

Enforcing Downward Accountability for Nonprofit Effectiveness: A Case Study of Malaysian NGO

Nurul Hidayana Mohd Noor

Abstract—The paper aims to examine the influence of three main downward accountability approach; information disclosure, participation mechanism, and complaints procedures on the external and internal effectiveness of nonprofit organizations in Malaysia. This study also seeks to provide a comprehensive measurement of downward accountability. A random sampling and a structured questionnaire survey were employed in approaching 300 staffs of 30 nonprofit organizations located in Klang Valley area, Malaysia. A total of 209 responses were received (69.6% of the response rate). A descriptive analysis and a structural equation modeling by SPSS AMOS were used for data analysis and hypotheses testing. The results revealed that information disclosure and complaints procedures affect both external and internal effectiveness except for participation mechanism. The results provide a theoretical and methodological contribution to the study of nonprofit accountability and add value to the current research.

Index Terms—Downward accountability, external effectiveness, internal effectiveness, nonprofit organizations.

I. INTRODUCTION

Nonprofit organizations can be defined based on five key characteristics which are organized, private (i.e., institutionally separate from government), nonprofit distributing, self-governing, and voluntary [1]. In Malaysia, since the recognition of social service before World War II, nonprofit organizations have continued to play their role in helping the government to escalate and deliver efficient and effective social work services. Despite the significant role of these organizations, there is dearth of research studies examining the important of downward accountability on the effectiveness of nonprofit organizations. One prominent scholar in this area, Ebrahim (2003) defined downward accountability as is to discharge power to those further down the aid chain (e.g., from an organization to its intended beneficiaries) [2].

Manuscript received November 28, 2014; revised January 5, 2015. This paper is part of a doctoral work at University of Malaya, Malaysia. The financial supports for the study have been provided by the MARA Technology of University (UiTM), Malaysia and Malaysian Ministry of Education.

Nurul Hidayana Mohd Noor is with the Department of Social Justice & Administration, Faculty of Arts & Social Science, University of Malaya, 50 603 Kuala Lumpur, Malaysia (e-mail: nurulhidayana@yahoo.com).

Downward accountability leads to desired goals and outcomes [3], [4]. For example, Mitchell's (2012) study revealed that nonprofit leaders defined their organizational effectiveness as the result of accountability [5]. Despite its advantages, the current research studies only focus on evaluating the accountability within the context of what, whom, and how, and these piecemeal views limits our understanding from looking the concept from a comprehensive perspective such how accountability may influence the effectiveness of the organization [6], [7]. Thus, the fundamental aim of the present study is to investigate the effect of downward accountability on nonprofit effectiveness. In addition, the present study also seeks to test and validate the downward accountability scale by applying it to the context of Eastern perspective, specifically Malaysia.

Based on the syntheses from previous studies, an objective survey instrument to measure perceived downward accountability is difficult to derive. Too much focus on the qualitative element of downward accountability has limits our understanding in measuring accountability. To author current knowledge, only a study conducted by Geer, Maher, and Cole (2008) provides the latest survey instrument in measuring accountability [8]. However, their developed scale focuses more on upward accountability; donor-oriented instead of downward accountability. Thus, based on the limitations, the author adapts and modifies Mango's (2010) checklists and develops the measurement scale [9]. Therefore, this present study aims to add value to the existing literature by evaluating the potential effect of downward accountability towards nonprofit effectiveness as well as to provide the comprehensive measurement of downward accountability in the context of Malaysian voluntary sector.

II. LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

A. Stakeholder Theory

Stakeholder theory proclaims that organizations need to be responsible for the interests of all constituents affected by their actions [10]. Operating in complex nature, nonprofit organizations need to deal with multiple stakeholders such as shareholders, government, investors, donors, beneficiaries, communities, and others. Clarkson (1995) further differentiates stakeholder based on two categories: primary and secondary stakeholders [11]. Primary stakeholders refer to those who actively involve or directly being influence by or affect the organization activities whereas secondary stakeholders are influence or affect by, but they are not involve in relations with the organization [11]. However, both categories are important

for nonprofit organizations as it can affect their long-term sustainability. Based on theoretical foundation of stakeholder theory, downward accountability is important because it helps nonprofit organizations to manage its relationships with various stakeholders especially beneficiaries; those who received the services. As Hyndman and McDonnell (2009) argued that the beneficiaries' involvement provides the management with important understanding of beneficiaries' need and demand [12].

