An Accountability Puzzle

Geert-Jan van Bussel

Papers on Information and Archival Studies II

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Organizations, Organizational Governance and Accountability

DR. GEERT-JAN VAN BUSSEL

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Papers on
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II

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Geert-Jan van Bussel (1960) is an independent consultant, researcher, and auditor, specialized in information governance, digital archiving, and compliance. He is a leading auditor of records management and archiving standards (ISO 15489, ISO 16175, ISO 23081 and ISO 16363). As a strategic consultant he is asked for assistance by many (international) business organizations and government agencies. He is senior lecturer and researcher at the Amsterdam University of Applied Sciences and Assistant Professor at the University of Amsterdam. He is one of the leading archival scholars in the Netherlands and is a visiting lecturer at several universities in Europe. He was member and president of the Special Commission for the Archives (1998–2002; 2009–2011), a commission of the Council of Culture, the most important advisory body on culture for the Dutch government. He is a (keynote) speaker on many (international) seminars and conferences, mostly on the effects and influence of information processing and information management on people's work. He published more than hundred papers and five books on business processes, governance, auditing, compliance and digital archiving.

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CONTENTS

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1

Short-Termism, Research Subject and Structure

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SHORT–TERMISM *

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In July 2008, the crisis in the United States impacted financial institutions all over the world. In the third quarter of that year, the crisis intensified with a number of corporate collapses and a loss of confidence that hit financial institutions worldwide. Several banks failed, in the United States as well as in Europe, while others needed government recapitalization towards the end of 2008. As the crisis unfolded, worldwide forty–five per cent of the existing wealth was destroyed. [1] The crisis (a 'Great Recession') was the most severe

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* This book discusses the background for the framework of the Archive–as–Is' (2017): the organizational neglect in organizational governance of the business value of information, and of enterprise information management, the organizational function and systems that manage information during its life cycle, from creation to preservation or disposal. Organizational leaders neglect the management of information while they, at the same time, espouse its importance for their organizations. For the model of the Archive–as–Is: G.J. van Bussel (2017), 'The theoretical framework of the 'Archive–as–Is'. An organization oriented view on archives. Part I. Setting the stage: enterprise information management and archival theories. Part II. An exploration of the 'Archive–as–Is' framework,' F. Smit, A. Glaudemans, and R. Jonker (eds.), *Archives in Liquid Times*, SAP, 's–Gravenhage, pp. 16–41, pp. 42–71. Why enterprise information management cannot be neglected: G.J. van Bussel (2020). *A Sound of Silence. Organizational Behaviour and Enterprise Information Management.* Papers on Information and Archival Studies, I, Van Bussel Document Services: Helmond. Online source, retrieved November 19, 2021, from: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3732196.

[1] M. Pirson, and S. Turnbull (2011). 'Corporate governance, risk management, and the financial crisis. An information processing view', *Corporate Governance. An International Review*, Vol. 19, No, 5, pp. 459–470, p. 459.

global recession since the 1930s and was followed by the European debt crisis (starting with a deficit in Greece in late 2009, and the Icelandic financial crisis of 2008–2011). [2] There were serious failures in risk management by governments, organizational boards, and financial institutions. These failures were partly caused by an unwavering belief in risk models that were never tested in a crisis. [3]

Nassim Taleb identified five forces: (1) an increase in hidden risks of low probability events; (2) asymmetric and flawed incentives that favoured risk hiding; (3) an increased promotion of methods to hide risks; (4) an increase of low probability economic events; and (5) growing misunderstanding of the risks those events entail. [4] Many causes are said to be responsible for this crisis, like fraud, greed, incompetence, and folly by all actors on the marketplace. [5] Mark Stein added, based on psychoanalysis and its application to

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[2] Recession: P. Temin (2010). 'The Great Recession and the Great Depression', *Daedalus*, Vol. 139, No. 4, pp. 115–124. Online source, retrieved on November 19, 2021 from: https://www.jstor.org/stable/25790431. European debt crisis: M. Copelovitch, J. Frieden, and S. Walter (2016). 'The political economy of the Euro crisis', *Comparative Political Studies*, Vol. 49, No. 7, pp. 811–840.

[3] S. Shojai, and G. Feiger (2010). 'Economists' hubris. The case of risk management', *Journal of Financial Transformation*, Vol. 28, pp. 25–35, pp. 25–26. Online source, retrieved on November 19, 2021, from: https://ideas.repec.org/a/ris/jofitr/1408.html.

[4] N.N. Taleb (2010). 'Why did the crisis of 2008 happen?' (third version). Online source, retrieved on November 19, 2021 from: https://www.fooledbyrandomness.com/crisis.pdf. Taleb identifies the crisis of 2008 as a 'Black Swan': an unpredictable event that is (extremely) beyond what is a normally expected situation and that has potentially severe consequences. See: N.M. Taleb (2010). *The Black Swan. The Impact of the Highly Improbable*, Random House Trade, New York (second edition).

[5] Pirson and Turnbull (2011), p. 459.

social and organizational dynamics, the notion of a 'manic culture', comprised of four components: denial (of one's vulnerabilities and the encountered problems), omnipotence (feelings of invulnerability), triumphalism (the need to be victorious, and to demonstrate one's superiority over others), and over–activity (to dispel any concerns about their risks and vulnerabilities.) [6] As a result of such a 'manic culture', the context of the (organizational) behaviour that led to this 'Great Recession' can be more easily explained. One of the most eye–catching characteristics of the financial crisis was short–termism or myopia, an excessive focus of boards and senior management on short–term results and a denial of long–term value creation. This can be associated with the components of a 'manic culture' as described by Stein. Natalie Mizik has described short–termism as a type of (systemic) management behaviour that 'over-emphasize[s] strategies with immediate pay–offs at the expense of strategies with superior but more distant pay–offs'. Mizik calls this 'myopic management', or 'manipulation of real activities'. [7] It affects economic profits directly because it alters operational practices and business processes (for instance, cutting marketing and innovation efforts to reach earning targets.) Non–financial companies sought to increase their stock price and/or profits by inflating earnings at the expense of their long–term value and health. This included under–investing in long–term assets or taking on excessive risk to maximize short–term earnings. [8] For financial companies,

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[6] M. Stein (2011). 'A culture of mania. A psychoanalytic view of the incubation of the 2008 credit crisis', *Organization*, Vol. 18, No. 2, pp. 173–186.
[7] N. Mizik (2010) 'The theory and practice of myopic management', *Journal of Marketing Research*, Vol. 47, No. 4, pp. 594–611, p. 594.
[8] S. Roychowdhury (2006). 'Earnings management through real activities manipulation', *Journal of Accounting and Economics*, Vol. 42, No. 3, pp. 335–370. See also: L.L. Dallas (2012). 'Short–termism, the financial crisis,

short–termism involved investing in assets with hidden risks, taking on excessive debt to bolster short–term profits or portfolio returns, and using strategies that ignored corporate value, resulting in losses. It included using voting rights to force firms to provide direct payback through payouts, stock repurchases, or selling off assets or divisions. [9] Cultures within financial firms focused on end results, on competition among traders, on success attributed to profit–making skills, on extreme disparities in individual rewards, and an environment that boosted self–interest. [10] It allowed for employee behaviour that was inherently unethical, and stimulated individuals to seek their own short–term gains at the expense of their firms. The changes in organizational forms of many investment banks in the 1990s (from partnerships to public corporations) contributed to this transformation in organizational behaviour. From risking the capital of their partners, investment banks became public corporations with shareholders that would bear the risk of losses. Together with deregulation, globalization, and high incentives, this led to the spread of a risk–taking culture in the financial industry. [11] Fund

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and corporate governance', *Journal of Corporation Law*, Vol 37, No. 2, pp. 264–363, pp. 267–268, 281–310.

[9] Mizik (2010), p. 596; Dallas (2012), pp. 268, 307–309.

[10] R.G. Rajan (2005). 'Has financial development made the world riskier?', *The Greenspan era. Lessons for the Future. A Symposium Sponsored by the Federal Reserve Bank of Kansas City, Jackson Hole, Wyoming, August 25–27*, Federal Reserve Bank, Kansas City, pp. 313–369, esp. pp. 334–341. The hostile reception of this analysis ('largely misguided') (proven correct two years later) illustrated the existing myopia. It confirmed the existence of a 'manic culture' in the feelings of denial, omnipotence, and triumphalism.

[11] M. Adelson (2020). 'The mortgage meltdown and the failure of investor protection', *The Journal of Structured Finance*, Vol. 26, No. 1, pp. 63–86, pp. 78–79. Also: K. Dowd (2009). 'Moral hazard and the financial crisis', *Cato Journal*, Vol. 29, pp. 141–166, pp. 142–145.

managers and bankers were seduced by their own propaganda and believed that poor–quality loans could be transformed into high–quality investments. [12] The cause for that belief was a 'culture of greed', induced by short–termism and organizational cultures in which supercharged remuneration systems promised riches in return for minimal personal risks. The organizational cultures in financial institutions induced behaviour that trampled moral values, temperance, and the ability to restrain the desire for success, wealth, or social recognition. Despite realizing what was happening, managers evaded difficult decisions that could jeopardize their career or remuneration. [13] There was, to be expected in a 'manic culture', arrogance among bankers, economists, and governments, convinced their knowledge was superior, there was no reason to be accountable, or follow the law. They withheld, altered, fabricated, or destroyed information, misleading the public about worsening product performance. They showed more willingness to lie than to reorient their values. [14] Weak internal controls did nothing to curb

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[12] J. Tirole (2010). 'Lessons from the crisis', M. Dewatripont, J.–C. Rochet, and J. Tirole. *Balancing the Banks. Global Lessons from the Financial Crisis*, Princeton University Press, Princeton (NJ), chapter 2, pp. 10–77, especially pp. 45–47.

[13] A. Argandona (2012). *Three Ethical Dimensions of the Financial Crisis*. Working Paper–WP–944, IESE Business School, University of Navarra, Madrid, pp. 3–4. Online source, retrieved on November 19, 2021, from: https://ssrn.com/abstract=2079578. A 'culture of greed' is derived from: D. Whitby (1996). 'Barings. A culture of greed?', *Journal of Financial Crime*, Vol. 3, No. 4, pp. 377–381.

[14] A. Szyszka (2010). 'Behavioral anatomy of the financial crisis', *Journal of CENTRUM Cathedra*, Vol. 3, No. 2, pp. 121–135. Online source, retrieved on November 19, 2021, from https://ssrn.com/abstract=1806037. Also: Argandona (2012), p. 3, and: D. Colander, M. Goldberg, A. Haas, K. Juselius, A. Kirman, T. Lux, and B. Sloth (2009). 'The financial crisis and the

unethical behaviour. Supervisory systems were flawed and did not correct the problems of weak supervisory independence, flawed governance and accountability, wrong incentives provided by governments, lack of audacity to be intrusive, and a general lack of skills. They all disregarded the needs of the public. [15] Just as problematic was that, as Bernard Black stated in 1990, long before this financial crisis hit the economic system, most organizations recognized that, appearances notwithstanding, formal laws were 'trivial', that they do not prevent unethical cultures, and that ignoring rules without serious legal consequences was quite normal. [16] Short–termism, in short, promoted, without checks and balances, behaviour that was addicted to 'the erroneous and dangerous idea that the stock market is a place to get rich quickly', with the financial crisis as its consequence. [17]

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systemic failure of the economics profession', *Critical Review*, Vol. 21, No. 2–3, pp. 249–267, especially pp. 262–263.

[15] Pirson and Turnbull (2011); Shohaj and Feiger (2010); Stein (2011); Dallas (2012), and D. Masciandaro, R. Vega Pansini, and M. Quintyn (2011). *The Economic Crisis. Did Financial Supervision Matter?*. IMF Working Paper No. 11/261, IMF, Washington DC. Online source, retrieved on November 19, 2021, from: https://ssrn.com/abstract=1961908.

[16] B. Black (1990). 'Is corporate law trivial? A political and economic analysis', *Northwestern University Law Review*, Vol. 84, No. 2, pp. 542–597, p. 547. Black states (pp. 547–548) that mandatory rules are trivial in one of four ways: they mimic best practices and professional codes and will be adopted anyways; they can be avoided by planning in advance; they matter temporarily and will be changed; or they are unimportant (in their consequences). Black states that it is near impossible to prove their nontriviality.

[17] M. Tonello (2006). *Revisiting Stock Market Short–Termism*, The Conference Board Research Report No. R–1386–06–RR, The Conference Board, New York, p. 8. Online source, retrieved on November 19, 2021, from: https://ssrn.com/abstract=938466.

RESEARCH SUBJECT

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When things go wrong, implementation of more stringent regulations follows to curtail such unethical business behaviour. Penalties are increased for destroying, altering, or fabricating information, for defrauding shareholders, and to increase standards for both organizational governance and accountability. Institutionalizing stricter rules and regulations is seen as a solution for such a 'wrong'. In theory, such regulation makes organizational executives, managers, and other employees more aware of their accountability for their day–to–day policies, decisions, products, actions, and transactions. Governments believe that such a strategy will instil fear of punishment, that it will stimulate stronger governance, more ethical behaviour, and increasing organizational accountability. [18] Such a belief emerges from a governance and accountability model that is prevalent in current government bureaucracies, and that belief may be, as Black emphasized, incorrect. [19]

In this book, the subject of research is the relationship between organizational governance and accountability, the concept that describes that, when things go wrong, 'society' wants someone (an individual, a group of individuals, or an organization) to be accountable (and, if possible) 'punished' for what has happened. Defining stricter rules after a crisis is an impulse to reassure 'society' that 'we' (the governments, professional associations, or supervisors) have done everything possible to avoid such problems in the future. The

[18] The International Bar Association's Task Force on the Financial Crisis (2010). *A Survey of Current Regulatory Trends*, IBA, London.

[19] Black (1990), pp. 547 and 593.

regulations implemented as a result of the ethical (behavioural) failures during the financial crisis (or, as another example, the fraudulent behaviours of, for instance, Enron and WorldCom in the years before that crisis) provide examples of this strategy.

Structure of this Book

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This book is structured as follows:

1. This introduction in which the governance and accountability failures in organizations during (and since) the financial crisis is introduced, resulting from short termism, followed by a description of this book, and its structure;
2. An analysis of organizational governance, its relationship to accountability, rules and routines, employee behaviour, and business ethics as well as information governance and its relationship with enterprise information management;
3. A description of the core concept of this study, accountability, the existing assumptions in rules and regulations and their problems, its early history, and its key features;
4. An analysis of organizational accountability, in which I will discuss its dimensions and its multiple manifestations and come to some conclusions;
5. A proposal for a strategic approach to accountability in organizational governance, consisting of three components: a strategic approach to ethical behaviour, a strategic approach to accountability, and an external evaluation of both approaches.

1

Governance and Organizations

*

ORGANIZATIONAL GOVERNANCE: GOVERNING INTERACTIONS AND INFORMATION

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Organizational leaders need to find answers to assuage society's expectations for governance and accountability. That is not easy because of the scrutiny of their behaviour by governments, the public, professional associations, communities, and interest groups. One of the tasks of organizational leaders is to realize an accountability function in the governing structure(s) of their organization to translate these external expectations to internal controls. They need to implement accountability mechanisms that co–exist with mechanisms that enhance organizational performance. A review of the literature from 1990 onwards reveals that accountability (better: this internal accountability function) has continuously been defined as an aspect of governance, just like transparency, performance, effectiveness, structure, and power. [20] Studying accountability, hence, should be done in a context of governing and governance.

Thomas Clarke already stated that the theory of governance is 'not robust or well–rooted.' [21] There is a multiplicity of definitions for the term 'organizational governance.' There are also different governance approaches across different cultures. Barbara L'Huillier

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[20] L. Ruhanen, N. Scott, B. Ritchie, and A. Tkaczynski (2010). 'Governance. A review and synthesis of the literature', *Tourism Review*, Vol. 66, No. 4, pp. 4–16. See also: E.F. Pomeranz, and R.C. Stedman (2020). 'Measuring good governance. Piloting an instrument for evaluating good governance principles', *Journal of Environmental Policy and Planning*, Vol. 22, No. 3, pp. 428–440.

[21] T. Clarke (1998). 'Research on corporate governance', *Corporate Governance*, Vol. 6, No. 1, pp. 57–97, p. 62.

asserts that, besides intentional acts of discourse, the variations in the meaning of the term may relate to conflicts in (or between) philosophical traditions and the theoretical schools based on those traditions. She recognizes six theoretical traditions in organizational governance literature that influence its meaning and definition. According to L'Huillier, agency theory, stewardship theory, resource dependency theory, managerial hegemony theory, stakeholder theory, and multi–governance theory each convey a different meaning when using the term 'organizational governance.' [22] The most dominant theory is the agency theory, which 'has been the predominant paradigm for understanding and explaining corporate governance issues.' [23]

Organizational governance is, according to Jan Kooiman, 'the totality of interactions in providing direction, exercising control and coordination, and allocating available resources within organizations, based on an identifiable locus of authority and responsibility.' [24] It is the way in which organizational components are organ-

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[22] B.M. L'Huillier (2014). 'What does 'corporate governance' actually mean?', *Corporate Governance*, Vol. 14, No. 3, pp. 300–319, p. 300, p. 304, pp. 304–311. Although mostly the term 'corporate governance' is used, I will use here, based on *ISO 26000: 2010 Social Responsibility*, 'organizational governance', a more generic designation, including both business and government organizations.

[23] M.J. Rubach, and T.C. Sebora (2009). 'Determinants of institutional investor activism. A test of the Ryan–Schneider model (2002)', *Journal of Managerial Issues*, Vol. 21, No. 2, pp. 245–261, p. 245.

[24] J. Kooiman (2003). *Governing as Governance*, SAGE, London, Part I, pp. 1–26, especially p. 4–5. See also: D. Fasenfest (2010). 'Government, governing, and governance', *Critical Sociology*. Vol. 36, No. 6, pp. 771–774; and B. Dallago (2002). 'Corporate governance and governance paradigms', *East–West Journal of Economics and Business*, Vol. 5, No. 2, pp. 173–196, p. 174. Organizational governance is defined in *ISO 26000: 2010. Social Re-*

ized, coordinated, allocated, and motivated to contribute to organizational objectives and to adapt to environmental change. It encompasses all interactions concerning behavioural norms, processes, standards, rules and routines, guiding operations, human relations, business ethics, risk management, and compliance. [25] It is, thus, about the definition and allocation of the power to make decisions and to control the organization.

However, that is not all there is. Governance also has to deal both with motivations, incentives, and coordination of all the organization's (internal and external) relationships and interactions, and with the process of change. This is not a simple matter, since it is not clear what the boundaries of an organization are. Organizations and their environments are constantly in flux and organizational leaders are seriously challenged to cope with the accompanying uncertainty and unpredictability. Organizations are complex, open systems that appear outwardly stable, but are in fact constantly in flux, shifting in response to changing environments. It is a multiplex, comprised of many players, and an overlay of interactions and relationships combining them. [26] There are, first, many different actors: shareholders, boards, creditors, subsidiaries, man-

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sponsibility as: 'a system by which an organization makes and implements decisions in pursuit of its objectives', based on: 'the system by which companies are directed and controlled', in: *Report of the Commission on the Financial Aspects of Corporate Governance* (Cadbury Report), Gee & Co., London, 1992, § 2.5. Online source, retrieved on November 19, 2021, from: http://cadbury.cjbs.archios.info/report.

[25] S. Young, and V. Thyil (2008). 'A holistic model of corporate governance. A new research framework', *Corporate governance*, Vol. 8, no. 1, pp. 94–108.

[26] J. Falconer (2002). 'Accountability in a complex world', *Emergence. A Journal of Complexity Issues in Organizations and Management*, Vol. 4, No. 4, pp. 25–38, especially p. 32.

agers, employees, and many other stakeholders (suppliers, buyers, citizens, (local) communities and governments, etc.) All these actors have rights, preferences, and/or decision–making power. Each actor influences the performance and/or value of an organization. For each of these actors there may be different accountability requirements. Second, the boundaries of an organization are continuously adapting to changes in its environment, modifications in laws and regulations, and changes in markets or society. Changes like these will have consequences for all mentioned aspects of governance. [27]

The basic shape of the governance structure of organizations is provided by formal legal structures, addressing high–profile matters like allocation of decision–making rights and organizational control among directors, senior management, and other stakeholders (like, when applicable, shareholders.) However, those formal structures account only for a small part of how organizations actually work and how they adapt to their environment. The mass of what they do are processes of information flow, decision–making, decision–implementation, and decision–monitoring, intertwined with structures of organizational accountability. It is about how employees [1] obtain the information used in making, implementing, and monitoring the results of organizational decisions, including decisions concerning how to conduct business and decisions relating to its compliance with regulations; [2] cause that information to move up (or down) the organizational hierarchy from where it originates to the hierarchical level that has the knowledge to evaluate it; and [3]

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[27] Dallago (2002), p. 175. See also: G.J. van Bussel (2018). 'Archivos institucionales en el 'Mundo 2.0'. El marco de actuación para el 'Archive–as–Is' [Archivo–como–es]' (Organizational Archives in 'World 2.0'. The framework for the 'Archive–as–Is'), L.E. Casellas i Serra, and L. Hernandez–Olivera (eds.), *Espacios de Memoria. Estrategias y Discursos para Archivos Históricos*, ACAL, Salamanca, pp. 41–80, pp. 43–47.

make, communicate, and monitor the implementation of decisions based on that information. [28]

For governance, enterprise information management is, thus, important, especially because information is an unusual good. It is both output and input, an end–product, and an instrument for creating other goods, decisions, and information. It is both expensive (creation) and inexpensive (use). Its value is subjective, since it may be of no use to one employee and of use to another. Information has value when it is given meaning in the context of an organization (work group, team, or place of work.) Information is an absolute necessity to improve performance. [29] As such, the governance of information has to be a crucial part of organizational governance.

According to Kooiman, governance is an interaction concept. [30] Employees interfere, collaborate, and are involved in many interactions in which information is a key asset. For solving organizational challenges, employees need guidelines to streamline these patterns of interactions, the use and exchange of information within these interactions, and how to use specific sensemaking contexts. [31] This coordination and control environment needs governing of [1] interactions and the exchange and use of information, [2] the sensemak-

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[28] R.J. Gilson (2018). 'From corporate law to corporate governance', J.N. Gordon and W.–G. Ringe (eds.), *The Oxford Handbook of Corporate Law and Governance*, Oxford University Press, Oxford, pp. 3–27, p. 7.

[29] S. Rafaeli, and D.R. Raban (2003). 'Experimental investigation of the subjective value of information in trading', *Journal of the Association for Information Systems,* Vol. 4, No. 1, Article 5, pp. 119–139.

[30] Kooiman (2003), p. 4, Chapter 2, pp. 11–25, Chapter 13, pp. 211–230.

