

Article

Measuring What Is Not Seen—Transparency and Good Governance Nonprofit Indicators to Overcome the Limitations of Accounting Models

Antonio Luis Moreno-Albarracín ¹, Ana Licerán-Gutierrez ¹, Cristina Ortega-Rodríguez ^{1,*},
Álvaro Labella ² and Rosa M. Rodríguez ²

¹ Department of Financial Economics and Accounting, University of Jaén, Paraje Las Lagunillas, s/n, E-23071 Jaén, Spain; almoreno@ujaen.es (A.L.M.-A.); aliceran@ujaen.es (A.L.-G.)

² Department of Computer Science, University of Jaén, Paraje Las Lagunillas, s/n, E-23071 Jaén, Spain; alabella@ujaen.es (Á.L.); rmrodrig@ujaen.es (R.M.R.)

* Correspondence: corodrig@ujaen.es; Tel.: +34-953-21-19-07

Received: 24 July 2020; Accepted: 31 August 2020; Published: 4 September 2020

Abstract: One of the most complex challenges currently faced by non-profit organizations (NPOs) is demonstrating that they manage resources with the highest levels of efficiency and excellence, and do not deviate from the accomplishment of their mission. Transparency and good governance are highly valuable issues for the survival of these organizations. However, empirical studies and models to measure these concepts are scarce and lack consensus. The objective of this article is to develop a uniform procedure for measuring the levels of transparency and good governance in NPOs, validated by experts, that integrates the most important contributions. The main proposals are supported by lists of indicators whose compliance they try to verify. Finally, we considered the experts' preferences to obtain the indicator weights by means of the Best-Worst Method and Minimum Cost Consensus model. The result of our work is the development of a list of indicators, which integrates the existing battery of Spanish indicators. We contribute, with this work, to improving the credibility of the third sector from the perspective of donors, users, public administrations, and society. This is an essential issue for the survival of these NPOs.

Keywords: third sector; non-profit organization (NPO); transparency; good governance; accountability; batteries of indicators; Best-Worst Method (BWM); minimum cost consensus (MCC)

1. Introduction

Non-profit organizations (NPOs) have been configured as an exclusive model in the coverage of social services of a very diverse nature [1,2]. Due to the growth in its size and scope, the third sector has become a major player in global society [3]. There is a strong link between the third sector and public authorities. This is because NPOs collect public funds and are subject to a favourable tax regime [4]. Regarding this, it is necessary to provide greater visibility to their actions and avoid suspicions of irregularities about tax advantages and funds obtained from public administrations [5]. In this framework, NPOs have become a true benchmark, developing action procedures and management models capable of quickly addressing different social problems as expected by society [6].

Recently, NPOs have appeared whose activity and destination of resources is on the edge of legality [7,8]. Although these are unusual phenomena, they have opened a debate on the control mechanisms to which they are subject. On this matter, as a response to social demands, a need exists

to develop rigorous tools and models that allow us to quantify the credibility and trustworthiness of the sector. As an unobservable reality, it is difficult to assess this empirically.

In this work, the interrelationship between “transparency” and “good governance” concepts are analyzed, resulting in an analysis of indicator batteries, which are an essential non-profit tool. Both concepts are necessary allies to generate confidence in the complex environment where public trust is recognized as crucial to the sector’s long-term success [9]. It is worth bearing in mind that there is no common agreement on how to measure transparency and good governance [10], but several guidance indicators exist for a series of aspects. Even for the same measurement technique and checklist of indicators, several batteries of indicators exist with different numbers and types of indicators, despite referring to similar conditions.

Thus, the absence of a generally accepted agreement regarding how to measure transparency and good governance in the environment of NPOs represents a challenge. This lack of consensus has led to different institutions having prepared their own proposals, consisting of a list of indicators. Compliance with a certain number of these indicators provides the final measure of the level of transparency or good governance of each NPO. However, the indicators proposed by each institution are not homogeneous, are sometimes not included in all proposals, and have a different value depending on the institution that proposes them.

To solve this heterogeneity based on a given model, a comparative analysis of two batteries of indicators of transparency and good governance practices in NPOs developed by two prestigious entities in Spain is presented. These entities are the alliance between the Social Action NGO Platform and the NGO Coordinator for Development (CONGDE) and the Loyalty Foundation. Our goal is to achieve harmonization of such batteries and prioritize their indicators. To obtain the weights of the indicators we use a methodology widely used in multi-criteria decision making, the so-called Best–Worst Method (BWM) [11]. The BWM allows the derivation of weights of the indicators from the experts’ preferences by selecting the best and worst indicators, and comparing these with the remainder. However, using the BWM results in as many weights for an indicator as the number of experts. Hence, there may be disagreements in experts’ opinions. A common tool used to reconcile these differences is the consensus reaching process (CRP) [12,13]. Among the different types of CRPs described in the taxonomy provided in [14], automatic processes are able to obtain quick and reliable agreement. Therefore, in our study we applied a minimum cost consensus (MCC) model [15]. The MCC model automatically modifies the weights obtained from BWM by preserving the initial experts’ opinions as much as possible, obtaining a consensual weight for each indicator, and removing disagreements if they exist.

Several solutions are noted in the literature to measure transparency and good governance in NPOs, as mentioned above. The main contributions of this work are as follows:

- A procedure for measuring transparency and good governance in NPOs through a multi-criteria group decision-making method.
- Application of BWM to weight indicators.
- Use of a consensus method to eliminate conflicts.

Thus, a set of indicators is obtained to measure transparency and good governance in NPOs with the following characteristics:

- Weighting of indicators according to their considered importance.
- Consensus on the power of the indicators.
- They unify the two main proposals of the Spanish case.

Regarding this last characteristic, we select only the indicators that are referred to the same aspect, and we offer a new statement for those common indicators that combine the content about such aspect in each battery.

A new approach is proposed to improve current practice, which makes it possible to measure the level of transparency and good governance of each NPO. This research tries to advance the knowledge of the third sector. Social credibility is an essential issue for any NPO. However, it is a little-studied phenomenon. This leads us to generate a new way of measuring transparency and

governance of third sector organizations. Therefore, our contribution consists of introducing study initiatives to achieve improvement in this non-profit area.

The present study proceeds as follows: in Section 2 we provide contextualization of the third sector and a theoretical framework for the study. Section 3 develops the methodology based on the BWM and the MCC model to derive the weight of the indicators. Section 4 presents the main results obtained in the comparative analysis of the two batteries of indicators of transparency and good governance practices in NPOs. Finally, conclusions are noted in Section 5.

2. Theoretical Framework

2.1. Contextualizing the Third Sector

Defining an NPO is a highly complex issue that presents difficulties [16] that derive from the lack of a single, precise concept about the sector [17,18]. In this sub-section, we identify characteristics that are available in the literature that assist in conceptualization of the third sector.

Notwithstanding this lack of agreement on conceptualization, it is possible to identify some features that distinguish this sector: the first of these is the non-distribution of benefits. If we only take into account this characteristic as unique, we would be defining a weak conceptualization of the sector [16,19,20]. Hence, we prove additional organizational characteristics relevant to the third sector.

Secondly, NPOs require proper management, although their ultimate goal is not profit maximization [8], but the attainment of social purposes [21]. The management of a NPO presents difficulties in measuring the achievements made, the attention that must be paid to the social demands of a variety of stakeholders, and the complexity and competitiveness of the sector in which they operate [22]. Accounting-based models do not provide an adequate valuation, [23] hindering NPOs' ability to demonstrate their accountability [24]. Transferring techniques and management methods from the private sector is also not suitable for NPOs; thus, they must be adapted to take into account an NPO's characteristics [25].

The need for an adequate measurement model for NPOs is accentuated because they receive resources, in many cases without remuneration, which also enjoy a favourable tax regime [26]. Thus, it is necessary to assess the correct management of such resources. Similarly, it is important that NPOs know whether management of resources has allowed them to achieve the social objectives that were originally envisaged, in addition to how they have been achieved [27].

In conclusion, there is a need for NPOs to provide their stakeholders with as much information as possible about themselves and their activities [28]. Transparency of NPO operations and the engagement of stakeholders strengthen relationships and helps secure resources [28]. Therefore, the concepts of transparency and good governance emerge as essential aspects in the management of NPOs. Both concepts are analysed in the following subsection in detail.

2.2. Transparency and Good Governance in the NPOs

A NPO is assumed to have a series of specific values, among which some of the most important are transparency and good governance [29]. In addition, the literature evidence indicates necessity for the third sector to enhance governance and improve transparency [30]. There are two reasons that reinforce this necessity: first, and most importantly, accountability (which is complex for most NPOs) is important for organizational effectiveness and mission alignment and aspiration; thus, transparency and good governance are intrinsically important for their close relationship with the mission attainment of NPOs. It is important that entities have mechanisms that allow stakeholders to assess the appropriate use of the funds received by NPOs, and that these funds are aligned with their social mission [31]. Secondly, in addition to guaranteeing such mission attainment, transparency and good governance also help to reinforce the perceived credibility of NPOs according to their different stakeholders. This is important for maintaining the necessary support for carrying out the activities that, eventually, will allow these entities to fulfil their mission. In this regard, we highlight the moral adoption of responsible actions in these organizations to disclose information about their activities

and the resources they use to fulfill their social mission [32,33]. In this subsection we try to analyse both concepts in the non-profit field.