B. Downward Accountability

A body of research has claimed that lacks of attention on downward accountability can deterrence the organization performance [13]. In this study, downward accountability is defined based on three main areas; information disclosure, participation mechanism, and complaints procedures [9].

Disclosure of information is vital as to ensure organizations have implemented the activities and programs in acceptable standard [14]. Previous empirical studies have discovered the association of information disclosure with the efficiency ratios and the amount of funding [15]. This is because information can be used by stakeholders to evaluate the performance of the organization.

In contrast, participation is quite distinct from information disclosure because it merely more on a process, rather than function as a tool. Participation occurs when there is a direct and shared relationship between an organization and beneficiaries [16]. Through participation mechanism, organizations will be closely allied with the beneficiaries and as the result; it enhances the understanding on these group [17]. It also helps to increase the credibility and influence of the organizations towards their external environment [18]. Finally, the organizations can protect and sustained themselves from any allegation as result of the misbehavior conduct [19].

Next, having the complaints procedures that work proved how seriously the organizations in embracing accountability [20]. Burall and Neligan (2005) claim the absence of effective complaints procedures diminish other mechanisms [20]. Referring to the open systems model, organizations need to gain feedback from their external environment in order to improve the input of process and activities [21]. Thus, complaints procedures are one tactic on how organizations can react to their external environment.

All three components of downward accountability as mentioned above are important factor that contribute towards achieving the effectiveness. Thus, the management needs to pay full devotion in these areas. In addition to measure the nonprofit effectiveness, the author is not only looking to the financial data but also nonfinancial data such as beneficiaries' satisfaction and service quality. These measures were supported by many scholars in the area of effectiveness studies [22]. Thus, nonprofit effectiveness is measure from two perspectives; external and internal. Therefore based on the brief discussion, this study proposes the following hypotheses:

H1: Information disclosure positively relates to the external

effectiveness of nonprofit organizations

H2: Participation mechanism positively relates to the external effectiveness of nonprofit organizations

H3: Complaints procedures positively relate to the external effectiveness of nonprofit organizations

H4: Information disclosure positively relates to the internal effectiveness of nonprofit organizations

H5: Participation mechanism positively relates to the internal effectiveness of nonprofit organizations

H6: Complaints procedures positively relate to the internal effectiveness of nonprofit organizations

The research model for this study is shown in Figure 1.

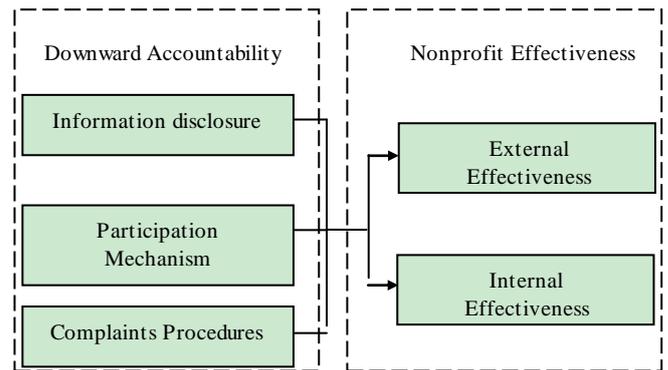


Fig. 1. Research model.

III. RESEARCH METHODOLOGY

A. Data Collection and Participants

This study employed a structured self-administered questionnaire. The population of this study is staffs of nonprofit organizations located in Klang Valley, Malaysia. This area was chosen due to a large number of registered nonprofit organizations [23]. Klang Valley is an area in Malaysia comprising the area in central Selangor, including Kuala Lumpur and its surroundings (see Figure 2).



Fig. 2. Klang valley (yellow area).

A sample of 300 respondents from 30 nonprofit organizations was drawn from the population. A majority of studies preferred sample sizes of 100 to 400 for purposes of testing hypotheses [24]. A total of 209 responses were received. It constitutes a response rate of 69.6 percent (%). Although the response rate was low, the author believes that the data have explanatory power. Nonresponse may occur due

to technical problems, confidentiality concerns and misidentification of surveys [25]. The demographics profiles of the respondents were summarized in Table I.

