THE INFORMAL APPROACH IN DISSEMINATING INFORMATION: A PROPOSAL OF NGO - FUNDER

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A PEER-REVIEWED ARTICLE

ABSTRACT

The informal approach and non-governmental organization (NGO) becomes synonym words nowadays due to the information disseminated by this organization aligns with the growing of technology in connecting people all over the world through social network. Informal approach such as face to face interaction and communication through virtual between individual or group of people enables to attract the heart of funder in transferring fund to the NGO. Formal approach is a well-known approach in disseminating information to the third party, however, for this third world sector, the informal approach becomes more popular and trust has been developed in this style of communication. Thus, this study proposed to investigate the practices use by the NGO in disseminating information to its funder and to understand the chosen practices by the NGO in raising fund. Qualitative research method will be applied in realizing this study. Data will be collected by using semi-structured interview with NGO's employees, funders, and beneficiaries. Also, this study will be conducting observation on the event managed by this NGO and documentary analysis on the written documentation will be scrutinized. The underlying theory for this study is social capital theory whereby this theory portrays the elements of norms, information, and trust among related parties involved. The finding of this study will discover the connection between three elements from the theory with fund transferred by funders.

ABSTRAK

Pendekatan informal dan organisasi bukan kerajaan (NGO) menjadi sinonim kata-kata pada masa kini disebabkan oleh maklumat yang disebarkan oleh organisasi ini sejajar dengan peningkatan teknologi dalam menghubungkan orang-orang di seluruh dunia melalui rangkaian sosial. Pendekatan yang tidak formal seperti interaksi bersemuka dan komunikasi melalui alam maya antara individu atau kumpulan orang membolehkan untuk menarik hati dana untuk memindahkan dana kepada NGO. Pendekatan formal adalah pendekatan yang terbaik dalam menyebarkan maklumat kepada pihak ketiga, lantaran, untuk sektor dunia ketiga ini, pendekatan informal menjadi lebih popular dan kepercayaan telah dikembangkan dalam gaya komunikasi ini. Oleh itu, kajian ini mencadangkan untuk mendalami amalan yang digunakan oleh NGO dalam menyebarkan maklumat kepada penanggung dana dan memahami amalan yang dipilih oleh NGO dalam meningkatkan dana. Kaedah penyelidikan kualitatif akan digunakan untuk merealisasikan kajian ini. Data akan dikumpulkan dengan menggunakan kaedah wawancara separa berstruktur dengan pekerja NGO, pembiaya, dan penerima manfaat. Selain itu, kajian ini akan menjalankan pemerhatian terhadap acara yang diuruskan oleh NGO ini dan analisis dokumentari mengenai dokumentasi bertulis

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akan diteliti. Teori asas untuk kajian ini adalah teori modal sosial yakni teori ini menggambarkan unsur-unsur norma, maklumat, dan kepercayaan di antara pihak-pihak yang terlibat. Penemuan kajian ini akan menemui hubungan antara tiga elemen dari teori dengan dana yang dipindahkan oleh dana.

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Keywords: Funder, Informal information, NGO, Social capital theory.

1. Introduction

The existence of third world sector represents the issue of humanitarian and society around the globe. This sector has created organization so-called non-governmental organization (NGO) where their role as a moderator between society and government on the issue of poverty, education, health conscious, politics, and et cetra (Gutierrez *et al*., 2009; O'Brien, 2008). Non-government organization requires fund from its funder to mobilize its humanitarian activities. Thus, communication between NGO and funder becomes crucial in terms of convincing and trust development. Communication among them can be done through formal and informal approaches (Unerman & O'Dwyer, 2006). Previous studies claimed that formal approach is the best way to convey the information between NGO-funder because written document is more reliable and become a significant tool of NGO accountability (Samkin & Schneider, 2010; Davison, 2007; Yuthas *et al*., 2002;). This formal practice seems effective in the private and government sectors (Lesser *et al*., 2000; McAdam & Reid, 2000), however, the situation in Malaysia shown that the funder is more relied an informal approach specifically for the religious NGOs. Informal approach can be seen through communication in social networks (Saxton & Wang, 2014), website design (Abdullah *et al*., 2014; Good, 2006), photographs online (Abdullah *et al*., 2014; Nasirah *et al*., 2014; Mungai, 2009; Belt, 2008; Cottle, 2008) and words of mouth (Tuten & Solomon, 2015). This approach becomes more favourable in the third world sector impacted by technology exposed in all over the world. Also, public highly been educated on the humanitarian issues through social media (Madianou, 2013) and trust could be developed from this interaction (Saxton & Wang, 2014). Informal approach to disseminate information to funder is fragile without any written documentation prepared, however, trust still can be developed with close interaction between NGO and funder.