Recent studies confer a high strategic value to the concept of transparency [34–36] in the non-profit sector. One of the most controversial issues faced by the sector is the definition of the concept of “transparency” [37,38]. In prior literature, no unique definition exists that allows us to determine this concept and its application to the sector. However, this aspect, which is valuable for its own sake and allows for an affective pursuit of the organizational mission of NPOs, is closely linked to good management practices, being important for the image that the organization must project to the community. When studying transparency, we mean to disclose information about the activities and processes developed, in addition to the resources and means they use to achieve the ultimate objective for which they were created: the compliance of the mission [32,33]. Transparency must be consistent with the mission of NPOs, representing the competence of the organization, that is, its performance, processes, decision making, and final results. This fact, henceforth, reinforces NPOs’ legitimacy and generates social value for society [34]. There is growing pressure on NPOs to demonstrate accountability and transparency [39]. Unfortunately, a worrying absence of transparency has been detected in the sector [40].

Next, we analyse the concept of “good governance”. In recent decades, there has been a growing interest in studying the governance of non-profit organizations [41–44]. The initial interest in government studies originated in the private sector, that is, the third sector was influenced by the private sector [45]. For instance, issues such as the benefits provided by good governance [46], the monitoring of the interactions between the executives of an organization [47], or comprehensive measures of compensation incentives [48], are relevant governance mechanisms in the private sector which may also be considered in the non-profit field. For that reason, ethical attitudes and appropriate practices in the management of NPOs are promoted. For instance, the so-called “codes of good governance” have been developed [49] or ethics policies have been established [50]. One of the fundamental objectives of a good governance code should be to increase and improve the transparency of the organization’s governance. Therefore, the provisions included in the codes or policies of good governance must improve and guarantee the transparency of the activities of the NPOs.

Based on the plural vision of NPOs, in which multiple interests converge and different objectives coexist, it is relevant to examine the complex problem of good governance in addition to the mechanisms of transparency [2]. As a result, an interconnection between both concepts of “transparency” and “good governance” appears, in which it can be observed how an unequivocal relationship can be reached between both terms. Transparency and accountability are essential good governance practices, where these are understood as contributing to strengthening the organization and being necessary for its sustainability [51].

In short, transparency and good governance practices may directly benefit NPOs, improving society’s confidence in them (hence, increasing NPO’s credibility) and allowing greater possibilities of funding. Good governance and transparency must be understood as a stricter issue than that of traditional accountability in its most limited form.

2.3. The Paradigm of Credibility in NPOs

Credibility has become a particular issue in the field of NPOs. Traditionally, several concerns have been raised about the responsibility of NPOs, in particular regarding the adequacy of information and control mechanisms. This gives rise to the concept of corporate social responsibility (CSR) [52]. CSR encompass a broad range of activities, including the improvement of the reputation of the organization [52]. Even if the activity carried out by NPOs is not questionable, the existence of financial scandals, albeit infrequent, may damage the perceived credibility of the sector. Transparency and good governance are considered phenomena that can fight corruption, but their main impact is to improve the management of NPOs. Management ensures that the resources allocated to the NPOs are used for the ultimate purpose for which they were created, that is, their social mission. The absence of transparent information that allows insight into the internal processes

and criteria for making decisions about the distribution of resources causes a loss of credibility. Thus, stakeholders have increased their demands of NPOs, asking for greater transparency to guarantee the appropriate use of resources [1,21]. As a result, the pressures of society have increased in recent decades [53] and societal concerns exist about the appropriate allocation of resources [54].

The need to measure NPOs' actions in a systemic manner to establish their legitimacy and social credibility arises from consulting and participation in decision-making processes, and participatory monitoring and evaluation of stakeholders [55]. It is clear that the pressure of society is increasing due to a combination of social, ethical, and regulatory forces [53,56].

As mentioned previously, transparency is an element that generates credibility, legitimacy, and trust, which are necessary to project a positive image to society [25], and good governance should be a regular practice. A properly managed and, at the same time, transparent, organization is on an appropriate path to achieve recognition among citizens and social credibility. Thus, an NPO can survive and contribute to improving the world. Good governance and transparency are necessary mechanisms to maintain confidence in the non-profit sector.

2.4. The Insufficiency of Accounting Models: The Spanish Case

Traditional accounting models are limited to providing economic and financial information without delving into essential issues such as nature, activity, and social achievements of NPOs [23,27,57]. This leads NPOs to use alternative mechanisms to highlight their actions and demonstrate the destination of resources and decision-making processes. The fulfilment of the mission of an NPO is subject to assessment by its stakeholders, who are interested in the organization, and whose needs are met by adequate levels of quality. Since this information is not covered by accounting, NPOs must deepen the knowledge of their groups of interests [58]. Transparency is an exercise of responsibility that NPOs must undertake in response to the expectations and demands of stakeholders, and to manage the organization to fulfil its mission and maintain its institutional legitimacy [59].

The success of an NPO is usually associated with the fulfilment of its mission, without consideration of a financial perspective. Thus, the exclusive use of financial measures is not representative of the management of NPOs [60]. As a result, NPOs disclose other types of information. Non-financial information disclosure in the NPOs presents some singularities compared with other the sectors. For example, in contrast to other sectors, there is no legal regulation that compels these entities to prepare and publish social information [31]. In the absence of a legal obligation, the path followed by a large number of NPOs has been self-regulation. They voluntarily publish or disclose information related to transparency and good governance. Thus, the responsibility of the NPOs is increased [61] and their reputation is improved [62].

The Spanish case is not an exception to this situation. NPOs voluntarily supervise their procedures, with the aim of achieving recognition through external certification. Two main organizations have developed a system for verifying the levels of transparency and governance of the third sector. Both entities have developed a battery of indicators whose compliance determines these levels for NPOs:

- The alliance formed by the NGO Platform for Social Action and the Coordinator of Development Cooperation Organizations. The NGO Platform for Social Action is a state, private, and professional organization that works to promote the development of social and civil rights for the most vulnerable and unprotected groups. The most recent data (referring to 2018) indicates that it encompasses 5716 entities. The Coordinator of Development Cooperation Organizations integrates more than 550 organizations, with the objective of establishing a cooperation policy that is consistent with the 2030 Agenda. It developed the Policy Coherence Index for Sustainable Development, a tool that aims to make visible the connections of one policy with others, and its impact on the environment and on human life. It also developed a common proposal with a total of 79 indicators that are divided into two main areas (transparency and good governance) which, in turn, are divided into thematic blocks.
- The mission of the Loyalty Foundation is to encourage society's trust in NPOs to achieve an increase in donations, in addition to other forms of collaboration. It was the first entity to develop

a methodology to analyse transparency and good governance in Spanish NPOs. Its experience has inspired other entities in Spain and Latin America. The Loyalty Foundation grants a certification to organizations that comply with the proposed principles, and provides independent information to private and institutional donors to assist them in their decisions. It presents a battery of 36 indicators subdivided into nine thematic areas.

The relevance of these institutions in international research is indicated by articles that empirically measure some aspect of the transparency in NPOs with a focus in research and sampling on the “Spanish case” [10]. These studies rely on the indicators developed by the Spanish Development NGO Coordinator (CONGDE) and the Loyalty Foundation.

3. Methodology

This section introduces the methodology used in this contribution to derive the weights for transparency and good governance indicators for non-profits. This methodology consists of two main phases: first, the computation of the indicators’ weights from experts’ preferences using the BWM approach and, second, the obtaining of consensual weights for each indicator using an automatic Consensus Reaching Process (CRP) (see Figure 1).

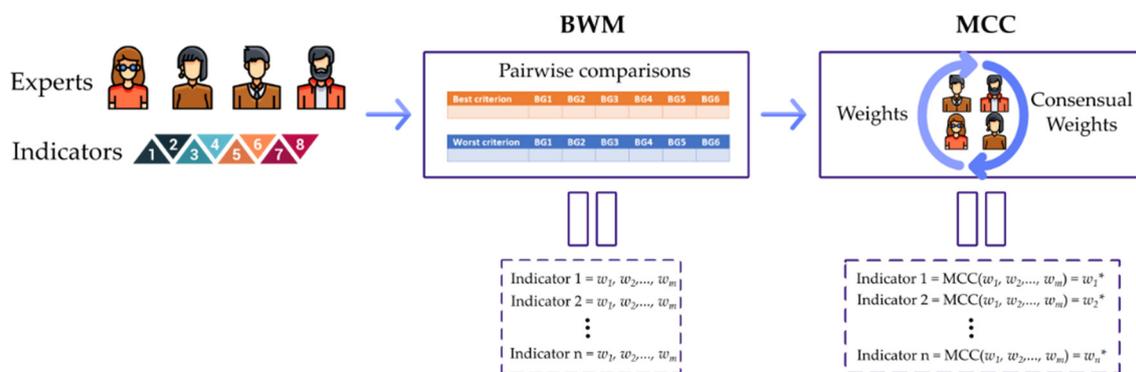


Figure 1. General methodological scheme.