[31] M.N. Kooper, R. Maes, and E. Roos Lindgreen (2011). 'On the governance of information. Introducing a new concept of governance to support the management of information', *International Journal of Information Management*, Vol. 31, No. 3, pp. 195–200, p. 197.

ing contexts to understand and give meaning to interactions and information, and [3] the information management interactions that safeguard the information value chain. [32] Governing these interactions and contexts is based on organizational authority layers. Each layer is characterized by the power to initiate projects and direct subordinates, exact obedience, ratify and approve actions in a predetermined area of competence, and monitor subordinates and reward (or punish) them for their behaviour and performance. This power defines and delineates both the coordination and control environment of interactions and sensemaking contexts and the connected accountability framework. [33] Power influences creation, use, and exchange of information, the sensemaking contexts that give meaning, and the information management interactions that safeguard the information value chain. It defines authority (and the accountability framework), although its practical operationalization and realization may be different.

Kooiman defined three modes of governance: hierarchical governance, co-governance, and self-governance. [34] Hierarchical governance is the most dominant mode, but it is possible for organizations to implement adaptations of the other two modes of governance. Kooiman describes hierarchy as 'the process in which leaders control non–leaders.' Although this is a generic description, it characterizes the types of governing interactions with a 'top–down' approach. It is structured 'vertical', is formalized, with sanctions attached, and based on (centralized) steering (for direction) and con-

[32] About this chain: Van Bussel (2017), Part II, pp. 57–59.

[33] P. Bolton, and M. Dewatripont (2013). 'Authority in organizations. A survey', R. Gibbons, and J. Roberts (eds.), *Handbook of Organizational Economics*, Princeton University Press, Princeton, pp. 342–372.

[34] Kooiman (2003), Chapters 6–8, pp. 77–131.

trol (for insurance). [35] It is possible, using this bureaucratic mode of governance, to embed (elements of) the other two governance modes. Co-governance, according to Kooiman, is when interacting parties have something 'in common' to pursue together, for instance in networks. It includes forms of 'horizontal' governing: communicating, collaborating or co–operating without a central or dominating governing actor. [36] Self–governance refers to the autonomous capacity of social entities to govern themselves, based on informal agreements, self–applying rules, and semi–formalized codes of conduct. It could be applied to local or regional divisions in multinational organizations, but also to professional associations. Harald Torsteinsen treats hierarchal organizations as a set of continuous variables, making it possible to analyse different degrees of bureaucracy and different mixes of variables. In his view, organization is not possible without elements of hierarchical governance, which does not mean that different modes of governance within bureaucracies are not possible. After all, networks, informal agreements, self–applying rules, and codes of conduct can be (and are) found in bureaucratic organizations. [37] However, the mode of governance

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[35] Kooiman (2003), p. 115–116, following: R.A. Dahl, and C.E. Lindblom (1953). *Politics, Economics, and Welfare*, Harper & Brothers, New York, p. 27.

[36] K.G. Provan, and P. Kenis (2008). 'Modes of network governance. Structure, management, and effectiveness', *Journal of Public Administration Research and Theory*, Vol. 18, No. 2, pp. 229–252.

[37] H. Torsteinsen (2012). 'Why does post–bureaucracy lead to more formalisation?', *Local Government Studies*, Vol. 38, No. 3, pp. 321–344. The post–bureaucratic organization is an ideal–type organization developed by C. Heckscher (1994). 'Defining the post–bureaucratic type', C. Heckscher, and A. Donnellon (eds.), *The Post–Bureaucratic Organization. New Perspectives on Organizational Change*, London, SAGE, pp. 14–62, pp. 25–28. This ideal–type is based on informal structures like [1] problem– and project–

notwithstanding, information management proves to be important in each of them, although its operationalization may differ.

The most important part of the organizational governance structure (its 'dark matter') are the interactions and relationships about reporting, organizational structures, risk management, information gathering, process performance, internal controls, internal monitoring, and compliance. These are mostly 'non–legally–dictated policies, practices, and procedures that do not appear in the corporate statute or the corporation's charter or bylaws' but are still subject to litigation. [38] Organizations are expected to take their own policies and procedures seriously and comply with them, otherwise non legal governance processes morph into 'legal' ones. [39]

Governance (as an interaction concept) and enterprise information management (as management of information in interactions) are inextricably linked. And, as a consequence: the organizational archive, all the information stored and retained in the context of its generation and its use in the business processes of the organization and in the ongoing and continuous interactions within and across organizational boundaries, is indispensable, as its business value for

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driven interaction, [2] dialogue, consensus, and trust, [3] mission and general principles, [4] looser organizational ties and borders, and [5] flexible and more temporary, part–time memberships. It is only a theoretical construct (as Heckscher (on p. 17) admits.) Torsteinsen states that informal post–bureaucratic structures can be realized within a bureaucracy, with a different mix of variables but still possessing the core–characteristics of the bureaucratic organizational model.

[38] Gilson (2018), p. 7. For 'dark matter': p. 8.

[39] T.J. Fort, and M. Latini (2019). 'The duty to establish, monitor, and enforce. How today's corporate compliance standards provide a workable model to limit defamation and protect First Amendment freedoms', *Notre Dame Journal of Law, Ethics and Public Policy*, Vol. 33, No. 1, pp. 35–68, p. 38.

reaching performance and realizing accountability is undeniable. Nevertheless, while 'organizational leaders accept that 'information' is a vital business asset, and continually reconfirm its espoused value for their organizations, in organizational life they do something different. They do not require the same discipline and rigour that applies for other business assets, like financial ones, for records and archives.' [40] They do not manage information as a strategic asset. [41] The effect: increased costs, customer dissatisfaction, less effective decision–making, problematic implementation of new technology, an organizational image at risk, and reduced ability to define and execute business strategies. It hurts employee morale and breeds mistrust. All phenomena organizational leaders try to prevent in (and with) their governance structures are neglected when it concerns information and information management. [42] Joost Kampen and André Henken studied 'organizational neglect' and defined it as 'the prolonged lack or absence of supervision and control.' It is a gradual process with consequences that become visible only over time. [43] In the end, it leads to information behaviour like hoarding,

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[40] Van Bussel (2020), p. 59.

[41] N. Evans and J. Price (2018). 'Death by a thousand cuts. Behaviour and attitudes that inhibit enterprise information asset management', *Information Research*, Vol. 23, No. 1, paper 779. Online source, retrieved on November 19, 2021 from: http://InformationR.net/ir/23-1/paper779.html.

[42] Van Bussel (2020), p. 61, p. 64, and notes 170–171.

[43] J. Kampen, and A. Henken (2018). 'Organizational neglect. The toxic triangle of deficits', *Organizational Dynamics*, Vol. 47, No. 4, pp. 241–249. Their definition (p. 243) is especially attuned to organizational development: 'Neglect in the workplace is the prolonged lack or absence of supervision and control of organizational development, which has led to patterns of harmful interaction between management and staff.' The core of this definition is the 'lack or absence of supervision and control', in our case of information and information management.

hiding, fabricating, destroying, neglect of formal rules, and only espoused interest in changing information environments. Enterprise information management proves to be extremely challenging for organizational leaders. Reinitiating supervision and control for something that is neglected is very difficult. It is, however, necessary to embed information management into the same supervision and control structures as other business assets. Governance of information may be needed to arrange just that.

INFORMATION GOVERNANCE

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Key driver

In most organizations a lean management model is accepted that (ideally) distributes decision–making authority horizontally (i.e., to those who do the work) and structures supervision and control vertically (i.e., to management). [44] For that model to work, two requirements are essential. First, an accurate monitoring system should be in place for documenting decisions, products, policies, actions, and transactions. Second, the infrastructure must allow for (where possible) unrestricted, timely, and transparent information flow and access to information. To turn around neglect of information, governing information becomes an important domain of organizational governance. With the emergence of big data, the relevance and importance of information itself has become more apparent to organizational leaders. In literature, the ability to govern, manage, and

[44] T.D. Stratton, D.W. Rudy, M.J. Sauer, J.A. Perman, and C.D. Jennings (2007). 'Lessons from industry. One school's transformation toward 'lean' curricular governance', *Academic Medicine*, Vol. 82, No. 4, pp. 331–340.

harvest quality information is emphasized to be of critical importance to organizational success in the big data era. [45] The impact of [1] e–discovery in litigation; [2] the preservation of information for future use; and [3] an increasing number of data breaches, forces organizational leaders to embed information policies in organizational governance, to supervise and control information as an asset, and to implement structured approaches of information management. [46]

In this process, organizational leaders have become aware of the fact that they do have control over *information systems* but lack control over the (quality of the) *information* captured within these systems. [47] As long as information technology has been used in organizations, the key driver in management *practice* have been information systems instead of the information processed within them. Scholarly and management literature since the early 1970s recognized the critical value of *information* but translated this value into

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[45] Van Bussel (2018), pp. 43–47; R F. Smallwood (2014). *Information Governance. Concepts, Strategies, and Best Practices*, John Wiley & Sons, Hoboken (NJ), p. 3. For the management necessity: A. McAfee, E. Brynjolfsson, T.H. Davenport, D.J. Patil, and D. Barton (2012). 'Big data. The management revolution', *Harvard Business Review*, Vol. 90, No. 10, pp. 60–68.

[46] M.A. Adams, and S. Bennett (2018). 'Corporate governance in the digital economy. The critical importance of information governance', *Governance Directions*, Vol. 70, No. 10, pp. 631–639. Online source, retrieved on November 19, 2021, from: https://www.sibenco.com/corporate-governance-in-the-digital-economy.

[47] Van Bussel (2020), pp. 59–60. A. Lucas (2019). 'Critical success factors for corporate data quality management', Á. Rocha, H. Adeli, L. Reis, and S. Costanzo (eds.), *New Knowledge in Information Systems and Technologies. WorldCIST'19 2019. Advances in Intelligent Systems and Computing*, vol 930, Part I, Springer, Cham, pp. 630–644. My own experiences in consulting organizational boards indicate a change in questions, from information technology quality questions to information (management) quality ones.

information *technology* value and perspectives. Information management, the way how information is created, used, processed, distributed, accessed, archived, and managed, and how it adds business value, was, largely, neglected. [48] But already in 2001, it was (at least for accountability) convincingly asserted that it is not the access to information systems that is essential, but to information itself. [49] Although organizational leaders are still focused on management of information systems, they are becoming very aware of their lack of control over information and information *processes*, and, as a result, they have great doubts whether the information they are using for decision–making is relevant and of good quality. [50] That doubt is substantiated, for instance, by one of the conclusions of the Gartner Marketing Data and Analytics Survey of October 2020. According to this report, poor data quality has a negative impact on the usefulness of marketing analytics. [51] Organizational leaders are becoming aware of the fact that their lack of control has (large) financial con-

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[48] Smallwood (2014), pp. 3–4. See, for instance: M.E. Porter, and V.E. Millar (1985). 'How information gives you competitive advantage', *Harvard Business Review*, Vol. 63, No. 4, pp. 149–160, and S.E. Madnick, R.Y. Wang, Y.W. Lee, and H. Zhu (2009). 'Overview and framework for data and information quality research', *Journal of Data and Information Quality* Vol. 1, No. 1, Article 2, pp. 1–22. Online source, retrieved on November 19, 2021, from: https://dl.acm.org/doi/pdf/10.1145/1515693.1516680?

[49] K. Barata, and P. Cain (2001). 'Information, not technology, is essential to accountability. Electronic records and public–sector financial management', *The Information Society*, Vol. 17, No. 4, pp. 247–258.

[50] Pirson, and Turnbull (2011), p. 460.

[51] G. Omale (2020). 'Marketing Data and Analytics Survey 2020. Optimism perseveres as results fall short of expectations.' Online source, retrieved November 19, 2021, from: https://www.gartner.com/en/marketing/insights/articles/gartner-marketing-data-analytics-survey-2020-analytics-fail-expectations.

sequences. According to Gartner's 2017 Data Quality Market Survey, the average annual financial cost for an organization (in the United States) is approximately fifteen million dollars. [52] A 2016 report of Royal Mail shows that more than half of British companies does not verify captured information and does not have an information quality policy. The resulting costs are, on average, almost six per cent of their annual revenue. [53] Also in 2016, Tadhg Nagle, Thomas Redman, and David Sammon declared that only three per cent of an organization's information is in accordance with basic quality standards. [54] Ana Lucas identified the critical success factors for information quality and recognized as crucial factors 'management commitment and leadership', 'information governance', and 'continuous information quality management improvement.' [55] These factors imply a leading role for organizational leaders in embedding information governance within organizational governance. It is, of course, not as straightforward as it seems. With their focus predominantly on technology, the focus of organizational leaders

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[52] S. Moore (2018). 'How to stop data quality undermining your business.' Online source, retrieved November 19, 2021, from: https://www.gartner.com/smarterwithgartner/how-to-stop-data-quality-undermining-your-business/.

[53] *The Six per cent Solution. How Better Customer Data Drives Marketing Performance and Business Growth*. Research Report, Royal Mail Group, London, 2016, p. 3. Online source, retrieved on November 19, 2021, from: https://www.royalmail.com/sites/default/files/RMDS-Research-Report-2017-Six-per-cent-solution.pdf.

[54] T. Nagle, T.C. Redman, and D. Sammon (2017). 'Only 3% of companies data meets basic quality standards', *Harvard Business Review*, September 11. Online source, retrieved on November 19, 2021 from: https://hbr.org/2017/09/only-3-of-companies-data-meets-basic-quality-standards.

[55] Lucas (2019), pp. 635–641.

has been, for a long time, on governing information systems, their performance, and risks. [56]

ICT governance

Most organizations have implemented ICT (or IT) governance programs due to an assumed acknowledgement that information *technology* is the foundation for organizational processes. It focuses on 'specifying the decision rights and accountability framework to encourage desirable behaviour in the use of IT.' [57] It is a well–known governance mechanism that is assumed to align information technology and business value. [58] However, realizing business value with technical resources *alone* is not possible. Business value needs decisions based on information. Yvonne Chan stated that in organizational practice aligning business and information technology is very difficult to master. The results are not predictable because of their dependency on 'informal structures' within organizations. [59] Even when it 'succeeds', such an alignment can be harmful and mislead-

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[56] Kooper, Maes, and Roos Lindgreen (2011), pp. 195–200.

[57] To use the much–cited definition of: P. Weill, and J.W. Ross (2004). *IT Governance. How Top Performers Manage IT Decision Rights for Superior Results*. Harvard Business School Press, Boston, p. 8.

[58] M.A.R.I.O. Spremić (2009). 'IT governance mechanisms in managing IT business value', *WSEAS Transactions on Information Science and Applications*, Vol. 6, No. 6, pp. 906–915.

[59] Y.E. Chan (2002). 'Why haven't we mastered alignment? The importance of the informal organization structure', *MIS Quarterly Executive*, Vol. 1, No. 2, pp. 97–112, especially p. 106–107. Informal structures are 'relationship–based structures that transcend the formal division of labor and coordination of tasks.' Chan's study is based on eight case studies in which these informal structures (like social networks) proved very important for realizing organizational alignment and performance. See also: Van Bussel (2020), pp. 25–35, about (informal) relational climates and their effects.

ing. [60] As it is, ICT governance *only* addresses the way an organization should take care of its information systems. It is a mechanism to control information systems in such a way that they are compliant to rules, routines, and policies, restricting their use, and even (allegedly) stifle innovation. [61] According to Luc Hoebeke, 'governance' is confronted with the ''unmanageability' of what it is supposed to 'govern''. [62] Finding balance between the 'manageable' and the 'unmanageable' is impossible. Organizational leaders discourage activities that transgress set boundaries, and /or even discard them by using 'governance' as the 'scape goat'. Established in this manner, governance is used as a tool of repression. [63] Besides these considerations, there are three limitations to ICT governance. [64]

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[60] See the scathing review of misleading management school research on 'strategic alignment': C. Ciborra (1997). 'De profundis? Deconstructing the concept of strategic alignment', *Scandinavian Journal of Information Systems.*, Vol. 9, No. 1, pp. 67–82. On p. 79 he declares 'strategic aligning' to be a hype, badly researched, and set aside when a new hype emerges, just like many research projects of management schools. 'This may justify the relentless succession of publications with data and models, but very little accumulation of new concepts that last.'

[61] G.G. Brenkert (2009). 'Innovation, rule breaking and the ethics of entrepreneurship', *Journal of Business Venturing*, Vol. 24, No. 5, pp. 448–464. Compliant to rules means that rule–breaking is prohibited. The core of Brenkert's analysis (p. 462) is that without breaking (moral) rules, innovation is sometimes not possible. He states (p. 454): 'an entrepreneur may believe that the rule is out-of-date, too limited, too narrow, ossified, of questionable relevance, or that it simply stands in the way of a valuable project. In such a case, the entrepreneur might decide to violate or circumvent the rule, but then to seek forgiveness afterwards.'

[62] L. Hoebeke (2006). 'Identity. The paradoxical nature of organizational closure', *Kybernetes*, Vol. 35, No. 1–2, pp. 65–75, p. 72.

[63] Hoebeke (2006), p. 73.

[64] Kooper, Maes, and Roos Lindgreen (2011), p. 196.

The first (already mentioned) limitation is that ICT governance is *not* concerned with information and is *only* focused on technology resources and associated risks. A second limitation is that it *only* focuses on the 'control part' of business (administration, policies, responsibility, reporting, and auditing) and ignores the (just as essential) 'creative part', embodying innovation, entrepreneurship, creativity, and value creation. Kooiman declares creativity, intuition, and experience to be just as important as goal-directness, efficiency, and working 'according to rules'. [65] So, implementing ICT governance to align technology with business processes might have, ultimately, an opposite effect: widening the gap between business and ICT instead of bridging it. [66] The third limitation is a practical one: practice shows that ICT governance is often implemented half–heartedly. If it is implemented in full, it is restricted to the ICT organization and leads to a formal, bureaucratic environment

Governing information

Rick Maes emphasizes the value of information management as the linking pin between business and information technology. His

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[65] Kooiman (2003), p. 4.

[66] J. Peppard, and J. Ward (1999), ''Mind the Gap'. Diagnosing the relationship between the IT organisation and the rest of the business', *The Journal of Strategic Information Systems*, Vol. 8, No. 1, pp. 29–60. Also: K. Kark, A.N. Phillips, B. Briggs, M. Lillie, J. Tweardy, S. Buchholz (2020). 'The kinetic leader. Boldly reinventing the enterprise. Findings from the 2020 Global Technology Leadership Study', *Deloitte Insights*, 18 May 2020. Online source, retrieved November 19, 2021, from: https://www2.deloitte.com/us/en/insights/topics/leadership/global-technology-leadership-study.html. In this paper the assertion is made 'that the current gap between business expectation and the approach of technology leaders is more like a chasm.'

reasons are related to the maturity of information technology that led to [1] information–dependent organizations, struggling with information overload and information underuse, which is a motive to manage information as a resource; [2] highly effective information systems at the supply side that are confronted with a highly immature demand side as most organizations show, apart from their technological components, a serious lack of understanding of information processes. [67] Subsequently, Michiel Kooper, Rick Maes, and Edo Roos Lindgreen observed that information is independent of the information systems used, an intangible asset with very difficult to measure costs and benefits and originating more and more from external sources that surpass classical data formats. [68] As such, the management of information, from creation to preservation or disposal, should be a subject for organizational governance. Organizations do not necessarily need *information systems*, but they do need relevant *information* of good quality for decision–making or as evidence of past and current actions and transactions. Information governance is, thus, a 'must.'

There are many, largely similar, definitions for information governance. [69] I define information governance as that specific part of

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[67] R. Maes (2007). 'An integrative perspective on information management', A. Huizing, and E.J. de Vries (eds.), *Information Management. Setting the Scene.* Perspectives on Information Management, Volume 1, Emerald Group Publishing Limited, Bingley, Chapter 1, pp. 11–26, p. 11–12.

[68] Kooper, Maes, and Roos Lindgreen (2011), p. 195.

[69] Gartner defines information governance as: 'The specification of decision rights and an accountability framework to encourage desirable behavior in the valuation, creation, storage, use, archival and deletion of information, including the processes, roles, standards and metrics that ensure the effective and efficient use of information in enabling an organization to achieve its goals.' Gartner Glossary, *Information Technology, Information Governance*. Online source, retrieved om November 19, 2021, from:

organizational governance, that functions as 'operating system' for information management (including rules, decision–making rights, security and risk parameters), and that realizes the governing of interactions defining the coordination and control environment for the valuation, creation, collection, analysis, distribution, storage, retention, disposal, preservation, and use of information. [70] Such an extensive information governance 'operating system' as part of organizational governance is missing in most organizations. [71]

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https://www.gartner.com/en/information-technology/glossary. The Association of Records Managers and Administrators (ARMA), defines information governance as 'the overarching and coordinating strategy for all organizational information, establishing the authorities, supports, processes, capabilities, structures, and infrastructure to enable information to be a useful asset and reduced liability to an organization, based on that organization's specific business requirements and risk tolerance.' *Glossary of Records and Information Management Terms,* ARMA International, Overland Park (Ks.), 2016, fifth edition.

[70] Based on: Kooper, Maes, and Roos Lindgreen (2011), p. 195–196, Adams, and Bennett (2018), p. 633–634, and Kooimans (2003), pp. 11–25.

[71] According to Adams, and Bennett (2018), 635–636, knowing where information is and mapping it, is a first step, followed by securing and controlling it. They assert that in 2018, these steps are significant challenges. A 2008 briefing states that only thirty–eight per cent of surveyed companies have an information governance strategy in place. *The future of enterprise information governance*, The Economist Intelligence Unit Ltd, London, 2008, p. 2. Online source, retrieved on November 19, 2021, from: http://graphics.eiu.com/files/ad_pdfs/EMC_InfoGovernence.pdf. A report on information governance maturity from 2021 shows that thirty–three per cent of surveyed organizations have an information governance program 'in development', thirty–seven per cent have realized the 'Essentials', and twenty per cent is 'Pro–active'. Seven per cent has a sub–standard information governance program. Most developed are 'Infrastructure' (information systems) and 'Authorities' (compliance). ARMA (2021). *Infor-*

Directing information management

Referring to the governing modes Kooiman identified, information governance will often be based on hierarchical governance. The different degrees of bureaucracy and the many variables and mixes of variables (as proposed by Thorsteinsen) offer possibilities for governing information. [72] Whatever mode of governance is used, the volatility of information makes controlling its use and exchange difficult. Governing and control of information is possible when organizational interactions and the information within those interactions are known and embedded within a flexible, adaptive information management environment, focused on interactions, sensemaking context, and the ways people use and exchange information.

Within this information management environment, ICTs are invaluable technical resources that are facilitating the information within those systems to realize business value. As is emphasized before, information is the linking pin between business processes, and ICT. [73] Organizational leaders should design information governance structures as the 'operating system' for enterprise information management in which interactions and sensemaking contexts are operationalized. Information governance, as a subset of organiza-

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mation Government Maturity Index Report 2021, ARMA, Overland Park (Ks.), p. 24. None of these surveys asks if organizations know what information they have and where to find it. About the difficulty of finding information: Van Bussel (2020), pp. 59–61.

[72] Kooiman (2003), Chapters 6–8, pp. 77–131; Thosteinsen (2012), p. 324.