TABLE I: PROFILE OF THE RESPONDENTS (N=209)

Profile	Frequency	%
Gender		
Male	125	59.8
Female	84	40.2
Age		
< 30	54	25.8
≥ 30	155	74.2
Highest Academic Qualification		
Undergraduate	73	87.1
Postgraduate	23	11.0
Others	4	1.9
Income Group Average		
≤ RM 3000	118	56.5
> RM3000	91	43.5

The respondents in the study included a composition of male (59.8%) and female (40.2%). More than half of the respondents' age group was ≥ 30 (74.2%) whereas rest those was < 30 (25.8%). Most of the respondents (87.1%) had attained undergraduate qualifications. This followed by postgraduate qualifications, at 11% and others qualifications, at 1.9%. In term of income group, 56.5% of the respondents had income of ≤ RM 3000 and about 43.5% had income > RM3000.

B. Measurement

Survey items were adopted and adapted based on the established framework (see Table II).

TABLE II: OPERATIONALIZATION OF THE CONSTRUCTS

Construct	Operational Definition	Item	Source
Information Disclosure	Disclosure statements and reports on fund, money, and resources acquired from various sources.	9	Mango (2010) [9]
Participation Mechanism	The opportunities for beneficiaries in making decision about any activities that might impact or being impact by them.	7	
Complaints Procedures	The mechanisms typically apply to all stakeholders, rather than a subset of stakeholder, and they are closely related to the organization's efforts to improve performance.	6	

External Effectiveness	The degree to which objectives are met within budget constraints, overall goals are attained, services are perceived as valuable, funding is maintained and sufficient, and impact on the served population.	7	Espino (2001) as in [28]
Internal Effectiveness	Reflects organizational performance indicators such as goal clarity, clarity of program activities, goal setting, goal determination, communication, change in decision making, interdependence, diversity of funding sources, and long-term decisions.	13	

The questionnaire was divided into four parts; demographic profiles, downward accountability components, external effectiveness, and internal effectiveness. As previously noted, downward accountability has not been adequately measured. Checklist developed by Mango (2010) provides concrete benchmarks for measuring downward accountability [9]. The checklist is based on main core benchmarks in the Humanitarian Accountability Partnership (HAP) 2007 Standard, the One World Trust's Global Accountability Project as well as a review of academic literature. Although the reliability and validity of this scale were not previously tested, content validity was established during checklist development phase. Backward translation was used to ensure consistency between the Malay language and the original English version of the instrument [26], [27].

For validity, a principal component analysis was conducted. In selecting item; loading greater than 0.30 is considered significant, loading greater than 0.40 more important, and loading 0.50 or greater are very significant [29]. For this study, the items with loading of 0.50 or greater were accepted. Furthermore, Cronbach's alpha was computed to examine the reliability. The α reliability for the scales range from .65 to .80, indicating an overall acceptable reliability factor [30]. Furthermore, the value of skewness and kurtosis among these items were also between -2 to +2; thus, normality of data was assumed [31]. Those results were summarized in Table III.

TABLE III: NORMALITY & RELIABILITY RESULTS

Variable	α	Skewness	Kurtosis
Information Disclosure	0.66	-1.22	.15
Participation Mechanism	0.65	-.07	1.14
Complaints Procedures	0.70	-.96	-.53
External Effectiveness	0.80	-1.00	.61
Internal Effectiveness	0.77	-1.48	.48

C. Data Analysis

A self-reported data and cross sectional study may cause

systematic measurement error [32]. Thus, the Harman test was conducted first prior testing the hypotheses. Next, a structural equation model was used to assess the research model. Many scholars recommend the use at least three fit indexes by including at least one index from each category of model fit; absolute fit, incremental fit, and parsimonious fit [33], [34]. Table IV summarized the index category and the level of acceptance that this study refers to assess the structural model.

TABLE IV: INDEX CATEGORY

Category	Index	Literature
Absolute Fit	RMSEA	RMSEA<0.08, range 0.05 to 0.10 also acceptable [35]
	SRMR	SRMR less than 0.08 [36]
Incremental Fit	CFI	CFI>0.90, range 0.95 is good fit [37]
	TLI	TLI>0.90, range 0.95 is good fit [38]
Parsimonious Fit	χ^2/df	<5.0 [39]

Finally, one-way ANOVA analysis was conducted to explore how variables are related to the demographic factor; category of organizations.

IV. RESULTS

The result of Harman test indicated that five factors with eigenvalues above one were extracted. Of all the variance 51.2% was explained by these five factors, and the first factors accounted for 29.8%. Since single factor does not appear, common method variance is not a major threat for the current data [32]. Not a single factor had been dropped out under this circumstance which means the factor analysis ran on an ultimate success [29]. The result was shown in Table V.