3.1. Best–Worst Method for Deriving Weights

Multi-criteria group decision making (MCGDM) is a daily activity in human beings’ lives, in which a group of experts evaluate different alternatives based on a set of criteria. Formally, a MCGDM problem consists of a set of experts $\{e_1, \dots, e_m\}$, who evaluate a set of possible solutions or alternatives $\{x_1, \dots, x_s\}$, based on different criteria $C = \{c_1, \dots, c_n\}$.

In a MCGDM problem, experts typically do not consider all criteria to be equally important and, because criteria weights have a direct influence on the result, many techniques have been published to derive them in the specialized literature [11,63].

Given the problem of evaluating transparency and good governance in NPOs using indicators, and the lack of an empirical process to determine these indicators’ relevance, we propose using a MCGDM methodology to derive indicators weights from experts’ opinions, that is, the so-called BWM [11].

The BWM is a widely used methodology in MCGDM that allows deriving the weights of the criteria from pairwise comparison matrices formed from the preferences of experts who participate in the decision process. In general terms, the BWM consists of making comparisons, generally using a numerical scale ranging from 1 to 9 [63], of the best, c_B , and worst, c_W , criteria (both selected by an expert) with the remaining criteria. The main advantage of this method compared to others is that there is no need to compare all of the criteria. By reducing the number of required comparisons, the potential for inconsistencies is reduced, particularly when there are a large number of indicators.

In further detail, the BWM is composed of several steps, as follows [11]:

1. Define a set of criteria. In this study, the criteria are represented by the indicators used to measure the transparency and good governance in the NPOs.

2. Select the best and the worst criterion, c_B and c_W , respectively. These are selected by experts individually and, if there are several c_B or/and c_W , the selection is made randomly.
3. The best criterion c_B is compared with the remaining criteria using a predefined scale. These comparisons result in the Best-to-Others (BO) vector, $BO = \{a_{B1}, a_{B2}, \dots, a_{Bn}\}$, in which a_{Bj} means the preference of c_B over the criterion c_j .
4. The worst criterion c_W is compared with the remaining criteria using a predefined scale. These comparisons result in the Others-to-Worst (OW) vector, $OW = \{a_{1W}, a_{2W}, \dots, a_{nW}\}$, in which a_{jW} means the preference of the criterion c_j over c_W .
5. Compute the optimal criteria weights, w_j , which are derived from each pair w_B/w_j and w_j/w_W , where $\frac{w_B}{w_j} = a_{Bj}$ and $\frac{w_j}{w_W} = a_{jW}$, by means of the following non-linear programming model:

$$\begin{aligned}
 & \min \delta \\
 \text{s.t. } & \begin{cases} \left| \frac{w_B}{w_j} - a_{Bj} \right| \leq \delta \wedge \left| \frac{w_j}{w_W} - a_{jW} \right| \leq \delta \\ \sum_{j=1}^n w_j = 1 \\ w_j \geq 0 \forall j = 1, 2, \dots, n \end{cases}
 \end{aligned} \tag{1}$$

where δ is obtained by minimizing the maximum absolute differences of $\left| \frac{w_B}{w_j} - a_{Bj} \right|$ and $\left| \frac{w_j}{w_W} - a_{jW} \right|$.

As mentioned previously, consistency in experts' preferences is a relevant aspect. Preferences with a high level of inconsistency would lead to unreliable results. For this reason, previous research [11] proposed a means of evaluating the consistency in experts' preferences:

$$\text{ConsistencyRatio} = \frac{\delta}{\text{ConsistencyIndex}} \tag{2}$$

where Consistency Index is a numerical value obtained from the comparison among the best and worst criterion a_{BW} (see Table 1).

Table 1. Consistency Index.

a_{BW}	1	2	3	4	5	6	7	8	9
ConsistencyIndex	0.00	0.44	1.00	1.63	2.30	3.00	3.73	4.47	5.23

However, it is important to note that BWM is applied for each expert who participates in the decision process. Therefore, at this stage, there are as many weighting vectors as experts for each indicator. To obtain a single weight for each, we apply a consensus process that aims at resolving any conflict among experts' opinions.

3.2. Minimum Cost Consensus for Consensual Weights

The BWM is applied for each expert, thus, a single indicator will have several weights, i.e., one per expert. Furthermore, disagreements may exist among experts. To obtain a single weight for each indicator, such that this weighting value would be accepted by all of the experts, we propose undertaking a CRP. A CRP is an iterative process in which experts change their initial preferences with the aim of bringing their positions closer to each other and reaching a more consensual solution that satisfies the whole group [13,15,64,65].

Among the multiple CRPs existing in the specialized literature, we selected that introduced by Ben-Arieh and Easton [15]. This consensus model is based on the concept of "minimum cost consensus" (MCC), and automatically obtains a consensual solution by preserving, as much as possible, the initial experts' preferences. To obtain the consensual values, a non-linear MCC programming model is used:

$$\min \sum_{k=1}^m c_k |\hat{w}_k - w_k| \quad (3)$$

$$\text{s. t. } \hat{w}_k - \hat{w} \leq \varepsilon, k = 1, 2, \dots, m.$$

where w_k represents the weight obtained from the expert's opinion e_k for a specific indicator, \hat{w}_k represents the modified weight for this expert, \hat{w} represents the collective opinion for the group, ε measures the absolute deviation between each expert's modified opinion and the collective opinion, and c_k represents the cost of modifying the expert's opinion e_k by one unit.

The MCC model automatically modifies the initial experts' preferences, represented by the weights obtained from the BWM for each indicator, and returns a unique consensual weight for each.

4. Discussion of Results

In this section we highlight the main findings from the comparative analysis of two batteries of indicators of transparency and good governance practices in NPOs. To aid clarity, we divide the discussion of the results into two subsections. In the first, we discuss the selection process for the batteries of indicators, and in the second we analyze the weighted importance that experts in NPO management give to the previously selected common indicators.

4.1. Selection of the Combination Battery of Indicators

As previously explained, the credibility and trustworthiness of NPOs for their donors is an unobservable reality, and thus difficult to empirically measure. As a result, there is no a common agreement in how to measure these attributes, but several guidance indicators exist that relate to a series of aspects that are considered to be indicative of such credibility (in particular, transparency and good governance indicators). This lack of agreement does not only apply to the measurement technique itself, but also to the indicative aspects of transparency and good governance commonly adopted in prior literature. Consequently, both batteries consider the same measurement technique, which consists of checking whether a certain NPO meets the requirements that are established in a list of indicators. Moreover, these indicators refer to the same aspects (transparency and good governance). Notwithstanding this similarity, the batteries have a different number of indicators, and the statements of these indicators differ in terms of their wording.

In an attempt to unify, as much as possible, the aspects to be considered as indicative of transparency and good governance in NPOs, we compared the two main batteries of indicators in Spain: CONGDE and the Loyalty Foundation. After a systematic, manual examination of the two batteries, we merged them into a single, common battery to elaborate the questionnaire to be answered by the experts in NPO management.

The main highlights from the comparison can be briefly described as follows. Both batteries of indicators are composed of a vast number of indicators that cover a wide range of aspects indicative of the perceived credibility of NPOs by their stakeholders, mainly based on the donors' perspective. Notwithstanding this, several differences were observed:

Firstly, the batteries differ in the number of indicators, and in the classification of the indicators into categories and subcategories. Thus, the CONGDE battery has 79 indicators classified into 27 aspects referring to transparency and the remaining 52 ones relating to good governance practices. Furthermore, each of these general blocks (transparency and good governance) are divided into several subsections. By comparison, the Loyalty Foundation battery is smaller (36 indicators) and generic, in the sense that it does not distinguish whether an indicator refers to transparency or good governance issues, although the indicators are also divided into nine general categories.

Secondly, the description of the aspects to be considered in the indicator statements is more comprehensive and detailed in the CONGDE battery and includes some issues that are not indicated either implicitly nor explicitly in the Loyalty Foundation battery. Examples include the CONGDE battery accounts for gender issues (a minimum proportion of 40% women on the NPO governing board (BG1.2); a minimum proportion of 40% women on the executive board (BG5.8); approval of a

gender policy framework by the NPO governing board (BG5.9)...); environmental issues (environmental management institutional policy approved by the NPO governing board (BG6.3); explicit consideration of the compliance of the organization with ethical codes (public availability of behavioral codes and ethical recommendations for the Third Sector (TR2.5); compliance of the mission, vision, and values of the organization with the behavioral code for Third Sector organizations (BG2.7); and the approval of a behavioral code by the NPO governing board (BG2.8).

