Dangerous Accountabilities: Remaking Voluntary Organisations in Someone Else's Image

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Introduction

Accountability is frequently assumed to be an unmitigated good in voluntary organisations. The rhetoric sometimes suggests that it is merely a case of "the more, the better". At a time when public policy discussions are dominated by a desire to reduce regulation and red tape (seen as dead weight costs) for businesses, there is a surprising degree of interest in increased regulation and externally imposed 'accountability' on voluntary organisations[1].

Elsewhere (Nowland-Foreman, 1995) I have argued that calls for increased accountability are sometimes little more than attempts to re-make voluntary organisations in another sector's image. On the one hand, expectations of becoming "more business-like" can be muddled with notions that organisational effectiveness and efficiency require voluntary organisations to clothe themselves in the management tools and trappings of for-profit businesses. On the other hand, pressure from government funders to be "more accountable" (especially under a contracting-out regime) can be little more than expectations for voluntary organisations to look more like government – in their recruitment and staffing, eligibility and access and general management approach[i2].

It is in this latter arena that I want to consider the possible impact of externally imposed accountability systems – especially in a context of resource dependency. The schema that I develop below is primarily constructed from interaction with experienced not-for-profit managers that I have taught in a graduate programme and voluntary organisations I have consulted with in Aotearoa/New Zealand & Australia.

Like Eating Spinach

Before I move on to the risks and negative consequences of externally imposed accountability systems, it is important to recognise that there can be positive consequences.

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[1] For example, in Aotearoa/New Zealand, Working Party on Charities & Sporting Bodies (1989) and Newell (1996), and in Australia (Industry Commission, 1994).

[2] The pull to be more "business-like" might be considered to reflect DiMaggio & Powell's (1983) notion of *normative isomorphism* (which they argue "stems primarily from professionalisation", perhaps in this case of managers, but perhaps also from cultural expectations - what is valued in wider society, the media or public policy). While the pressure to look more like government funders might reflects DiMaggio & Powell's concept of *coercive isomorphism* (the "formal and informal pressures exerted on organisations by other organisations upon which they are dependent"). Both may be reinforced by the *mimetic isomorphism*, which they identify as modelling on other organisational forms seen as strong or stable in response to uncertainty.

A survey of voluntary organisations funded by one government agency (Community Funding Agency, 1998) identified many criticisms and causes for concern (including concerns with excessive reporting burdens). However, many of those same organisations also reported that funder reporting and other requirements had encouraged them to improve their management and organisational effectiveness in a number of areas (for example in strategic planning, policy and standard setting, monitoring and review).

These positive impacts are not restricted to 'internal' or management processes. They can also apply to improved programme processes. For example, McDonald (1995), found that in one Australian state, certain voluntary organisation were more likely to implement 'user participation' if such principles were also emphasised in the funding programme under which they received the largest proportion of their revenue. And the extent of implementation was directly related to the degree of emphasis in the funding guidelines (and presumably that same funder's reporting and accountability requirements).

It's a bit like eating spinach, we may not like being told by our funding 'mothers' how to do our job better, but we know it can be good for us and help us grow up into stronger, healthier voluntary organisations – especially when we look back in retrospect.

When Good Accountabilities Go Bad

Based on the experience and pressures reported by voluntary organisation managers, *funder capture* is a very real risk faced in resource dependency relationships. This is nothing new. Kramer (1994) reports concerns more than a century ago at the founding of the study of this sector with funding as the sector's Archilles heel. This risk of funder capture might be considered to occur at four levels as outlined in the following chart.

The first level is the most direct, and perhaps as a result the easiest to resist. However, lured by the sirens of new or increased revenue, a financially fragile organisation may feel it has no alternative (and perhaps little capacity to negotiate). Most organisations funded by the major government social service funder in Aotearoa/New Zealand felt whatever contracts were offered were on a take-it-or-leave-it basis (NZCCSS, 1998). As accountability arrangements to funders have tightened up, as grants for organisational or programme support have been replaced by project funding on the basis of 'purchasing' specified outputs, organisations report experiencing these tensions more acutely.