[73] G.J. Van Bussel (2016). 'An accountability challenge. Capturing records and their context in enterprise information systems', P. Silva, A. Guerreiro and R. Quaresma (eds.), *Proceedings of the 10th European Conference of Information Systems Management. ECISM 2016, Evora, Portugal, 8-9 September 2016,* ACPI, Reading, pp. 204-211; Kooper, Maes, and Roos Lindgreen (2011), p. 195.

tional governance, can then be used *to direct* information and enterprise information management. [74] Within information governance, organizational leaders should define and continuously evaluate the conditions for 'trusted interactions' [75] and 'sensemaking interactions' [76] between the multiple (very much siloed) disciplines concerned with information, enterprise information management, and information risks. This would reduce duplicate work, redundancies, policy–making, communication, and reporting.

It should be clear that information governance and information management are not the same. Information governance (as a subset of organizational governance) is *directing* information management as its 'operating system'. Information management is managing organizational information, trying to optimize information value, and assuring information access over time, based on information governance structures.

Aligning Performance and Accountability

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According to academic literature, governance reforms to have more stringent accountability structures enhance justice, transparency, appropriate behaviour, and performance. It is assumed that employees that are held to account for their behaviour perform better. [77] Melvin Dubnick contends that this assumption has been ac-

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[74] J. Hagmann (2013). 'Information governance – beyond the buzz', *Records Management Journal*, Vol. 23, No. 3, pp. 228–240, p. 230.

[75] Hagmann (2013), p. 231.

[76] Kooper, Maes, and Roos Lindgreen (2011), p. 197.

[77] M.J. Dubnick (2002). 'Seeking salvation for accountability'. *Paper presented at the Annual Meeting of the American Political Science Association,*

cepted too easily. [78] This may be true: the evidence is, overall, inconclusive. Yousueng Han and Sounman Hong summarize prior research that identified cases that indicated that accountability improves performance in specified tasks and processes and add some tasks and processes to these positives. They are, however, clear that 'too much accountability' may negatively affect performance. [79] It is what Dubnick calls the 'accountability paradox': when there are multiple accountability demands, implementation of these (sometimes contradictory) demands may affect performance negatively. [80]

August 29–September 1, 2002, American Political Science Association, Boston, pp. 16–17. Online source, retrieved on November 19, 2021, from: http://mjdubnick.dubnick.net/papersrw/2002/salv2002.pdf; M.J. Dubnick (2005). 'Accountability and the promise of performance. In search of the mechanisms', *Public Performance and Management Review*, Vol 28, No. 3, pp. 376–417, pp. 376–377; M.J. Dubnick, and J.B. Justice (2004). 'Accounting for accountability'. *Paper presented at the Annual Meeting of the American Political Science Association*, Chicago, Sept. 2, 2004, p. 6. Online source, retrieved on November 19, 2021, from: http://mjdubnick.dubnick.net/papersrw/2004/dubjusacctg2004.pdf; R. Zumofen (2015). 'Redefining accountability in a strategic perspective to enhance performance'. *Paper prepared for the 2015 International Research Society for Public Management conference, Panel L 101, Open Panel*, University of Birmingham, 30 March–1 April 2015. Online source, retrieved on November 19, 2021, from: https://www.academia.edu/11860410/Redefining_accountability_in_a_strategic_perspective_to_enhance_performance.

[78] Dubnick (2005), pp. 395–397.

[79] Y. Han, and S. Hong (2019). 'The impact of accountability on organizational performance in the U.S. Federal Government. The moderating role of autonomy', *Review of Public Personnel Administration*, Vol. 39, No. 1, pp. 3–23, p. 6. Similar conclusions: T. Christensen, and P. Lægreid (2015). 'Performance and accountability. A theoretical discussion and an empirical assessment', *Public Organization Review*, Vol. 15, No. 2, pp. 207–225.

[80] Dubnick (2005), p. 396.

On the other hand, when the focus is on performance and productivity improvement, it could lead to the accountability disaster that the financial crisis of 2008 turned out to be. The interaction between accountability and performance can be characterized by ambiguities, contradictions, and myths. Although this interaction has been a topic of research, there is no answer that solves those ambiguities. The reason is that the performance–accountability comparison is based on wrong assumptions. Accountability is presented as a *tool* of organizational governance, but it is not a *tool*, an *instrument*, but an *objective* of organizational governance. [81] As a tool, its influence on performance can be direct, as an objective, that influence is indirect. Accountability is based on extra–organizational expectations and requirements (expressed in laws, regulations, standards, and professional codes of ethics) that can be contrary to the goals of another objective of organizational governance: performance. It is not as much a question of accountability being 'good' or 'bad', but of both objectives being balanced in practice and in the controls of organizational governance. [82]

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[81] M.J. Dubnick (2006). 'Performance as a false promise of accountability. The case of American schools.' *Paper for presentation at Vienna Workshop on Achieving School Accountability in Practice*, University of Vienna, February 15–17, 2006. Online source, retrieved on November 19, 2021, from: http://mjdubnick.dubnick.net/papersrw/2006/vienna021306.pdf. Dubnick explores the use of accountability within New Public Management and its emphasis on the relationship between accountability and performance. He states: 'Accountability is not a tool of governance, but rather a condition of being governed. It is the object of the instrument rather than the instrument itself.' See also: Dubnick (2005).

[82] S.I. Lindberg (2013). 'Mapping accountability. Core concept and subtypes', *International Review of Administrative Sciences*, Vol. 79, No. 2, 202–226, p. 217. See also: R.D. Behn (1998). 'The new public management para-

Finding a balance between the efforts of being accountable and the efforts for enhancing organizational performance will be a challenge. Both objectives interact and compete for attention and resources. When not balanced, they will have detrimental effects upon each other. Being accountable means that performance can only be enhanced within the limits allowed for by the accountability manifestations the organization wants to tackle. Enterprise information management could help in finding such a balance.

As was mentioned here before, governance is about 'processes of information flow, decision–making, decision–implementation, and decision–monitoring', to enhance both performance and accountability. Governance is about governing interactions in which information itself, the sense–making processes that follow the use of this information, and information management, are crucial. It is in those interactions and their control structures where balance could be created. The consequences for both objectives (and ways to handle them) should be considered for all decisions, rules, and routines. In information governance, the requirements for both performance and accountability need to be considered and evaluated. For accountability, information governance should include an identification of each accountability manifestation, its requirements and demands for explanation, the information needed to respond, the definition of responses, a description of its environment, and the selection of its instruments (like processes, systems, and rules. [83] The operationalization of information governance, however, is dependent on the willingness of organizational leaders to consciously accept information as a vital business asset, to continually reconfirm its

digm and the search for democratic accountability', *International Public Management Journal*, Vol. 1, No. 2, 131–164,

[83] Zumofen (2015), pp. 11–15.

value in their organizations, to require discipline and rigour in the use and management of information, and to embed information management in the organizational control environment. This is a behavioural challenge, for leaders as well as all other employees of the organization.

RULES AND ROUTINES

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Rules and routines are important control mechanisms. They are prominent subjects both for organizational performance and organizational accountability. [84] Rules fulfil an important function within organizational governance as they are the 'formally recognised way in which 'things should be done.'' [85] Many rules are based on laws and government regulations. Organizational leaders also use (and enforce) rules not based on laws and regulations to direct and coordinate actions of employees, departments and teams, trying to align

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[84] Gilson (2018), p. 8. For rules and routines: J.C. Weichbrodt (2013). *Rules and Routines in Organizations and the Management of Safety Rules*. ETH Zürich Research Collection, Dissertation Nr. 20956, Part 1, pp. 4–5. Online source, retrieved on November 19, 2021, from: https://doi.org/10.3929/ethz-a-009752785. See also: J.C. Weichbrodt, and G. Grote (2010). 'Rules and routines in organizations. A review and integration'. *Paper presented at the Fourth International Conference on Organizational Routines*, June 11–12 2010, Nice. Online source, retrieved on November 19, 2021, from: http://www.gredeg.cnrs.fr/routines/Workshop-Nice-2010/papers/Weichbrodt%20and%20Grote.PDF.

[85] J.E. Burns, and R.W. Scapens (2000). 'Conceptualising management accounting change. An institutional framework', *Management Accounting Research*, Vol. 11, No. 1, pp. 3–25, p. 6.

their behaviour with organizational objectives. Rules constitute a control and coordination mechanism assisting in the definition of responsibilities, the allocation of resources, and in the development of collective agreement about organizational problems. [86] Often, rules result from an assessment of alternatives, and are defined to avoid the costs of continuous assessments. [87] They protect, coordinate, channel, and limit efforts. They provide 'sanctuary for the inept.' They maintain stability but may also retard or stimulate change. Complaints about rules are often results of deep–seated organizational problems that cannot easily be solved. [88] In cultures and climates that emphasize the 'letter of the law' rule–bending and rule–breaking occur every day. [89]

By following rules in organizational practice repeatedly, employee behaviour may become programmatic and, as such, could be described as routines, ways in which 'things are actually done,' or a 'repetitive and recognizable pattern of independent actions, involving multiple actors.' [90] Individual actors, based on their personal perceptions and interpretations, are influencing the collective un-

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[86] Weichbrodt (2013), p. 4–5; Weichbrodt and Grote (2010), p.2.

[87] Burns, and Scapens (2000), p. 6.

[88] Ch. Perrow (1986) *Complex Organizations. A Critical Essay*, Newbery Award Records, New York (third edition), pp. 25–26.

[89] J.F. Veiga, T.D. Golden, and K. Dechant (2004). 'Why managers bend company rules', *Academy of Management Perspectives*, Vol. 18, No. 2, pp. 84–90, and E.L. Borry (2017). 'Ethical climate and rule bending. How organizational norms contribute to unintended rule consequences', *Public Administration*, Vol. 95. No. 1, pp. 78–96.

[90] Respective citations: Burns, and Scapens (2000), p. 6, and M.S. Feldman, and B.T. Pentland (2003). 'Reconceptualizing organizational routines as a source of flexibility and change', *Administrative Science Quarterly*, Vol. 48, No. 1, pp. 94–118, p. 95.

derstanding of a routine. [91] The ways things are 'actually done' may not be the same as the way things 'should be done', and it may even be possible that routines (based on the same rule) may be different between teams, work groups, and places of work within the same organization, and/or may have deviated considerably from the original rules. [92] Routines may even emerge (especially in the relational climates of work groups, teams, or places of work) which were never set out in organizational rules. In such cases, organizational leaders (to enhance control) may decide to formalize the established routines in a set of rules and procedures. It is clear, that a two–way relationship exists between rules and routines. [93]

Many rules and procedures are computerized: they are configured within information systems to provide guidance and support for organizational tasks. [94] These system configurations are always

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[91] Feldman, and Pentland (2003), pp. 108–109.

[92] Burns, and Scapens (2000), p. 6–7 ('should be done'), and Van Bussel (2020), p. 42–43, p. 52. About personal perceptions and interpretations: Van Bussel (2020), pp. 25–35.

[93] Burns, and Scapens (2000), pp. 6–7. Also: M. Quinn (2011). 'Routines in management accounting research. Further exploration', *Journal of Accounting and Organizational Change*, Vol. 7, No. 4, pp. 337–357, pp. 347–349. This relationship leads to differing interpretations. Quinn (2011), p. 344, defines rules primarily 'as a physical representation of a routine, which are formalised in a documented fashion and may serve to guide action.' The way 'things are actually done' are formalized and become the way 'things should be done.' That way, organizational routines are viewed as the origin of rules, not the other way around, as Burns and Scapens (2000), p.6, do. Quinn (2011) views rules as artefacts of routines, as proposed by: B. Pentland, and M. Feldman (2008), 'Issues in field studies of organizational routines', M.C. Becker (ed.), *Handbook of Organizational Routines*, Edward Elgar, Cheltenham, Chapter 13, pp. 281–300, pp. 289–290.

[94] Weichbrodt (2013), pp. 40–43.

as 'things should be done'. Ideally, rules and procedures reduce complexity and simplify decision–making. They do, but they are also restrictive, and (when combined with formal and informal penalties for violations, as they usually are [95]) seriously reducing freedom of choice. This constraining aspect (especially when there are many rules and procedures) is strengthened when the ways 'things are actually done' deviate from the computerized ways 'things should be done'. Information systems can be perceived by employees as rigid and inert, delaying change and adaptation of old procedures to new circumstances, leading to routines that harbour serious behavioural (information) problems. 'Retrospective inscribing' is an example. [96] These perceptions cause resistance and rule violations, potentially indicating a need for change, [97] but most likely leading to two poten-

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[95] Weichbrodt (2013), pp. 35–36. Formal and informal penalties realize socialization, even if 'need for change' is being espoused by organizational leaders. For 'espoused values': Van Bussel (2020), p. 39.

[96] For behavioural problems for enterprise information management: Van Bussel (2020), pp. 61–65, and p. 90. I introduced 'retrospective inscribing' for capturing exchanges in information systems *after the event* itself, presenting the exchange as if the prospectively defined computerized procedures were realized. Many respondents in my audit projects impress the fact that, although information systems could make work easier in routinized and structured processes, they are detailed, demanding, and presenting a non–existent reality. Discussing cases with colleagues, reaching agreement, and registering outcomes retrospectively in a system is easier. It becomes a 'routine', against formal rules, when accepted by management.

[97] T. Olin, and J. Wickenberg (2001). 'Rule breaking in new product development. Crime or necessity?', *Creativity and Innovation Management*, Vol. 10, No. 1, pp. 15–25. Change will not happen often: 'Written rules are repositories of organizational lessons, but the learning that deposits new lessons into rules and remove old ones is notorious for generating myopic, path–dependent, and inefficient histories', as stated by: J.G. March, M.

tial management solutions: the first is to accept the behavioural problems as they are (which happens often when 'only' information is 'at stake') or, second, a definition of *more* rules trying to prevent violations which limits the freedom of choice even more. [98] Organizations, after all, do have a tendency to continuously create more rules and procedures ('red tape'), although the production of new rules slows down as more rules are already in place. [99] Too many rules and procedures could lead to performance problems, insoluble accountability questions, and contrasting information policies because of conflicting responsibilities, different rule interpretations

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Schulz, and X. Zhou (2000). *The Dynamics of Rules. Change in Written Organizational Codes*, Stanford University Press, Stanford, p. 2.

[98] For accepting behavioural information problems: Van Bussel (2020), pp. 61–65. For limiting 'freedom of choice': R.L. Heidelberg (2017). 'Political accountability and spaces of contestation', *Administration & Society*, Vol. 49, No. 10, pp. 1379–1402, and C. O'Kelly, and M.J. Dubnick (2019). 'Dissecting the semantics of accountability and its misuse', H.L. Paanakker, A. Masters, and L. Huberts (eds), *Quality of Governance. Values and Violations*, Palgrave Macmillan, London, Chapter 3, pp. 45–80.

[99] B. Bozeman (1993). 'A theory of government red tape', *Journal of Public Administration Research and Theory*, Vol. 3, No. 3, pp. 273–303, p. 283, defines 'red tape' as: 'rules, regulations and procedures that remain in force and entail a compliance burden for the organization but make no contribution to achieving the rules' functional objectives.' Most organizations are multilayer entities, showing aspects of many models of government and, as such, many different types of 'red tape': B. George, S.K. Pandey, B. Steijn, A. Decramer, and M. Audenaert (2020). 'Red tape, organizational performance and employee outcomes. Meta–analysis, meta–regression and research agenda', *Public Administration Review*. Online source, retrieved on November 19, 2021, from: https://doi.org/10.1111/puar.13327. Slowing down rule–production: M. Schulz (1998). 'Limits to bureaucratic growth. The density dependence of organizational rule births', *Administrative Science Quarterly*, Vol. 43, No. 4, pp. 845–876, pp. 872.

between teams and work groups, and discrepancy with existing routines. Information systems should, ideally, allow for better accountability but when computerized rules and procedures become rigid and inert, they may lead to accountability problems. They do not mirror the 'actual way things were done' but only the computerized way 'things were done' earlier in time. If 'retrospective inscribing' also happens for those rules and procedures that are required by law and government regulations, non–compliance could become a problem. Rules and routines are an important mechanism for information governance, because operationalization of rules and routines *always* concerns information.

Rule–bending means the willing and knowing 'depart[ure] from rules and procedures' and 'involves a decision to go around the formally stated obligations by not fully following a rule, requirement, procedure or specification.' [100] 'Retrospective inscribing' is an example of such rule–bending. Although most employees generally follow rules, deviations are relatively common. [101] It may be perceived as deviant behaviour that 'violates significant organizational norms and, in so doing, threatens the well–being of an organization, its members, or both.' It may include, as examples, sabotage, fraud,

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[100] For the respective citations: L. DeHart–Davis (2007). 'The unbureaucratic personality', *Public Administration Review*, Vol. 67, No. 5, pp. 892–903, p. 893, and L.E. Sekerka, and R. Zolin (2007). 'Rule–bending. Can prudential judgment affect rule compliance and values in the workplace?', *Public Integrity*, Vol. 9, No. 3, pp. 225–243, p. 228.

[101] DeHart–Davis (2007), pp. 893–894, and J. Larsson, and J. Ramstedt (2013). *Learning How to Break Rules. An Exploration of Why Organizations still Function Despite Dysfunctional Rules.* Master's thesis in Software Engineering, Chalmers University of Technology, Gothenburg, pp. 64–66. Online source, retrieved on November 19, 2021, from: https://odr.chalmers.se/handle/20.500.12380/220586,

stealing, vandalism, or sexual harassment, potentially out of self–interest, for instance when employees withhold, alter, fabricate, or destroy information trying to hide worsening product performance to ensure their remuneration. [102] It may be even a self–interested, harmless response to obstacles, like a perception of 'red tape', pressures to reach ambitious objectives, or restrictive information systems. Positive perceptions ('positive deviance') imply that rule–bending may result from good intentions and could bring positive results. [103] 'Pro–social rule breaking', for instance, occurs when employees intentionally violate 'a formal organizational policy, regulation, or prohibition with the primary intention of promoting the welfare of the organization or one of its stakeholders.' [104] There are reasons for such behaviour: efficiency, wanting to help a colleague, or for customer service. Employees choose to ignore, bend, or break a rule for the benefit of the organization. It is, mostly, not accepted because, as Shannon Portillo emphasized, although it 'is portrayed as part of a push for entrepreneurial leadership in organizations, and is individually admired, but seen as collective action it goes against the formal structure and public values' of organizations. [105] Non–

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[102] Citation: S.L. Robinson, and R.J. Bennett (1995). 'A typology of deviant workplace behaviors. A multidimensional scaling study', *Academy of Management Journal*, Vol. 38, No. 2, pp. 555–572, p. 556. Examples: Robinson, and Bennett (1995), p. 565 and p. 571; Borry (2017), pp. 80–81. Remuneration: Argandona (2012), p. 3.

[103] G.M. Spreitzer, and S. Sonenshein (2004). 'Toward the construct definition of positive deviance', *American Behavioral Scientist*, Vol. 47, No. 6, pp. 828–847, p. 828.

[104] E.W. Morrison (2006). 'Doing the job well. An investigation of pro–social rule breaking', *Journal of Management*, Vol. 32, No. 1, pp. 5–28, p. 6.

[105] Reasons for behaviour: Morrison (2006), p. 10. Not accepted positive rule–bending: S. Portillo (2012). 'The paradox of rules', *Administration & Society*, Vol. 44, No. 1, pp. 87–108, p. 90.

acceptance especially occurs in organizations with centralized structures and a stringent rules strategy. Rule–bending here, however, is a normal phenomenon. [106]

Studying the problem of rigid rules, Jens Rasmussen stated that in rules boundaries should be defined within which routines can vary and change, without leading to violations. He argued that 'the focus should be on the control of behaviour by making the boundaries explicit and known and by giving opportunities to develop coping skills at boundaries.' [107] Rasmussen proposes the implementation of rules but allowing change and variety in routines.

The rule classification defined by Andrew Hale en Paul Swuste could help in such an endeavour. They recognize three main types of rules that all influence and are influenced by the method used to establish compliance and enhance performance. [108] These rule types, the resulting employee behaviour, and the compliance methods used, influence performance and accountability. Hale and Swufte recognize, first, *rules that define goals to be achieved*. Such a rule allows employees freedom of choice in their routines, as the rule does not define *how* the objectives should be achieved. To be effective, it should be possible to measure the result. If it cannot be measured, assessing obedience is checking *what* employees have done and *how* they decided to do it. This transforms the rule into one of the other two types of rules. [109] This type of rule leaves the possibility that objectives are realized in unethical ways. Organizational leaders, af-

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[106] DeHart–Davis (2007), pp. 895–896.

[107] J. Rasmussen (1997). 'Risk management in a dynamic society. A modelling problem', *Safety Science*, Vol. 27, No. 2–3, pp. 183–213.

[108] A.R. Hale, and P. Swuste (1998). 'Safety rules. Procedural freedom or action constraint?', *Safety Science*, Vol. 29, Nr. 3, pp. 163–177, especially pp. 165–167.

[109] Hale, and Swuste (1998), p. 166.

ter all, often put (excessive) pressure on employees to reach performance targets. This pressure often leads to unethical behaviour in order to reach those goals, especially if employees perceive them as unrealistic, or if they feel not psychologically safe. [110] It could, when stimulated with a very competitive incentives schedule, lead to extremely unethical behaviour, greed, fraud, and information manipulation, and may result in short–termism. This type of rule is focused on enhancing performance.

The second rule type Hale and Swufte recognized are *solution search rules*, rules that define *by whom* and *how* a decision about a course of action has to be reached. They define procedures about the employee roles involved, the methods and standards used, the parameters to be considered in judging appropriateness, the time frame available for finding solutions, and the information needed to be captured at predetermined stages of the procedure. They partly define routines but, using procedural milestones, they leave details more or less open. Assessing obedience means checking whether procedures have been followed and evaluating the captured information and the quality of decisions. [111] This rule type may balance performance and accountability.

The third rule type are *rules defining concrete actions or required states of a system*. These rules specify (more or less in detail) the routines and behaviour to be shown in a defined or implied situation, or a state of affairs to be achieved. They remove freedom of choice, though the wording may leave room for interpretation. Checking compliance is a matter of observing behaviour or measuring the

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[110] L.D. Ordóñez, M.E. Schweitzer, A.D. Galinsky, and M.H. Bazerman (2009). 'Goals gone wild. The systematic side effects of overprescribing goal setting', *Academy of Management Perspectives*, Vol 23, No. 1, pp. 6–16. For psychological safety: Van Bussel (2020), pp. 29–30.

[111] Hale, and Swuste (1998), p. 166.

state of the system, the presence and functioning of required hardware, the specified information captured, etc. [112] This type of rule is believed to impose a regulatory and performance burden, because detailed definitions create many exceptions to which the rule does not, or cannot, apply, and lead to deviations when existing routines and rules are contrasting. [113] They also generate information systems that are extremely rigid and restrictive. They do not allow employees freedom of choice. These rules are focused on compliance to accountability requirements.

Rules are progressive limitations of the freedom of choice in routines, first limiting goals, then decision–making, and finally the actions themselves. The more compliance is emphasized, the more they are perceived by employees as (unjustifiably) limiting their freedom of choice, possibly leading to rule deviation and retrospective inscribing. All rule types are applicable in organizations, depending on the level of compliance required by law. Regulations can be viewed in a continuum with four levels, each level defining more stringent regulations and requiring stricter compliance: no–regulation, self–regulation, co–regulation, and statutory regulation. [114] In organizational governance (and its information governance part) these four regulation levels need to be aligned with the three recognized rule types. In this alignment, for each regulation level needs to be defined the dominant rule type, the freedom of choice

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[112] Hale, and Swuste (1998), p. 167–168.