Finally, because the indicators in the Loyalty Foundation battery are more generic, the same indicator can be connected to more than one concrete indicator in the CONGDE battery. As an example, the CONGDE battery has different indicators for the definition of the mission (TR2.1, BG2.1, BG2.2), vision (TR2.2, BG2.3, BG2.4), and values (TR2.3, BG2.5, BG2.6) of the entities, whereas in the Loyalty Foundation there is only one indicator referring to the mission (1A) which is linked to the mission, vision, and values.

Taking into account the previous analysis, we compared the batteries and selected their common indicators to later construct a questionnaire about the perceived importance of these indicators, which were defined by the statements of both the CONGDE and the Loyalty Foundation batteries. We selected the indicators as follows: we took as a reference the CONGDE battery because it comprised more indicators and disaggregated the aspects to be analyzed in more detail. Next, after a manual, detailed text comparison analysis, we linked each of these indicators (if possible) to the equivalent indicator in the Loyalty Foundation battery that referred to the same aspect to be evaluated. Finally, we propose a new statement on those common indicators to include the textual content of their two batteries of indicators. The detailed comparative textual analysis is shown in Table S1 (for the sake of brevity, we show in Table S1 only the indicators that are common to the two batteries), in which the indicators are divided into 10 blocks according to the aspects they refer to (here, we do not distinguish between transparency and good governance because the Loyalty Foundation battery, as previously noted, does not classify the indicators in this manner).

Regarding the selection process, we analysed the content of every indicator in the CONGDE battery. When comparing it to the Loyalty Foundation battery, the content of the generic indicators of this latter battery were adapted to the more specific content of the CONGDE battery. For example, regarding the definition of the mission, indicator TR2.1 in the CONGDE battery states: "The mission of the entity is public and available". After reading the content of the indicators in the Loyalty Foundation battery, we found that indicator A1 states "The mission is well defined"; hence, we merged both of these indicators into our combined indicator 2.1, which states "The mission of the organization is clearly defined and it is public and accessible". As can be observed, the new indicator encompasses both that the mission is "clearly (well) defined" (Loyalty Foundation battery) and that it is "public and accessible". Although some indicators, such as that cited in the example, are well matched, others specific indicators in the CONGDE battery have no equivalent match in the Loyalty Foundation battery. For example, indicator 1.5 in the CONGDE battery refers to the public availability of wages and salaries information; from a close examination of the Loyalty Foundation battery, no indicator refers to wages and salaries information. As previously exposed, there is no common agreement on which indicators better reflect the credibility (in terms of transparency and good governance) of NPOs, and several batteries of indicators exist, without a clear understanding in prior literature about which one best measures this aspect. As a contribution, with the aim to offer a guidance, we propose a battery that only considers the common aspects of both batteries, thereby eliminating the indicators that were not able to be matched in the two batteries and proposing a new statement for those common indicators that includes the content in both the CONGDE and the Loyalty Foundation batteries.

After the merging procedure, 20 indicators of the CONGDE battery do not match with the Loyalty Foundation battery (six of transparency (TR1.5, TR2.4, TR2.5, TR3.6, TR4.5, TR4.6) and 14 of good governance (BG1.2, BG1.3, BG2.2, BG2.6, BG2.7, BG2.8, BG3.2, BG4.4, BG5.1, BG5.4, BG5.8, BG5.9, BG6.3, BG6.6)). This is in line with the explanation in previous paragraphs that the Loyalty Foundation battery refers to transparency indicators (although some of these are coincident with good governance aspects) and does not consider several aspects. By comparison, only six indicators

from the Loyalty Foundation battery do not match with the CONGDE battery (6D, 7B, 7D, 9B, 9D, 9E), and relate to the commitment to several laws and legal regulations. Moreover, the reason for the exclusion of such a large number of indicators was due to the initial unbalanced number of indicators used by the process; the CONGDE set has 79 quite specific indicators, as explained previously, while the Loyalty Foundation battery has only 36 more generic indicators. As a result, we excluded 20 indicators because they refer to very specific issues, and our aim in this study is to combine the two batteries to derive common, single guide that can help NPOs to assess their level of credibility.

Summarizing the selection of indicators, Table 2 details the final number of variables analyzed in the questionnaire.

Table 2. Variable selection (items in the questionnaire).

Batteries	No. Indicators
Indicators in the CONGDE battery	79
Indicators in the Loyalty Foundation battery with no equivalent aspects in the CONGDE one	20
FINAL VARIABLE (ITEMS) SELECTION	59

Thus, the final number of items to be incorporated in the questionnaire was 59.

4.2. Data Collection

This study was undertaken with primary data that was collected from the opinion of five experts in NPO management (the NPOs, which are not listed to protect their anonymity, cover a diversity of social needs and territorial settings) in Spain. These experts were sent a questionnaire in which they were asked to express their opinions on the most (least) important (questions A and C, respectively) indicator for each block of indicators, and the comparison of the relative importance of the remaining indicators of the block with the most important indicator (question B), and the comparison of the least important indicator with the remaining indicators (question D) in its block [66] (for further details, see Supplementary Materials: <https://sinbad2.ujaen.es/sites/default/files/2020-07/Survey.pdf>). The five experts returned the questionnaire correctly answered; thus, the response rate was 100%.

4.3. Analysis of the Results

After collecting primary data from the questionnaires, the next step was data management using appropriate software to obtain suitable and optimal weightings of the different indicators in each block according to the relative importance perceived by experts from the best (most important) and worst (least important) indicators compared with the remaining indicators for each block. This process allows several highlights to be discussed.

For the sake of clarity, we will present for each block of indicators of the common battery a table with the results and a brief comment. In each table, rows 1 to 5 refer to the individual responses by the managers of the five participant institutions, and row 6 shows the consensus value from the BWM estimation. The tables are divided into a different number of columns, each of which shows the weighting of the BWM by the indicator in the group where those indicators are classified, as shown in Table S1.

4.3.1. Block 1: Transparency of the NPO Governing Board

We start the analysis of the results with the block related to aspects of transparency of the NPO governing board. The opinion of the weighted importance for several aspects is shown in Table 3.

Table 3. The Best–Worst Method (BWM) results for the transparency of the non-profit organization (NPO) governing board.

	1.1	1.2	1.3	1.4
Institution 1	0.048	0.191	0.380	0.382
Institution 2	0.197	0.059	0.197	0.547
Institution 3	0.316	0.051	0.316	0.316
Institution 4	0.353	0.044	0.249	0.354
Institution 5	0.169	0.048	0.185	0.597
Consensus	0.220	0.078	0.265	0.437

Table 3 indicates the significant perceived importance (nearly the half of the whole block) of one of the aspects compared to the others relative to the transparency practices of the NPO governing board: the public availability on the website of the statutes of the entity and the specific regulatory laws that are applicable to it (indicator 1.4, consensus = 0.437). Conversely, one aspect has a notably low perceived value: the limitation of the relationships of the members of the NPO governing board with their own NPO (indicator 1.2, consensus = 0.078). Such a difference in the perceived importance is indicative that the experts value the facts (clear statues and regulations applicable to the NPO) more than they value the specific people involved (the specific composition of the NPO governing board (indicator 1.1) and the organizational chart (indicator 1.3) are weighted with half the level of importance). Furthermore, the trustworthiness of the managers when the rules are clear is such that, as previously commented, the ex-ante limitations as control mechanisms for the members of the NPO governing boards are not considered to be very important.

4.3.2. Block 2: Appropriate Definition of the Mission, Vision, and Values

In this block we analyze the perceived importance of the statement of the mission, vision, and values of the NPOs. Experts were asked about the importance of the public availability of these three aspects, and their responses are presented in Table 4.

Table 4. BWM results on the appropriateness of the definition of the mission, vision, and values.

	2.1	2.2	2.3
Institution 1	0.467	0.467	0.067
Institution 2	0.245	0.669	0.086
Institution 3	0.714	0.143	0.143
Institution 4	0.532	0.096	0.372
Institution 5	0.678	0.229	0.093
Consensus	0.574	0.276	0.150

The results in Table 4 are clearly indicative of the dominance of one of the indicators relative to the two others. Considering the availability of the three aspects (definition of the mission, vision, and values), the mission is weighted with nearly 60% of the global importance of the block as a whole (indicator 2.1, consensus = 0.574). The most valued aspect is the mission (long-term scope, strategical), above other more concrete aspects for day-by-day management, such as the vision (medium-term scope, tactical) or the values (short-term scope, operational). This is in line with the comparative analysis of the two batteries mentioned previously; in the Loyalty Foundation battery there is no clear distinction of the mission, vision, and values, assuming that there is a general framework (mission) that encompasses the other more specific indicators (vision and values).