Whilst, formal information solely seems less enough to transfer the information between NGO and funder because the NGO is known as a social activist whereby public interaction is the core indications for the NGO to operate their activities and funding purpose. Also, an expert personnel in preparing formal documentation to funder seems to be disappeared due to lack involvement of the professional employees in this sector (Yee & Yazdanifard, 2015; Bayalieva, 2014). This absence is due to the low remuneration offered by the NGO as compared to the other sectors (Dost & Khan, 2015), insufficient training given to the NGO's employees due to the deficiency of funds by the NGO as well as shortage of employees in preparing the written documentation and multi-tasking duty (Batti, 2013). These situations have brought the NGO to disseminate information mainly through an informal approach in getting funding from the funder and it becomes a norm for NGO's employees to disseminate a valid information to the funder before trust can be developed. In discussing the informal information practices by this NGO, therefore, social capital theory with elements of information, norms, and trust will be used as an underlying theory throughout this study.

Subsequently, this study aims to discover these objectives, to investigate the practices of NGO in disseminating informal information to the funder and to understand the chosen of that practice by the NGO in raising the fund. Therefore, this study comes out with two research questions, in which way the practices of NGO in disseminating informal information to the funder and why the NGO chooses this kind of information in raising the fund. Next, this study will discuss the related literature review followed by the theoretical framework, research method, and conclusion.

2. Social capital theory

Information and
norm
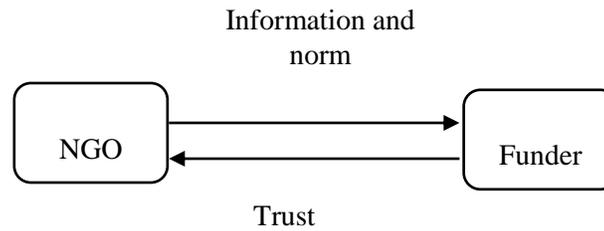
NGO   Funder

Trust

Figure 1: Theoretical framework

The social capital is used as an underlying theory for this research and figure 1 above depicted the theoretical framework of this study by using elements of information, norms, and trust. The social capital theory was formulated by Coleman 1988 where it discusses about action of an individual or a group of people towards activities from their same interest and it is about people interactions (Lin, 2001). Coleman (1998) said there are three elements in this theory which are information, trust and norms whereby it has connection in one to another. The first element is information, it is occurring when the NGO shares their information to the internal management and external parties such as employee and funder, respectively. Information will be more reliable if it is disseminated by the person that we familiar through close deal and informal interaction. Communication through familiar social circle would incur low cost and it is known as a passive social interactions (Ferris *et al*., 2017).

The second element of this theory is norms, it is a reflection on the behaviour of people towards the same interest and goals (Coleman, 2001). In this study, NGO takes serious on the information shared with their funders, either formal or informal approach that bring value to those parties (Putnam, 2001). The sharing of information becomes norms for this NGO and it can be applied in various social settings, can appear as traditions and can be used in collective action problems.

The third element is trust where it is an obligation for long-term relationship between NGO and funders. Fukuyama (2001) claimed that trust is about loyalty of people on the subject matters. Trust becomes a crucial element for the NGO in this study because trust becomes an indicator for fundraising purposes in the third world sector. Trust in NGO has also seen as a high morale impact by looking at the NGO's performance (Yang *et al*., 2014) and the succeed trust will contribute to the collection of public good (Paul *et al*., 2016).