Fig.1: A Typology of Funder Capture

Levels of Impact	*Risk*	*Example*
1. Funder directly influences what programmes and services provided	Mission drift	Organisations following funding fads and fashions, without sufficient regard to mission
2. Funder influences what gets measured and reported	Mission distortion	People in organisation respond to what gets attention, subtly diverging from mission
3. Funder influences how the organisation programmes operates	Organisational homogenisation	Funding and reporting requirements standardise and water down diversity
4. Funder influences organisational governance arrangements	Governance undermined	Emphasis on manager accountability to funder side-lines board

The second level is even more directly related to accountability and reporting systems. What an organisation measures will count, because over time, there can easily develop a tendency to focus on what is measured, rather than ultimate purpose. Even if the programme funded is within organisational mission, the 'wrong' kind of measures can distort. For example, CEOs of organisations providing training and assistance for long term unemployed people, reported (discussions with the author, 1999), that when funding shifted to payments on the basis of the number of people in unsubsidised employment three months after contact, they felt increased pressure to (a) select participants on 'capacity to benefit', rather than need, and (b) focus on immediate unsubsidised employment, even if other outcomes may have been more appropriate or useful for the client in the longer term. Even, when such reporting is not directly tied to funding incentives, it does seem to have some distorting or distracting effect, as staff respond to the attention they get when they report 'good numbers'. This may happen even when the organisation is aware that the numbers being collected are not useful. Indeed Bernstein (1991) found in an ethnographic study of voluntary organisation CEOs in New York able to successfully play the "contracting game" needed to maintain a dual set of books – one superficial to maintain expected feedback to funders and another to assist the organisation get on with its "real work".

The third level of risk is also closely related to the tighter specification of funder accountability arrangements. Public sector funders in particular seem to frequently reproduce their own bureaucratic accountability requirements in cascading similar requirements onto the organisations that they fund. While understandable in itself, ironically it can often mean that the very features of voluntary organisations that make them attractive to governments to use to deliver programmes and serves can be undermined. Responsiveness, idiosyncrasy, diversity, representing particularistic interests, holistic approach are frequently crowded out by reporting arrangements that assume (and require) systems based on equity, standardisation, and high levels of documentation and procedural fairness, etc. Elsewhere (Nowland-Foreman, 1995) I have identified the phenomena where government funder requirements for accountability are much more requirements for "add-ability" (the capacity to add together what different organisations report) – uniformity triumphs over relevance.

The fourth level refers to the institutional risk of increased and more tightly specified "vertical" accountability requirements to funders. A number of voluntary organisation managers have confirmed the author's observations that with increased specification in funding requirements and greater detail in what is reported, there is frequently increased interaction between funders and managers. The organisational focus (through the manager) can subtly shift towards the funder. Even when such accountability requirements are perfectly aligned with organisational mission, it can subtly sideline and shift responsibility away from the "legitimate" governance structures of the organisation's board and members. Smillie (1995) identified a similar process disenfranchising these bodies in international development organisations. This is all the more ironic given that Sword & Bograd (1996) found from interviews with state regulators of nonprofits that one of the key common features associated with the full range of accountability failures (from fraud and embezzlement to mismanagement and inefficient operation) was the absence of a strong and independent board. Thus undermining boards' effective oversight by side-lining them with increased accountability requirements from funders, is likely to expose the organisation over the longer term to greater risk of accountability failure.

The Perversity Effect – When Bad Accountabilities Have Their Way

At each of these levels, we might also expect the style of accountability to matter. The literature identifies a number of ways that effective accountability can be undermined by excessive emphasis on legalistic accountability systems based on low trust and distance. But these are the very features that describe the assumptions behind much of the New Public Sector Management, particularly Agency Theory which was particularly influential in New Zealand government reforms (Boston, 1991).