4.3.3. Block 3: Information Disclosure about Social Support and Donors

Next, we analyze the disclosure of information of NPOs about its stakeholders, namely, donors, volunteers, and others. Table 5 shows the expert preferences of these aspects.

Table 5. BWM results for information disclosure about social support and donors.

	3.1	3.2	3.3	3.4	3.5	3.6
Institution 1	0.123	0.046	0.246	0.126	0.337	0.122
Institution 2	0.146	0.061	0.155	0.146	0.346	0.146
Institution 3	0.105	0.083	0.105	0.247	0.080	0.381
Institution 4	0.436	0.065	0.230	0.087	0.090	0.092
Institution 5	0.140	0.052	0.145	0.140	0.145	0.378
Consensus	0.171	0.066	0.181	0.154	0.205	0.223

The analysis of the weighted values in Table 5 indicates the existence of two highly valued indicators and one indicator whose value is notably low. Experts consider crucial the publication of a list of the public donations received by the entity, indicating that managers follow efficient criteria in the raising and application of such funds (indicator 3.6, consensus = 0.223). With a similar level of perceived importance, the experts indicate the public availability of a channel for communication with its stakeholders, including mail, phone, and, even, a complaints and claims box (indicator 3.5, consensus = 0.205). In contrast, the least important aspect considered by experts is the quantification of data relative to the staff of the organizations (indicator 3.2, consensus = 0.066). Thus, once again we evidence a higher perceived importance on the effective actions compared to the people involved in their management.

4.3.4. Block 4: Planning and Accountability

Planning and accountability of different economic aspects are analyzed in this block, and results are presented in Table 6.

Table 6. BWM results for planning and accountability.

	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8
Institution 1	0.089	0.089	0.212	0.178	0.153	0.089	0.153	0.038
Institution 2	0.109	0.109	0.295	0.109	0.040	0.112	0.112	0.112
Institution 3	0.174	0.119	0.281	0.073	0.050	0.159	0.072	0.072
Institution 4	0.100	0.049	0.419	0.076	0.098	0.063	0.096	0.098
Institution 5	0.088	0.288	0.088	0.100	0.100	0.126	0.185	0.027
Consensus	0.112	0.129	0.263	0.107	0.088	0.110	0.124	0.067

Table 6 indicates that only one of the indicators has a significant magnitude as a consensus value: the public availability on the website of the financial statements of the NPO, including the Balance Sheet, Income Statement, Annual Report, and Budget (indicator 4.3, consensus = 0.263). The perceived importance of this indicator is at least double that of the other indicators. By comparison, the least important aspects are the existence of a specific policy of financial investments to approve the decisions on expense and supplier selection (indicator 4.8, consensus = 0.067) and the disclosure to the public in general of the distribution of the origin and application of perceived funds, disaggregating them according to the financing entity (indicator 4.5, consensus = 0.088). These two aspects are very specific, and experts appear to place higher value on the general aspects that serve as a reference for economic decision making, such as the financial statements.

4.3.5. Block 5: Management Role of the NPO Governing Boards

The results relative to the perceived importance of several aspects of the role of the NPO governing boards, and the decisions and actions undertaken by its members in the management of the NPO, are shown in Table 7.

Table 7. BWM results for the management role of NPO governing boards.

	5.1	5.2	5.3	5.4	5.5	5.6	5.7
Institution 1	0.196	0.196	0.095	0.052	0.095	0.270	0.095
Institution 2	0.064	0.178	0.352	0.123	0.178	0.061	0.043
Institution 3	0.090	0.051	0.359	0.045	0.051	0.090	0.314
Institution 4	0.051	0.168	0.067	0.117	0.073	0.140	0.383
Institution 5	0.055	0.032	0.105	0.204	0.204	0.344	0.055
Consensus	0.095	0.129	0.193	0.111	0.123	0.181	0.168

From Table 7, notable results are the small extent of importance indicated by experts for the minimum of five members to form the NPO governing board (indicator 5.1, consensus = 0.095), followed by the measures adopted as limitations of abuse of power (less than 40% of the members can receive additional economic compensations for other activities) (indicator 5.4, consensus = 0.111). The focus of attention for the experts (most-valued indicators) is that members of the NPO governing board attends the general meeting regularly (indicator 5.3, consensus = 0.193), and the effective replacement of the members in the NPO governing board (indicator 5.6, consensus = 0.181). This leads us to conclude that the experts appear to trust members of NPO governing boards because they are not concerned with the number of people or their lack of exclusive dedication to the entity, provided these members make the effort to effectively attend board meetings and are continuously replaced after a certain period. That is, the experts are more concerned with “how” the daily activity of the entity is conducted rather than “who” is responsible, although both of these aspects are important.

4.3.6. Block 6: Appropriate Management Aligned with the Mission, Vision, and Values

The alignment of the activities that NPO managers conduct with the essence of their organization is a key aspect. Expert opinions are presented in Table 8.

Table 8. BWM results for the appropriate management aligned with the mission, vision, and values.

	6.1	6.2	6.3	6.4
Institution 1	0.419	0.084	0.302	0.195
Institution 2	0.085	0.491	0.212	0.212
Institution 3	0.348	0.290	0.048	0.315
Institution 4	0.138	0.086	0.649	0.127
Institution 5	0.361	0.348	0.083	0.496
Consensus	0.286	0.251	0.206	0.257

In this case, it is notable that no aspect is considered to be significantly more important than the others, that is, the weighted importance for the four indicators in this block is nearly equal. This highlights the experts’ view that it is essential not only for the NPO governing board to appropriately define the mission of the entity, as the general reference framework to guide the activities to be developed, but also that the vision and values (progressively moving from the most abstract (mission) to the most concrete (values) perspective) be defined. Moreover, similar importance is given to the fact that the mission, vision, and values are not something that the entity can approve instantly, but are a genuine reference that can act as a control mechanism for managers’ performance, as shown by the high perceived relevance of the revision of the adequacy of the strategic planning to the mission to check the impact of the NPOs’ activity (indicator 6.3, consensus = 0.206).

4.3.7. Block 7: Strategical and Operational Planning

For an appropriate management of any entity, managers should plan using both long-term (strategical planning) and short-term (operational planning) scopes. Table 9 presents the results of experts’ views of the different aspects of planning activity of NPOs.

Table 9. BWM results for strategical and operational planning.

	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.8
Institution 1	0.096	0.253	0.154	0.096	0.154	0.096	0.058	0.096
Institution 2	0.309	0.182	0.125	0.125	0.089	0.046	0.088	0.036
Institution 3	0.090	0.154	0.154	0.090	0.154	0.022	0.179	0.158
Institution 4	0.078	0.091	0.070	0.057	0.124	0.078	0.454	0.048
Institution 5	0.166	0.166	0.029	0.166	0.050	0.050	0.293	0.078
Consensus	0.148	0.172	0.109	0.110	0.117	0.061	0.197	0.086

As observed in Table 9, three indicators have significantly higher consensus values than the remainder. Consistent with the previously mentioned importance of the compliance of activities with the mission, once again the most-valued indicator is the existence of a document that reflects the policy and procedures for the assessment and evaluation of whether programs and activities (planning) are perfectly aligned with the mission (indicator 7.7, consensus = 0.197). The next most important is linked to the first indicator: that is, that the planning includes a detailed list of the activities to be carried out, all of them in compliance with the mission (indicator 7.2, consensus = 0.172). Additionally, such importance is also reinforced by the experts as an attribute that is not an ideal, but a characteristic that must be quantified, in objectives (aligned with the mission) that are detailed with values. This again suggests that the most important aspects for the experts relate to how (the detail and quantification of activities) the entities carry out the activities, compared to other aspects such as control mechanisms (as shown by the low weight given to the fact that NPOs inform the assembly or the public, in general, of the cases in the denounce channel (indicator 7.8, consensus = 0.086) or the control mechanism for the evaluation of the operational activity (indicator 7.6, consensus = 0.061)).

4.3.8. Block 8: Economic and Financial Management

The next two blocks refer to the management activity in NPOs, from the economic–financial (block 8) and human resources (block 9) perspectives. Table 10 presents the results for the economic–financial aspects.

Table 10. BWM results for economic and financial management.

