

## **Role of Information Technology in the performance evaluation of NGOs – A literature review**

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### **Abstract**

*Over the past few years, the accountability and performance evaluation of non-profit non-government organizations (NGOs) has become significant not because of its importance, but also due to its challenges in defining, measuring and implementation. The development of technology is recognized to be the significant driving factor in facilitating performance measurement and evaluation. There is substantial increase in use of technology and information & communication tools (ICT) in the NGO management. Primarily, the current existing research takes into consideration the appropriation of information technology in facilitating the working of NGOs and focuses more on overcoming the challenges in effectively using information technology. Whereas very minimal research is ascertained to exist in exploring the potential of information technology is creating a platform or framework where NGOs goals & outcomes can be defined, measured & evaluated, and comparative study of NGOs can be made. The researcher strives to explore the role of information technology in NGO management and performance evaluation. The paper brings into light the use of information technology for allowing NGOs to define the performance parameters and then measuring these performance parameters that can be further used for quality purposes.*

*Keywords: NGOs, Accountability of NGOs, Performance of NGOs, ICT, NGO Collaboration*

### **1. INTRODUCTION**

This section of the study will broadly include the background of the research, thus discussing the role of information technology in NGO management and focus on models that help defining, measuring and evaluating the performance of NGOs. The study will review: the models currently available that allow defining & measuring the accountability & performance of NGOs in terms of certain measurable parameters, current role of information technology in NGOs, and how information technology can help in defining and quantifying these performance parameters. This section will further highlight the purpose and rationale behind doing this review.

Over the past years, the development and advent of technology, has led to transition of working of almost every organization and NGOs aren't an exception. Technological development has led to exponential increase in the use of information technology and ICT tools in day to day working, internal & external communication, planning and monitoring activities of the NGOs. Use of public forums, blogs, web portals and extensive use of social media for marketing & promotions have now become crucial factor for fund generation to all the NGOs. The use of information technology is not just limited to the above and extends over planning, monitoring and managing the different aspects of NGOs and creating organizational knowledge for them. Moreover, NGOs are not spared from the

issue of accountability for performance. There is a no rigor in the expectations laid down and measures of performance applied to NGOs. They thereby need to define measure and closely monitor the outcomes and performance parameters, to build the internal capability to monitor and evaluate their mission-related performance. It is also important to learn from such strategic assessment in order to produce better results in the future. Though all NGOs may differ in their vision and mission, target different sections of society as well as target different societal problems, but ultimately, they all share the same objective of serving the society with a non-advantage status. Genuine partnerships between NGOs, which emphasize participation, sharing, learning, transparency and reciprocity, may permit the problems that accompany organizational growth, functional specialization, and donor funding to be managed.

## 2. LITERATURE REVIEW

The concept of accountability in the non-profit organizations is significant in both research as well as practise, not just because of its importance but because of the challenges in defining, measuring and implementation. The nature of accountability is not just complex, but also ambiguous and highly context-dependent. It is important to understand to whom non-profit organizations are accountable, what specific mechanism or structures are employed to ensure that non-profits are accountable and how can the goals of accountability be operationalized and measured. The literature review demonstrates that there are many different ways of viewing accountability and many different frameworks that can be used to organize and describe the concept.

According to Michael Edwards and David Hulme, NGOs have multiple accountabilities - 'downwards' to their partners, beneficiaries, staff and supporters; and 'upwards' to their trustees, donors and host governments. He further states that a great part of the dilemma faced by NGOs lies in the nature of the work they do and the messy and complex world in which they do it. Measuring performance in relation to the kind of development subscribed to by most NGOs is an extraordinarily difficult task, particularly in relation to 'empowerment' and other qualitative changes. As Drucker (1990) has pointed out, 'changed human beings' is the ultimate objective of the NGOs. There are few agreed performance standards available to NGOs in this realm, beyond probity and some quantifiable impact indicators in certain types of NGO activity such as service-provision and economic development. Since there aren't many absolute performance measures available in NGO evaluation, and no single bottom line, negotiation among stakeholders proves to be the essence of accountability in this area. All NGOs thereby have multiple accountability.