In the principal evaluation of New Zealand's radical public sector reforms by an international advocate of the approach embodied in these reforms, a largely positive report (Schick, 1996) nevertheless expresses reservations that the new system assumes public servants could not be motivated by a professional ethos or a notion of serving the public good. ("*Assume the worst in people and they may live up to your expectations.*")

In particular, Schick argues that the new system relies too heavily on formal contracts. The virtue of a contract-based approach is that things are itemised and can be checked off as delivered. The problem is that things not itemised may not be done. ("*Too much emphasis on accountability – I'll do it because my contract says I must – can undermine responsibility – I'll do it because it needs to be done.*")

Kearns (1996) identifies that "one of the key shortcomings of almost all bureaucratic or legal standards of accountability is that they tend to follow a one-size-fits-all philosophy by lumping disparate organisations into large vategories to ensure identical treatment of all." As Smillie (1996) observes "Individuals in most government agencies are not charged with nurturing independence of non-governmental organisations. If anything they are responsible for ensuring NGOs conform to government rules and regulations, for ensuring risks are minimised." But minimising risks is not the same as achieving results. ("*Risks may be minimised, but so may be opportunities.*")

Again in the name of increased accountability, there is a much greater emphasis on funding and accounting for "projects". But many organisational activities, especially in social development are not divisible, except on paper, into discrete projects. Yet organisations are frequently required to play the project game, which leads to numerous practical problems in matching pieces of the funding jigsaw puzzle that are not always cut to fit[3]. Fowler (1997) identifies 17 fundamental flaws with a project-based approach. ("*An excessive focus on projects can undermine purposes*.")

Smillie (1996) identifes two primary reasons for evaluation: learning: and verification & control. "Stressing the control and verification of evaluation, and insisting on government management of the process will not foster learning and knowledge. …[T]he opposite , however – an emphasis on learning and self-evaluation – can satisfy much of the need for verification and control. … In an effort to avoid negative findings and a concomitant funding reduction, an NGO is likely to conceal failure, reduce risk and/or undertake things to conform to the funding agency's idea of good development. The first stunts learning, the second stunts initiative, and the third stunts independence. None enhances effectiveness." ("*Imposed evaluations can handicap learning*.")

An iconoclastic British accountant (Power, 1994) has identified what he calls the "audit explosion". This emphasis derives, he argues from two powerful but contradictory trends for government in OECD countries: less spending, but with more controls. Increased pressure to contract out, down-size, and decentralise, while at the same time exerting greater control over the very functions that have just been made autonomous. Power believes this is at the heart of the drift towards what he calls "managing by numbers".

Smillie (1996) argues instead for encouraging and facilitating greater accountability of an organisation to its own stakeholders and mission. Rather than impose evaluations, he argues, funders should: provide longer term block grants for whole programmes; require each organisation to commission a basic level of evaluation it self; provide the resources for such evaluations; and insist that the results be made public. Encouraging transparency (requiring results of self-commissioned evaluations to be made public), can "…help to push responsibility for results more clearly back towards an organisation's members and trustees, re-enfranchaising them and re-affirming the organisation's autonomy."

[3] One aspect may be under-funded, and another expanded to meet a funder's interest. One aspect may be funded on time, another approved after the opportunity has passed. Different funders may have different policies on administrative costs, monitoring and reporting. Evaluating an artifically defined "project" is like trying to a patch of water in the ocean (Smillie, 1996)

Is It All Just Faith and Hope in Charity?

For all the concerns identified above, this is not an argument *against* accountability. However, it *is* a warning to be both conscious and cautious of the potential costs and risks of accountability systems as well as their presumed benefits. It is also an argument for some urgency in the search for more appropriate and effective forms of accountability for voluntary and community organisations.

Power (1994) is particularly concerned that the audit explosion has made it difficult to think of alternatives to itself. Audits do not merely "passively monitor auditee performance", he argues, but they "shape the standards of this performance in crucial ways", and "perceptions of the very problem for which it is the solution". Power argues there are different models of control and accountability:

Fig.2: Different Accountability Models

Style A	*Style B*
Quantitative	Qualitative
Single Measure	Multiple Measures
External Agencies	Internal Agencies
Long Distance Methods	Local Methods
Low Trust	High Trust
Discipline	Autonomy
Ex Post Control	Real Time Control
Private Experts	Public Dialogue

The audit explosion, Power argues, has largely limited itself by giving an over-whelming priority to Style A methods. He argues for a better balance, and suggests the gains from Style A in a "complex bundle of gains and losses" are likely to be most visible when used in conjunction with, rather than in opposition to, elements of control Style B.

Specifically discussing the forms of accountability that would be relevant to voluntary organisations, Zadek (1994) similarly identifies the need for accounting that is:

- Sensitive to a broader band of criteria and means of investigation, not just numerical counts;

- Speaks to the future, not just accounting for what has passed, in other words bridges the conventional evaluation/strategic planning split); and

- Able to secure new forms of accountability - versus the dominance of accountability to funders and donors over beneficiaries, and the dominance of financial accountability over other accountabilities.

