Abstract Reference Number: d07

Author

Shuang Lu, Chien-Chung Huang

Title

Holding Nonprofits Accountable through Online Transparency: Adopting Agency and Resource Dependence Theories

Abstract

Nonprofit accountability has raised increasing attention globally in the recent decade. An emerging approach to hold nonprofits accountable is to systematically collect organizational information and disclose it online. In this study, we apply agency theory and resource dependence theory to China’s context. Focusing on the China Union of Self-Disciplinary Organizations (USDO), a self-regulatory body of over 100 grassroots organizations, we discuss the burgeoning awareness and actions of online transparency within China’s nonprofit sector. Using information collected by USDO over the years, we also examine how online transparency impacts nonprofits’ expenditure on programs, administration, and fundraising. Our findings suggest that online transparency can be an effective self-regulation strategy and can propel nonprofits’ accountable financial spending. The findings demonstrate online transparency to be a promising tool to build a healthy nonprofit sector, and provide implications for other countries to initiate similar information disclosure systems.

Keyword

transparency, accountability, online, China