Kevin P. Kearns, in his first attempt at a non-profit accountability framework, suggested a four-cell matrix, with reactive and proactive internal response systems on one axis and implicit and explicit mandates for external control on the other, to identify the four dimensions of accountability – negotiated, professional/discretionary, compliance and anticipatory/positioning (1994: 188).

Adil Najam sought to broaden understanding of accountability beyond accountability to NGO donors and on mechanistic project evaluations (1996: 340). He suggested a simple framework, with elements that broadly define and virtually cover the full universe of possibilities as far as NGO accountability is concerned (341).

Alnoor Ebrahim suggested some key insights. First, NGOs must prioritize on accountabilities. They cannot be accountable to everyone and everything. Second, Nonprofits are expected to be accountable for multiple purposes: finances, governance, performance, and mission. These expectations require integration and alignment throughout the organization. Third, there are many mechanisms of

accountability available to nonprofits - including, for example, better information disclosure, evaluation and performance assessment, industry codes and standards, participation, and adaptive learning to name just a few. NGO leaders must adapt all such mechanisms to suit their organization.

Chao Guo and Juliet Musso, on the other hand, emphasized on five dimensions: substantive, symbolic, formal, descriptive and participatory for evaluating accountability. They suggested that formal, descriptive, and participatory representation are different means of achieving substantive and symbolic representation; the latter being measures of the extent to which organizations “act for” and “stand for” particular constituencies.

George Candler and Georgette Dumont on the other hand suggested a framework that suggested non-profit accountability involves some ninety different components: accounting for ten different resources to as many as nine different types of stakeholders. He suggested that the factor that can lessen the complexity of the framework lies when the accountability for a number of the ninety cells suggested by this framework would intuitively be nil.

With roles and functions of NGOs evolving significantly over past few years, study shows that there is need to transform the operations and structure of NGOs by improving the efficiency of managerial and delivery of service, as well as governance of NGOs. ICT is regarded as an important tool to reengineer NGOs.

According to Saqib Saeed, Markus Rohde, and Volker Wulf, NGOs are still in the early stage of IT adoption in their organizational configuration. Lack of funding, dynamic organizational structures, and diversity in operations are key factors that make IT support play a crucial role.

Study showed that there is awareness among the organizations to use technology in their activities but the complexity of technologies and lack of technological knowledge are big obstacles . A study made by the Association of Progressive Communication revealed that most of civil society organizations are strong in the areas of internet access and e-mail use and rather weak in areas such as running internet advocacy campaigns and holding online meetings.

Goatman and Lewis in 2007 surveyed 1000 UK charities and found that non-profit institutions are positive about use of websites and are interested in improving use of internet technologies in future. From their study it was evident that currently websites are only used to present information about their activities rather finding new collaborators, fund raising and community interaction.

Kellogg Foundation's ePilanthropy 2001 report describes that technology and internet services are far from being integrated into organizational process of voluntary organizations. TBC Research UK in 2001 found that 62% of voluntary organizations have indicated a poor relationship between their mission and information technology strategy. In 2004 Cogburn empirically evaluated computer mediated communication among civil society representatives at United Nations World Summit on Information Society (WSIS) and its preparation phase meetings. He described that the majority of computer mediated communication took place using email lists while other complex tools such as document repositories, wikis, blogs, and Web conferencing, have not been used effectively. In this context, the appropriation of ICT in the management NGOs seems to be an important research area.

Author of The Communication of Communication, suggested that, the Internet could potentially be “the most powerful democratizing medium in the world” (2004). ICT, like the Internet, allows a quick response to changes and opportunities in the global environment, and enables a stable free flow of

communication between organizations (UNDP, 2001). This can preserve culture identities, while also expanding choices. Additionally, use of ICT can add value to most products and services in the form of branding components like logos and design, knowledge databases, and improved customer service (Stafford, 2001). The ability to identify and solve problems by having a brand attached to shared knowledge can result in positive product recognition (2001). This is enough for many organizations to support knowledge-sharing through use of ICT. It is inexpensive way to stay competitive and gain support. With informed use of ICT, organizations and individuals can also build affiliations with like-minded partners and make better quality decisions (Peizer, 2003).