TABLE V: FACTOR ANALYSIS

Construct	Item	Loading
Information Disclosure	ID1	.82
	ID2	.84
	ID3	.84
	ID4	.87
	ID5	.79
	ID6	.78
	ID7	.83
	ID8	.83
	ID9	.86
Participation Mechanism	PAR1	.98
	PAR2	.97
	PAR3	.99
	PAR4	.98
	PAR5	.98
	PAR6	.99
	PAR7	.97
Complaints Procedures	CP1	.81
	CP2	.76
	CP3	.81
	CP4	.74
	CP5	.77
	CP6	.77

External Effectiveness	EXEF1	.96
	EXEF2	.95
	EXEF3	.93
	EXEF4	.95
	EXEF5	.95
	EXEF6	.95
	EXEF7	.88
Internal Effectiveness	INTEF1	.86
	INTEF2	.91
	INTEF3	.91
	INTEF4	.93
	INTEF5	.90
	INTEF6	.89
	INTEF7	.91
	INTEF8	.92
	INTEF9	.89
	INTEF10	.91
	INTEF11	.93
	INTEF12	.92
	INTEF13	.93

Note. N=209; Factor loadings >0.5.

Correlation analysis was conducted to establish the relationships among the variables. All variables were positive significantly correlated among each other's (see Table VI) [29].

TABLE VI: MEAN, STANDARD DEVIATION & CORRELATIONS AMONG VARIABLE

Variable	M	SD	1	2	3	4	5
ID	3.87	1.25	1				
PAR	3.43	.77	.17*	1			
CP	3.55	1.25	.72**	.26**	1		
EXEF	3.81	1.09	.35**	.16*	.38*	1	
INTEF	3.39	1.06	.64**	.18**	.57*	.33*	1

Note. N=209; M=Mean, SD=Standard Deviation, ID=Information Disclosure, PAR=Participation Mechanism, CP=Complaints Procedures, EXEF=External Effectiveness, INTEF=Internal Effectiveness. **Correlations are significant at the 0.01 level (two-tailed), *Correlation is significant at the 0.05 level (two-tailed).

Next, a structural equation model (SEM) was used to assess the research model. The structural model fit index meet the requirements where RMSEA=0.10 [35], SRMR=0.05 [36], CFI=0.90 [37], TLI=0.90 [38], and $\chi^2/df=4.46$ [39].

TABLE VII: THE CAUSAL EFFECT REGRESSION (PATH 1)

Variable	β	S.E.	C.R.	p
Information Disclosure	.17	.08	2.11	.04
Participation Mechanism	.08	.09	.81	.42
Complaints Procedures	.21	.09	2.25	.02

Note. N=209; Dependent Variable=External Effectiveness.

*** $p<0.001$, ** $p<0.01$, * $p<0.05$.

Based on Table VII above, for the first path; external effectiveness as dependent variable, the results of regression analysis shown that information disclosure ($\beta=0.17$, $p<0.05$) and complaints procedures ($\beta=0.21$, $p<0.05$) are positively relates to external effectiveness of nonprofit organizations.

Therefore, H1 and H3 are supported. Only path between participation mechanism and external effectiveness ($\beta=0.08$, $p>0.05$) shows insignificant relationship. Thus, H2 is rejected.

TABLE VIII: THE CAUSAL EFFECT REGRESSION (PATH 2)

Variable	β	S.E.	C.R.	p
Information Disclosure	.30	.06	5.22	***
Participation Mechanism	.02	.07	.31	.76
Complaints Procedures	.20	.07	2.93	.003

Note. $N=209$; Dependent Variable=Internal Effectiveness. *** $p<0.001$, ** $p<0.01$, * $p<0.05$.

Next, for second path (see Table VIII); internal effectiveness as dependent variable, the results of regression analysis shown that information disclosure ($\beta=0.30$, $p<0.001$), and complaints procedures ($\beta=0.20$, $p<0.01$) are positively relates to internal effectiveness of nonprofit organizations. Therefore, H4 and H6 are supported. Only path between participation mechanism and internal effectiveness ($\beta=0.02$, $p>0.05$) shows insignificant relationship. Thus, H5 is rejected. In order to analyze group mean differences, one-way ANOVA was conducted. The results are shown in Table IX.

TABLE IX: ANOVA RESULTS

Variable	F (df)	p
Information Disclosure	1.008 (9)	0.44
Participation Mechanism	2.264 (9)	0.02
Complaints Procedures	1.869 (9)	0.06

Note. $N=209$; * $p<0.05$.

