

Best Practices

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### Abstract

With the increased use and popularity of the Internet and social media, nonprofit organizations must determine the best way forward. Being a nonprofit there are certain standards that must be upheld as the organization seeks to remain relevant while not losing sight of its fundamental purpose. By providing organizational transparency and using social media effectively to communicate and educate, nonprofits can build trust and strengthen loyalty amongst stakeholders while living out its mission. Three nonprofit organizations are evaluated for PR, marketing and fundraising effectiveness based on their implementation of organizational transparency and social media use.

*Keywords:* organizational transparency, social media, marketing, PR, fundraising, nonprofit stakeholders, public trust, best practices

### Best Practices - Section A: Article Identification

The increased use of technology over the years, more specifically, the Internet and social media, has caused nonprofit organizations to have to adapt. While it makes sense to shift with the times, it is also critical that nonprofit organizations do not lose sight of their identity and purpose. When using the Internet and social media, they must consider best practices for how to best utilize the tools in a way that keep the nonprofit relevant and transparent but also do not compromise its primary cause or integrity. In researching what some practices to consider might be, two articles were discovered, “An Examination of Web Disclosure and Organizational Transparency” in the *Computers in Human Behavior* and “Social Media: How Hospitals Use It, and Opportunities for Future Use” in the *Journal of Healthcare Management*.

### Section B: Article Summary

Lee & Joseph (2013), in their article, mainly discuss organizational transparency within nonprofits, or sometimes the lack thereof, and how nonprofits are viewed based on the amount of information they chose to disclose on the Internet.

Richter, Muhlestein, & Wilks (2014) focus primarily on the use of social media by hospitals, nonprofit hospitals included. The article discusses how when utilized properly, social media can actually improve the quality of care that patients receive as well as overall customer service and loyalty (Richter, Muhlestein, & Wilks, 2014). It is even suggested that nonprofit hospitals with their increased focus on disease prevention and healthier lifestyle promotion, are more likely to use social media compared to for-profit hospitals, as social media becomes an educational tool to help serve their purpose (Richter, Muhlestein, & Wilks, 2014).

### Section C: Applying Best Practices

Organizational transparency can be applied as a best practice to enhance a nonprofit organization's public relations (PR), marketing, and fundraising capabilities. While a nonprofit's PR efforts involve being able to positively communicate the brand and overall message with the organization's stakeholders ("PR and marketing: What's the difference?", 2018), fundraising and marketing efforts are more revenue driven and seek to gain the organization more financial support from stakeholders.

Regardless of the differences between PR, marketing, and fundraising, all three in order to be positively effective, require trust from stakeholders. According to Lee and Joseph (2013), "Organizational transparency enhances public trust by reducing the information asymmetries that exist between managers and external stakeholders" (p. 2218). By providing people outside of the organization a window into the organization's processes and performance, a form of trust can be built. When stakeholders who provide the organization with resources, whether it be time or money, have an understanding as to how the resources they provide are allocated within the organization they are more likely to continue giving their support.

One of the best and most effective ways a nonprofit organization can achieve organizational transparency to date is through the use of the Internet. This is commonly known in the nonprofit sector as web disclosure (Lee and Joseph, 2013). When nonprofit organizations make financial and performance-related documentation available on their own websites, stakeholders can easily access information, some of which by law is a requirement to be made public. From the stakeholder's perspective, a nonprofit that provides this type of convenience appears more trustworthy and forthcoming.

The use of social media by nonprofit organizations is best applied and can enhance the organization's PR, marketing, and fundraising efforts when used effectively as a tool to

communicate and educate with stakeholders. For example, in the case of nonprofit hospitals, social media allows the organization to provide its patients with real-time information or support and false information or misconceptions can be corrected in much shorter amounts of time (Richter, Muhlestein, & Wilks, 2014) given social media's growing use and popularity. Organization's should be intentional and strategic with how they disseminate information to stakeholders on social media by first developing PR, marketing, or fundraising plans that include the use of social media.

### **Section D: Website Review**

The websites of three nonprofit organizations, 1) Defenders of Wildlife (DOW) and 2) District of Columbia Behavioral Health Association, both 501(c)(3) membership organizations, and 3) Neighborhood Assistance Corporation of America (NACA), a 501(c)(4) organization, were reviewed to better understand these best practices. (See references for URLs)

### **Conclusion – Section E: Best Application**

Of the three nonprofits, DOW had the best application of organizational transparency and social media use that enhanced PR, marketing, and fundraising efforts. Annual reports, auditor reports, and Form 990s dating back to 2004 were easily located through the webpage's site map and search bar. Educational and marketable videos and posts pertaining to the protection of wildlife can be seen on various forms of social media such as Facebook, Twitter, Instagram, and YouTube. Stakeholders also appeared to be very involved judging from the comments sections. NACA used social media somewhat effectively given that they use Twitter and Facebook to market the success stories of their users, however, there was not as much educational information in the posts and their financial documents are not made available on their website. District of Columbia Behavioral Health Association had information about their mission and partnerships

on their website, but no financial documents or social media links. Through the use of the Internet and social media, DOW has managed to remain relevant and transparent while still upholding its purpose and mission.

### References

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