Workshops with CEOs of the major Australian employment and training voluntary organisations (NSA, 1997) identified the following (similar) elements as important for an effective and useful accountability system for their organisation:

- Clearly focussed on ultimate purpose
- Quality as well as quantity counts
- Holistic, allows a comprehensive picture
- Incorporates feedback from key stakeholders
- Links into organisational planning, review and change
- Keeps a long term perspective in mind
- ‘Owned’ by key stakeholders
- Affordable and timely

When tested with Managers of International Development NGOs in Aotearoa/New Zealand (CID, 2000), the following elements were especially emphasised: clearly and fithfully focussed on ultimate purpose, and inclusive of and responsive to key stakeholders. In addition, this group of voluntary sector leaders also identified the importance of comparability and benchmarks; the different roles of different stakeholders; building any system into existing management processes; able to effectively draw on institutional memory; and includes an effective and streamlined system to capture useful information.

Social Auditing – the idea

As a part of the search for more appropriate accountability mechanisms, a number of people with an interest in promoting a strong and independent voluntary sector (including the author), assisted in bringing to Aotearoa/New Zealand the idea of social auditing and the specific social auditing tool (Pearce *et al*, 1996) developed by the New Economics Foundation, London[4]. Commact, Aotearoa sponsored an initiative under which twelve (12), mainly small voluntary and community organisations piloted the NEF social audit model in 1998-99.

These organisations were self-selected from among those who had previously attended one of a number of Commact, Aotearoa workshops on social auditing with John Pearce, who was the principle author of the NEF workbook referred above. Thus they were organisations to which the concept already appealed, and which were interested in improving current organisational accountability systems. Further information on the participating organisations is reported in Nowland-Foreman (2000).

Social auditing, however, is more than just an accountability tool. Zadek *et al* (1997) identify three main clusters of reasons for using social auditing in an organisation:

- *Mission-related rationales*: to clarify an organisation's values, and possibly reposition it or set a new or clearer direction (for example, "it really sparked a big debate within the organisation on what our ultimate purpose was, not just out current activities");

- *Managerial rationales*: to help shape or manage multiple stakeholders' interests, expectations and opinions (for example, "it became much clearer to everyone all the competing demands and expectations that we have to balance – we can't do them all and I think people better understand the invidious trade-offs that have to be made"; as well as

- *Accountability rationales*: to provide more transparency and disclosure, and better reporting on an organisation's overall performance to stakeholders (for example, "it's a great marketing tool for us[5] – I know you are not supposed to say that, but it helps people see all we are doing - warts and all – and they appreciate that").

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[4] It is ironic that this tool which by its nature is more of a Type B accountability mechanism, should include in its title the very terminology that concerned Power (1994) in the first place.

[5] Sometimes voluntary organisations are suspicious of activities labelled as marketing, lest this is seen as merely putting a superficial public gloss on something without regard for the reality underneath. Zadek (1998, quoted in Dow & Crowe, 1999) coins the term 'ethical marketing' to describe the pragmatic business value instead in being able to make use of externally verified social performance data.

In retrospect it has been possible to identify different organisations in the Aotearoa/New Zealand pilot which found particular value under each of these rationales, as the above quotes indicate (personal communication of leaders of various pilot organisations with the author, 2000).

There are seven operational principles, which are effectively minimum standards for determining whether a social review process qualifies as a Social Audit under the NEF definition[6]. These principles are:

- *Multi-perspective*: the social audit should reflect the views of all those significantly involved with or affected by the organisation (its stakeholders), including their world views, concerns, interests, needs and perceptions;

- *Comparative*: the social audit should offer a means whereby the organisation can compare performance against internal benchmarks (its own performance over time), and external benchmarks (comparisons with social performance in other organisations or with societal norms);

- *Comprehensive*: the social audit should be holistic and ultimately embrace all aspects of the organisation's social performance, even if this means that some aspects (either objectives or stakeholders) are only examined in any depth over a number of social audit cycles;

- *Regular/Iterative*: the social audit should take place regularly, and not just be a one-off exercise, or done occasionally as the mood takes; the iterative approach also fits well with notions of continuous improvement, and developmental approaches;

- *Externally verified*: the social accounts should be verified (audited) by one or more people who have no vested interests in the result;

- *Disclosure*: the social audit is likely to be most useful if made available to all stakeholder and the wider community, to demonstrate their voices have been heard, to help generate a greater sense of stakeholder ownership and involvement, and to feed into proposed action and the next social audit cycle.