The categories differences showed a significant relationship with participation mechanism ($F(9) = 2.264$, $p<0.05$). While, there is no significant differences in term of information disclosure ($F(9) = 1.008$, $p>0.05$) and complaints procedures ($F(9) = 1.869$, $p>0.05$) for category differences. The hypotheses of this study were summarized in Table X and the final model of this study was represented in Figure 3.

TABLE X: SUMMARY OF RESEARCH HYPOTHESES

Hypothesis	Accepted	Rejected
H1 Information disclosure positively relates to the external effectiveness of nonprofit organizations	✓	
H2 Participation mechanism positively relates to the external effectiveness of nonprofit organizations		✓
H3 Complaints procedures positively relate to the external effectiveness of nonprofit organizations	✓	
H4 Information disclosure positively relates to the internal effectiveness of nonprofit organizations	✓	
H5 Participation mechanism positively relates to the internal effectiveness of nonprofit organizations		✓
H6 Complaints procedures positively relate to the internal effectiveness of nonprofit organizations	✓	

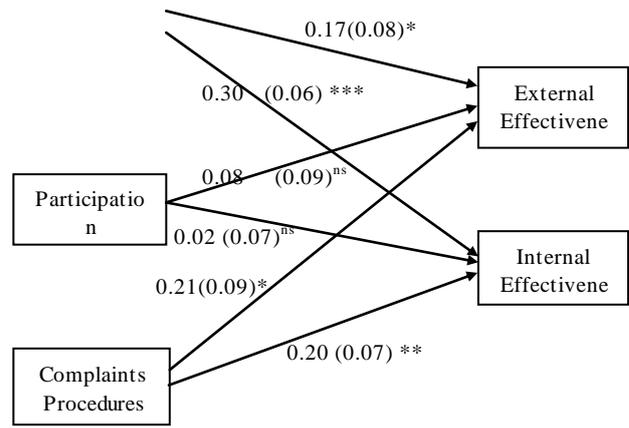


Fig. 3. Final model.

V. DISCUSSION

The results of this study revealed that information disclosure and complaints procedures are positively relates to both external and internal effectiveness of nonprofit organizations. However as not expected, participation mechanism does not influence effectiveness. Generally, downward accountability leads to effectiveness because it focuses on the important of answerability, and helps to reduce operational costs and greater compliance with best practice [40]. Even though, the findings revealed that participation mechanism was not affecting the effectiveness of nonprofit organizations, yet based on theoretical and empirical evidence, participation mechanism is still imperative element of downward accountability. To recheck these findings, the author examined the result of one-way ANOVA test to scan the significance differences of various categories of organizations within this study sample. Not surprising, the result revealed participation mechanism was found to have a significant differences between various organizations category. This proved the level of participation mechanism practice differ for various categories of nonprofit organizations. Perhaps, some organizations are practicing their own style of participation process.

In discussing the complexity of this mechanism, one scholar in nonprofit studies, Ebrahim (2003) identified four degree of participation which the lowest degree is through information sharing and the highest degree of participation is when beneficiaries are empower to owned the projects or activities [2]. In contrast, information disclosure and complaints procedures are merely standardized throughout various categories of organizations.

As for managerial implications, the management needs to ensure they fully enforce the downward accountability in efficient and effective manner. Rhetorically, accountability to beneficiaries is not a major concern among management as donor-oriented still continues dominating the current practice of accountability. As evidence, Nahan's (2003) study revealed that majority of Malaysian nonprofit organizations are poor in implementing accountability [41]. For examples are poor information disclosures and politically biased in their activity implementation. Strong accountability environment requires

the transformation of organizational elements including the leadership, culture, system, structure, and employees. For example, the literature concludes that organization needs to encourage staffs to develop effective and respectful relationship with their beneficiaries [42].

There are several ways on how the management can improve their current accountability practice. For example, in order to improve information disclosure practice, Muslim Aid Bangladesh produced a leaflet in Bengali and English describing its activities. The leaflet was easy to understand as it designs in simplicity for the beneficiaries [43]. Next, new ways of participation has been made by ActionAid International Kenya (AAIK) when they invited community representatives to be involved in their interview sessions. This approach not only benefited the beneficiaries but also their staffs when those who employed later realize that the approach help them to understood the beneficiaries properly [43]. Thus, to conclude, the enforcement of downward accountability requires creativity and transformation of all organizational elements.