	8.1	8.2	8.3	8.4	8.5	8.6	8.7	8.8
Institution 1	0.303	0.129	0.199	0.084	0.082	0.082	0.055	0.066
Institution 2	0.220	0.181	0.225	0.037	0.087	0.053	0.053	0.144
Institution 3	0.166	0.166	0.166	0.190	0.095	0.166	0.024	0.027
Institution 4	0.262	0.049	0.126	0.075	0.346	0.059	0.049	0.034
Institution 5	0.047	0.209	0.226	0.095	0.173	0.173	0.031	0.046
Consensus	0.200	0.147	0.198	0.096	0.147	0.107	0.042	0.063

This block indicates significant differences in the perceived importance of some aspects versus others. Aspects with a higher valuation yield a consensus value that is three to five times greater than that of the aspects with a lower valuation. Table 10 highlights the importance of the fact that the NPO governing board elaborates annually an income and expense budget (indicator 8.1, consensus = 0.200) and that the execution of such a budget is revised and approved by the NPO governing board, also on an annual basis (indicator 8.3, consensus = 0.198). These two aspects sum to 40% of the perceived importance of the whole block, even though this block comprises many aspects. In contrast, the indicators considered to be less important by the experts, with a weighting value of about 5%, are diversification in the financial origin of the resources for the NPO (indicator 8.7, consensus = 0.042) and the avoidance of unjustified accumulation of treasury funds (indicator 8.8, consensus = 0.063). A joint interpretation of these results indicates that, contrary to the establishment of ex ante control mechanisms imposed by public authorities or by the NPO sector, experts consider such mechanisms

as unnecessary if there is a strong commitment by the NPO governing board to appropriately undertake rigorous and serious quantified planning in the form of a budget, which is being continuously revised. If these revisions are made correctly, ex ante control mechanisms, which could eventually restrict the possibilities of developing certain activities for the entities, are unnecessary.

4.3.9. Block 9: Human Resources Management

Continuing with management activity, the results for human resources management are shown in Table 11.

Table 11. BWM results for human resources management.

	9.1	9.2	9.3	9.4	9.5
Institution 1	0.085	0.215	0.215	0.269	0.215
Institution 2	0.041	0.228	0.256	0.218	0.256
Institution 3	0.184	0.306	0.282	0.183	0.045
Institution 4	0.069	0.097	0.622	0.100	0.111
Institution 5	0.302	0.118	0.118	0.411	0.050
Consensus	0.143	0.204	0.266	0.241	0.146

Table 11 indicates that among the human resources management issues (in this case, human resources refers to the volunteers of the NPOs who offer their labor services to assist the entity), one aspect is considered key, namely, the existence of a training plan for the volunteers (indicator 9.3, consensus = 0.266). In addition, it is also important, in the opinion of the experts, that the relationship between volunteers and the NPO is appropriately formalized in covenant conditions, with a clear statement of the rights and obligations from both counterparts (indicator 9.4, consensus = 0.241). The least important aspects are those related to the specific person of the human resource selection policy (indicator 9.1, consensus = 0.143) and the existence of a formal plan to promote the action of the volunteers (indicator 9.5, consensus = 0.146). These results corroborate, as seen in previous aspects, that importance is not placed on the person who develops an activity but how this activity is developed (i.e., a clear statement of rights and obligations, and training).

4.3.10. Block 10: Relationships and Communications with the Stakeholders

The last block considers several aspects regarding the way in which managers of NPOs communicate and disclose information about the entity to their stakeholders. The opinions of the experts on the perceived relevance on these issues are displayed in Table 12.

Table 12. BWM results for the relationships and communications with the stakeholders.

	10.1	10.2	10.3	10.4	10.5	10.6
Institution 1	0.337	0.060	0.091	0.228	0.142	0.142
Institution 2	0.151	0.107	0.053	0.107	0.431	0.151
Institution 3	0.038	0.308	0.154	0.269	0.154	0.077
Institution 4	0.506	0.075	0.173	0.104	0.083	0.059
Institution 5	0.483	0.052	0.104	0.104	0.073	0.184
Consensus	0.339	0.111	0.115	0.162	0.150	0.123

These results clearly show that the weights are similar for the majority of indicators, with the exception of one aspect with a perceived importance value that is three times higher than those of the remainder: the existence of a partnership policy that regulates the relationships of the entity with other entities with whom NPOs undertake their social actions, as well as the commitment with legal rules (indicator 10.1, consensus = 0.339). Thus, if this partnership policy is sufficiently appropriate, the experts do not place significant importance on the existence of more specific policies to regulate

other relationships such as the collaborative covenants with local entities (indicator 10.2, consensus = 0.111) or the selection of suppliers, purchases and expenses (indicator 10.3, consensus = 0.115).

5. Conclusions

In the field of NPOs, transparency and good governance are issues of high strategic value. One of the greatest challenges facing the third sector is to demonstrate to society that received funds are managed efficiently and that they are mainly allocated to the achievement of the NPO's mission. As a result, it is necessary to implement ethical practices in the management of NPOs. Thus, the disclosure of responsible and reliable information to different stakeholders is emphasized. Transparency and good governance are concepts that provide an NPO with legitimacy in the eyes of society, and increase the reputation and trust required by donors to furnish the funds necessary for the survival of the organization. These terms are the best guarantee for the NPO to achieve its social objectives.

However, although these concepts are essential to the future of NPOs, no parallel legal regulation exists that determines the procedures and means of demonstrating the levels of transparency and good governance of a NPO. Furthermore, accounting information is insufficient. In the absence of legal requirements, the most responsible NPOs voluntarily undergo verification processes. Deriving an objective and differentiated measure that allows an assessment to be made of the level of transparency and good governance of a NPO is a developing issue from both academic and professional perspectives.

Based on the Spanish case, and taking as a reference the proposals of the two most important organizations that coordinate entities in the third sector, we present a single battery that combines the content of the sets of indicators of these two organizations, resulting in 59 indicators. This battery was agreed to and validated by several experts in NPO management. In addition, each indicator was weighted, allowing the determination of a unique measure of transparency and good governance for each organization. Our ultimate aim is to extend its use to all entities in the sector. The main findings of the study can be highlighted as follows:

A key highlight of our results is that, for experts who are involved in the daily management of NPOs, the most important aspects do not relate to the "who" (i.e., the specific characteristics of the people who are in charge of a certain role) but to the "how" (i.e., why these people perform their activity and the concrete actions they develop to achieving certain results), although both are clearly important. Clear examples are the significant importance of the availability of specific regulations for the organization, rather than the control mechanisms for the NPO governing board, or the fact that the number of members of the NPO governing board and the potential lack of exclusive dedication to the entity is relatively less important, provided they effectively attend meetings and are periodically renewed. Interestingly, this shows that experts place trust in people who work for the entities, both in the form of managers (NPO governing board) or directly undertaking the actions in society (volunteers). Accordingly, considering the importance of the "how", the experts consider a framework around which all of the actions that are carried out by the NPO should be based to be crucial; this framework constitutes the essence of what an NPO does, and the reason why. Thus, we found that the mission was given a weight of almost 60% of the overall importance of the block related to the mission, vision, and values. In addition, the long-term, strategic scope is considerably more important (mission) compared to other more concrete aspects related to daily management, such as vision (medium-term scope, tactics) or values (short-term scope, operational). In short, it is important that, even if there is a change in the environment in which the NPO performs, and irrespective of the specific personnel involved, the essential mission of the NPO should always be considered. Consistent with this level of importance attached to the mission, we find that experts also consider the alignment of both the activities the NPO develops, and the planning and budgeting of such activities, to be highly important.

Although the concept of "how" is important, and considered to be the general leading framework of the NPO mission, it is also essential that the NPO is not limited to "nice words" but can implement effective actions. Thus, assessment of whether an NPO's actions are consistent with

its goals relates to another factor that is considered as highly important by the experts, namely, quantification of the ideas in terms of concrete actions. Regarding monetary matters, experts assign greater importance to general aspects that serve as a reference for economic decision making, such as financial statements, rather than questions with a higher level of specificity. Among the documents that comprise the financial statements in third sector organizations (Balance Sheet, Income Statement, Budget, and Annual Report), a notably high value was assigned to the Budget, both in its preparation phase and in its execution (which, again, should be perfectly aligned with the mission of the NPO), as an essential element for the NPO governing board.

We finally indicate some findings about the opinion of the experts on the relationships of the entity with other stakeholders (volunteers and donors). The experts do not consider the group of people who help to carry out the NPOs' activities—the volunteers—to be less important. Our results show the importance of training volunteers of NPOs compared to the policy for selecting such volunteers (again, less importance is placed on volunteers as individuals, and more on how they perform their role). Regarding donors (i.e., the people who finance the NPO), who exemplify the increasing importance of transparency and good governance of accountability, the experts consider it important to publish a list of public donations received. Also considered important is a public communication channel with stakeholders, which includes an email, and a way to lodge complaints. Additionally, experts give high importance to the existence of an association policy that regulates the entity's relationships with other entities to carry out its social actions, and commitment of NPOs to legal rules.

Achieving transparency and good governance in the NPO field should not become the ultimate goal. It is a means of promoting inclusive, sustainable, and equitable economic growth that generates new opportunities and helps to reduce inequalities. Sustainable development goal 16 highlights the importance of having effective and transparent institutions that are accountable. Measuring transparency and good governance in the third sector can contribute to achieving a more fair and peaceful society, thereby reducing inequalities.

As previously explained, we selected Spain as our study area. Thus, a possible limitation in our study is that the batteries that served as support for the subsequent development are based on the models used by the main organizations in Spain. Another limitation is due to the difficulty of merging the two batteries of indicators, which, although central to the current study, are heterogeneous in terms of their conceptualization.