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[6] There are a number of other social review processes which satisfy some but not all of these seven principles, for example ethical accounting statements, external benchmarking, and social performance reports (see Zadek & Raynard, 1995)

The seventh and over-arching principle is that it should all be about making a difference for the organisation, helping it to *improve social performance*.

The social auditing process involves eight largely sequential stages, from agreeing on social objectives and strategies through to disclosing the findings and acting upon result. The model process is outlined in detail in Pearce, *et al* (1996).

The social audit model is not a magic elixir for all performance and accountability concerns. It is an organisational management tool that can be applied well or badly, that can be useful or not so useful. However, there are four features of the model that suggested to the author that it might have potential for helping voluntary organisations develop their own defensible, accountability systems – as an antidote to "too easy" imposition of inappropriate accountability system by others:

- It is a *stakeholder-based* system. This is currently the most popular form of evaluation among voluntary organisations. It reflects the reality of the complex and competing stakeholder interests that characterise most voluntary organisations. It puts funders in their place – as an important stakeholder, but one of many important stakeholders.

- It has all the well-known advantages argued for *self-evaluation* (which mean that it is more possible for organisations to learn and change from the information collected), but it also provides the comfort and credibility of being married with *external verification*.

- It is a *value-based* approach, which is a good fit with voluntary organisations, but it also recognises that this is not unproblematic. Indeed the model builds in acknowledgment of the tensions between organisational mission and values on the one hand, and stakeholder expectations and values on the other. While also recognising that all organisations need to operate within a context of societal or cultural mores and values.

- Although it doesn't resolve all the classic measurement dilemmas associated with performance in any arena, it does give emphasis to ensuring that a balanced set of indicators are collected covering all the social objectives, all the key stakeholder interests and in *qualitative* and *quantitative* as well as "*narrative*" form.

- It is *practical and proportional*. Although it is realistic to expect additional set up costs in the first year or two, NEF suggest that by the third year or soon after the social audit should usually cost no more than the organisation's financial audit.

Some Lessons from the Pilot

One organisation decided not to complete the pilot, and two organisations are taking longer to get the system up and running, though still report they are interested in pursing the idea for their organisation. In one case this involves an all-volunteer organisation, and in the other a key person left the organisation during the pilot period.

1. Objective setting most useful part of process

When asked to describe the main benefits for their organisation, the response overwhelmingly focussed on affirming the organisation's value-base and social objectives: "refocusses on core values underlying the organisation"; "reaffirmation of the mission of the organisation"; "clarification of social objectives by key stakeholder groups"; etc. When sufficient effort is put into this early step, (almost) everything else seems to fall into place. It is not a stage to rush over superficially, and those organisations that invested most in this apparently innocuous looking stage were among those which got most out of the process.

2. Most of the data were already collected

Most of the organisations identified that almost all the data they required, they already collected (the stage on identifying what we already do towards a social audit was most useful in ensuring this was explicitly considered). Existing data may not have always been fully collated or drawn together in a single report, but very few totally new collections were required. Though some fine-tuning or amendment may have been required to get the most out of the data, and/or more directly tie to the organisation's social objectives. (At times the challenge was to identify how this could be done with minimal disruption.)

Voluntary organisations, including those in the pilot identified that quantitative data usually did not provide a useful or accurate picture of their organisation and its performance. Sometimes it only gave a partial picture and could easily be misleading. Qualitative data were valued as more useful. However, in the pilot, the gaps that did exist in data collected were almost all qualitative (and especially narrative). In particular the most frequent gaps were in the areas of qualitative feedback from staff, board and to a much lesser extent from clients and beneficiaries. It could have been that this qualitative feedback was already informally incorporated, or it may illustrate the extent to which data collections seemed primarily to be about meeting funders and other external expectations (rather than their own needs).