VI. CONCLUSION

This study aims to examine the impact of downward accountability on the external and internal effectiveness of nonprofit organizations. Downward accountability is crucial as it can help organizations to enhance their reputation in the eyes of stakeholders. As the results, they will able to retain the client and attract the potential donors. In addition, this study also offers nonprofit researcher with a framework for analyzing downward accountability. The author has adapted, modified, and developed measurement to evaluate perceived downward accountability. Findings have confirmed the validity and reliability of the scale. Thus, this study provides a reliable and a workable measurement for assessing the level of downward accountability.

Although the findings are interesting, there are some limitations need to be addressed. First, sample was limited to Klang Valley area, Malaysia. Future research needs to enlarge the scope of study. Then, the establishment of a valid and reliable downward accountability instrument is a constant process and no psychometric technique can adequately address the inclusiveness of measurement. Possibly, other dimensions of downward accountability exist but are not conceptualized in the proposed model. Using self-administered survey and cross sectional study could have limited our knowledge on causality effect. Further investigation using mixed method study, multimethod, multilevel study or longitudinal research would address these issues. Finally, future research may focus on other critical areas such as code of ethics, social accounting, performance assessment, and comparison among Eastern and Western context.

VII. APPENDIX: QUESTIONNAIRE ITEM

Information Disclosure:

- 1) My organization provides background information on the organization such as mission and values, operation, and others
- 2) My organization provides details of the specific program activities
- 3) My organization provides contact information
- 4) My organization provides regular reports of actual performance (summary)
- 5) My organization provides regular financial reports showing actual expenditure compared to budget (summary)
- 6) My organization disclose any significant changes to program goals or activities, the budget or key contacts
- 7) My organization provides dates and locations of key participation such as events information, consultation or making decisions
- 8) My organization provides specific contact details for making comments or suggestions on organization activities or to request additional information from the organization
- 9) My organization provides details of how to make complaints including a named member of staff to contact and contact details

Participation Mechanism:

- 1) My organization involves people in assessing peoples' initial needs including deciding which areas to assess
- 2) My organization involves people in setting the program's goals including setting targets for each specific goal such as number of people trained and budget expenditure
- 3) My organization involves people in designing specific activities such as contents of aid packages, design of shelters and others
- 4) My organization involves people in regularly reviewing the performance of program activities to date, identifying lessons for the future
- 5) My organization involves people in regularly reviewing actual expenditure
- 6) My organization involves people in regularly deciding how to adapt activities in the light of lessons
- 7) My organization involves people in periodically reviewing the initial assessment and deciding how to adapt program goals and/or activities as a result if necessary

Complaints Procedures:

- 1) My organization has a written complaints policy for receiving and handling complaints, and all staff know how it works
- 2) My organization has a named member of staff is responsible for receiving and handling complaints (not a member of staff who normally works with beneficiaries)
- 3) In my organization, all complaints are investigated in fair and timely manner. The person making complaint is kept informed of progress

- 4) In my organization, if a complaint is upheld, then the person making the complaint receives appropriate redress
- 5) In my organization, there is an appeal mechanism so that people can appeal against the result of an investigation into a complaint
- 6) My organization maintains register of complaints including details such as a person making the complaint, the type of complaint, the start and end date of the investigation, the findings and details of redress

External Effectiveness:

- 1) Specific objectives are met within budget constraints
- 2) Overall goals are accomplished
- 3) Those served feel the services of the organization are necessary and valuable
- 4) Maintain funding sufficient to continue at least its prior years' level of services
- 5) My organization has made a difference in the quality of life of those we serve
- 6) Funding agencies believe my organization has made a difference in the quality of life of those we serve
- 7) Places a priority on assessing the services we provide

Internal Effectiveness:

- 1) Goal clarity
- 2) Clarity of program activities
- 3) Goal setting
- 4) Organizational activities
- 5) Decision making structure & process
- 6) Performance assessment
- 7) Intervention strategy
- 8) Goal determination
- 9) Communication
- 10) Change in decision making
- 11) Interdependence within the organization and outside the organization
- 12) Long term decisions
- 13) Diversity of funding resources

ACKNOWLEDGMENT

The author thanks to those who participate for this study. The author also is indebted to the Malaysian Ministry of Education and MARA Technology of University (UiTM) for providing funding for this study.