New research that is based on the experiences of other countries could be undertaken in the future to complement the current study and serve as a guide to improve the credibility of NPOs for those who provide funds.

Supplementary Materials: The following are available online at www.mdpi.com/2071-1050/12/18/7275/s1, Table S1: Detailed comparative analysis on the common indicators from CONGDE and Loyalty Foundation.

Author Contributions: Conceptualization, A.L.M.-A. and C.O.-R.; methodology, A.L. and R.M.R.; software, A.L. and R.M.R.; validation, A.L. and R.M.R.; formal analysis, A.L.-G.; investigation, A.L.M.-A.; resources, A.L. and R.M.R.; data curation, A.L.M.-A. and A.L.; writing—original draft preparation, A.L.M.-A. and C.O.-R.; writing—review and editing, A.L.M.-A., A.L.-G. and C.O.-R.; visualization, A.L.M.-A.; supervision, A.L.M.-A. and R.M.R.; project administration, A.L.M.-A.; funding acquisition, A.L.M.-A. All authors have read and agreed to the published version of the manuscript.

Funding: This research was funded by the University of Jaén, Instituto de Estudios Giennenses (Diputación de Jaén), the Spanish Ministry of Economy and Competitiveness through the Spanish National Research Projects PGC2018-099402-B-I00 and the Postdoctoral Fellowship Ramón y Cajal (RYC-2017-21978).

Conflicts of Interest: The authors declare no conflict of interest.

References

- Amagoh, F. Improving the credibility and effectiveness of non-governmental organizations. *Prog. Dev. Stud.* **2015**, *15*, 221–239, doi:10.1177/1464993415578979.
- Fernández, J.M.R.; Gil, M.I.S. Una nueva frontera en organizaciones no lucrativa. *CIRIEC-España Rev. Econ. Pública Soc. Coop.* **2011**, *71*, 229–251.
- Dhanani, A.; Connolly, C. Non-governmental Organizational Accountability: Talking the Talk and Walking the Walk? *J. Bus. Ethics* **2015**, *129*, 613–637, doi:10.1007/s10551-014-2172-1.
- Moreno, P.D.C.; Alcaide, T.C.H.; San Juan, A.I.S. La transparencia organizativa y económica en la Web de las fundaciones: Un estudio empírico para España. *Revesco Rev. Estud. Coop.* **2016**, *121*, 62–88.
- Lozano, M.R.; Valencia, P.T.; Gutiérrez, A.C.M. Transparencia y calidad de la información económico-financiera en las entidades no lucrativas. Un estudio empírico a nivel andaluz. *CIRIEC-España Rev. Econ. Pública Soc. Coop.* **2008**, *63*, 253–274.
- Manville, G.; Greatbanks, R. *Third Sector Performance: Management and Finance in Not-For-Profit and Social Enterprises*; Routledge: London, UK, 2016; ISBN 9781409429616.
- Greenlee, J.; Fischer, M.; Gordon, T.; Keating, E. An investigation of fraud in nonprofit organizations: Occurrences and deterrents. *Nonprofit Volunt. Sect. Q.* **2007**, *36*, 676–694, doi:10.1177/0899764007300407.
- Hofmann, M.A.; McSwain, D. Financial disclosure management in the nonprofit sector: A framework for past and future research. *J. Account. Lit.* **2013**, *32*, 61–87, doi:10.1016/j.acclit.2013.10.003.
- Keating, E.K.; Frumkin, P. Reengineering nonprofit financial accountability: Toward a more reliable foundation for regulation. *Public Adm. Rev.* **2003**, *63*, 3–15, doi:https://doi.org/10.1111/1540-6210.00260.
- Ortega-Rodríguez, C.; Licerán-Gutiérrez, A.; Moreno-Albarraçín, A.L. Transparency as A Key Element in Accountability in Non-Profit Organizations: A Systematic Literature Review. *Sustainability* **2020**, *12*, 5834, doi:10.3390/su12145834.
- Rezaei, J. Best-worst multi-criteria decision-making method. *Omega* **2015**, *53*, 49–57, doi:10.1016/j.omega.2014.11.009.
- Labella, A.; Liu, Y.; Rodríguez, R.M.; Martínez, L. Analyzing the performance of classical consensus models in large scale group decision making: A comparative study. *Appl. Soft Comput. J.* **2018**, *67*, 677–690, doi:10.1016/j.asoc.2017.05.045.
- Rodríguez, R.M.; Labella, Á.; De Tré, G. Martínez, L. A large scale consensus reaching process managing group hesitation. *Knowl. Based Syst.* **2018**, *159*, 86–97.
- Palomares, I.; Estrella, F.J.; Martínez, L.; Herrera, F. Consensus under a fuzzy context: Taxonomy, analysis framework AFRYCA and experimental case of study. *Inf. Fusion* **2014**, *20*, 252–271, doi:10.1016/j.inffus.2014.03.002.
- Ben-Arieh, D.; Easton, T. Multi-criteria group consensus under linear cost opinion elasticity. *Decis. Support Syst.* **2007**, *43*, 713–721.
- Salamon, L.M.; Sokolowski, S.W. Beyond Nonprofits: Re-conceptualizing the Third Sector. *Volunt. Int. J. Volunt. Nonprofit Organ.* **2016**, *27*, 1515–1545, doi:10.1007/s11266-016-9726-z.
- Vidal, I. *Más allá del Estado del Bienestar. Nuevas tendencias en las políticas de bienestar en España: Implicaciones para las organizaciones sin ánimo de lucro*; Ponencia presentada en el 19º Encuentro Anual de la Johns Hopkins Internacional Philanthropy Fellows: Barcelona, Spain, 2008.
- Marbán, V.; Rodríguez, G. Visión panorámica del tercer sector social en España: Entorno, desarrollo, investigación y retos sociales. *Rev. Española Terc. Sect.* **2008**, *9*, 13–40.
- Coraggio, J.L. Las tres corrientes vigentes de pensamiento y acción dentro del campo de la Economía Social y solidaria (ESS): Sus diferentes alcances. *Univ. Nac. Gen. Sarmiento Inst. Conurbano Argent.* **2017**, *15*, 11–24.
- Teasdale, S. What's in a Name? Making Sense of Social Enterprise Discourses. *Public Policy Adm.* **2012**, *27*, 99–119, doi:10.1177/0952076711401466.
- Franco, C.M.M.; Raja, I.G. Medida de la eficiencia en entidades no lucrativas: Un estudio empírico para fundaciones asistenciales. *Rev. Contab. Account. Rev.* **2014**, *17*, 47–57, doi:10.1016/j.rcsar.2013.08.005.
- Lorenzo, F.C.; Ribal, C.B.; Yáñez, J.S.N. Las dimensiones socioeconómicas del Tercer Sector en Canarias. *CIRIEC-España Rev. Econ. Pública Soc. Coop.* **2017**, *89*, 1–17.
- González-Sánchez, M.; Rúa-Alonso, E. Análisis de la eficiencia en la gestión de las fundaciones: Una propuesta metodológica. *Ciriec-España Rev. Econ. Pública Soc. Coop.* **2007**, 117–149.
- Goncharenko, G. The accountability of advocacy NGOs: Insights from the online community of practice. *Account. Forum* **2019**, *43*, 135–160, doi:10.1080/01559982.2019.1589901.