3. Focus on more easily measurable

There is a danger, even under the social auditing model, that an organisation can still focus on the more easily measurable, rather than the most indicative. In part, this may also be a reason why there were few if any quantitative gaps and many more qualitative gaps in data already collected. Value-based indicators are still in the early stages of development, and additional effort is required if these are to be of practical use to small voluntary organisations. Effort is also required to assist organisations to gain the necessary skills and confidence to incorporate a variety of collection methods. Without creative thought, the social audit model can still be approached in a fairly mechanistic way – despite its contradiction with the underlying philospohy.

4. Rush to survey

One particular example of this cautious and (relatively narrow) approach to data collection was the rush to survey. By its nature a written questionnaire is a relatively arms-length (indirect) way of hearing from your stakeholders, for example. While useful (if not unavoidable) in collecting small amounts of data from large numbers of respondents, many pilot organisations had literally a handful or two of respondents in certain stakeholder groups. Other more personal approaches would be practical, and generate more direct and rich data, with considerable more colour and texture.

5. Temptation to use existing templates

At times the rush to survey meant that the answer was a questionnaire, even before it was clear exactly what the question was! – that is even before social objectives were agreed, etc. This also seemed to go hand-in-hand with a temptation to use an existing template. If you are not so clear what you need to ask, it will seem less of a problem to use someone else’s questionnaire. While tempting to take this short cut, if indicators are not clearly aligned and derived from the organisation’s social objectives, we risk measuring the wrong things (no matter how elegant the survey looks).

6. Funders were the most difficult to get feedback from

Ironically, given funders pre-occupation with the importance of accountability (at least as it applies to others), it was often the funders among stakeholders whom it was most difficult to engage in the process or obtain *any* feedback. In some cases this could have been because the arms-length approach inherent in competitive tendering may have left funding agencies with little real knowledge of the organisation and the issues it was facing. It may also have been a cruder factor: funders are not used to being the ones asked the questions, and to do so subtly turns the tables on inter-organisational power relations. It may also have been that some stakeholders were uncomfortable with inclusive stakeholder approach, and to participate equally with many others might be seen as watering down the influence of funders – who are generally in a more powerful position. Traditional funding relationships make it possible for funders to develop stakeholder myopia. When all stakeholders are listened to, treated with respect and given an account of organisational performance, this may threaten the “exclusive” position funders often enjoy.

7. Importance of having internal ‘champion’ and external ‘coach’

As with most organisational changes, it should comes as no surprise that successful implementation of the new social audit system appears to heavily depend on the the presence of both an internal ‘champion’ (someone committed to pushing the idea even when the work got hard or the other demands of organisational life threatened to take over) and an external ‘coach’ (to encourage, to hold to account for deadlines, to act as a sounding board and source of advice). All participants also reported that they strongly appreciated the regular bi-monthly peer meetings with others in the pilot. These meetings provided support, encouragement and practical ideas. Frequently people reported that their organisation had made sure it had undertaken the next step in the process just before the next peer group meeting, so they would have something to report to their colleagues.

8. Pressure of time

The organisation that most carefully logged time taken on all social audit tasks estimated approximately 600 hours of additional work over the year in setting up and implementing the new system, up to the point of the audit panel. This included only 40 hours of the manager's time, with the rest comprising trustees and other volunteers. Although a small organisation, this was the organisation with perhaps the most inclusive process, and the only one to appoint a specific internal working party to undertake the process (which in various forms, met on 14 occasions over the year).

Only one new collection was required on top of existing arrangements. This was a general pattern. Another small organisation reported a similar situation – the number of additional staff hours spent on the project was relatively modest, and only one new collection tailored to three stakeholder groups was required. However, this manager reported that the most difficult to find was precious thinking time, mental energy and creativity to plan and design the system as a whole.

9. Integration largely still to occur

To some extent because of timing issues, the social audit processes and systems were for many pilot organisations largely just 'clipped onto' existing systems. While initially easer just to do this, it does leave a legacy of ongoing double effort, until systems are fully integrated. This is likely to undermine ongoing sustainability of the system. Old systems need to be pruned or replaced, new collections integrated into ongoing day-to-day management systems, and superfluous processes rationalised, though this may be more likely to occur in the second social audit cycle. It is also crucial that efforts are made to better integrate into organisations' planning and review systems, if it is not only to lead to action, but also be built into organisational strategies.