REFERENCES

- [1] L. M. Salamon and H. K. Anheier, *Defining the Non-Profit Sector: A Cross-National Analysis*, Manchester: Manchester University Press, 1997.
- [2] A. Ebrahim, "Accountability in practice: Mechanisms for NGOs," *World Development*, vol. 31, no. 5, pp. 813-29, 2003.
- [3] H. Kovach, C. Neligan, and S. Burall, *The Global Accountability Report: Power Without Accountability?*, London, UK: One World Trust, 2003.
- [4] M. Edwards and D. Hulme, "Too close for comfort? The impact of official aid on nongovernmental organizations," *World Development*, vol. 24, no. 6, pp. 961-973, 1996.
- [5] G. E. Mitchell (2012). "The construct of organizational effectiveness: perspectives from leaders of international nonprofits in the United States." *Nonprofit and Voluntary Sector Quarterly* [Online]. Available: doi:10.1177/0899764011434589
- [6] J. E. Ferguson, M. H. Huysman, and M. Soekijad, "Knowledge management in practice: Pitfalls and potentials for development," *World Development*, vol. 38, no. 12, pp. 1797-1810, 2010.
- [7] B. O'Dwyer and J. Unerman, "From functional to social accountability: transforming the accountability relationship between funders and non-governmental development organisations," *Accounting, Auditing and Accountability Journal*, vol. 20, no.3, pp. 446-71, 2007.
- [8] B. W. Geer, J. K. Maher, and M. T. Cole, "Managing non-profit organizations: The importance of transformational leadership and commitment to operating standards for non-profit accountability," *Public Performance Management Review*, vol. 32, no. 1, pp. 51-75, 2008.
- [9] Mango (2010). "Accountability to beneficiaries checklist: How accountable is your organization to its beneficiaries?" [Online]. Available: www.mango.org.uk/Pool/G-Accountability-to-beneficiaries_Checklist.pdf.
- [10] P. H. Werhane and R. E. Freeman, "Business ethics: The state of the art," *International Journal of Management Reviews*, vol. 1, no. 1, pp. 1-16, 1999.
- [11] M. B. E. Clarkson, "A stakeholder framework for analysing and evaluating corporate social performance," *Academy of Management Review*, vol. 20, no. 1, pp. 92-117, 1995.
- [12] N. Hyndman and P. McDonnell, "Governance and charities: An exploration of key themes and the development of a research agenda," *Financial Accountability & Management*, vol. 25, no. 1, pp. 5-31, 2009.
- [13] L. Wellens, and M. Jegers, "Beneficiaries' participation in nonprofit organizations: A theory-based approach," *Public Money & Management*, vol. 31, pp. 175-182, 2011.
- [14] E. K. Keating and P. Frumkin, "Reengineering nonprofit financial accountability : Toward a more reliable foundation for regulation," *Public Administration Review*, vol. 63, no. 1, pp. 3-15, 2003.
- [15] L. M. Parsons, "Is accounting information from non-profit organizations useful to donors? A review of charitable giving and value-relevance," *Journal of Accounting Literature*, vol. 22, pp. 104-129, 2003.
- [16] M. Granlund, E. Bjork-Akesson, L. Almqvist, and L. Eriksson, "Participation profiles – core sets based on person based cluster analysis," presented at Third Nordic-Baltic Conference on ICF Stakes, Helsinki, Malardalen University, Sweden, 2002.
- [17] L. Wenar, "Accountability in international development aid," *Ethics & International Affairs*, vol. 20, no.1, pp. 1-23, 2006.
- [18] Sawarung, "Workshop summary report: Protecting the rights and addressing the responsibilities of non-governmental organizations," conducted at Sawarung, Bandung, Indonesia, 6-8 January 2003.
- [19] J. Unerman, and B. O'Dwyer, "On James Bond and the importance of NGO accountability," *Accounting, Auditing & Accountability Journal*, vol.19, no.3, pp. 305-318, 2006.
- [20] S. Burall, and C. Neligan (2005). The accountability of international organizations, GPPi Research Paper Series No. 2 [Online]. Available: <http://www.globalpublicpolicy.net/index.php?id=106>, 2005.
- [21] R. E. Anderson, I. Carter, and G.R. Lowe, *Human Behaviour in the Social Environment*, 5th ed. New York: Aldine de Gruyter, 1999.
- [22] P. K., Brace, E. Robert, D.R. Daniel, and I.S. Harold, *Reporting of Service Efforts and Accomplishments*, Stamford, CT: FASB, 1980.
- [23] Registrar of Society (ROS), *Annual Report 2011*, Federal State of Putrajaya, Malaysia, Registrar Society of Malaysia, 2012.
- [24] E. M. Berman, *Essential Statistics for Public Managers and Policy Analysts*, 2nd ed. Washington, DC, CQ Press, 2007.
- [25] S. J. Sills and C. Song, "Innovations in survey research: An application of web-based surveys," *Social Science Computer Review*, vol.20, no.1, pp. 22-30, 2002.

