

**Advancing Nonprofit Ethics and Accountability:  
Next Steps for Independent Sector's "Principles for Good Governance and Ethical Practice"**

Executive Summary for Interview Participants

University of Colorado – Denver  
School of Public Affairs  
Karen L. Ito  
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Nonprofit organizations are stewards of the public trust, depending on the public for support in order to provide services that improve the quality of life for people across the country. It is imperative, then, that these organizations operate in a highly ethical manner and are transparent and accountable. Independent Sector (IS) is a national membership organization serving nonprofit charitable and philanthropic organizations and working to advance ethics and accountability across the sector.

In 2006, Independent Sector convened a national panel of experts who issued a set of “Principles for Good Governance and Ethical Practice.” These Principles were updated in 2015 and made available for free on the IS website. In 2017, Independent Sector is charting a course for how to advance this work. As a first step, the organization wanted to listen to leaders across the nonprofit sector about how they were using the Principles, what outcomes they were observing, and what additional resources they would find helpful. This research project was conducted to answer those questions and inform Independent Sector’s next steps in this area.

The research included a review of the existing academic literature, an analysis of the website data for the “Principles” page on the Independent Sector website, a survey with questions about how organizations have used the Principles, and a series of in-depth, one-on-one interviews with nonprofit leaders from across the country. This executive summary is intended to share findings from the interview portion of this project.

Interviews were held with 21 nonprofit leaders from 16 different states. Participants were affiliated with charitable organizations, foundations, consulting firms, national federations, statewide nonprofit associations, a university ethics center, and a national nonprofit accreditation entity. Organization budget sizes ranged from approximately \$400,000 to \$90 million, and participant positions included CEOs, vice presidents, board members, consultants, legal counsel, and program directors. Participants were generous with their time, thoughtful in their responses, and willing to share both their specific experiences with the Principles as well as their general thoughts about nonprofit ethics and accountability.

## **Interview Findings**

The interviews provided an opportunity to learn more about how the Principles are used by respondents and in this area several key themes emerged. First, the materials are used for consulting and training purposes by statewide associations, federations, and consultants, predominantly, but also by CEOs and board members within their own organizations. Second, they are used as benchmarks or checklists against which other organizations measure their own tools (such as accreditation standards, affiliation requirements, or their own sets of principles) or their own organization's compliance. Third, the Principles are used to promote board oversight: they are distributed to board members, posted on board portals, discussed at board meetings, and even used to guide the work of board governance committees. Other uses include enhancing one's professional knowledge; using as a resource to develop other training tools, guides, or programs; and retaining as a general resource for the purpose of addressing board or staff questions as they arise. Stories shared during the interview process reflected that the Principles are universally found to be helpful, and they are used in different ways by those in different roles, whether board members, CEOs, consultants, or foundations.

Interview participants also provided valuable feedback about additional resources that would be helpful in their work to strengthen ethics and accountability. First, there was an overwhelming desire for digital resources that could meet the "when and where we want it" criteria and that would be "stackable" in terms of complexity. In addition, many participants shared a desire for easy-to-implement, "packaged" solutions and tools that could be easily customized and adopted. Many participants acknowledged time and resource constraints, and to that point, a common theme was, "practical works; academic doesn't." There was also a desire for more dialogue with the philanthropic community about the importance of this work and the need for funding to do it. Improving ethics and accountability makes nonprofit organizations stronger, but resources are limited.

An overarching theme was that of duplication of resources throughout the nonprofit sector. Many organizations are publishing their own sets of similar principles, standards, or recommendations with some overlap and some inconsistencies. This not only creates confusion across the sector about which resources are the best or most valid, it is also seen as an inefficient use of scarce resources.

Collaboration, dialogue, and a clearinghouse for ethics resources were ideas proposed to help address this.

More detail on key interview themes is provided in the appendix to this report. This includes themes related to the how the Principles are used and what types of additional resources are desired. In addition, a list of the most frequently mentioned “go-to” sources for ethics related information is also provided.

## **Recommendations**

After assessing the results of the literature review, the website analysis, the survey, and the interview findings, several recommendations were proposed for how Independent Sector can continue to advance ethics and accountability within the sector.

- Raise awareness. Approximately half of the survey respondents were unfamiliar with the Principles document and related resources, and this finding points to opportunities for promoting the Principles on social media, in nonprofit publications, and through other venues.
- Promote collaboration and dialogue among those producing similar principles, codes, and standards. Collaboration can help reduce the duplication of effort and maximize scarce resources in the sector.
- Convene funders for further dialogue. Two areas noted by participants were: (1) encouraging funders to provide more grants for ethics and accountability related work, and (2) exploring the potential impact funders could have if they required grant applicants to show evidence of ethics and accountability work in funding proposals.
- Promote academic research. Such research could build an evidence-based case for the link between ethics and accountability and organizational effectiveness. Other areas of research could yield information about what specific processes are most effective in establishing and maintaining an organization-wide culture of ethics.
- Develop a pipeline of staff champions to promote ethical practice across the sector. Several participants expressed a desire for ongoing education and potential credentialing as experts in nonprofit ethics. This aligned with the academic literature noting that “staff champions” play a key role in an organization’s ability to achieve higher levels of accountability. A credentialing or

certification program could be developed and offered online or in person, and those certified could serve as ethics champions during their careers.

- Produce a series of YouTube videos, webinars, or interactive eLearning modules on the Principles. Many participants noted a desire for digital resources that could be easily accessed where and when they need them.
- Develop, or collaborate with others to develop, a packaged set of resources that could be more easily downloaded, customized, and implemented. An overarching theme was “make it easy” with most participants noting a desire to do this work but challenged by time constraints. Such a package could include resources that would support development of an organization-wide culture of ethics.

## **Conclusion**

While conducting this research, it became clear that people in all areas of the nonprofit sector are eager to have this conversation and are committed to maintaining a high level of ethical conduct and accountability. Participants were generous with their time and enthusiastic about sharing their stories, their challenges, and their goals. Independent Sector has an opportunity to harness this enthusiasm, bring people together, and help facilitate significant and lasting change in the sector. By focusing first on listening to voices of leaders from across the sector, the organization has gained valuable insight that can help determine the path forward.

On a personal note, I would also like to express my appreciation to all who participated in this project. I would also be happy to provide detailed information from the literature review or answer any questions about the website data analysis, survey, or interview findings. The insights, experiences, and thoughtful contributions shared during this project’s interviews will help move this work forward in the months and years ahead.