[113] A. Hale, D. Borys, and M. Adams (2015). 'Safety regulation. The lessons of workplace safety rule management for managing the regulatory burden', *Safety Science*, Vol. 71, Part B, pp. 112–122, p. 115.

[114] F. Nakpodia, E. Adegbite, K. Amaeshi, and A. Owobilabi (2018). 'Neither principles nor rules. Making corporate governance work in Sub–Saharan Africa', *Journal of Business Ethics*, Vol. 151, pp. 391–408, especially p. 393.

employees have in routines within that specific level, the levels of compliance required for each regulation level, the level of rule–bending accepted in specific, pro–social situations and its limits, [115] the way rules and routines are changed when the environment changes, the way information management should be organized, the way how information systems should be configured for each level of regulation and changed when necessary, and the ways employees are accountable for their behaviour in each level. This needs to be continuously communicated to employees, and embedded in organizational culture and relational climates. Especially for the level of statutory regulation, where compliance is the dominant force, employees need to be stimulated by their team, work group, and/or place of work to be compliant. By embedding this approach in culture and climates, organizational leadership makes rule boundaries explicit for all regulation levels, and routines can vary and change when needed. This would allow Rasmussen's solution to be implemented, also within the control structure of the organization.

THE ETHICS OF ACCOUNTABLE GOVERNANCE

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Without doubt, strategies, rules, routines, systems, and procedures are important for accountable governance, but it is especially an ethical and behavioural challenge. Both organizational governance and organizational ethics are deemed essential for long–term

[115] K.S. Weißmüller, L. De Waele, and A. van Witteloostuijn (2020). 'Public service motivation and prosocial rule–breaking. An international vignettes study in Belgium, Germany, and the Netherlands', *Review of Public Personnel Administration*. Online source, retrieved on November 19, 2021, from: https://journals.sagepub.com/doi/full/10.1177/0734371X20973441.

success. [116] Josef Wieland asserts that ethics strengthens the relevancy of organizational activities. Lamis Albdour states that management of internal and external relations and realization of objectives require ethical standards, and that acting in unethical ways is not viable. [117] Ethics addresses 'the moral choices (of the individual and the group — GJvB) influenced and guided by values, standards, principles, rules, and strategies associated with organizational activities and business situations.' It concerns values as fairness, integrity, compassion, honour, and responsibility in structures and behaviours, irrespective of laws and regulations. [118]

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[116] L.R.M. Albdour (2017). 'Principles of corporate governance and ethics for sustainable business', *International Journal of Business and Management Invention*, Vol. 6, No. 4, pp. 01–07, p. 01. This may be not the opinion of the top management in many organizations worldwide. In 2011, Milton Friedman's quote: 'The social responsibility of business is to increase its profits' was seen as truth by thirty per cent of top managers in Spain and more than eighty per cent in the United Arab Emirates. In their opinion, profit and the needs of shareholders take precedence over the needs of society or other stakeholders. See: The Economist (2011). 'Attitudes to business. Milton Friedman goes on tour. A survey of attitudes to business turns up some intriguing national differences', January 29. Online resource, retrieved on November 19, 2021, from: https://web.archive.org/web/20181119044605/https://www.economist.com/business/2011/01/27/milton-friedman-goes-on-tour.

[117] J. Wieland (2005). 'Corporate governance, values management, and standards. A European perspective', *Business and Society*, Vol. 44, No. 1, pp. 74–93, p. 78; Albdour (2017), p. 01. Also: N. Terblanche, L. Pitt, D. Nel, and A. Wallstrom (2008). 'Corporate governance and business ethics. Pictures of the policies', *Corporate Ownership and Control*, Vol. 6, No. 2, pp. 246–254.

[118] M.–C. Letendre (2016). 'Organizational ethics', H. ten Have (ed.), *Encyclopedia of Global Bioethics*, Springer, Cham, pp. 2082–2091, pp. 2082–2083 and p. 2086.

Organizations need to reach their objectives without harming individuals or society as a whole. [119] Organizational ethics denotes the responsibilities an individual consents to when becoming part of an organization. The relationship between governance and ethics is all about established trust over time between organizations, their stakeholders, and their environment. [120] Organizational accountability is (in essence) about monitoring the ethical behaviour of employees to ensure that trust is not (seriously) damaged, that governance can be deemed 'accountable.' It is the 'buttoning up of a company's collar and the straightening of its tie', to make clear that 'good is good, and bad is bad.' [121] It encompasses behaviour of the organization in its environment, the relationship with stakeholders, and the monitoring of interactions (in actions, transactions, products, policies, rules, routines, and processes), holding employees ac-

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[119] For a general view of the relationship between organizational ethics and society: B. Tran (2008). 'Paradigms in corporate ethics. The legality and values of corporate ethics', *Social Responsibility Journal*, Vol. 4, No. 1–2, pp. 158–171. As note 116 made clear: in business organizations, not everyone is of the same opinion.

[120] R. Nainawat, and R. Meena (2013). 'Corporate governance and business ethics', *Global Journal of Management and Business Studies*, Vol. 3, No. 10, pp. 1085–1090, p. 1090. Trust as in: [1] *people's trust*, the trust of organizational governance structures in the people to decide by themselves within a given framework of possible ethical decisions, and [2] *system trust*, trust in the governance structure to provide a useable and acceptable framework for decision–making. R. Müller, S. Erling, Ø. Kvalnes, J. Shao, S. Sankaran, J.R. Turner, C. Biesenthal, D. Walker, S. Gudergan (2013). 'The interrelationship of governance, trust, and ethics in temporary organizations', *Project Management Journal,* Vol. 44, No. 4, pp. 26–44, p. 40.

[121] J. Mizuo (1999). 'Business ethics and corporate governance in Japanese corporations', *Business and Society Review*, Vol. 102–103, No. 1, pp. 65–79, p. 66.

countable to their stakeholders. Ethics decides what moral principles apply to different situations, and demonstrate goals of fairness, integrity, compassion, honour, and responsibility. [122] This is (mostly) captured within codes of ethical behaviour. [123]

According to Marie–Catherine Letendre, there are two models for managing organizational ethics. Their codes define how employees should behave, and how they should account for actions. [124] The first model is *compliance–based* ethics management. When using and implementing this model, organizations intend to find immunity from illegal acts committed by their employees and officials. Maybe just as important for organizational leaders, it reduces pressures for implementation of an integrity–based program that could (or possibly would) be more demanding. The aim of these compliance–based programs is to prevent, detect, and punish activities that violate (external and internal) rules and regulations. They demand 'strict compliance with administrative procedures and detailed rules (often codified in legislation.)' [125] Rules and procedures are prospectively designed and conformity to those rules and procedures is enforced. Compliance–based programs try to enforce good behaviour using external incitements. Ethics based on such compliance is said to be coercion and control oriented, inherently calculative, based on a

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[122] Encompasses behaviour: Albdour (2017), p. 04; Ethics decides: Letendre (2016), pp. 2084–2088.

[123] R. Roberts (2009). 'The rise of compliance–based ethics management. Implications for organizational ethics', *Public Integrity*, Vol. 11, No. 3, pp. 261–277.

[124] Letendre (2016), pp. 2088–2089. See also: M. Philp (2009). 'Delimiting democratic accountability', *Political Studies*, Vol. 57, No. 1, pp. 28–53. Letendre's models correspond with Philp's distinction between rule– or compliance–based and integrity–based accountability systems.

[125] Roberts (2009), p. 262–263.

cost–benefit framework, limited in effect, and ethically shallow. [126] Such an interpretation of ethics and accountability often leads to a systematic use of an existing legal vacuum, leading to immoral or illegal behaviours if the risks are perceived as low. At the same time, distrust towards employees, expressed by sophisticated control and monitoring mechanisms, provokes the behaviour these mechanisms seek to prevent. [127] It can be perceived as violation of the psychological contract existing between employee and organization, leading to frustration, potentially resulting in immoral or (maybe) illegal behaviour. [128] Compliance–based programs become self–contradicting when tolerating corruption, incompetence, and mal–administration because the costs of control exceed the benefits. Such a self–contradiction questions its stability and effectiveness and undermines its objective. [129] In extremis, as John Gardner asserts, such a program could evolve into 'an ideology of total suspicion' or 'total mistrust' that makes everyone mistrust those 'whose upstanding-

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[126] Control and coercion oriented: G.R. Weaver, L.K. Treviño, and P.L. Cochran (1999). 'Corporate ethics programs as control systems. Influences of executive commitment and environmental factors', *Academy of Management Journal*, Vol. 42, No. 1, pp. 41–57, pp. 42–43. Inherently calculative, according to a strategic view: D.A. Waldman, D.S. Siegel, and G.K. Stahl (2020). 'Defining the socially responsible leader. Revisiting issues in responsible leadership', *Journal of Leadership & Organizational Studies*, Vol. 27, No. 1, pp. 5–20, p. 5. Ethically shallow: L.S. Paine (1994). 'Managing for organizational integrity', *Harvard Business Review*, Vol. 72, No. 2, pp. 106–117.

[127] G. Palazzo (2007). 'Organizational integrity. Understanding the dimensions of ethical and unethical behavior in corporations', W.C. Zimmerli, K. Richter, and M. Holzinger (eds.), *Corporate Ethics and Corporate Governance*, Berlin–Heidelberg, Springer, pp. 113–128, p. 124.

[128] Palazzo (2007), pp. 117–118. Also: Van Bussel (2020), pp. 16–18.

[129] Philp (2009), p. 51, note 19.

ness the system is meant to secure'. [130] The compliance approach does not leave much room for individual conscience or decision–making (limiting freedom of choice) and does not stimulate employees to deal with ethical issues outside the scope of laws and regulations. The approach has been successful in reducing 'the level of low–road ethical violations in organizations', but it cannot guarantee the correctness of individual behaviour in high–level ethical dilemmas. The advantage for organizations is that, if they can convincingly demonstrate to have designed and maintained compliance programs in good faith, it will be possible to avoid severe sanctions and to escape 'the dilemma of ethical backsliding.' [131] This is what happened in financial institutions before the financial crisis of 2008.

The second model, *integrity–based* ethics management, emphasizes encouragement of good behaviour. Integrity programs are 'designed to increase human autonomy through aspirational goals avoiding rule structures.' They focus on what 'should be achieved rather than what behavior should be avoided.' They include 'a focus on what is achieved rather than how it was achieved', and 'an emphasis on encouraging good behavior rather than policing and punishing errors or bad behavior.' [132] Organizational ethics based on in-

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[130] J. Gardner (2006). 'The mark of responsibility (with a postscript on accountability)', M.K. Dowdle (ed.), *Public Accountability. Designs, Dilemmas and Experiences*, Cambridge University Press, Cambridge, pp. 220–242, p. 241. For a same view in the context of opportunistic behaviour within organizations: S. Ghoshal, and P. Moran (1996). 'Bad for practice. A critique of the transaction cost theory', *Academy of Management Review*, Vol. 21, No. 1, pp. 13–47, pp. 23–25.

[131] Letendre (2016), pp. 2088; and for citations: p. 2089.

[132] First citation: S.C. Gilman (2002). 'Institutions of integrity in the United States', *Public Sector Transparency and Accountability. Making it Happen*, Paris, OECD, Chapter 3, pp. 17–30, p. 19. Second and third citation: S.

tegrity builds upon the values of an organization and its leaders. According to Guido Palazzo, an integrity program is broader than a program guided by compliance, because it builds on, first, ethical principles and, second, its power to influence decision–making. It is assumed that intrinsically motivated employees show more stable behaviour than employees trained to be compliant and threatened by sanctions. [133] Integrity programs, thus, aim for high levels of individual integrity, try to build professional integrity and public trust, and recognize that rules and incentives are not motivational for integrity. Integrity requires that individuals behave appropriately because they are 'guided by the desire to act in keeping with their responsibilities and fundamental commitments.' It recognizes that norms and rules have 'a grip on the mind.' [134] Integrity programs are difficult to implement and to control. They need the organizational culture to be an 'ethical culture' that allows employees to develop 'ethical sensitivity', the ability to recognize ethical issues in their work environment. However, even stimulation of ethical sensitivity leaves realization of ethical programs difficult because the cultural background of individual employees is more important for ethical sensitivity than organizational mechanisms for ethical behaviour. [135] An integrity program, ideally, enables responsible be-

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Washington, and E. Armstrong (1996). *Ethics in the Public Service. Current Issues and Practice*, Paris, OECD, p. 59.

[133] Palazzo (2007), p. 124. Also: Paine (1994).

[134] Citations: Philp (2009), p. 37, and J. Elster (1989). 'Social norms and economic theory', *Journal of Economic Perspectives*, Vol. 3, No. 4, pp. 99–117, p. 100.

[135] Ethical culture: S. Webley, and A. Werner (2008). 'Corporate codes of ethics. Necessary but not sufficient', *Business Ethics. A European Review*, Vol. 17, No. 4, pp. 405–415, p. 411. Cultural background: M. Fernando, and R.M.M.I. Chowdhury (2010). 'The relationship between spiritual

haviour by becoming the organizational ethos. In daily organizational life, this ideal image comes close to what Stuart Gilman calls the biggest risk of this model: 'wishful thinking.' [136] ECI's Global Business Ethics Survey for 2020–2021 confirms this statement. According to this survey: [1] Twenty–nine per cent of employees reported management pressure to bend ethical rules; [2] Eighty per cent of employees reported (ethical) misconduct; and [3] Sixty–one per cent of employees experience retaliation after complaining. [137] Organizational cultures do not seem to be ethical cultures. In addition, Robert Kaiser and Robert Hogan estimate the base rate for low integrity managers to be in the ten to twenty per cent range. [138] This implies that every organization contains a sizable number of managers capable of sowing mistrust and disengagement among employees and harming their organizations. It is not startling that many organizational leaders concentrate on compliance–based ethics management. Integrity–based ethics requires periodical behavioural assessments of the ethical behaviour of employees. Even then, finding a balance between 'hard' compliance and 'soft' integrity is a challenge for organizational governance, [139] just like finding a balance between collective and individual accountability.

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well–being and ethical orientations in decision making. An empirical study with business executives in Australia', *Journal of Business Ethics,* Vol. 95, No. 2, pp. 211–225, pp. 221–222.

[136] Gilman (2002), p. 19.

[137] ECI (2021). *The State of Ethics & Compliance in the Workplace. A Look at Global Trends. Global Business Ethics Survey, 2020–2021*, ECI, Frankfurt.

[138] R.B. Kaiser, and J. Hogan (2010). 'How to (and how not to) assess the integrity of managers', *Consulting Psychology Journal. Practice and Research*, Vol. 62, No. 4, 216–234, p. 231.

[139] B.H. Geddes (2017). 'Integrity or compliance–based ethics. Which is better for today's business?', *Open Journal of Business and Management*, Vol. 5, No. 3, pp. 420–429.

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The behaviour of financial institutions and governments in and before the 'Great Recession' and the large amount of organizational scandals in the last decades have undermined trust in (big) organizations. [140] There are many reasons for concern about their social impact. Thomas Friedman believes that because of globalization most multinationals increasingly influence society. Because of their investments in countries in which they operate, they are replacing public institutions more and more. [141] This idea was not new: in 1998, Mark Bovens elaborated on the growing impact of business organizations in social and political life: 'a number of corporate risks have such enormous consequences that their prevention readily becomes a centrally important matter of public interest.' [142]

Financial multinationals, especially, are becoming 'too–big–to–fail.' [143] Most of these (big) organizations do have an independent legal status and, as such, can legally be held accountable as a unitary

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[140] For the corporate scandals in the U.S.A.: J.W. Markham (2015). *A Financial History of Modern US Corporate Scandals. From Enron to Reform*, Routledge, Abingdon–New York.

[141] T. Friedman (2005). *The World is Flat. A Brief History of the Twenty–first Century*, Farrar, Straus and Giroux, New York (second revised and expanded edition).

[142] M. Bovens (1998). *The Quest for Responsibility. Accountability and Citizenship in Complex Organisations*, Cambridge University Press, Cambridge, p. 169.

[143] P. Molyneux (2016). 'Structural reform, too–big–to–fail and banks as public utilities in Europe', S.P.S. Rossi, and R. Malavasi (eds.), *Financial Crisis, Bank Behaviour and Credit Crunch*, Springer, Berlin, Chapter 5, pp. 67–80.

actor. Such a collectivist view is a way to circumnavigate issues of identification of accountable actors within organizations. As a result, every member of that organization can be hold personally accountable for the behaviour of that organization as a whole. This view is based on the idea that the identity of a collective (such as an organization) is more than the sum of the identities of its individual members. The assumption is that this identity is not directly modified when a collective's membership changes. Bovens states that 'the conduct of an organization is often the result of interplay between fatherless traditions and orphaned decisions', traditions that nobody knows the origins of, and decisions worked on by many employees no longer there. It is identified as the 'problem of many hands.' [144]

This collectivist approach is based on the (disputed) assumption that an organization can be a moral agent, just like an individual. It is, after all, not easy to unravel chains of authority to identify the individuals accountable for a decision. It is an interesting philosophical question, but its practical implications are, in my opinion, limited. [145] Organizations are (moral agents, or not) still responsible,

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[144] Citation: M. Bovens (2007a). 'Analysing and assessing accountability. A conceptual framework', *European Law Journal*, Vol. 13, No. 4, pp. 447–468, p. 458. 'Many hands': D.F. Thompson (2017). 'Designing responsibility. The problem of many hands in complex organizations', J. van den Hoven, S. Miller, and T. Pogge (eds.), *The Design Turn in Applied Ethics*, Oxford University Press, Oxford, pp. 32–56. Thompson introduced this problem in: D.F. Thompson (1980). 'Moral responsibility of public officials. The problem of many hands', *American Political Science Review*, Vol. 74, No. 4, pp. 905–915.

[145] M. Smiley (2020). 'Collective Responsibility', E.N. Zalta (ed.), *The Stanford Encyclopedia of Philosophy*, The Metaphysics Research Lab, Center for the Study of Language and Information (CSLI), Stanford University, Stanford, Spring 2020 Edition. Online source, retrieved on November 19, 2021,

can legally be fined, and their behaviour can publicly and legally be condemned. Individual employees will still need to account for consequences of organizational misbehaviour, and individual organizational leaders will still have to respond. There is *always* an individual dimension.

The individualist approach states that an individual employee as a moral agent is accountable for the outcomes of transactions insofar as the outcome is caused by an individual's actions or omissions, and the actions or omissions are not done in ignorance or under compulsion. [146] In this view, an employee (may (s)he be a leader or not) is individually and proportionally held accountable (and even liable) for his/her contributions to organizational behaviour. Employees are judged based on actual contributions instead of formal positions. It makes it impossible for them to hide behind their organization, while at the same time those in charge do not have to shoulder all the blame. [147] But the 'problem of many hands' still persists, because the consequences of individual acts or omissions are in reality often out of proportion to the effects of organizational behaviour. The financial crisis, for instance, is beyond anything an individual may have done or may be held accountable for. The errors of individuals, how contemptible they may be, pale in comparison with the (potential) damage done by an organization. [148]

Although from an ethical point of view the individual approach for accountability is preferable, it does not solve the accountability problem for the collective consequences of organizational misbehaviour. This does not mean it is not necessary to find those individ-

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from: https://plato.stanford.edu/archives/spr2020/entries/collective-responsibility/.

[146] Thompson (2017), p. 33.

[147] Bovens (2007a), p. 459.

[148] Thompson (2017), pp. 33–35.

ual employees accountable for specific actions, but a collective approach is unavoidable for organizational behaviour that results in damages that cannot be explained by separate acts of individuals. Such damages may be more common in complex organizations than might be expected.

FINDING EQUILIBRIA

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Organizational governance needs to find equilibria between performance and accountability, between compliance and integrity, and between a collective and an individual approach. Emmanuel Yeboah–Assiamah, concentrating on corruption control, thinks a balanced approach of strong personalities (officials with integrity and personal ethics), strong organizations (organizations adopting, enforcing and monitoring appropriate systems), and a strong third force (tough outside actors mediating between strong personalities and strong organizations to compel them to order), is needed. [149] Organizational governance requires a concerted effort from organizational personalities, the organization, and external actors that are strong enough to hold the organization (and the individuals in it) accountable. Needed is a deliberate and careful strategy to communicate accountable governance to all employees. Incorporation of business ethics in interactions, existing strategies, rules, systems, processes, and internal communication efforts will help in assisting and evaluating employees in applying ethical and compliance rules

[149] E. Yeboah–Assiamah (2017). 'Strong personalities' and 'strong institutions' mediated by a 'strong third force.' Thinking 'systems' in corruption control', *Public Organization Review*, Vol. 17, No. 4, pp. 545–562.

in practice. [150] According to Thompson, internal 'oversight bodies ... could be charged with holding individuals in the organization responsible on a continuing basis, and most importantly with exposing organizational defects that obstruct individual responsibility.' [151] They would force organizations to design accountable governance.

For all these dilemmas for accountable governance (performance and accountability, compliance and integrity, and collective and individual approaches) a very complicated 'can of worms' should be addressed: what about the ethical consequences of algorithmically–driven decision–making in organizational business processes? As Kirsten Martin stated, scholars are arguing as to how algorithms can and should be transparent in order to be governed, including (more) autonomous algorithms such as machine learning, artificial intelligence, and neural networks. Organizations that use such 'black boxes' in their business processes *are* accountable for their acts and consequences even when they claim algorithms are complicated and difficult to understand. [152] The use of algorithms does have ethical implications, enables or diminishes stakeholder rights, and influences the delegation of roles and responsibilities within organizational decision–making. There is no doubt about neutral algorithms: they do *not exist*, and as such it should be clear who is accountable for the consequences of value–laden algorithms. [153] When it is not clear

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[150] A.W.H. Chan, and H.Y. Cheung (2012). 'Cultural dimensions, ethical sensitivity, and corporate governance', *Journal of Business Ethics*, Vol. 110, pp. 45–59, p. 46–48.

[151] Thompson (2017), p. 52.

[152] K.E. Martin (2019). 'Ethical implications and accountability of algorithms', *Journal of Business Ethics*, Vol. 160, No. 4, pp. 835–850, p. 837.

[153] B.D. Mittelstadt, P. Allo, M. Taddeo, S. Wachter, and L. Floridi (2016). 'The ethics of algorithms. Mapping the debate', *Big Data & Society*, Vol. 3,

whether used algorithms are in accordance with laws and regulations, the ethical codes and the defined business processes of the organization that uses them, the developer of the algorithm should be accountable for their (ethical) consequences. This should be part of all agreements, contracts, and service level agreements with all software developers that offer solutions based on decision–making algorithms. For accountable governance, organizational leaders need to ascertain that algorithmic accountability is embedded within information governance structures and strategies.

No. 2, pp. 1–21, p. 1; A. Caliska, J.J. Bryson, and A. Narayanan (2017). 'Semantics derived automatically from language corpora necessarily contain human biases', *Science,* Vol. 356, No. 6334, pp. 183–186, and F. Kraemer, K. van Overveld, and M. Peterson (2011). 'Is there an ethics of algorithms?', *Ethics and Information Technology*, Vol. 13, pp. 251–260.