All these three combined elements of information, norms, and trust are crucial in investigating this study. Information disseminated either formal or informal approach becomes norms for the NGO's employees in developing trust and attracting more fund from funders.

3. Literature review

Information is very crucial for organization running operations and activities. Different organization use different approach in getting and disseminating information in their circle. It is understood that people will always make a decision according to a different kind of information (McColskey *et al*., 1985) and when received factual information from any people.

There are two types of information sources which could be classified as either formal or informal (Kaye, 1995; McColskey *et al*., 1985). Formal sources defined as those which are constituted in some regularized or legal manner in relation to the user, whereas informal sources have no such basis (Kaye, 1995).

Meanwhile, McColskey *et al*. (1985) stated that formal and informal varies depending on the degree of the systematization of the data collection procedure. They explained that formal sources of information represent those program evaluation activities such as cost-benefit analyses, formative and summative evaluations because the data tend to be collected using systematic methods, whereas informal sources for instances those using ad hoc information collection methods such as chance personal observations and conversation.

In fact, Kaye (1995) had explained further that formal sources are often also impersonal, and informal sources are likewise often personal. In addition, formal information comprehends traditional management accounting systems which compile data from different parts of the organisation in a standard form and then manipulate, aggregate and distribute the information and certainly documented in a report format (Brunt & Mckinnon, 1993; Emmanuel *et al*., 1990). In contrary, informal information comprehends interpersonal communications in the context of meetings and conversations, direct observation and informal reports (Bruns & McKinnon, 1994; Macintosh, 1994).

In the modern technology, many NGOs practice informal information sources for instance using photographs online (Abdullah *et al*., 2014; Nasirah *et al*., 2014; Mungal, 2009; Belt, 2008; Cottle, 2008), social networks (Saxton & Wang, 2013), and website design (Abdullah *et al*., 2014; Good, 2006) to raise awareness among the supporter as well as funder which finally it could influence them to participate and take action, raise funds, manage information, communicate with others, facilitate training programmes and avoid travel costs (Ozdemir, 2012; Mejin, 2007; Good, 2006; Scherr, 2002). The practice of informal information becomes important approach and effective way to attract funder to participate in any programmes or activities organised by the NGO. In addition, the practice of informal information, for instances, communication through face to face interaction (Sargeant & Wymer, 2007), personal scrutiny, word-of mouth and local networks (Tremblay & Prakash, 2017) between NGO and funder could generate better responses in trust development (Masdar *et al*., 2017).

Moreover, informal information is particularly helpful in the exchange of ideas (Zahra & George, 2002). Pittaway *et al.* (2004) had suggested that informal interactions are essential when attempting to transmit tacit knowledge between individuals or to convert tacit knowledge into explicit knowledge. Informal interactions also play pivotal role in mobilizing tacit knowledge between individuals and/or in decoding tacit knowledge into explicit knowledge, transforming it from the individual level to the firm level (Gold *et al*., 2001). However, Hays and Thomas (1984) mentioned that informal information systems just as the talk that is not based on specific knowledge, but is just gossip or anything heard from someone else. While Durbin (1990) confirming informal information systems as the real or false messages that do not depend on the formal word and flows through informal communication channels. Ebrahim (2002) clarified some funders influence decision making of the NGO in consuming fund given by them. However, many NGOs refuse this influence and heavily relying on their norms of practice. In this situation, NGO must provide funders some information that represent the successfulness of the fund used. Funders also expect that the NGO will apply some monitoring of their activities from the fund consumed.

In contrast, formal information also essential for instances, annual report, as it serves an important source as a systematically produced document (Kamla & Rammal, 2013; Neu *et al*., 1998) that attracts a degree of authenticity not associated with other media utilised by organisations (Unerman, 2000). Besides, the annual report has become a significant tool of NGO accountability (Samkin & Schneider, 2010; Davison, 2007; Yuthas *et al*., 2002) as it enables organisations to communicate with the constituents and account to them, for instances demonstrate that they are operating with full responsibility (Samkin & Schneider, 2010; Ebrahim, 2003; Lindblom, 1994).

