiaries’ participations on the NGO’s projects. The observation will last 5-10 days for each NGO project.

Risk Analysis:
This research will apply methods that are designed to minimise any potential physical or psychological harm to both participants and myself. I will only ask questions that are professional and technical in nature. The participants will sort their written or verbal consent prior to join this research. When the data collection is conducted in the NGO office, I will follow all applicable health and safety rules.

While data collection is done in the field (especially in case of observation and OST forum in in beneficiaries’ communities), I will only choose non-conflict areas that are familiar to me. I will ask representative(s) from the NGO to accompany me to the site and introduce me and my work to the participants. To make sure that the participations of the beneficiaries will not affect the NGO’s services towards them, I will conduct the interviews and forums independently and without any participation and intervenes from the NGO representative(s). I will use local (which also my own mother tongue) language that can be easily understood by the participants. Therefore, I will not require any translation assistance.

Confidentiality, Anonymity, and Data Management:
To meet the academic ethical requirement, I will ensure that all information that is shared by the participants to me will remain confidential. I will use pseudonym in the research output to protect identity of my participants (e.g. Officer 1, Beneficiary 2, etc). This coded pseudonym will not have any link with the participants’ information, the interview records, interview notes, OST forum notes, and observations notes. Moreover, their participations on this study will not be shared with others. Thus, any identifiable information of the participants (e.g. their original identities) and its relevant codes will be stored in a separate password protected file that is only accessible by me. The data will be stored in accordance to the 1998 Data Protection Act.
## Appendix E: List of Focus Group Discussions

<table>
<thead>
<tr>
<th>FGD No.</th>
<th>FGD Participants</th>
<th>NGO Programme</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>Beneficiaries</td>
<td>2010 Merapi Eruption Rescue and Relief</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Beneficiaries</td>
<td>Community Development at Babelan, Bekasi</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Beneficiaries</td>
<td>Community Development at Babelan, Bekasi</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Institutional Donor</td>
<td>Jakarta Green and Clean</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Beneficiaries</td>
<td>Community Development at Kampung Muka, North Jakarta</td>
<td>10</td>
</tr>
</tbody>
</table>
Appendix F: Focus Group Discussion Consent Form

CONSENT FORM – FOCUS GROUP DISCUSSION

Full title of the research: Beneficiary Accountability and Trust: A Case Study of An Indonesian NGO

Researcher detail:
Miranti Kartika Dewi
PhD Student, Accounting Group
Aston Business School, Aston University, Birmingham B4 7ET
Email: kartikam@aston.ac.uk
Mobile: +44-(0)78-58-105-407

Please tick the relevant box(es)

I confirm that I have read and understood the information sheet for the above study and had the opportunity to ask any questions in any stages of the study.

Please tick the relevant box(es)

I agree to take part in the above study.

I understand that my participation is voluntary and that I am free to decide not to participate on this study at any time without giving reason.

I agree that the data gathered in this study will be stored in a data centre and may be used for anonymised and future research provided that it will be known only to the researcher and her supervisors. It will be stored in accordance to the 1998 Data Protection Act.

Please tick the relevant box(es)

I agree to the focus group discussion being noted

I agree to the focus group discussion being audio recorded

I agree to the use of anonymised quotes in any type of publications for the follow up of this study

Please sign your consent with full knowledge of the nature and purpose of the procedures. A copy of this consent form will be given to you to keep.

_________________________  ______________________  ______________________
Name of Participant  Date  Signature
Appendix G: List of Reviewed Documents and Other Resources

<table>
<thead>
<tr>
<th>Internal documents</th>
<th>Strategic documents:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• NGO Company Profile</td>
</tr>
<tr>
<td></td>
<td>• Key organisational changes</td>
</tr>
<tr>
<td></td>
<td>• Mission statements</td>
</tr>
<tr>
<td></td>
<td>• Strategies</td>
</tr>
<tr>
<td></td>
<td>• Annual reports</td>
</tr>
<tr>
<td></td>
<td>• Evaluation presentation slides</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational documents:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Standard operational procedures on SOS’s Natural Disaster Management Programme</td>
</tr>
<tr>
<td>• Minutes of meetings</td>
</tr>
<tr>
<td>• Forms SOS’s Programmes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication documents:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SOS’s website and social media (Facebook, Instagram, Twitter, Youtube)</td>
</tr>
<tr>
<td>• Press releases</td>
</tr>
<tr>
<td>• Newsletters</td>
</tr>
<tr>
<td>• Magazines</td>
</tr>
<tr>
<td>• Advertisements</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reports written by SOS’s external auditor with regard to programme audit for Integrated Nutritious Workshop Programme</td>
</tr>
<tr>
<td>• Internet sources</td>
</tr>
</tbody>
</table>