2

The Accountability Concept

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A FEW INTRODUCTORY WORDS

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The external expectations of organizational accountability force organizational leaders to find solutions and answers in organizational (and information) governance to assuage the feelings of doubt and unease about the behaviour of the organization and its employees that continuously seem to be expressed in the organizational environment. Organizational leaders have to align the interests of their share– and stakeholders in finding a balance between performance and accountability, individual and collective ethical approaches, and business ethics based on compliance, based on integrity, or both. They have to integrate accountability in organizational governance based on a strategy that defines boundaries for rules and routines. They need to define authority structures and find ways to control the behaviour of their employees, without being very restrictive and coercive. They have to implement accountability structures in organizational interactions that are extremely complex, nonlinear, and dynamic, in which (mostly informal) relational networks of employees traverse formal structures. Formal processes, rules, and regulations, used for control and compliance, cannot handle such environments, continuously in 'social flux', unpredictable, unstable, and (largely) unmanageable. [154] It is a challenging task that asks exceptional management skills from organizational leaders. The external expectations of accountability cannot be neglected, even if it is not always clear what is exactly meant with that concept. Why is this (very old) concept still of importance for modern organizations?

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[154] Van Bussel (2020), p. 88.

A WORD AND A CONCEPT

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Melvin Dubnick states that the linking of the *word* 'accountability' to its modern conceptualization can be traced to the reign of William I the Conqueror, but that the *concept* itself can be traced back to ancient roots in record–keeping activities related to governance and money–lending systems. Even in the eleventh century, the *concept* had been there for a long time, although the etymology of the *word* does not mirror that history. [155]

The *word* accountability does not appear in English until its use in thirteenth century England in relationship to the sovereign power of the king, especially the necessity of giving the king an account of one's conduct. [156] This meaning of 'being accountable' ('accomptable') for the *word* accountability became dominant from the middle of the fifteenth century onwards but, as Dubnick asserted, the *concept* can be traced back to the eleventh century, and long before, even if a term is used with overlapping meaning (for instance, responsibility) or there is only a contextual description. [157] The lin-

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[155] Dubnick (2002), pp. 3, 7–8. See also: C.O. Omodero (2019). 'Genesis of accountability and its impact on accounting', *International Journal of Financial, Accounting, and Management*, Vol. 1, No. 1, pp. 47–55.

[156] G.I. Seidman (2005). 'The origins of accountability. Everything I know about the sovereign's immunity, I learned from king Henry III', *St. Louis University Law Journal*, Vol. 49, No. 2, pp. 393–480.

[157] S.K. McGrath, and S.J. Whitty (2018). 'Accountability and responsibility defined', *International Journal of Managing Projects in Business,* Vol. 11, No. 3, pp. 687–707, p. 697, assert that there is an overlap in meaning between responsibility and accountability and that only in the middle of the seventeenth century there was 'divergence of meaning', gradually establishing non–overlapping concepts.

guistical root of the *word* is in the Late Latin verb 'accomptare' and is related to accounting, in its literal sense of bookkeeping. [158] The meaning of the *word*, 'being accountable', means the behaviour of account–giving, producing 'a count' of properties or money held in care, referring to both the *capacity* of an individual, and his or her *obligation* to produce an account. [159]

According to Dubnick and Justice's analysis of scholarly literature, accountability as a *concept* emerges in *at least* six interrelated contexts: a cultural, institutional, transactional, organizational, task environmental, and social psychological context. In each of these frames, the conceptualization of accountability seems to be different. Dubnick and Justice consider these different conceptualizations to be 'family resemblances.' [160] Such conceptualizations exist, according to Ludwig Wittgenstein, by virtue of 'resemblances' rather than by virtue of a set of necessary and sufficient properties. [161] Wittgenstein's theory was that such a concept has an open–ended set of identifying features, implying that not all of these features are necessary for the concept to apply. Wittgenstein rejects the traditional view that there is one, essential core in which the meaning of a word is located and is common to all uses of that word. He wants philosophers to travel with the uses of words through 'a complicated net-

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[158] Omodero (2019), p. 48. 'Accomptare', to account, a prefixed form of 'computare', to count or calculate, which is derived from 'putare', to reckon. The Old French development of 'accomptare', 'comptes a rendre', is source for the Middle English terms 'acompte' and 'aconte'. Dubnick, and Justice (2004), pp. 6–7.

[159] D. Castiglione (2007). 'Accountability', M. Bevin (ed.), *Encyclopedia of Governance.* Volume I, A–J, SAGE, Thousand Oaks, pp. 1–7, p. 1.

[160] Dubnick, and Justice (2004), pp. 9–11.

[161] L. Wittgenstein (2009). *Philosophical Investigations*, John Wiley & Sons, Chicago (fourth edition), § 65–67, pp. 35–37.

work of similarities overlapping and criss–crossing: similarities in the large and in the small.' [162]

There are philosophical problems with the 'family resemblance' idea. One of them is that concepts can be classified in many general classes based on their resemblance, even in such a way that a concept would become vacuous, since it does not exclude anything. [163] Michael Forster states, in addition, that it may be difficult to tell if people are using genuine concepts at all, although if multiple individuals apply a concept in agreement with each other, that problem would be more of less solved, although, I may add, not philosophically. [164] 'Family resemblance' has, nevertheless, been used as a way to explain scientific, cultural, and societal phenomena. [165]

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[162] Citations: Wittgenstein (2009), § 66, p. 36. About Wittgenstein's theory about 'family resemblance': A. Biletzki, and A. Matar (2020). 'Ludwig Wittgenstein', E.N. Zalta (ed.) *The Stanford Encyclopedia of Philosophy*, The Metaphysics Research Lab, Center for the Study of Language and Information (CSLI), Stanford University, Stanford, Spring 2020 Edition. Online source, retrieved on November 19, 2021, from: https://plato.stanford.edu/archives/spr2020/entries/wittgenstein/.

[163] L. Pompa (1967). 'Family resemblance', *The Philosophical Quarterly*, Vol. 17, No. 66, pp. 63–69, p. 65.

[164] M. Forster (2010). 'Wittgenstein on family resemblance concepts', A. Ahmed (ed.), *Wittgenstein's Philosophical Investigations. A Critical Guide*, Cambridge University Press, New York, pp. 66-87, pp. 83–84. Forster describes the existing problems with 'family resemblance.' See: pp. 81–85.

[165] Examples: T. Kuhn (2012). *The Structure of Scientific Revolutions*, University of Chicago Press, Chicago (fourth (anniversary) edition), p. 45–46 (on scientific paradigms); E. Rosch (1987). 'Wittgenstein and categorization research in cognitive psychology', M. Chapman, and R. Dixon (eds.), *Meaning and the Growth of Understanding. Wittgenstein's Significance for Developmental Psychology*, Erlbaum, Hillsdale (NJ) (in cognitive psychology.)

There may be a different understanding of the *concept* accountability, they all are, however, related to the meaning of the *word*: 'being accountable', but with different definitions and (possibly) different properties. As the conceptualizations of accountability, recognized by Dubnick and Justice, share the core meaning of the word: 'being accountable', it is questionable if they show 'family resemblance.' They may have different definitions or properties, they may even have open–ended sets of properties, but they all share one, essential core of meaning that identifies them, in essence, as one concept used in different contexts. [166] It is without doubt that accountability was (and is) part of a group of concepts covering interrelated meanings regarding political representation, administrative responsibility, and legal liability (like responsibility or answerability). Most of those concepts do each have an essential core of meaning, making it questionable they belong to a 'family resemblance,' although it is possible that they were in the past. [167] I agree with Dubnick and Justice when they state the concept is associated with governance activities and that it is 'a characteristic of governance' in environments where there is 'a sense of agreement about the legitimacy of expectations'. It depends 'on the dynamic social interac-

[166] Lindberg (2013), pp. 207–208, states clearly that accountability has an *essential* core of meaning for which a specific set of properties or characteristics is necessary. There may be extra characteristics in the different contexts in which the concept is used, but without this core set of properties the concept does not exist.

[167] McGrath, and Whitty (2018) state that an identifying meaning for accountability' and 'responsibility' developed in the middle of the seventeenth century. It is possible that it shared 'family resemblance' with responsibility before both concepts developed identifying meaning. According to O'Kelly, and Dubnick (2019), p. 49, accountability is often regarded as a species of 'responsibility'.

tions and mechanisms created' within such an environment. [168] I consider accountability to be one of the objectives of organizational governance. Those 'dynamic social interactions', I may add, are always concentrated on 'being accountable', rendering an account of one's behaviour to another party.

ACCOUNTABILITY: A SHORT HISTORY

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Interpreting the concept as an objective of governance and as 'social interactions and mechanisms' concentrated on 'being accountable', makes writing a history of accountability easier, because mechanisms similar to those of today's systems of accountability can be found in old Mesopotamia, before spreading to Egypt, Mycenae, and the Persian Empire, continuing through the Hellenistic, Seleucid and Roman periods. [169] During Roman times, governors,

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[168] Dubnick, and Justice (2004), p. 11–12.

[169] M. Brosius (2003). 'Ancient archives. An introduction', M. Brosius (ed.), *Ancient Archives and Archival Traditions. Concepts of Record–Keeping in the Ancient World,* Oxford University Press, Oxford, pp. 1–16. For Mesopotamia and Egypt: S. Carmona, M. Ezzamel (2007). 'Accounting and accountability in ancient civilizations. Mesopotamia and ancient Egypt', *Accounting, Auditing & Accountability Journal,* Vol. 20, No. 2, pp. 177–209, and M. Ezzamel (1997). 'Accounting, control and accountability. Preliminary evidence from ancient Egypt', *Critical Perspectives on Accounting*, Vol. 8, No. 6, pp. 563–601. For ancient Greece: J. Elster (1999). 'Accountability in Athenian politics', A. Przeworski, S.C. Stokes, and B. Manin (eds.), *Democracy, Accountability, and Representation*, Oxford University Press, Oxford, pp. 253–278. For ancient Persia: M. Waters (2014), 'Mechanics of empire', M. Waters, *Ancient Persia. A Concise History of the Aechemenid Empire, 550–330 BCE,* Cambridge University Press, New York, pp. 92–113.

officials, and municipalities were obliged to keep *commentarii* or daybooks of official activity as well as annual accounts (*annuarii*). These were all inspected by higher authorities that marked each entry as being read. All these accounts were publicly displayed, open for inspection by interested parties even after they had been taken over by the head of the records office. [170] Cato Minor (of Utica) took steps to prevent fraud by ensuring that financial activities were recorded accurately and inspected regularly, even if access proved difficult. [171] The eastern part of the Roman Empire, evolving into the Byzantine Empire in the fourth century, retained the authority and accountability structures of the Romans and developed them to serve the administrative and authority needs of an empire extending throughout the Mediterranean world and southern Europe. [172] Dur-

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For an overview of Greece, Rome, and Byzantium: D. Argyriades (1998). 'Administrative legacies of Greece, Rome, and Byzantium', *International Journal of Public Administration*, Vol. 21, No. 1, pp. 109–126. Interesting are paragraphs 229, 232, and 233 of Hammurabi's code concerning accountability for entrepreneurs. See: R.F. Harper (1904). *The Code of Hammurabi, King, of Babylon about 2250 B.C*, University of Chicago Press, Chicago, pp. 81–83. Online source, retrieved on November 19, 2021, from: https://oll.libertyfund.org/titles/hammurabi-the-code-of-hammurabi. Accountability was also common in ancient China. See: M. Brown, and Y. Xie (2015). 'Between heaven and earth. Dual accountability in Han China', *Chinese Journal of Sociology*, Vol. 1, No. 1, pp. 56–87.

[170] E. Posner (2003). *Archives in the Ancient World*, Society of American Archivists, Chicago (second edition), pp. 139–141.

[171] E.N. Gladden (1972). *A History of Public Administration*, Frank Cass, London, Vol I, pp. 257–258. About the problems of access: P. Culham (1989). 'Archives and alternatives in Republican Rome', *Classical Philology*, Vol. 84, No. 2, pp. 100–115, p. 113.

[172] C.R. Baker (2013). 'Administrative and accounting practices in the Byzantine Empire', *Accounting History*, Vol. 18, No. 2, pp. 211–227.

ing the emergence of 'the barbarian west', as John Wallace–Hadrill called the transformational age following the decline of the Western Roman Empire, [173] the evidence about authority and accountability structures is diverse: from (1) 'administrative dualism' and 'rejuvenation of Rome' in the Ostrogoth kingdom of Theodric the Great; (2) the Visigothic code that gathered everyone under the same (Roman evolved) jurisdiction; to (3) the largely unknown authority and accountability structures of the Merovingians (almost certainly tied firmly to the written word.) [174] Charlemagne, in the eight century, build on a long tradition by requiring the use of written administrative documents, for memory, evidence, and accountability. [175] The Frankish king exercised authority over his territories by sending correspondence and instructions and asking for and receiving reports back. His *missi dominici* (palace inspectors) supervised local

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[173] J.M. Wallace–Hadrill (1962). *The Barbarian West. The Early Middle Ages, A.D. 400–1000*, Hutchinson & Co, London (second edition). Since Wallace–Hadrill wrote his much–cited book, scholars minimize the part of the 'barbarians' in the fall of the Roman Empire and view them more as 'willing participants' in extending its rule and civilization. See: W. Goffart (2006). *Barbarian Tides. The Migration Age and the Later Roman Empire*, University of Philadelphia Press, Philadelphia, chapter 8, pp. 230–239.

[174] J.J. Arnold (2014). *Theoderic and the Roman Imperial Restoration*, Cambridge University Press, New York, following Goffart's thesis; J.H.W.G. Liebeschuetz (2014). 'Goths and Romans in the leges visigothorum', G. de Kleijn and S. Benoist (eds.), *Integration in Rome and in the Roman World. Proceedings of the Tenth Workshop of the International Network Impact of Empire (Lille, June 23–25, 2011)*, Brill, Leiden, pp. 89–104. For the Merovingians: I. Wood (1990). 'Administration, law and culture in Merovingian Gaul', R. McKitterick (ed.), *The Uses of Literacy in Early Mediaeval Europe*, Cambridge University Press, Cambridge–New York, pp. 63–81.

[175] R. McKitterick (1989). *The Carolingians and the Written Word*, Cambridge University Press, Cambridge, pp. 25–37.

administrations as intermediaries between the king and the counts, his administrative delegates. One of the preliminaries in building a more centralized Carolingian government were the registrations of the property of the king's vassals and the Crown itself, an administrative method often used afterwards in building nation states. [176]

The roots of the modern nation states, in which accountability was to become a centralizing force, can be found in the changes in the last half of the eleventh century when economic growth, political fragmentation, and European expansion resulted in tumult, new political constellations and/or systems, and the slow emergence of centralized authority. [177] Rulers in Sicily and Britain found the need to develop mechanisms that formed the rudimentary basis for modern government structures. The Norman conquests of Sicily and Britain, followed by their attempts to consolidate their kingships in a government system where considerable power rested with local lords, are examples of the emerging new political constellations. In Sicily, a centralized government was built by retaining the existing

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[176] McKitterick (1989), pp. 27–30. See also: J.R. Davis (2015). *Charlemagne's Practice of Empire*, Cambridge University Press, Cambridge, especially chapter 2, pp. 90–127, which recognizes the counts as 'accountable agents' and the king's boundaries in enforcing accountability.

[177] J.R.S. Phillips (1998). 'Europe in the eleventh century', J.R.S. Phillips, *The Medieval Expansion of Euro*pe, Oxford University Press, Oxford, New York (second edition), Chapter 2, pp. 17–23. For the development of politics and law: H.J. Berman (1983). 'The origin of the Western legal tradition in the Papal Revolution', H.J. Berman, *Law and Revolution. The Formation of the Western Legal Tradition*, I, Harvard University Press, Cambridge (Ms.), pp. 85–119. For economic growth: J.L. van Zanden (2009). 'Why the European economy expanded rapidly in a period of political fragmentation', J.L. van Zanden (ed.), *The Long Road to the Industrial Revolution. The European Economy in a Global Perspective, 1000–1800*, E.J. Brill, Leiden, chapter 2, pp. 32–68.

administrative methods, instruments, and accountability structures from the preceding Byzantine and Muslim government traditions. The most important instrument for realizing a centralized government in Sicily was the land register, which was strictly controlled and revised. This became an important task for the emerging central government. [178] By 1086, in Britain, William I the Conqueror could assert his claim to the English realm in commissioning the Domesday census, in which *every* subject (not only those hierarchically immediately below him) was required to provide access to royal auditors for the listing and valuation of holdings, much alike the practices in Sicily. It is argued that the Domesday census had primarily an accounting function, although it served many purposes. It was used to revise tax assessments, served as an aid for decision–making and for controlling the aristocracy, and, last but not least, it was a source of information to solve land disputes. It became a centralizing force as an instrument for accountability and decision–making. All subjects received the message that the conquest was complete and a new authority was in place. [179] In that same year, William I visited Salisbury, where all landowners swore oaths of allegiance, as a 'performative enactment' of governance through 'the creation of a moral community based on sworn oaths of obedience.' [180] These oaths were the first enactment of accountability as foundation for a nation state. Henry I (1100–1135) established a centralized administration where auditing and semi–annual account–giving mechanisms replaced armed force. By the 1130s, a centralized rule was es-

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[178] H. Takayama (1993). *The Administration of the Norman Kingdom of Sicily*, E.J. Brill, Leiden, New York, pp. 25–46.

[179] A. Godfrey, and K. Hooper (1996). 'Accountability and decision–making in feudal England. Domesday Book revisited', *Accounting History*, Vol. 1, No. 1, pp. 35–54.

[180] Dubnick (2002), p. 8.

tablished in which accountability was very important. [181] The administrative system tied local authority to the centre by continuously strengthening the existing accountability methods. [182] The development from 'auditing of accounts' to 'institutional accountability', thus, can be dated from the twelfth to the fourteenth century.

The use of the accountability concept is born of conquest, sustained by force, and established on commitments and contracts that provided a rule of law. [183] From then on, the history of the accountability concept followed the development of nation states and sovereign authority, until, at the end of the twentieth century, it became 'a malleable and often nebulous concept, with connotations that change with the context and agenda.' [184]

ASSUMPTIONS AND BARRIERS

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The transformation of the concept into a much broader form made accountability into an ambiguous buzzword, because of its assumed close relationship with transparency. [185] Many of the 'af-

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[181] C.W. Hollister (2001). *Henry I.* Yale University Press, New Haven and London, Chapter 5, pp. 204–233.

[182] Dubnick (2002), p. 9.

[183] Dubnick (2002), p. 10.

[184] Citation: P. Newell, and S. Bellour (2002). *Mapping Accountability. Origins, Contexts and Implications for Development*, IDS Working Paper 168, Institute of Development Studies, Sussex, p. 2; C. Harlow (2002). *Accountability in the European Union*, Oxford University Press, Oxford, p. 19.

[185] J. Rubenstein (2007). 'Accountability in an unequal world', *The Journal of Politics*, Vol. 69, No. 3, p. 616–632. On p. 20, she states that: 'accountability is often treated as a buzzword that is good in and of itself.'

ter–financial–crisis' rules and regulations are about increasing transparency, assuming that more (and better) information will allow for better accountability for policies and performance. [186] This link seems obvious: without information about policies, decisions, products, actions, and transactions, accountability will be difficult. In reality, it is not that straightforward. Jonathan Fox, for instance, states that 'the terms transparency and accountability are both quite malleable and therefore — conveniently — can mean all things to all people.' Fox emphasizes that the more relevant question is: 'what kinds of transparency lead to what kinds of accountability, and under what conditions?' [187] Christopher Hood emphasized that the relationship is contextual, that it depends on the way the environment of that relationship is envisioned. Using an *egalitarian* worldview, both concepts would be 'Siamese twins'; when using an *individual* worldview (most often implied in literature and, nowadays, the most politically desirable) it would be 'matching parts.' [188] Defini-

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[186] In a review of literature, it is emphasized that public access to information is extremely important for accountability: D. Kaufmann, and A. Bellver (2005). *Transparenting Transparency. Initial Empirics and Policy Applications*, MPRA Paper 8188, University Library of Munich, Munich, pp. 5–14. Online source, retrieved on November 19, 2021, from: https://mpra.ub.uni-muenchen.de/8188/1/MPRA_paper_8188.pdf.

[187] J. Fox (2007). 'The uncertain relationship between transparency and accountability', *Development in Practice*, Vol. 17, No. 4–5, pp. 663–671, p. 663.

[188] Hood agrees with Fox about the uncertainty of the relationship. C. Hood (2010). 'Accountability and transparency. Siamese twins, matching parts, awkward couple?', *West European Politics*, Vol. 33, No. 5, pp. 989–1009, especially pp. 993–998. See for a similar view: D. Wyatt (2018). *The Many Dimensions of Transparency. A Literature Review*. Helsinki Legal Studies Research Paper, No. 53. Online source, retrieved on November 19, 2021, from: https://ssrn.com/abstract=3213821.

tions depend on who demands them, which determines their implementation and how they affect each other. The relationship between transparency, accountability and information disclosure as concepts is also not without problems. That relationship can be 'clear', but it can also be very 'opaque' when more information does not mean 'better' transparency and/or 'better' accountability. [189] In information governance, this relationship has to be evaluated in such a way that a translation is made to the information needed for transparency as well as accountability.

The 'after–financial–crisis' regulatory strategy, mentioned before, is not only based on assumptions about (informational) transparency, although this one is the most widespread in public opinion. More than ten years ago, in her work about accountability in a 'network society', Mollie Painter–Morland explained that there are also other (questionable) assumptions about organizational accountability. The first assumption is that there is a cause-and-effect relationship between organizational decisions and subsequent (negative) consequences. The second assumption mentioned by Painter–Morland is that decisions (and following actions) are rational and deliberate, and that decision–makers do have an objective conception of the 'right' thing to do. A third assumption is that stricter rules realize better control over the actions and decisions of employees and that fear of punishment prevents misconduct. [190]

All assumptions are based on simplifications of reality. Organizational situations are side effects of multidirectional interactions of

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[189] K. Dingwerth, and M. Eichinger (2010). 'Tamed transparency. How information disclosure under the Global Reporting Initiative fails to empower', *Global Environmental Politics,* Vol. 10, No. 3, pp. 74–96.

[190] M. Painter–Morland (2007a). 'Defining accountability in a network society', *Business Ethics Quarterly*, Vol. 17, No. 3, pp. 515–534, p. 516.

many diverse actors. [191] Both the dynamics of these interactions and the erratic strategic decisions by managers when coping with hostile and dynamic environments, determine rationality and significance of decisions. [192] Decisions are influenced by managerial perceptions of the (regulatory) environment, based on psychological and relational climates within organizations, and organizational culture. Impartial decision–makers that act rationally do not exist. [193] As we have seen before, even the relationship between regulatory rules and behavioural compliance is an unproven assumption. The social norms, the rules shared, controlled and sanctioned within the relational climate of a work group, team, or place of work, will influence responses to regulatory policies. Such responses could evoke 'feelings of duty' to comply with legal rules, but they could also favour non–compliance. It is, therefore, questionable if new regulations really address accountability failures in organizations. [194]

Another assumption could prove even more daunting: the assumption — especially prevalent in legislative circles — that (infor-

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[191] D. Ford, L.–E. Gadde, H. Håkansson, I. Snehota, and A. Waluszewski (2010). 'Analysing business interaction', *IMP Journal*, Vol. 4, No. 1, pp. 82–103, pp. 82–85. Online source, retrieved on November 19, 2021, from: http://www.impjournal.org/getFile.php?id=449.