Coleman (1988) had introduced the social capital theory which stated that information play a crucial element to connect with social relations and to develop trust. This seems true in the context of creating trust development between NGO and funder where delivering of information about the beneficiaries could create sustainable impact in terms of fundraising for present and future activities (Masdar *et al*., 2017). Therefore, this study will be applying social capital theory that has been introduced by the Coleman as an underlying theory to represent the data by using the elements of norms, trust, and information where it will be discussed further in the next section.

4. Methodology

4.1 Method

This study applies a qualitative approach by focusing on the practices of informal approach in disseminating information to the funder of a development NGO in Malaysia. The qualitative research method is chosen because this study is focused on the situation happening in the selected NGO (Myers, 2009). The case study is used in order to obtain the necessary data and can be helpful for researchers specifically in designing their research projects and also act as a quick reference to its data (Yazan, 2015). To collect data, qualitative methods were used as a research design by using semi-structured interview, observation, and document analysis. The data in this study will be analysed by using the thematic analysis approach. This approach facilitates an investigation of the interview data from two perspectives: first, a perspective based on coding in an inductive way; second perspective to check if the data were consistent and provide sufficient information (Narantuya Jugder, 2016, p. 3). The data collected from the interviews will be transcribed manually by using Microsoft Word. The manual data management and analysis being done by focusing on the codes and coding of the data analysis process (Saldana, 2009). These interview transcriptions will be allocated through departments visited. Next, a system of coding will be developed to identify the selected themes.

The interview transcripts, observation records, and document analysis will be scrutinized in detail in order to get a fuller picture of the ways in which the NGO practices informal approach in disseminating information to its funders. This triangulation technique enabled researchers to get promising ideas by refining the themes through a detailed analysis of the documents. In particular, continuous reading of the existing literature and interacting with colleagues enabled researchers to get additional ideas in terms of improving the existing data.

Validity and reliability, increase transparency and decrease opportunities to insert researcher bias in qualitative research (Singh, 2014). Validity of data will be taking place through comprehensive discussion between researchers and employees of the full data collected from the NGO, which enabled the interviewees to read and comment on any information on data taken.

4.2 The selection of interviewees

The NGO in this case study aims to assist those in need in Palestine, where the beneficiaries are limited to the Palestinian people only all over the world. The technique of semi-structured interview will be used by interviewing employees of NGO in its head offices and its branches, interviewing Palestinians, as well as funders. Other than interviews, researchers also will be undertaking observation by joining the NGO's programs in raising fund.

The observation purposely to view an activity conducted by the NGO and to check the reliability of data collected from the interview session, that it aligned with the real situation, such as an event managed by the NGO. Yet, document analysis will be taking place in reviewing the written documentation prepared

by the NGO such as bulletins and project paper where this document analysis will be used to see whether there was a synchronization between information received from the interviewees and the written documents.

5. Conclusion and expected contributions

Non-governmental organization (NGO) disseminates authenticity information about the real situation confronted by the beneficiaries to the funder in ensuring fundraising is achieved. The information shared to the funder has highlighted the important issue about the practices of informal information approach by the NGO. Thus, this study investigates the practice of NGO in disseminating informal information to the funder and to understand the chosen of that practice by the NGO in raising the fund. The theoretical framework was developed based on the social capital theory. A thematic analytical approach applied in the study to analyse the data. The expected findings indicate that the sharing information through informal approach could attract funder which led to the development of trust between NGO and funder. Thus, this ultimately could achieve fundraising.

Expected contributions to this study are on the in face interaction whereby face to face interaction purposely to create internal awareness among employees. Thus, this practice seems to be accessible and give advantage to the employees to express their feelings and understand the real situation confronted by the beneficiaries. The NGO is suggested to practice informal information to disseminate external awareness to the funder through face to face interaction during the meeting or sharing session provided monitoring on the activities that they are doing. This is to convince funders on the fund consumed by the NGO. Therefore, close interactions such as face to face communication is more beneficial for the NGO because they can express their feelings on the real situation happened in Palestine.

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