25. Urionabarrenechea, M.; Lage, C.; Arrizabalaga, E. Gestionar Con Calidad Las Entidades Sin Ánimo De Lucro : Hacia Una Eficacia , Eficiencia Y Economía En La Rendición De Cuentas. Quality Management of Non Profit Organizations : Towards Effectiveness. *Rev. Estud. Empres. Segunda Época* **2015**, *1*, 28–57.
26. Perdomo, J.F. Las organizaciones no lucrativas: Necesidades de los usuarios de la información financiera. *Rev. Española Del Terc. Sect.* **2007**, *6*, 91–118.
27. AECA. *Indicadores para Entidades Sin Fines Lucrativos. Documento nº 3. COMISIÓN DE ENTIDADES SIN FINES LUCRATIVOS*; AECA: Madrid, Spain, 2012; ISBN 9788415467502.
28. Pavlovic, J.; Lalic, D.; Djuraskovic, D. Communication of Non-Governmental Organizations via Facebook Social Network. *Eng. Econ.* **2014**, *25*, 186–193, doi:10.5755/j01.ee.25.2.3594.
29. Fuertes-Fuertes, I.; Maset-Llaudes, A. numbers have been established to measure these comparisons in order to study the types of relationships existing between them. The results show that the Spanish NGOD sector is developing toward transparency. However, from a financial point of view, it is. *Nonprofit Volunt. Sect. Q.* **2007**, *36*, 695–706.
30. Liu, Y.; Zhang, M.; Ye, T.; Zhang, Y. Does giving always lead to getting? Evidence from the collapse of charity credibility in China. *Pac. Basin Financ. J.* **2019**, *58*, 101207, doi:10.1016/j.pacfin.2019.101207.
31. Hale, K. Understanding nonprofit transparency: The limit of formal regulation in the American nonprofit sector. *Int. Rev. Public Adm.* **2013**, *18*, 31–49, doi:10.1080/12294659.2013.10805262.
32. Saxton, G.D.; Guo, C. Accountability online: Understanding the web-based accountability practices of nonprofit organizations. *Nonprofit Volunt. Sect. Q.* **2011**, *40*, 270–295, doi:10.1177/0899764009341086.
33. Gilchrist, D.J.; Simnett, R. Research horizons for public and private not-for-profit sector reporting: Moving the bar in the right direction. *Account. Financ.* **2019**, *59*, 59–85, doi:10.1111/acfi.12439.
34. Cabedo, J.D.; Fuertes-Fuertes, I.; Maset-Llaudes, A.; Tirado-Beltrán, J.M. Improving and measuring transparency in NGOs: A disclosure index for activities and projects. *Nonprofit Manag. Leadersh.* **2018**, *28*, 329–348, doi:10.1002/nml.21298.
35. Striebing, C. Professionalization and voluntary transparency practices in nonprofit organizations. *Nonprofit Manag. Leadersh.* **2017**, *28*, 65–83, doi:10.1002/nml.21263.
36. Dumont, G.E. Transparency or Accountability? The Purpose of Online Technologies for Nonprofits. *Int. Rev. Public Adm.* **2013**, *18*, 7–29, doi:10.1080/12294659.2013.10805261.
37. Benjamin, L.M. Account space: How accountability requirements shape nonprofit practice. *Nonprofit Volunt. Sect. Q.* **2008**, *37*, 201–223, doi:10.1177/0899764007301288.
38. Tacon, R.; Walters, G.; Cornforth, C. Accountability in Nonprofit Governance: A Process-Based Study. *Nonprofit Volunt. Sect. Q.* **2017**, *46*, 685–704, doi:10.1177/0899764017691637.
39. Gugerty, M.K.; Sidel, M.; Bies, A.L. Introduction to minisymposium: Nonprofit self-regulation in comparative perspective—themes and debates. *Nonprofit Volunt. Sect. Q.* **2010**, *39*, 1027–1038, doi:10.1177/0899764010372971.
40. Burger, R.; Owens, T. Promoting transparency in the NGO sector: Examining the availability and reliability of self-reported data. *World Dev.* **2010**, *38*, 1263–1277, doi:10.1016/j.worlddev.2009.12.018.
41. Wellens, L.; Jegers, M. Effective governance in nonprofit organizations: A literature based multiple stakeholder approach. *Eur. Manag. J.* **2014**, *32*, 223–243, doi:10.1016/j.emj.2013.01.007.
42. Coule, T.M. Nonprofit governance and accountability: Broadening the theoretical perspective. *Nonprofit Volunt. Sect. Q.* **2015**, *44*, 75–97.
43. Willems, J.; Huybrechts, G.; Jegers, M.; Weijters, B.; Vantilborgh, T.; Bidee, J.; Pepermans, R. Nonprofit Governance Quality: Concept and Measurement. *J. Soc. Serv. Res.* **2012**, *38*, 561–578.
44. Wagner, A. Good Governance: A Radical and Normative Approach to Nonprofit Management. *Voluntas* **2014**, *25*, 797–817, doi:10.1007/s11266-013-9370-9.
45. Spear, R.; Cornforth, C.; Aiken, M. The Governance Challenges of Social Enterprises: Evidence from a UK empirical study. *Ann. Public Coop. Econ.* **2009**, *80*, 247–273, doi:10.1111/j.1467-8292.2009.00386.x.
46. Giroud, X.; Mueller, H.M. Corporate governance, product market competition, and equity prices. *J. Financ.* **2011**, *66*, 563–600, doi:10.1111/j.1540-6261.2010.01642.x.
47. Li, Z.F. Mutual monitoring and corporate governance. *J. Bank. Financ.* **2014**, *45*, 255–269, doi:10.1016/j.jbankfin.2013.12.008.
48. Core, J.; Guay, W. The use of equity grants to manage optimal equity incentive levels. *J. Account. Econ.* **1999**, *28*, 151–184.
49. Álvarez, B.G. Los códigos de buen gobierno corporativo en las entidades sin ánimo de lucro: En especial

- en las fundaciones (Codes of good corporate governance in non-profit organizations: Especially in foundations). *Oñati Socio-Leg. Ser.* **2012**, *2*, 24–52.
50. Benzing, C.; Leach, E.; McGee, C. Sarbanes-Oxley and the New Form 990: Are Arts and Culture Nonprofits Ready? *Nonprofit Volunt. Sect. Q.* **2011**, *40*, 1132–1147, doi:10.1177/0899764010378172 Article information.
 51. Pasadas, R.M.; Valencia, P.T. Responsabilidad social y transparencia a través de la Web: Un análisis aplicado a las cooperativas agroalimentarias españolas. *Revesco Rev. Estud. Coop.* **2014**, *114*, 84.
 52. Boubaker, S.; Cumming, D.; Nguyen, D.K. *Research Handbook of Finance and Sustainability*; Edward Elgar Publishing: Cheltenham, UK, 2018.
 53. McDonnell, D.; Rutherford, A.C. Promoting charity accountability: Understanding disclosure of serious incidents. *Account. Forum* **2019**, *43*, 42–61, doi:10.1016/j.acfor.2018.05.003.
 54. De Andrés-Alonso, P.; Azofra-Palenzuela, V.; Romero-Merino, M.E. Determinants of Nonprofit Board Size and Composition. *Nonprofit Volunt. Sect. Q.* **2009**, *38*, 784–809, doi:10.1177/0899764008320501.
 55. Arena, M.; Azzone, G.; Bengo, I. Performance Measurement for Social Enterprises. *Volunt. Int. J. Volunt. Nonprofit Organ.* **2015**, *26*, 649–672, doi:10.1007/s11266-013-9436-8.
 56. Rey-García, M.; Liket, K.; Alvarez-Gonzalez, L.I.; Maas, K. Back to Basics: Revisiting the relevance of beneficiaries and for evaluation and accountability in nonprofits. *Nonprofit Manag. Leadersh.* **2017**, *27*, 493–511.
 57. Schmitz, H.P.; Raggio, P.; Bruno-van Vijfeijken, T. Accountability of transnational NGOs: Aspirations vs. practice. *Nonprofit Volunt. Sect. Q.* **2012**, *41*, 1175–1194, doi:10.1177/0899764011431165.
 58. Fernández, G.C.; Vázquez, J.M.G.; Corredoira, M.D.L.Á.Q. La importancia de los stakeholders de la organización: Un análisis empírico aplicado a la empleabilidad del alumnado de la universidad española. *Investig. Eur. Dir. Econ. Empres.* **2007**, *13*, 13–32.
 59. Jeong, B.; Kearns, K. Accountability in Korean NPOs: Perceptions and Strategies of NPO Leaders. *Voluntas* **2015**, *26*, 1975–2001, doi:10.1007/s11266-014-9492-8.
 60. Kim, M. The Relationship of Nonprofits' Financial Health to Program Outcomes: Empirical Evidence From Nonprofit Arts Organizations. *Nonprofit Volunt. Sect. Q.* **2017**, *46*, 525–548, doi:10.1177/0899764016662914.
 61. Saxton, G.D.; Kuo, J.S.; Ho, Y.C. The Determinants of Voluntary Financial Disclosure by Nonprofit Organizations. *Nonprofit Volunt. Sect. Q.* **2012**, *41*, 1051–1071, doi:10.1177/0899764011427597.
 62. Cordery, C.J.; Morgan, G.G. Special Issue on Charity Accounting, Reporting and Regulation. *Volunt. Int. J. Volunt. Nonprofit Organ.* **2013**, *24*, 757–759, doi:10.1007/s11266-013-9376-3.
 63. Saaty, T.L. Group decision making and the AHP. *Anal. Hierarchy Process* **1989**, 59–67, https://doi.org/10.1007/978-3-642-50244-6_4.
 64. Saint, S.; Lawson, J.R. *Rules for Reaching Consensus: A Modern Approach to Decision Making*; Pfeiffer: Hoboken, NJ, USA, 1994.
 65. Labella, Á.; Martínez, L.; Rodríguez, R.M. Can classical consensus models deal with large scale group decision making? In Proceedings of the 2017 12th International Conference on Intelligent Systems and Knowledge Engineering (ISKE), Nanjing, China, 24–26 November 2017.
 66. Moreno-Albarracín, A.L.; Licerán-Gutierrez, A.; Ortega-Rodríguez, C.; Labella, Á.; Rodríguez, R. Survey for Indicators. Available online: <https://sinbad2.ujaen.es/sites/default/files/2020-07/Survey.pdf> (accessed on 24 August 2020).