[192] Painter–Morland (2007a), p. 516. Also: J. Mitchell, D. Shepherd, and M. Sharfman (2011). 'Erratic strategic decisions. When and why managers are inconsistent in strategic decision making', *Strategic Management Journal*, Vol. 32, No. 7, pp. 683–704.

[193] Van Bussel (2020), pp. 21–54. Also: I. Simonson, and P. Nye (1992). 'The effect of accountability on susceptibility to decision errors', *Organizational Behaviour and Human Decision Processes*, Vol. 51, No. 3, pp. 416–446.

[194] Van Bussel (2020), pp. 25–35. Also: J. Etienne (2010). *The Impact of Regulatory Policy on Individual Behaviour. A Goal Framing Theory Approach*. Centre for Analysis of Risk and Regulation Discussion Paper, no. 59, London School of Economics and Political Science, London, p. 9.

mation) technology will enforce transparency and accountability. It will, but not always, and it is not guaranteed. [195] More and stricter information systems could also result in misbehaviour, as has been shown here before. [196] Already more than twenty years ago, in 1995, Helen Nissenbaum expressed concerns about the effects of computing technology on the possibility to maintain a robust culture of accountability. [197] She was not the first scholar that was concerned with the effects of computers on phenomena like accountability. [198]

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[195] V. Pina, L. Torres, and S. Royo (2007). 'Are ICTs improving transparency and accountability in the EU regional and local governments? An empirical study', *Public Administration,* Vol. 85, No. 2, pp. 449–472; D. Zinnbauer (2012). 'Governments using ICTs for integrity and accountability. Some thoughts on an emergent research and advocacy agenda', A. Finlay (ed.), *The Internet and Corruption. Transparency and Accountability Online*. Global Information Society Watch 2012, APC and Hivos, Copenhagen, pp. 12–15; S. Finnegan (2012). 'Using technology for collaborative transparency. Risks and opportunities', A. Finlay (ed.), *The Internet and Corruption. Transparency and Accountability Online*. Global Information Society Watch 2012, APC and Hivos, Copenhagen, pp. 24–28.

[196] See before pp. 37–38.

[197] H. Nissenbaum (1995). 'Computing and accountability', D.G. Johnson, and H. Nissenbaum, *Computers, Ethics, and Social Values,* Pearson Education, New York, chapter 6, pp. 526–537. Repeated in: H. Nissenbaum (1996). 'Accountability in a computerized society', *Science and Engineering Ethics*, Vol. 2, No. 1, pp. 25–42.

[198] J. Ladd (1989). 'Computers and moral responsibility. A framework for an ethical analysis', C. Gould (ed.), *The Information Web. Ethical and Social Implications of Computer Networking*, Westview Press, Boulder, pp. 207–228; B. Friedman and P.H. Kahn, Jr. (1992). 'Human agency and responsible computing. Implications for computer–system design', *Journal of Systems and Software*, Vol. 17, No. 1, pp. 7–14; D.G. Johnson and J.M. Mulvey (1995). 'Accountability and computer decision systems', *Communications of the ACM*, Vol. 38, No. 2, pp. 58–64.

Problematic professional ethics lead to excuses for computer failures to avoid responsibility. [199] Nissenbaum defined four barriers to accountability, of which the last one is the most difficult to solve: ownership without liability, the fact that based on intellectual property rights, software developing companies 'demand maximal property protection while denying, to the extent possible, accountability.' [200] In 2018, it is still emphasized that eroding accountability in technological environments is a problem within third–party relationships, within the cloud infrastructure, and in the deployment of machines, bots, and black boxes. [201] Kirsten Martin studied the unclear responsibilities for algorithms that make machines, bots and black boxes work. Her conclusion, counter to current arguments,

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[199] For an overview of such excuses: D. Gotterbarn (2001). 'Informatics and professional responsibility', *Science and Engineering Ethics*, Vol. 7, No. 2, pp. 221–230, p. 226.

[200] Nissenbaum (1996), p. 36. The first barriers are: (1) the 'problem of many hands' (many people are engaged in developing software, so: who is accountable for what?); (2) 'bugs', software errors (they are a 'fact of life', so it is 'unreasonable' to hold software developers to account), and (3) the 'computer as scapegoat' ('we do not know who is accountable, so it should be the computer'). Shay David offers a new perspective on the fourth barrier (property rights), when arguing that developing software collaboratively, licensing it openly, and distributing it freely could be potential remedies to the erosion of accountability. See: S. David (2004). 'Opening the sources of accountability', *First Monday*, Vol. 9, No. 11. Online source, retrieved on November 19, 2021, from: https://firstmonday.org/ojs/index.php/fm/article/view/1185.

[201] EY (2018). *As Technology Advances, will Accountability be a Casualty?* Report of EY Global Regulatory Network, no. 012562-18Gbl, EYGM, London, pp. 4–7. Online source, retrieved on November 19, 2021, from: https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/banking-and-capital-markets/ey-global_regulatory_network_as_technology_advances_will_accountabililty_be_a_casualty.pdf.

is that if an algorithm is designed to take responsibility of a decision itself, precluding individuals to be responsible, the designer of the algorithm should be held accountable for all (ethical) implications of its application. [202] An algorithm, after all, is not neutral, it is value laden. Its 'operational parameters are specified by developers and configured by users with desired outcomes in mind that privilege some values and interests over others.' [203] Besides this, in the evolving man–machine relationship, ethical demands, such as security, fairness, and privacy, are extremely important. The establishment of man–machine trust starts with the accountability of algorithms. [204] Last, but not least, information security is a forgotten, but major

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[202] Martin (2019), pp. 835–850. Advanced machine–generated decision–making technologies are not transparent in the logic and the making of decisions. This is problematic as, for instance, the General Data Protection Regulation offers in articles 15 (h) and 22 (3) a 'right to an explanation' and a 'human intervention' provision. An individual, as a subject to fully automated decision–making, may ask for an explanation as to how that decision was reached and to a human review of the decision. This is problematic for artificial intelligence and machine learning technologies, since explainability and transparency are difficult to realize. Developers of algorithms are not transparent on how they work citing property rights and business secrets, but their customers are, in the end, accountable for the algorithm's consequences. That is, in essence, unethical. Martin's conclusion to hold the developers accountable may be the only sensible one. See: V. Beaudouin, I. Bloch, D. Bounie, S. Clémençon, F. d'Alché–Buc, J. Eagan, W. Maxwell, P. Mozharovskyi, and J. Parekh (2020). *Flexible and Context–Specific AI Explainability. A Multidisciplinary Approach*, Institut Polytechnique de Paris, HAL. Online source, retrieved on November 19, 2021, from: https://hal.telecom-paris.fr/hal-02506409/document.

[203] Mittelstadt, et al. (2016), p. 1. A map of the ethics of algorithms is proposed, with practical evidence of ethical failures of algorithms.

[204] L. Weilling, and L. Deng (2019). 'Legal construction of algorithm interpretation. Path of algorithm accountability', *Naveiñ Reet. Nordic Journal of*

concern. According to Zhifeng Xiao, Nandhakumar Kathiresshan, and Yang Xiao, accountability does not exist in the computer systems that are nowadays in use. [205]

In conclusion, accountability failures are not easily fixed with new regulations in multidirectional, multi–actor environments in which [1] there is not a direct cause and effect relationship visible, [2] (strategic) decisions can be erratic, [3] individual perceptions of dynamic circumstances are causing subjective and irrational behaviour, [4] complex computing systems are used and configured with undefined third–party responsibility and accountability relationships, and [5] a growing amount of hard– en software 'black boxes' are operated that automatically reach decisions based on unexplainable processes and biases. Organizations can be characterized as such

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Law and Social Research, Vol. 9, pp. 171–186, pp. 171–172. The problem Martin emphasized is recognized in recent literature, without accepting her relatively radical conclusion. Most papers concentrate on implementing accountability in the design of algorithms and auditing that design: I. Raji, A. Smart, R.N. White, M. Mitchell, T. Gebru, B. Hutchinson, J. Smith–Loud, D. Theron, and P. Barnes (2020). 'Closing the AI accountability gap. Defining an end–to–end framework for internal algorithmic auditing', *FAT '20. Proceedings of the 2020 Conference on Fairness, Accountability, and Transparency,* January 27–30, 2020, Barcelona, Association for Computing Machinery, New York, pp. 33-44; and M. Wierenga (2020). 'What to account for when accounting for algorithms. A systematic literature review on algorithmic accountability', *FAT '20. Proceedings of the 2020 Conference on Fairness, Accountability, and Transparency,* January 27–30, 2020, Barcelona, Association for Computing Machinery, New York, pp. 1–18.

[205] Z. Xiao, N. Kathiresshan, and Y. Xiao (2016). 'A survey of accountability in computer networks and distributed systems', *Security and Communication Networks*, Vol. 9, No. 4, pp. 290–315, p. 290. A taxonomy of accountability problems (and possible solutions) is offered for metrics, logging, internet and networks, distributed systems, cloud, and smart grids.

complex environments, even if organizational leaders do not really comprehend how complex their organizations have become. They also do not seem to realize how important the governance and management of information is in such complex constellations. [206]

ACCOUNTABILITY: THE CONCEPT

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Janus–faced

Over the last two decades, in writings on law and politics, the accountability concept is omnipresent. While it does not belong to the most important political ideals, like democracy, constitutionalism, the rule of law, and human rights, it assists each of those ideals to pursue and reach their respective ends. The concept does not radiate a legal or political vision (as the most important ideals do) but supplies a power–constraining mechanism that hinges on the role, place and social weight of the organization(s) or individual(s) that is (are) held accountable. [207] It can serve various masters and is seen as a chameleonic concept. [208] The core meaning of the concept, how-

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[206] C.W. Choo (2016). *The Inquiring Organization. How Organizations Acquire Knowledge and Seek Information,* Oxford University Press, Oxford and New York, especially pp. 65–90, pp. 141–168.

[207] D.H. Rached (2016). 'The concept(s) of accountability. Form in search of substance', *Leiden Journal of International Law*, Vol. 29, No. 2, pp. 317–342, p. 318.

[208] Concern about what the concept is about is widespread in literature. Examples: It is an 'appealing but elusive concept': Bovens (2007a), p. 467. It also 'represents an underexplored concept whose meaning remains evasive, whose boundaries are fuzzy, and whose internal structure is confusing': A. Schedler (1999). 'Conceptualizing accountability', A. Schedler, L.

ever, is clear: 'being accountable', and although many interpretations are possible based on context, the concept is, in my opinion, not as 'elusive' of 'chameleon–like' as is presented in literature. Still, Jerry Mashaw is correct when stating that there are many regimes of accountability without transparent organizational translations. When several of those regimes are relevant for an organization, it might be difficult or even impossible to meet the requirements for accountability for all of them. [209] Accountability, 'being accountable', has become a key concept in discussions of governance. [210]

Accountability is a Janus–faced concept, with three intertwined dualities. According to Danielle Rached, those dualities allow accountability to be (1) descriptive or normative, a 'purposeful enterprise' or 'an inevitable social fact'; (2) political or extra–political, cutting 'across the conventionalized borders between politics and other spheres of social life'; and (3) legal or extra–legal, 'more or less enmeshed with law.' [211] These dualities allow accountability to be

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Diamond and M. Plattner (eds.), *The Self–Restraining State. Power and Accountability in New Democracies*, Lynne Rienner Publishers, Colorado, pp. 13–28, p. 13. It reveals also a 'chameleon quality' and the concept 'is subjectively constructed and changes with context'. A. Sinclair (1995). 'The chameleon of accountability. Forms and discourses', *Accounting, Organizations and Society*, Vol 20, No. 2/3, pp. 219–237, p. 219.

[209] J.L. Mashaw (2006). 'Accountability and institutional design. Some thoughts on the grammar of governance', M. Dowdle (ed.), *Public Accountability. Designs, Dilemmas and Experience*s, Cambridge University Press, Cambridge, pp. 115–156. He states (p. 118): 'The ubiquity of accountability regimes, and our entanglement in scores if not hundreds of them simultaneously, complicates the task of sorting regimes by family, genus and species.'

[210] Castiglione (2007), pp. 1.

[211] Rached (2016), p. 319. R.B. Stewart (2014). 'Remedying disregard in global regulatory governance. Accountability, participation, and respon-

seen as a solution to a wide range of problems, a solution resulting respectively in transparency and openness, access to (impartial) 'judges' to challenge abuse of authority, pressure that will promote appropriate behaviour, and improvements in the service quality of government or business organizations. All these 'promises', as Dubnick calls these 'solutions', can result in distractions and misunderstandings of the concept. [212] For instance, equating accountability with justice and democracy proves frustrating. 'Being accountable' before a reconciliation commission is not equal to having received justice. [213] Implying accountability in holding elections is not the same as having achieved democracy, or liberty. [214] More significantly, it is uncertain if such accountability solutions achieve their aims. [215] Keeping in mind that organizations are multidirectional

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siveness', *The American Journal of International Law*, Vol. 108, No. 2, pp. 211–270, pp. 246-247, recognizes two different types of accountability (mechanisms): accountability (mechanisms) based on delegation of authority and accountability based on law. The difference is, in my opinion, more about the fact that accountability based on law is primarily *mandatory prescribed and directed by law*, while accountability based on delegation of authority is primarily based on *agreements* (norms, standards, etc.) between different parties (mostly based on legal requirements). Both types of accountability need rules and regulations to answer questions about *who, about what*, *when,* and *to whom* individuals are accountable.

[212] Dubnick (2005), pp. 376–377, p. 380.

[213] Judge Richard J. Goldstone illustrates this inequality in his very insightful 'Foreword' to: M. Minow (1998). *Between Vengeance and Forgiveness. Facing History after Genocide and Mass Violence*, Beacon Press, Boston, pp. ix-xiii.

[214] F. Zakaria (2007). *The Future of Freedom. Illiberal Democracy at Home and Abroad*, W.W. Norton, New York.

[215] As was, in 2002, expressed by Onora O'Neill in one of her BBC Lectures about the 'new accountability', which 'often obstructs the proper aims of professional practice. Police procedures for preparing cases are so demand-

and multi–actor with invisible cause and effect relationships, erratic (strategic) decisions, subjective and irrational behaviour, undefined third–party responsibility and accountability, and automatic and unexplainable 'black boxes', *that* is not really surprising. Nevertheless, laws, rules, and regulations *do* expect individuals and organizations to be accountable and to find solutions for 'being accountable' for decisions, policies, products, actions, and transactions, especially when that 'account' is mandatory prescribed and directed by law. Before paying attention to the different manifestations of accountability (Mashaw's different accountability regimes) that influence everyday organizational life, an overview of how the concept is defined and explained in scholarly literature, is needed.

Different meanings

Although the core meaning of accountability is clear, it *is* difficult to define in specific contexts, stimulating academics to use their own concepts. As mentioned before, the vagueness of the concept has been emphasized many times. It has been called 'conceptually and empirically slippery,' [216] and 'complex and chameleon-like.' [217]

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ing that fewer cases can be prepared, and fewer criminals brought to court. Doctors speak of the inroads that required record–keeping makes into the time they can spend finding out what is wrong with their patients and listening to their patients. Even children are not exempt from the new accountability: exams are more frequent and time for learning shrinks. In many parts of the public sector, complaint procedures are so burdensome that avoiding complaints, including ill–founded complaints, becomes a central institutional goal in its own right.' O. O'Neill (2002). *A Question of Trust. The BBC Reith Lectures*, Cambridge University Press, Cambridge, pp. 49–50.

[216] Dubnick, and Justice (2004), p. 1.

[217] R. Mulgan (2000). 'Accountability. An ever–expanding concept?', *Public Administration*, Vol. 78, No. 3, pp. 555–573, p. 555.

The contextual meaning of the concept is, hence, primarily dependent on the purpose of use, [218] making it into a contestable concept, because 'there is no general consensus about the standards for accountable behaviour', for 'being accountable.' [219]

The way accountability is viewed depends also on the metaphor used to analyse organizations. Gareth Morgan distinguishes eight 'organizational' metaphors (or, in his words, 'images'): organizations as machines, as organisms, as brains, as cultures, as political systems, as psychic prisons, as flux and transformation, and as instruments of domination. [220] Metaphors are used to interpret meanings and to make sense of the world or a phenomenon. They are a 'way of thinking' and a 'way of seeing.' [221] They are components in processes of sensemaking, generating new (individual or shared) understandings and, based on those understandings, new (individual or shared) acts. [222] Although metaphors can help develop new perspectives, they are inherently paradoxical. They create powerful insights but also powerful distortions: ways of seeing and understanding also become ways of unseeing and misunderstanding. [223] Mor-

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[218] Hood (2010); Mulgan (2000). Mulgan analyses the extension of scope and meaning of the concept beyond its core sense of 'being accountable.'

[219] Bovens (2007a), p. 449.

[220] G. Morgan (2006). *Images of Organization*, SAGE Publications, Thousand Oaks, London (updated edition)

[221] Morgan (2006), p. 4. For Morgan's view, criticism, and acclaim, see: A. Örtenblad, L.L. Putnam, and K. Trehan (2016). 'Beyond Morgan's eight metaphors. Adding to and developing organization theory', *Human Relations*, Vol. 69, No. 4, pp. 875–889.

[222] C.D. Jacobs, and L.T. Heracleous (2006). 'Constructing shared understanding. The role of embodied metaphors in organization development', *The Journal of Behavioral Science*, Vol. 42, No. 2, pp. 207–226, pp. 208–209. See also: Van Bussel (2020), p. 82, footnote 222.

[223] Morgan (2006), pp. 4–5.

gan's idea is that one should make use of several metaphors, as insights from one metaphor can help to overcome the limitations of another. His basic message is that organizations are *what you want to see in them*.[224] In governance and accountability terms it is *what you think you see them do*. Mashaw already emphasized that the concept can mean different things to different people, different roles, and different organizations. [225] The scholarly and managerial interpretations, views, and frameworks of 'being accountable' are all based on metaphors used to study and analyse organizations.

Accountability as a virtue or as a mechanism

Mark Bovens differentiates between accountability as a virtue and as a mechanism. [226] In American discourse, 'being accountable' is a *virtue,* a positive feature of organizations or individuals, focusing on the assessment of individual or organizational behaviour. Accountability is used as a set of behavioural standards. Accountability as a virtue is an evaluative concept to qualify a state of affairs. It refers to behavioural norms which are hard to define, because there is no consensus about standards for accountable behaviour. Behavioural norms differ, depending on role, time, context, place, the organizational metaphor used, political system, and perspective. [227] Accountability as a virtue derives from integrity–based ethics management, as described before. Its definition is difficult, because its

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[224] Morgan (2006), p. 342.

[225] Mashaw (2006), p. 118.

[226] M. Bovens (2010). 'Two concepts of accountability. Accountability as a virtue and as a mechanism', *West European Politics*, Vol 33, No. 5, 946–967, esp. 948–954.

[227] Bovens (2010), p. 949. Also M. Bovens (2007b). 'New forms of accountability and EU–governance', *Comparative European Politics*, Vol. 5, No. 1, pp. 104–120, p. 106.

character is essentially contested and broad in interpretation. It is very difficult to establish whether an organization lives up to expectations, because several defining elements like transparency, liability, controllability, responsibility, and responsiveness are in itself concepts that are difficult to define in context. They need operationalization and it is uncertain how they can be measured. [228] Nevertheless, there are frameworks that emphasize this view of accountability. One framework is based on *(social) psychology* theory viewing accountability as *behavioural* expectations, perceptions, and explanations. [229] A second framework is based on *sociology* and presents a *relational* accountability framework. Predominant are social relationships, the dynamics of power, structures, processes, and social complexities. This framework seeks to understand *how* people as social actors perform in their roles, and *how* the quality of relationships influences the character of accountability. The stewardship theory, for instance, emphasizes that in organizations *relationship–centred collaboration* fosters pro–organizational and trustworthy behaviour in managers. [230]

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[228] Bovens (2010), p. 950. See also: J. Koppell (2005). 'Pathologies of accountability. ICANN and the challenge of 'multiple accountabilities disorder'', *Public Administration Review*, Vol. 65, No. 1, 94–107, p. 95–99.

[229] Among others: J.S. Lerner, and P.E. Tetlock (1999). 'Accounting for the effects of accountability', *Psychological Bulletin*, Vol. 125, No. 2, pp. 255–275; A.T. Hall, M.G. Bowen, G.R. Ferris, M. Todd Royle, and D.F. Fitzgibbons (2007). 'The accountability lens. A new way to view management issues', *Business Horizons*, Vol. 50, No. 5, pp. 405–413; and A.T. Hall, D.D. Frink, and M.R. Buckley (2017). 'An accountability account. A review and synthesis of the theoretical and empirical research on felt accountability', *Journal of Organizational Behavior*, Vol. 38, No. 2, pp. 204–224.

[230] Relational accountability: J. Moncrieffe (2011). *Relational Accountability. Complexities of Structural Injustice*, Zed Books, London. Also: Heidelberg (2017), and O'Kelly, and Dubnick (2019). Stewardship theory: M.

Accountability as a *mechanism* is a more narrow, descriptive interpretation of the concept. It is closely related to compliance–based ethics management. The concept is interpreted as a social mechanism, an institutional arrangement in which an 'accountee' ('actor', 'delegate' or 'agent') can be held to account by an 'accountor' ('delegator', 'principal', or 'forum.') [231] It emphasizes the way this institutional arrangement operates when holding individuals and/or organizations to account. This view is not about the question whether an accountee behaves accountable (or not), but whether this accountee can be held accountable *post factum* by an accountor. [232] It is a relationship of power: the capacity to *demand* to justify behaviour in policies, decisions, products, actions, and transactions (*right to question*), and the capacity to *impose a sanction* if that behaviour is

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Hernandez (2012). 'Toward an understanding of the psychology of stewardship', *The Academy of Management Review*, Vol. 37, No. 2, pp. 172–193.

[231] Dubnick (2005), pp. 381–382, states that this approach is based on the social mechanism approach, as defined by P. Hedström and R. Swedberg (1998). 'Social mechanisms. An introductory essay', P. Hedström and R. Swedberg (eds.), *Social Mechanisms. An Analytical Approach to Social Theory*, Cambridge University Press, Cambridge, pp. 1–31, p. 7: 'a mechanism can be seen as a systematic set of statements that provide a plausible account of how I and O are linked to one another.' According to T. Schelling (1998). 'Social mechanisms and social dynamics', P. Hedström and R. Swedberg (eds.), *Social Mechanisms. An Analytical Approach to Social Theory*, Cambridge University Press, Cambridge, pp. 32–44, p. 33, this could be a relation between an accountee and an accountor (p. 33): 'interactions between individuals and other individuals, or between individuals and some social aggregate.'

