The salvation army and stakeholder governance

Business, Corporate Governance

As a registered charity and religious institution, the Salvation Army has been in existence for quite a long time. Though some organizations waited for the government to formulate laws that governed the use of publicmoney, practices of transparency, financial disclosure andaccountabilityhave been engraved in their procedures even before that (Institute of policy studies, 2010). External stakeholders in the institution are found in the organization.

Stakeholders in the organisation are not owners in any aspect and neither do they work in the organization but partner with the organisation in ventures that are of interest to both of them. They are called external stakeholders. Being part of the projects the stakeholders have expectations on the information they should get from the institution regarding thefinancethey contribute and the activities that are undertaken (Bhatia, 2007).

Financial disclosures in terms of balance sheets and income statements are important to the stakeholders especially since they contribute to the kitty of the events or activities that are carried out. Salvation Army gives disclosures not only to the external but also to the public quarterly and incorporates it in the annual report. This is to show what the organization realised or achieved with the finance (Mullins, 2005). Accountability is yet another value that the stakeholders can expect from the institution.

Giving details of how the money was spent and who was involved is the main objective of the value. Members of the organisation believe that they owe the Almighty God accountability and do so through financial reporting to the stakeholders and other key personnel (Bhatia, 2007). Transparency is the ultimate crown for the flawless use of resources and execution of plans. In the values of the Salvation Army, this is not left out. It reveals honesty, creates good relation between the involved parties, and is a practice of Christian code of conduct (Mullins, 2005).

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