10. Rigidities in the model?

Using a financial audit metaphor (which is essentially based on a linear, input-throughput-output production model, could make it harder to relate to the dynamic and organic environment of social objectives and many voluntary organisation environments. This issues was raised by one organisation. It is certainly possible to implement most of the model in a fairly mechanistic way – merely documenting activities under the guise of some new jargon. It also seems possible for organisations for more adventurous organisations to seriously reassess fundamental purpose and values, and to realign reporting and accountability around these. It was certainly possible for some organisations in the pilot to use it as a genuine opportunity for inquiry, organisational learning and development. Some organisations, however, appeared more 'defensive' than others, and were perhaps less open to hearing feedback and making changes as a result (rather than just falling into "yes, but…" responses). We also certainly know that social auditing is no cure-all magic elixir. It is possible to go through the motions, with minimal if any organisational impact. However it is also possible for organisations that want to seize the opportunity, that are not defensive about learning new things about themselves or re-evaluating old, that are committed to aligning the organisation and its systems around fundamental values, this approach seems to offer a way of helping them tackle these challenges.

Is it all worth the effort?

Compared to other accountability, monitoring and evaluation tools, Dow & Crowe (1999) suggest that social auditing offers an approach that is:

- Not based on entirely new or alien management systems
- Able to accommodate more flexible and appropriate indicators, benchmarks and targets
- Not imposed by an external body
- Able to builds mission-based capacity as you go
- Externally verified
- Able to recognise the in-built tensions between organisational mission, stakeholder aspirations and social expectations.
- Organisational, rather than just project-focussed
- On-going rather than just 'one shot'

But if many organisations are already doing most of the elements involved in social auditing, what value does it actually add? Again Dow and Crowe (1999) identify some practical contributions to organisations and their leaders. First, it helps organisations be *systematic* in their approach – is anything or anyone being left out? Second, it helps ensure all the parts are *linked* – bringing it all together. Third, it helps organisations get *recognition* for what they are already doing – credit and credability.

From the experience of the pilot, it seems to be a tool with considerable potential, but not an unproblematic one. The real test will be to see if it still "alive" in 3-5 years, because there has been sufficient demand from voluntary organisations themselves to keep the process going. The author suspects that in order to do this the model will need to demonstrate that it is:

- *Flexible* enough to accommodate cultural differences, perhaps even act as a cultural bridge;
- *Sustainable* – readily affordable relative to the benefit, able to be repeated, maintained and built into organisational systems and culture;
- Able to lead to greater organisational *learning*, development and change – from the inside out;
- *Accepted* by external stakeholders (including funders) as a legitimate and useful system of reporting;
- Able, when the crunch comes, to help an organisation reinforce and align itself to its organisational values base.

It's the Process Stupid!

This paper, like many written about organisational development tools is authored by an enthusiast or at least by someone hoping this would be a useful tool. Paton *et al* (2000) in a review of quality models for self-assessment in nonprofit organisations, note that despite a considerable literature proposing different self-assessment and diagnostic tools, little is known about what *actually* happens when a nonprofit tries to make serious use of a self-assessment model. Their research suggests that, with respect to quality tools at least, that:

- "It is not self-evident how a self-assessment model should be applied to a given context.
- "Perceived benefits from the use of the models seem to arise from the dialogue to which they give rise and from the new thinking triggered by the terms of the self-assessment process.

- " The sustained use of both [quality] models requires considerable time and effort, and involves the creation of new sorts of discussions whose relationships to normal decision processes may beome problematic.

- "The models can be and are used in quite different ways and for different internal purposes; within a single organisation the manner of and rationale for use may change over time or differ between sub-units.

- "The structure and content of both [quality] models provides an integrative map or overview of management issues that many users value highly; this seems important in understanding the appeal of the models and why general managers, in particular, become committed to them."

These observations also seem consistent with the experience of the social audit pilot. It is the internal and external dialogues that are prompted by the process that are the real value of most organisational development tools. It's the process, stupid – so lets not short cut the most valuable part of the model with easy templates, off the shelf solutions, and cursory self reviews. We are likely to get out of social auditing, as with many other tools, exactly what we put into it.

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