[232] Bovens (2007a), p. 450–452. See also: S. Gailmard (2014). 'Accountability and principal–agent theory', M. Bovens, R.E. Goodin, and T. Schillemans (eds.), *The Oxford Handbook of Public Accountability*, Oxford University Press, Oxford, chapter 6, pp. 90–105.

(not) in agreement with what the accountor expects (*right to approve or punish*.) It is the *answerability* for actions and behaviour, defined in social relations of responsibility, obligation, and duty. [233] As such, acts of 'account giving' and 'account receiving' can be viewed as 'speech acts', associated with acts of rationalization and justification. [234] These expectations of rationalization and justification are assumed to bring about appropriate behaviour. [235] It is clear that accountors that are in a position to take (authoritative) decisions are objects within accountability relations, just like the accountees to which they have delegated (parts of) their authority. [236] Accountees use authority to act for the accountor. Rules constitute the bounds within which delegated actions take place and the accountor has the rights to question and to punish or approve. [237] Scholars have defined theories and frameworks here, too. The first one is a *mechanistic* or *bureaucratic* framework, in which accountability is studied using agency and behavioural agency theories to deal with compli-

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[233] Bovens (2007a); Mulgan (2000); Gailmard (2014).

[234] P. Henttonen (2017). 'Looking at archival concepts and practice in the light of speech act theory', A.J. Gilliland, S. McKemmish, and A.J. Lau (eds.), *Research in the Archival Multiverse*, Monash University Publishing, Clayton, pp. 537–557; and G. Yeo (2017). 'Information, records, and the philosophy of speech acts', F. Smit, A. Glaudemans, and R. Jonker (eds.), *Archives in Liquid Times*, Stichting Archiefpublicaties, 's Gravenhage, pp. 92–119.

[235] M.J. Dubnick, and H.G. Frederickson (2011). 'Introduction. The promises of accountability research', M.J. Dubnick, and H.G. Frederickson (eds*.), Accountable Governance. Problems and Promises*, M.E. Sharpe, Armonk, New York, pp. xiii–xxxii, p. xvi.

[236] Lindberg (2013), p. 203.

[237] K. Strøm (2000). 'Delegation and accountability in parliamentary democracies', *European Journal of Political Research*, Vol. 37, No. 3, pp. 261-290.

ance issues in the 'principal–agent relationship,' the 'accountor–accountee relationship.' [238] Closely related to this framework is the theory that treats accountability as an institutional *function of 'governing'*. Starting point of this approach are 'the fluidity, ambiguities, inconsistencies, and tensions' of 'governing' and 'the evolving nature of who is accountable to whom for what under different contingencies and with what implications.' [239]

Just like integrity–based and compliance–based ethics management, accountability as a virtue and as a mechanism are closely related. The broad one sees accountability as a personal or organizational virtue, and the narrow one defines accountability as a social mechanism. Accountability as a virtue provides *legitimacy*, accountability as a mechanism *accountable governance* (the activity of governing.) [240] Although both views need to be distinguished, as they address different issues and imply different standards and analytical dimensions, only their combined use could make accountability possible in multi–directional en multi–actor environments in which

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[238] On agency theory: Gailmard (2014); B. Panda, and N.M. Leepsa (2017). 'Agency theory. Review of theory and evidence on problems and perspectives', *Indian Journal of Corporate Governance*, Vol. 10, No. 1, pp. 74–95. For behavioural agency: A. Pepper, and J. Gore (2012). 'Behavioral Agency Theory. New foundations for theorizing about executive compensation', *Journal of Management*, Vol. 41, No. 4, pp. 1045–1068.

[239] J.P. Olsen (2017). 'The organizational basis of accountability. Settled and unsettled policies', J.P. Olsen, *Democratic Accountability, Political Order, and Change. Exploring Accountability Processes in an Era of European Transformation*, Oxford University Press, Oxford, chapter 2, pp. 27–52, p. 29. Interesting for this approach is also: J.P. Olsen (2017). 'Ambiguity and the politics of accountability', J.P. Olsen, *Democratic Accountability, Political Order, and Change. Exploring Accountability Processes in an Era of European Transformation*, Oxford University Press, Oxford, chapter 4, pp. 74–96.

[240] Bovens (2010), p. 954.

(possibly) countless automatic 'black boxes' function that influence decision–making. Just as with integrity–based and compliance–based ethics management, in organizational practice both views need to be balanced.

Accountability's core structure

Accountability (in both interpretations) is about 'being accountable.' It *only* exists where an accountee (a manager, banker, trader, or civil servant) has an obligation to account for actions or inactions in policies, decisions, products, actions, and transactions (acknowledging answerability and responsibility), and where the parties involved (shareholders, citizens, professional committees, review bodies, courts, or virtual entities (such as 'the general public')) are entitled to demand such an account. [241] Defined as such, accountability puts a limit, to varying degrees, on the autonomy of accountees, and defines de boundaries of acceptable behaviour. Such limitations and boundaries differ across space and time, just like the extent they can curb accountees. In short, the core structure of accountability is about a social relationship between an accountee and a 'significant

[241] Rached (2016), p. 323; Mulgan (2000), p. 555. Mulgan identifies a 'core sense' of accountability with 'three key features'. It is, first, external to a person or organization as the account is always given to an outside authority. It, second, involves social interaction and exchange, with an accountor expecting or demanding (and receiving) account giving, while the accountee responds and, if necessary, accepts sanctions; and third, it implies rights of authority, where the accountor asserts authority over an accountee. N.C.Manson and O.O'Neill (2007). *Rethinking Informed Consent in Bioethics*, Cambridge, Cambridge University Press, chapter 7, pp. 154–182, p. 167: 'Systems of accountability are highly varied, but *they have a common formal structure*. They are used to define, assign and help enforce second–order obligations to account for the performance (or non–performance) of primary or first–order tasks or obligations' (my italicization — GJvB.)

other', in which this 'other', the accountor, has the ability to demand an account. [242] It engenders 'an ongoing process of account–giving and account–taking.' [243] Accountability, unlike 'responsibility', indicates that an accountee (an individual or an organization) has the duty to provide an 'explanation.' [244] Regardless of the existing accountability relationship, at least five questions should be answered: Who is accountable to whom? What is the subject of the account? What are the procedures by which accountability is to be assured? By what standards is accountable behaviour to be judged? What are the consequences for (non–)acceptable behaviour? The basic features of accountability relations, thus, are *who, to whom, about what, through what procedures, by what standards*, and *which consequences for (non–)compliance*. [245] Answering these fundamental questions will be needed to allow for analysis of the 'ordinary cycle of accountability' which revolves around 'exchanges of information, justification and judgment.' [246]

Edward Weisband and Alnoor Ebrahim add 'four core components of accountability' to these questions, which impress the necessity for information governance in organizations. Accountabil-

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[242] Rached (2016), p. 323, uses 'decision–maker' and 'power–holder'. 'Significant others': Bovens (2010), p. 951.

[243] Dubnick (2002), p. 5.

[244] M.T. Kamminga (1992). *Inter–State Accountability for Violations of Human Rights,* University of Pennsylvania Press, Philadelphia, p. 5. Responsibility indicates that an accountee has the duty to provide 'reparation.'

[245] These questions are defined in similar formulations by: Rached (2016), pp. 323–324; Mashaw (2006), pp. 117–118; R. Mulgan (2003). *Holding power to Account. Accountability in Modern Democracies,* Palgrave MacMillan, Basingstoke, New York, pp. 22–30; and Stewart (2014), pp. 245–247.

[246] P.C. Schmitter (2004). 'The quality of democracy. The ambiguous virtues of accountability', *Journal of Democracy,* Vol. 15, No. 4, pp. 47–60, p. 49.

ity needs the presence of all four. These (overlapping) components are: [1] Transparency, access to information about policies, decisions, products, actions, and transactions for all parties in the accountability relationship; [2] Answerability (or justification), providing logical and clear reasoning, based on evidence, for the reconstruction of policies, decisions, products, actions, and transactions; [3] Compliance, monitoring, evaluation, and control of procedures and outcomes, combined with transparency in reporting; and [4] Enforcement, imposing (and accepting) sanctions and rewards for (non–) compliance, justification, or transparency. [247] Just like the basic features of accountability relationships, these four components rely on evidence: the reason why the accessibility of information on policies, decisions, products, actions, and transactions is crucial for organizational governance and its objectives: performance and accountability. Information governance should, for that reason, be an important focus for organizational leaders to realize organizational objectives. The defining features and components of accountability seem to capture the core of the concept. The accountability concept does not specify that it has to be formally codified or that the only parties involved are formal institutions. But its need for information emphasizes the role on enterprise information management.

Accountable governance is a requirement for organizations. The core of the accountability concept, the defining features and the components, are clear. But the concept presents itself in multiple manifestations in and to organizations. What is this accountability puzzle organizations need to solve?

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[247] E. Weisband, and A. Ebrahim (2007). 'Introduction. Forging global accountabilities', E. Weisband, and A. Ebrahim (eds.), *Global Accountabilities. Participation, Pluralism, and Public Ethics*, Cambridge University Press, Cambridge, New York, pp. 1–23, pp. 5–6.

4

Organizational Accountability and its Multiple Manifestations

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SOURCE, POWER, AND SPACE

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Organizational accountability is characterized by three dimensions: its source, its degree of control, and its spatial direction, although hybridity is gaining ground. [248] These dimensions (even in hybrid forms) characterize every manifestation of organizational accountability. The first dimension, *source*, is a basic but essential one: the accountor in the accountability relationship. However, it is not as straightforward as it seems. The source can be [1] external or internal to the one being held accountable, and it can be [2] formal or informal. An external source for accountability means there is an accountor outside of an organization, an internal source that there is one in the organization itself. Formal accountability is about the formal, defined processes, procedures, systems and methods, informal accountability about various methods that are *not* part of the formal mechanisms. [249] In an organization, informal accountability includes its norms and values, its culture and climates, and its interpersonal relationships. [250] Although the existence of informal accountability is acknowledged, what its impact is, is not well known.

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[248] Lindberg (2013), p. 212.

[249] H. Pearson, and M. Sutherland (2017). 'The complexity of the antecedents influencing accountability in organisations', *European Business Review*, Vol. 29, No. 4, pp. 419–439, pp. 422–424; M.S. Haque (2000). 'Significance of accountability under the new approach to public governance', *International Review of Administrative Sciences*, Vol. 66, No. 4, pp. 599–617.

[250] Pearson, and Sutherland (2017), p. 422. Also: B.S. Romzek, K. LeRoux, and J.M. Blackmar (2012). 'A preliminary theory of informal accountability among network organizational actors', *Public Administration Review*, Vol. 72, No. 3, pp. 442–453.

The effects, for instance, of peer accountability within collaborations of employees or organizations in matrix or network constellations are not well known. [251] However, the consideration of 'reputational concerns' in interpersonal relationships may have effects on accountability that are far beyond the effect of formal accountability processes. Madalina Busuioc and Martin Lodge argue convincingly that personal (and organizational) reputation is extremely important in interpersonal relationships, (inter–)organizational actions and transactions, and accountability interactions between accountors and accountees. Reputation determines the *prioritizing* of accountability interactions, accountability manifestations, and the subjects to emphasize in accountability processes. It is a filtering mechanism of external demands. [252] Accountors and accountees, be they external or internal, are concerned about how their reputation is viewed by wider (external) networks of 'audiences' that value the role of both parties in the accountability process. [253] Organizations and individuals always strive for support and acceptance from their environment, driven by 'concerns with falling in the esteem of others.' [254] On the other hand, reputation has an illusory character and

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[251] T. Willems, and W. van Dooren (2011). 'Lost in diffusion? How collaborative arrangements lead to an accountability paradox', *International Review of Administrative Sciences*, Vol. 77, No. 3, pp. 505–530.

[252] M. Busuioc, and M. Lodge (2017). 'Reputation and accountability relationships. Managing accountability expectations through reputation', *Public Administration Review*, Vol. 77, No. 1, pp. 91–100, p. 92. Also: Romzek, LeRoux, and Blackmar (2012), pp. 447–448, p. 451.

[253] D. Carpenter (2010). *Reputation and Power. Organizational Image and Pharmaceutical Regulation at the FDA*, Princeton University Press, Princeton (NJ), especially Chapter 1, pp. 33–70. An audience: 'any individual or collective that observes a regulatory organization and can judge it.' (p. 33)

[254] Romzek, LeRoux, and Blackmar (2012), p. 451. For the citation: P. Tetlock (2002). 'Social functionalist frameworks for judgment and choice. In-

is a matter of perception and presentation. It is (very) subjective and, essentially, grounded in how organizations and individual employees present themselves and the perceptions that such a presentation initiates in the conscious or unconscious minds of accountors and accountees. Expectations of formal accountability mechanisms are unmistakable influenced by informal concerns. The expectations of the parties within the accountability process of each other and the process they are part of, are (unconsciously) defined by such reputational perceptions and the way each of them presents themselves as a result of these perceptions. Knowing the 'other side' in the accountability interaction helps with presenting an image that confirms an existing reputation and meets the expectations and perceptions of this 'other side'. However, when expectations and perceptions do not match and are not confirmed with the image shown, the result of an accountability interaction may be unexpected. [255]

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tuitive politicians, theologians, and prosecutors', *Psychological Review*, Vol. 109, No. 3, pp. 451–471, p. 455.

[255] Carpenter (2010), pp. 33–70. This idea is closely related to 'felt accountability' but is not the same. 'Felt accountability' can be defined as: 'The (1) implicit or explicit expectation that one's decisions or actions will be subject to evaluation by (2) some salient audience(s) with the belief that there exists the potential for one to receive either rewards or sanctions based on this expected evaluation.' This concept applies *only* to the expectations of accountees and is defined as the opposite of the expectations of the accountor for accountability. Reputational concerns apply to *both* parties in the accountability relationship and influence perceptions and expectations of accountability processes by both of them. For the definition of 'felt accountability': W.A. Hochwarter, G.R. Ferris, M.B. Gavin, P.L. Perrewé, A.T. Hall, and D.D. Frink (2007). 'Political skill as neutralizer of felt accountability. Job tension effects on job performance ratings. A longitudinal investigation', *Organizational Behavior and Human Decision Processes*, Vol. 102, No. 2, pp. 226–239, p. 227. About 'felt' accountability as being

With multiple manifestations of accountability and multiple accountors, it is possible that many 'reputational images' have to be managed. Informal accountability is implicit, not transparent, [256] and very difficult to grasp within a multidirectional and multi–actor environment, confronted with multiple manifestations of organizational accountability, many different accountors, and (potentially) many perceptions of 'reputational images.' Especially in informal accountability, integrity–based ethics management is extremely important.

The second dimension of organizational accountability is *power*, the degree of control that an accountor exercises over an accountee. There are essential differences between fiscal accountability and its detailed control–based mechanisms, and social accountability where control is diffuse and contextual. Power forces organizations and employees to (or not to) behave in a particular way, and it empowers and controls them. In organization science, power is a continuous subject of study. The nature of power is relational, it rests in relational dependencies. Establishment and maintenance of such dependencies are essential for organizational power. Power resides *between* individual employees, leaders, and structures, and is coloured by perceptions grown within relational climates about organizational culture, rules, routines, and external forces. [257] It shows in

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opposite to the expectations of accountors: Hall, Frink, and Buckley (2017), p. 207.

[256] Romzek, LeRoux, and Blackmar (2012), p. 443.

[257] P. Fleming, and A. Spicer (2014). 'Power in management and organization Science', *Academy of Management Annals,* Vol. 8, No. 1, pp. 237–298, for an extensive overview of literature about power in organizations. See also for important discussions about power in and over organizations: T. Diefenbach, R.T. By, and P. Klarner (2009). 'A multi–dimensional analysis of managers' power. Functional, socio–political, interpretive–discursive,

different 'faces', like coercion, manipulation, domination, and subjectification. [258] Accountors use power to control accountees, in each of its 'faces' and in strong or weak dimensions. Some external accountors are commissioned by governments (as tax authorities, inspectors, or courts) and do have strong legitimate authority to evaluate organizational behaviour, change structures, or replace organizational leaders. [259] Strong accountors can, based on law or undisputed governmental authority, *force* (coerce) organizations (and their employees) to account for their actions and to behave as they deem fit. These accountors use strong, formal accountability mechanisms that accountees will find very difficult (more likely: impossible) to neglect. Another (strong or weak) external evaluative force, with an informal character and using another 'face' of power, manipulation, is the use interest groups or activists make of the media and popular social networks to influence organizational decision–making, to place items on the organizational agenda that would never have appeared otherwise, and to account for organizational actions that run contrary to their specific demands (like pollution of the environment.) It threatens the reputations of organizations and employees, and as such it can manipulate organizations in be-

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and socio–cultural approaches', *Management Revue,* Vol. 20, No. 4, pp. 413–431; N. Levina, and W.J. Orlikowski (2009). 'Understanding shifting power relations within and across organizations. A critical genre analysis', *Academy of Management Journal*, Vol. 52, No. 4, pp. 672–703, and M.M. de Waal (2020). *The Balancing Act of Effective Supervision. Understanding the Relationship between Internal and External Supervision*. University of Groningen, SOM Research School, Groningen. For relational climates and perceptions: Van Bussel (2020), pp. 25–35.

[258] Fleming, and Slicer (2014), 240–245.

[259] R.B. Adams, and D. Ferreira (2012). 'Regulatory pressure and bank directors' incentives to attend board meetings', *International Review of Finance*, Vol. 12, No. 2, pp. 227–248.

having in a different way. [260] Internal accountors engage in frequent contact with other employees and build personal relationships with them that allow for effective evaluation of everyday decision–making, especially because employees are more strongly influenced by opinions and evaluations of organizational members than by the opinions of outsiders. [261] Internal accountors do have more options available for sanctions or rewards. Employees perceive themselves to be dependent on them to receive resources, promotions, and other incentives. These accountors use formal and informal mechanisms of accountability and can use all faces of power in strong and weak ways. It is for a reason that internal accountors are perceived by employees to be more powerful than external ones, because they do have a more serious impact on daily work conditions, on relational climates, and on perceptions of psychological safety. [262]

The third dimension of organizational accountability is *spatial direction*. Accountability relationships move (ideally) in vertical, horizontal, or diagonal (intermediary) directions. *Vertical* accountability relations are mainly present in accountability relations that are governed by laws and regulations, and, generally, in situations where an accountor wields power over an accountee. In these situations, it requires identification of superiors and subordinates and

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[260] P. David, M.A. Hitt, and J. Gimeno (2001). 'The influence of activism by institutional investors on R&D', *Academy of Management Journal*, Vol. 44, No. 1, pp. 144–157, and S. Maguire, C. Hardy, and T.B. Lawrence (2004). 'Institutional entrepreneurship in emerging fields. HIV/AIDS treatment advocacy in Canada', *Academy of Management Journal*, Vol. 47, No. 5, pp. 657–680.

[261] F. Gino, S. Ayal, and D. Ariely (2009). 'Contagion and differentiation in unethical behaviour. The effect of one bad apple on the barrel', *Psychological Science*, Vol. 20, No. 3, pp. 393–398.

[262] De Waal (2020), pp. 30–31.

delegation of authority from the former to the latter to create an obligation to answer for actions. [263] In *horizontal* accountability, there are no hierarchical relationships between accountors and accountees and there are, mostly, no formal obligations to 'be accountable.' In such relationships, giving account is basically voluntary with no designated accountors. It is an obligation that is ethical or reputational in nature, although there may be formal requirements in organizational charters. Organizations giving account of what they are doing to the 'general public' is a horizontal direction of accountability. Many accountability relationships are not clearly vertical or horizontal, but have an indirect, intermediary, *diagonal* direction, 'accountability in the shadow of hierarchy.' [264] Ombudsmen, auditors, inspectors, and accountants do not have direct hierarchical relationships with organizations and have only weak powers to enforce compliance. However, in the end, they report to a minister, parliament, board, or (specific) shareholders, and from this derive informal power. [265]

THE MANY MANIFESTATIONS OF ORGANIZATIONAL ACCOUNTABILITY

'Many eyes' and a puzzle.

In daily organizational life, many different manifestations of organizational accountability (also known as 'multi–accountability') need to be addressed. Many different interests, accountors or their representatives are watching organizations. Organizations are willing (or obliged) to account for many manifestations of organization-

[263] Bovens (2007a), pp. 460–462.

[264] Bovens (2007a), p. 460.

[265] Bovens (2007a), p. 460.

al accountability. They do need to adhere to different (maybe contradictory) expectations, rules, norms, and standards, set by different accountors. Mark Bovens characterized this as the 'problem of many eyes', and I am calling this 'problem' the organizational 'accountability puzzle'. [266] Managing the perceived or known expectations of different accountors is an uncertain endeavour, a 'puzzle', in the multidirectional and multi–actor environments organizations are. It is a 'puzzle' to determine 'who' is accountable for 'what', and to gather evidence to convince the different accountors of the compliance of the organization to the set standards and expectations.

Thomas Schillemans and Mark Bovens recognize several issues with multi–accountability, like conflicting expectations, transaction and opportunity costs, emphasis on negativity, blame games, and symbolic accountability, accountability as a ritual without positive or negative effects. [267] They, however, also emphasize an advantage of such multi–accountability: a multiplicity of demands for information, with overlap and competition among the sources of information, will result in more information to be presented to accountors, which has reassuring effects. [268] They infer hybridity in accountability relationships and the 'blurring' of the boundaries between the different manifestations of organizational accountability. The disappearing boundaries between government, market, and society, may be a reason for this hybridization. [269] Anne Marie Goetz

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[266] Bovens (2007a), p. 455.

[267] T. Schillemans, and M. Bovens (2011). 'The challenge of multiple accountability. Does redundancy lead to overload?', M.J. Dubnick, and H.G. Frederickson (eds.), *Accountable Governance. Problems and Pro*mises, M.E. Sharpe, Armonk, New York, pp. 2–21, pp. 6–8.

[268] Schillemans, and Bovens (2011), p.19.

[269] A. Benish, and P. Mattei (2020). 'Accountability and hybridity in welfare governance', *Public Administration*, Vol. 98, No. 2, pp. 281–290.

and Ron Jenkins argue that the source, power, and spatial direction of organizational accountability are not as straightforward as often assumed. Ari Salminen and Kirsi Lehto explain that multiple combinations of manifestations, vertical and horizontal accountability relationships, source, and amount of power can exist, based on the context in which relationships emerge and the different logics, values, and mechanisms they rely on. [270] As a result, organizational accountability became mixed in source, power, direction, and manifestations, and leads to accountability relations that are more hybrid in nature. [271] With this 'blurring' of boundaries, strong organizational governance, strong leadership, strong information governance and management, and strong ethics management are needed.

As I have emphasized when discussing rules and routines before, in organizational practice, information systems are used to implement accountability mechanisms to direct employee behaviour in prescribed directions. These mechanisms will (mostly) materialize as formal human resources, finance, and accounting systems (often integrated in enterprise resource planning systems), but can also be procedures, rules and regulations to be implemented within business processes and the information systems used in those processes. However, having an organizational policy, rules, procedures, and aligned information systems does not mean that employees will

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[270] A. Marie Goetz, and R. Jenkins (2001). 'Hybrid forms of accountability. Citizen engagement in institutions of public–sector oversight in India', *Public Management Review*, Vol. 3, No. 3, pp. 363–383; A. Salminen, and K. Lehto (2012). 'Accountability to whom? Exploring the challenge of multiple accountabilities in Finnish public administration', *Halduskultuur. Administrative Culture*, Vol. 13, No. 2, pp. 147–162.