- [26] M. R. Mullen, "Diagnosing measurement equivalence in cross-national research," *Journal of International Business Studies*, vol. 26, no. 3, pp. 573–596, 1995.
- [27] J. Singh, "Measurement issues in cross-national research," *Journal of International Business Studies*, vol. 26, no. 3, pp. 597–620, 1995.
- [28] N. Mussalam. "Examining the perceived internal and external effectiveness of NGOs in the Palestinian territories: The role of complexity, resilience, and job adaptability," Ph.D. dissertation, New York, US: Columbia University, 2011.
- [29] J. F. Jr. Hair, R. E. Anderson, R. L. Tatham, and W. C. Black, *Multivariate Data Analysis*, 5th ed. Upper Saddle River, NJ: Prentice Hall, 1998.
- [30] U. Sekaran, *Research Methods for Business: A Skill-Building Approach*, 3rd ed. New York: John Wiley & Sons, 2000.
- [31] K. V. Mardia, "Mardia's Test of Multinormality," in *Encyclopedia of Statistical Sciences*, S. Kotz, and N.L. Johnson, Eds. New York: Wiley, 1985.
- [32] P. M. Podsakoff and D. W. Organ. "Self-reports in organizational research: Problems and prospects," *Journal of Management*, vol. 12, pp. 69–82, 1986.
- [33] J. F. Hair, R. E. Anderson, R. L. Tatham, and W. C. Black, *Multivariate Data Analysis with Readings*, 4th ed. Englewood Cliffs, NJ: Prentice Hall, 1995.
- [34] P. Holmes-Smith, L. Coote, and E. Cunningham, *Structural Equation Modeling: From the Fundamental Advanced Topics*, Melbourne: Streams, 2006.
- [35] M. W. Browne and R. Cudeck, "Alternative Ways of Assessing Model Fit," in *Testing Structural Equation Models*, K. A. Bollen, and J. S. Long, Eds. Beverly Hills, CA: Sage, 1993.
- [36] L. T. Hu and P.M. Bentler, "Cut-off criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives," *Structural Equation Modeling*, vol. 6, no. 1, pp. 1–55, 1999.
- [37] P. M. Bentler, "Comparative fit indexes in structural models," *Psychological Bulletin*, vol.107, pp. 238–246, 1990.
- [38] P. M. Bentler and D.G. Bonett, "Significance tests and goodness of fit in the analysis of covariance structures," *Psychological Bulletin*, vol.88, pp. 588–606, 1980.
- [39] H. W. Marsh and D. Hocevar, "Application of confirmatory factor analysis to the study of self-concept: First- and higher order factor models and their invariance across groups," *Psychological Bulletin*, vol. 97, pp. 362–582, 1985.
- [40] A. Obrecht, *Effective Accountability? Drivers, Benefits and Mechanisms of CSO Self-Regulation*, England, UK: One World Trust, 2012.
- [41] M. Nahan, *US Foundation Funding in Malaysia: NGO Project Report*, Melbourne, Australia: Institute of Public Affairs, 2003.
- [42] T. Wallace, *The Aid Chain: Coercion and Commitment in Development NGOs*, Intermediate Technology Publications, 2006.
- [43] A. Jabry, *Listen First: 25 Real-Life Examples of Downward Accountability Practice*, London, UK: Mango and E-Merge Consulting Limited, 2008.



Nurul Hidayana Mohd Noor was born in Butterworth, in the state of Penang, Malaysia, on January 5, 1987. She completed her bachelor's degree in administrative science from MARA Technology of University (UiTM), Malaysia in 2010. She also completed her masters in executive masters of administrative science from the same university in 2012. She has worked as an assistant lecturer at MARA Technology of University (UiTM) from 2010 until 2012 under graduate scheme service. She currently pursues her doctorate study at Department of Social Justice and Administration, Faculty of Arts and Social Science, University of Malaya, Malaysia. Her research interest is third sector, particularly on NGO management, organizational culture, accountability, effectiveness studies, and knowledge management.