### 3. FINDINGS AND DISCUSSION

Essentially the role of this paper was to deepen the understanding of role of information technology in performance evaluation of NGOs. As a basis of review, various roles of ICT and information technology were explored and highlighted. Moreover measures of performance evaluation of NGOs were also perceived. Information technology is observed to be playing crucial role in evaluating the NGOs and bringing in better results for them at strategic, operational and managerial front. The study elucidates that there is need to focus on ICT research, design, and implementation on addressing the most pressing human development issues (O' Donnell, 2003; Melver, 2006). As these organizations are spread over vast geographical locations the difference in background, cultural values, infrastructure availability and needs, work practices play an important role in the acceptance of technology. A generic solution to all scenarios will not be effective and these factors make appropriation of technology more complex. NGOs being highly dynamic in nature, it is worth investigating how information technology can overcome existing limitations and help in establishing organizational knowledge. Study also suggests that there is need for developing effective applications to enhance the internal and external communication among NGOs. The technological support by advanced ICT systems can help NGOs in improving their operations and reach.

In common, with the advent new technologies, Non-profit organizations will find success only by choosing and using the right technology at right time. As they learn more about technology, they will better understand its appropriate application.

It is common for NGOs to have partners and collaborate with others who are not always local to where NGO activities are conducted and/or coordinated from. These partners and collaborators are often located all around the world, which in return requires effective and prompt communication for the best results.

It is intuitive, that technology can improve effectiveness in the communication when long distance collaboration is required. However, currently the presence of ICT in NGO activities is very low. Furthermore, research is showing that most NGOs are not using ICT in their activities and initiatives. Combining ICT technologies with real life problems that are mostly dealt by NGOs can also provide tools to contribute to the solution for helping in emergency situations in a timely manner.

By summarizing and analysing literature on non-profit accountability, there are two distinct types of constituent elements. Firstly, there are the real physical entities that exist in the world. These include: stakeholders, the NGOs itself, and specific mechanisms for accountability such as reports, legal constraints, program evaluations or professional standards. Secondly, there are elements that represent abstractions of phenomena. These are the goals of accountability, the various classifications of stakeholders, and the various organizational groupings. A problem inherent in many of the

frameworks is that they do not distinguish between these two constituent elements, and in most cases, blend them together in descriptions.

In common with the views proposed by Ebrahim and Lee (Christensen & Ebrahim, 2006; Ebrahim, 2003a, 2003b, 2005; Ebrahim & Weisband, 2007; Lee, 2004), it is evident that fundamental meaning of accountability is entirely contingent on the stakeholders, and the particular types of mechanisms through which they expect to 'see' accountability. Therefore, stakeholders must be the starting point for any attempt to design a framework and definition.

The second real constituent element that must be considered as part of any framework is the mechanism of accountability. Mechanisms define specifically how accountability will happen, what process will occur and what will be the visible component of accountability. Many authors have used mechanism based approaches. Ebrahim (2003a) classifies five types of mechanisms: disclosures and report tools; performance assessment and evaluation tools; participation processes; self-regulation processes, and social auditing tools. Koppell's (2005) framework presents a familiar and concise way of describing accountability in terms of the overall purposes of transparency, liability, controllability, responsibility, and responsiveness. In addition to Koppell's framework, we must consider the strategic view of accountability presented by Brown and Moore (2001) which described accountability as a strategic balance between value, support and legitimacy, and operational capacity.

#### 4. CONCLUSION

Conclusively, when used properly, technology can provide NGOs with tools that can help people in real life situations. Moreover, ICT does not just have the potential to provide fast access to information, but it can also render the necessary knowledge by bridging the distance and time differences. The strength of collaboration between NGO and ICT will drive the success of incorporating ICT in NGO's activities and initiatives. The study elucidates that development of framework for monitoring the accountability of NGOs is important and will prove to be crucial in success and sustainability of NGOs. The primary purpose of the review paper was to render in-depth analysis of what role information technology will play in NGOs management including the performance evaluation and accountability. More study needs to be made in exploring the potential of information technology is creating a platform or framework where NGOs goals & outcomes can be defined, measured & evaluated, and comparative study of NGOs can be made.

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