[271] M. Considine (2002). 'The end of the line? Accountable governance in the age of networks, partnerships, and joined–up services', *Governance,* Vol. 15, No. 1, pp. 21–40, pp. 21–22.

obey, follow and use them as prescribed in their daily work. They might disregard them in the relational context of decision–making. In the social dynamics of business, policies might be ignored, misinterpreted, or employees might not even be aware of their existence. In addition, as has been shown before, internal, informal, and subjective mechanisms do have an influence on organizational accountability. The formal mechanisms are re–interpreted in the social dynamics of work, resulting in variability in subjectively experienced accountability. Accountability can be 'felt' differently among employees: it is, after all, a perception about demands for answerability in a given context. [272]

An example. Before 2008, banks and other financials all had formal accountability mechanisms in place. Their managers, bankers, and traders, however, did not 'feel' themselves accountable and answerable for consequences of their myopia to shareholders, government institutions, or anyone else. The emphasis on legal compliance and compliance–based ethics management was proven to be ineffective. At the same time, integrity–based ethics management, aiming for high levels of personal and organizational integrity, was ignored. The existing formal accountability systems could not handle the different interpretations of laws, norms, and standards. They could not control the trades that were continuously made in decision–making. Legal compliance did not affect employee behaviour when trading for individual interests using unethical means, especially when the costs of control were exponentially higher than the benefits.

Organizational accountability: a framework's introduction

In the analysis of organizational accountability, often frameworks are used that distinguish between a number of general mani-

[272] Hall, Frink, and Buckley (2017), pp. 205–206.

festations. These manifestations are then used to explain organizational accountability, its complexities, its dimensions, its different 'eyes', their effects on organizations, and, sometimes, the information needed as evidence to use within the accountability process. There is no generally accepted typology, rather many proposals, using a variety of different criteria. Some are based on the *nature* of the subject: *for what*, for instance political, fiscal, or financial. [273] Other typologies are based on the different accountors (*to whom*, like courts, parliament, or peers), and mechanisms (*how*, ministerial responsibility, judicial or managerial review). [274] There are many variations in context and perspective, which results in differences in the terms (and definitions) used to explain and describe such manifestations. Even if terms and definitions are uniform, the connotations are not. They do not allow for generalizations of accountability regimes across geographical space and different jurisdictions.

The framework I am presenting here is meant as an overview of (hybrid) manifestations of organizational accountability that are bound to West European societal and political contexts, although they may also be relevant for other spatial and political contexts. The framework helps to identify the dominant manifestations of organizational accountability. It is partly based on the division Mashaw made between three (intertwined) domains of organizational accountability: public, market (or business), and social.

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[273] For instance, P. Day, and R. Klein (1987). *Accountabilities. Five Public Services,* Tavistock, London, pp. 26–27; and R. Behn (2001). *Rethinking Democratic Accountability*, Brookings Institution, Washington.

[274] For instance: B.S. Romzek, and M. Dubnick (1994). 'Issues of accountability in flexible personnel systems', P. Ingraham, and B. Romzek, *New Paradigms for Government. Issues for the Changing Public Service*, Jossey-Bass Inc., San Francisco, pp. 263–294; M. Flinders (2002). *The Politics of Accountability in the Modern State*, Ashgate, Aldershot; Sinclair (1995).

I recognize *four* domains: *economic*, *governing*, *social networks*, and *society* (dividing Mashaw's third domain, social, in two separate domains). A short description of these domains:

[1] The *economic* domain is about the use of financial resources and the deliverance of products or services to customers (business–to–business, business–to–consumer, business–to–government, government–to–citizen);

[2] The *governing* domain is about the governing and governance of organizations, be they business or government (or in between);

[3] The *social networks* domain is about the way peers (organizations and employees) and professional associations keep organizations and individual employees accountable for their behaviour; and

[4] the *societal* domain is about all the (unspecified) calls for (business or government) organizations to account for their behaviour to the general public ('society at large') or, at least, to civil interest groups, charities, and associations of clients.

Each of these domains has a distinctive set of goals and values, with different characteristics of authority and legal influence. Authority differs from strong (governing domain), to medium (economic and social network domain), and (relatively) weak (societal domain.) In the governing domain, legal influence is (generally) strong. In the economic and social network domains, law becomes facilitative and leaves freedom of choice. In the societal domain, legal constraints are weak, they facilitate and protect but there are 'law free'–zones of privacy and association. It is 'the arena of norms rather than law.' [275] Legal constraints can become stronger when 'society' grows concerned about certain phenomena, and pressures governments into action.

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[275] Mashaw (2006), 119–120.

Just like Mashaw, I do not include moral and ethical manifestations of organizational accountability in my framework. My reasoning for this is twofold. My first argument is based on Richard Mulgan's reasoning about the difference between 'external' accountability and 'internal' (moral) responsibility. Accountability *always* implies *external* scrutiny in a *relationship* between an accountor and an accountee, even if that relationship is informal or the power of the accountor extremely weak. [276] Moral responsibility is 'internal' to an individual, is, as it is called sometimes, 'accountability–to–self.' [277] In that case, however, there is *no* external scrutiny and *no* relationship between accountor and accountee, which means it *cannot* be a manifestation of organizational accountability. 'Accountability–to–self' is in such a context, a *contradictio in terminis*. An individual may be accountable for *ethical* behaviour, but not on the level of *moral* responsibility. Second, ethical accountability is not a *separate* manifestation but an *integral* part of *all* manifestations of organizational accountability. Accountability is, after all, about 'being accountable' to an external audience for decisions and behaviour of employees and organizations, not merely in a legal, political, or bureaucratic sense, but also (and maybe essentially) in an ethical sense. Accountability is an assessment of behaviour, an appraisal of compliant behaviour to laws, regulations, rules, norms, standards, and organizational (or professional) codes of ethics. Not only actions, transactions, and decisions are evaluated, but also if their realization is in accordance with the ethical codes prevalent within an

[276] For Mulgan's argument: Mulgan (2003) pp. 15–18. I already mentioned Mulgan's argument om p. 78 in note 206.

[277] K.A. Ghanem, and P.A. Castelli (2019). 'Self–accountability in the literature of leadership', *Journal of Leadership, Accountability, and Ethics*, Vol. 16, No. 5, pp. 40–59. Also: Hall, Frink, and Buckley (2017), pp. 211–212.

organization, social network, or profession. That is, after all, the core of 'being accountable.' [278]

In addition, I do not classify reputational accountability (often mentioned) as a manifestation of organizational accountability but as an integral part of *all* manifestations. As mentioned before, Busuioc and Lodge argue that reputational concerns are important in all accountability relationships both for accountors and accountees. [279] Reputational perceptions influence accountability processes, but there does not exist an accountability relationship that is concerned solely with organizational reputations. Relationships are primarily concerned with other considerations, like politics, legal procedures, environmental operations, or finance. Reputation is a secondary concern in all processes of organizational accountability. Perceptions of reputation are important for all organizational (and employee) 'presentations', external or internal. Reputation is most often managed as a prerequisite for behaviours of employees in all or-

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[278] M. Dubnick(2003). 'Accountability and ethics. Reconsidering the relationships', *International Journal of Organization Theory and Behavior*, Vol. 6, No. 3, pp. 405–441, especially pp. 405–408. Based on an experience of more than thirty years as a consultant and external auditor for both (international) government and business organizations, it is obvious for me that accountors try to pay attention to the ethics of behaviour. They mostly concentrate on compliance to laws, regulations, and standards, dependent as they are on information made accessible by the organization itself. About integrity and ethical behaviour, accountors generally do not have much information available because integrity evaluations are often lacking. It is especially in the social networks and societal domains that the integrity of organizational behaviour is questioned. When accountors want to have answers to these public questions about integrity, answers prove to be difficult. Integrity–based ethics management within organizations appears to be in its infancy.

[279] Busuioc, and Lodge (2017), pp. 91–92.

ganizational activities. Damaging an organization's reputation is extremely bad for business. For organizations, thus, reputation is a consideration that is to be carefully managed, but it is not an accountability manifestation itself in which an organization needs to account for their reputational actions.

The framework I am presenting here is based on an extensive analysis of scholarly literature. [280] The resulting 'puzzle' of men-

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[280] Literature used (in chronological order): Day, and Klein (1987); Romzek, and Dubnick (1994); Sinclair (1995); B. Stone (1995). 'Administrative accountability in the 'Westminster' democracies. Towards a new conceptual framework', *Governance*, Vol. 8, No. 4, pp. 505–526; L. Deleon (1998). 'Accountability in a 'reinvented' government', *Public Administration*, Vol. 76, No. 3, pp. 539–558; A. Bar Cendón (2000). 'Accountability and public administration. Concepts, dimensions, developments', M. Kelly (ed.), *Openness and Transparency in Governance. Challenges and Opportunities. Proceedings of the second NISPAcee Civil Service Forum held in Maastricht, The Netherlands October 28–29, 1999*, EIPA, Maastricht, pp. 22–61; B.S. Romzek (2000). 'Dynamics of public sector accountability in an era of reform', *International Review of Administrative Sciences*, Vol. 66, No. 1, pp. 21–44; Mulgan (2000); Behn (2001); Newell, and Bellour (2002); R.O. Keohane (2003). 'The concept of accountability in world politics and the use of force', *Michigan Journal of International Law*, Vol. 24, No. 4, pp. 1121–1141; A.M. Meijer, and M.A.P. Bovens (2003). 'Public accountability in the information age', T. van Engers, M.A. Wimmer, and M. Palmarini (eds.), *E-government. Workshop in conjunction with JURIX 2003*, Rudolf Trauner, Linz, pp. 16-28; R.E. Goodin (2003). 'Democratic accountability. The distinctiveness of the third sector', *European Journal of Sociology,* Vol. 44, No. 3, pp. 359–396; Dubnick, and Justice (2004); J.C. Burke (2004). 'The many faces of accountability', J.C. Burke (ed.), *Achieving Accountability in Higher Education. Balancing Public, Academic, and Market Demands,* Jossey-Bass, San Francisco; R.W. Grant, and R.O. Keohane (2005). 'Accountability and abuses of power in world politics', *American Political Science Review*, Vol. 99, No. 1, pp. 29–43; E. Peruzzotti, and C. Smulovitz (2006). 'Social Ac-

tioned accountability manifestations proved to be a challenge not easy to solve. Dealing with the variety in perspectives, contexts, terms, definitions, and interpretations was not easy, but, in the end, I recognized eleven dominant manifestations of organizational accountability, with (in theory) eleven, but in reality, much more accountors ('eyes.') Nine of these manifestations are both formal and informal, two of them are only informal. They have weak and/or strong accountors, horizontal, vertical, or diagonal directions, and use mechanistic, functional, behavioural, or relational accountabil-

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countability. An introduction', E. Peruzzotti, and C. Smulovitz (eds.), *Enforcing the Rule of Law. Social Accountability in the New Latin American Democracies*, University of Pittsburgh Press, Pittsburgh, pp. 3–33; Mashaw (2006); B.G. Peters (2007). 'Performance–based accountability', A. Shah (ed.), *Performance Accountability and Combating Corruption*, The World Bank, Washington, D.C., Chapter 1, pp. 15–32; Bovens (2007ab); G.A. Hodge, and K. Coghill (2007). 'Accountability in the privatized state', *Governance*, Vol. 20, no. 4, pp. 675–702; Willems, and Van Dooren (2011); A. Drake (2012). *Locating Accountability. Conceptual and categorical challenges in the literature*, Policy Report 02, Entwined, Stockholm; Lindberg (2013); E. Akpanuko, and I.E. Asogwa (2013). 'Accountability. A synthesis', *International Journal of Finance and Accounting*, Vol. 2, No. 3, pp. 164–173; A. Aman, T.A. Al–Shbail, and Z. Mohammed (2013). 'Enhancing public organizations accountability through E-Government systems', *International Journal of Conceptions on Management and Social Science*, Vol. 1, No. 1, pp. 15–21; A.R. Keay (2015). *Board Accountability in Corporate Governance*, Routledge, London; Rached (2016); S. Hickey, and S. King (2016). 'Understanding social accountability. Politics, power and building new social contracts', *The Journal of Development Studies*, Vol. 52, No. 8, pp. 1225–1240; Hall, Frink, and Buckley (2017); N.V. Christie (2018). A comprehensive accountability framework for public administrators', *Public Integrity*, Vol. 20, No. 1, pp. 80–92; S. Overman, and T. Schillemans (2021). 'Toward a public administration theory of felt accountability', *Public Administration Review*, https://doi.org/10.1111/puar.13417.

ity mechanisms. Organizations are confronted, more or less, directly or indirectly, with all these manifestations, and with accountors for each of them.

For all formal dimensions of these manifestations, enterprise information management is needed as accountors have a need for 'evidence.' For the societal domain, informal by nature, information may be of importance to deny media claims or allegations of interest groups, especially when such claims turn into a legal battle. 'Integrity', however, is not something that can be easily derived from such 'evidence.' Normally, accountors ask more than 'evidence'; they want to be assured of the integrity of behaviour. For that reason, codes of ethics are necessary, as well as evidence that employee behaviour is continuously evaluated against it. Rewards and punishments for employees for behaviour according to or against the code of ethics will go a long way to assure accountors of the organizations' efforts to assure employee integrity.

Organizational accountability: a framework

As mentioned before, I recognize four domains that group eleven manifestations of organizational accountability. These domains are not meant as a typology of accountability regimes belonging to 'the market' or 'the government' (as Mashaw did) but as areas that influence organizational accountability. All organizations are influenced by accountability manifestations that are economic, governing, social networks, or societal in nature. The manifestations belonging to these domains can be seen as ideal types applicable to all organizations, be they government or business organizations (or in between.) Organizations are, after all, becoming hybrid entities that integrate elements, value systems, and action logics of various sectors of society because they have multiple external relations and

operate in the border area between different worlds (like government and market). [281]

In Figure 1, I present an overview of my framework of manifestations of organizational accountability. For each domain, I will introduce and describe the different manifestations, addressing the specific traits and problem areas. For each manifestation several characteristics are mentioned: its direction, source, power, who, to whom, about what, through what procedures, by what standards, which consequences, if enterprise information management is necessary or not, and which type of ethics management is dominant.

Figure 1. Manifestations of organizational accountability

Manifestations of organizational accountability	
Economic Domain	**1.** Financial Resources accountability
	2. Product–Services accountability
Governing Domain	3. Administrative accountability
	4. Fiscal accountability
	5. Legal accountability
	6. Managerial accountability
	7. Board (or Directors) accountability
	8. Political accountability
Social Networks Domain	9. Peer accountability
	10. Professional accountability
Societal Domain	11. Social and Environmental Accountability

[281] M. Ciesielska (2010). *Hybrid Organisations. A Study of the Open Source–Business Setting*. PhD series No. 32.2010, CBS, Copenhagen, p. 25.

The economic domain

The *economic* domain is about the use of financial resources and the deliverance of products and/or services to customers or citizens. It groups two manifestations: [1] financial resources accountability, and [2] product–service accountability.

Figure 2. Financial Resources accountability

Economic Domain	
1. Financial Resources accountability	
Direction:	Vertical
Source:	Formal
Power:	Strong
Who	Organizations, (board of) directors
To whom:	*External:* owners, financial institutions, government (institutions), tax authorities. *Internal:* managers and (board of) directors
About:	Management of financial resources
Procedures:	Formal, defined by laws, regulations, and accounting standards
Standards:	Laws, regulations, and accounting standards
Consequences:	Penalties, dependent on jurisdiction, loss of trust of financial and fiscal institutions
EIM	Necessary
Ethics Management	Compliance and integrity

This first manifestation is, according to (for instance) Newell and Bellour, originally concerned only with keeping accurate accounts but is expanding to the management of all financial resources. [282] It refers to the financial transactions and compliance with legal, regulatory, contractual, and procedural requirements for the acquisition and utilization of financial resources in appropriate qual-

[282] Newell, and Bellour (2002), p. 10.

ity and quantity at the lowest cost. Organizations obtain the funds to finance their investments, capital, and/or activities from financial institutions, capital markets, shareholders, or governments (in the case of government organizations, or as a grant for research and development). Financial integrity is of the utmost importance. Funders want to be sure that organizations manage their finances responsibly. An organization wants its financial image to not only be technically accurate (although that is extremely important) but also that it is handled effectively and efficiently, without unethical behaviour (like fraud). For that reason, financial control systems are quite common in most organizations.

Financial resources accountability encompasses two business processes: for adequate tax compliance (closely related with fiscal accountability), and for tracking and reporting on allocation, disbursement, and utilization of financial resources. For both these business processes the tools of auditing, budgeting, and accounting are used. A focus on (ethical) behaviour of employees and on financial procedure is essential. [283] Organizations are accountable for responsible and productive use of money, verification of legality, propriety, and regularity of financial actions and transactions, paying government taxes as is obligated by tax authorities, and for making sure that the use of financial resources achieves value for money. [284] In short, accountors check capital, liquidity, revenues, costs and risks, and the way organizations handle these in daily practice.

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[283] Y. Zhang, and V. Mittal, 'Decision difficulty. Effects of procedural and outcome accountability', *Journal of Consumer Research*, Vol. 32, No. 3, pp. 465–472, p. 471.

[284] A. Rabrenović (2007). *Financial Accountability as a Condition for EU Membership,* Ph.D. thesis University of Glasgow, Glasgow, p. 27. Online source, retrieved on November 19, 2021, from: http://theses.gla.ac.uk/2265/1/2007rabrenovicphd.pdf.

Financial reporting summarizes the information upon which decisions are made and indicates whether available resources were obtained and used in accordance with existing regulations, contractual obligations, assigned budgets, and expectations of accountors. Reports provide detailed information about the financial condition of the organization, the yearly changes therein, and the organization's performance in terms of service costs, efficiency, and accomplishments, constraining individuals from engaging in corruption. They are needed for informing their funders about the financial health of the organization.

An organization's compliance to financial and fiscal laws, regulations, and norms is a subject of reporting to the 'public', and, just like the reports to their funders, these reports are based on financial and fiscal audits. There is scrutiny for financial and tax transparency in society, and organizations want, for their reputations sake, impress the public that they work according to laws and regulations and that there can be no doubt about their financial integrity. [285]

Integrity is problematic. A report from Cristina Neesham and Mohammad Azim, both from Swinburne University of Technology in Australia, offers a glimpse of the ethical problems accounting professionals face in their accounting control in organizations. Professionals encounter misleading reporting, fraud, tax evasion, lack of transparency in financial decisions, bribery, misuse of funds, and insider trading. External accountants are extremely worried about being pressured into unethical actions by their customers (or, just

[285] Respectively: W. Ge, Z. Li, Q. Liu, and S. McVay (2021). 'Internal control over financial reporting and resource extraction. Evidence from China', *Contemporary Accounting Research*, Vol. 38, No. 2, pp. 1274–1309 and C.H. Chen (2011). 'The major components of corporate social responsibility', *Journal of Global Responsibility*, Vol. 2, No. 1, pp. 85–99.

as bad, their own board). [286] Besides compliance–based ethics management, integrity–based ethics management is, thus, a necessity.

Figure 3. Product–Services accountability

Economic Domain	
2. Product–Services accountability	
Direction:	Vertical, horizontal, and diagonal
Source:	Formal and informal
Power:	Strong
Who	Organizations, (board of) directors
To whom:	*External:* customers (business–to–consumers), citizens (government–to–citizens), business organizations (government–to–business, vice versa) and customers (business–to–business)
About:	Quality of products and service delivery
Procedures:	Formal and informal
Standards:	Debatable, but satisfaction of customers/citizens is prominent
Consequences:	Loss of trust of customers and citizens
EIM	Recommended
Ethics Management	Compliance and integrity

The second manifestation of organizational accountability within the economic domain is product and/or services accountability. This manifestation relates, in theory, to the 'system of supply and demand, in which the free choices of the public are given free reign and considerations of efficiency also play a role.' [287] In a 'normal'

[286] C. Neesham, and M.I. Azim (2017). *Building Ethical Capability for Accounting Professionals. A Needs Analysis Study,* Swinburne University of Technology, Hawthorn, Melbourne.

[287] J.L.H. Bardoel, and L. D'Haenens (2004). 'Media responsibility and accountability. New conceptualizations and practices', *Communications*, Vol. 29, pp. 5–25, p. 9.

market, control is based upon the idea that the behaviour of buyers and sellers determines not only price but also an acceptable ratio between quality and price. Economic behaviour is based on competition between different sellers that is controlled by loyalty as a reward for compliant behaviour and exit as punishment for deviant behaviour. That means that in a market the sellers are accountees, accountable to the buyers as accountors. Customers (buyers) are free to buy a product or a service from a seller and can change when product quality or behaviour of the seller are not to his or her liking. Besides the possibility to leave, there are formal possibilities to complain in complaints procedures of the seller and of customer associations. This last one, can be 'bad' for the reputation of the seller and, in the end, for the economic standing and profit of that business organization. [288]

Although this mechanism of control and accountability is dominant in business–to–consumer, business–to–government, and business–to–business, a fully 'free' market does not exist. The market is controlled, be it by strong actors (like insurance companies, for risks, and credit rating agencies, for financial behaviour) or by the government which tries to 'steer' market forces. Instead of owning and substantially funding organizations of service delivery (like higher education, healthcare, or waste management), governments can shape markets by purchasing or subsidizing the services they want. This approach allows governments to shape responses to market mechanisms to achieve greater efficiency in the use of public resources. [289] Governments create (formalized) 'quasi–markets',

[288] C. Scott (2006). 'Spontaneous accountability', M.W. Dowdle (ed.), *Public Accountability. Designs, Dilemmas and Experiences*, Cambridge University Press, Cambridge, pp. 174–191, pp. 178–180. Also: Burke (2004), p. 17.
[289] Burke (2004), p. 17.

where business principles and contracts are used between business organizations and government organizations (as customers). Governments, however, do not offer freedom of choice to their 'customers' (citizens and business organizations), obliging them to accept 'services' from the contracted services the government purchased, mostly excluding competing service contractors. The question *who* is accountable to *whom, for what,* and *how* is difficult to answer in such (diagonal) situations. [290] In addition, it is impossible for citizens and business organizations to 'buy' government products and services from another government agency than their own (licenses, for instance). Accountability of 'quasi–markets' is, thus, not based on market principles. [291]

Another problem arises when products, like algorithms, are intellectual property of business organizations and information about the way a product works in (decision) processes the using organiza-

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[290] Ç.D. Çolak (2019). 'Why the New Public Management is obsolete. An analysis in the context of the Post–New Public Management trends', *Croatian and Comparative Public Administration*, Vol. 19, No. 4, pp. 517–536. Online source, retrieved on November 19, 2021, from: https://hrcak.srce.hr/index.php?show=clanak&id_clanak_jezik=335808&lang=en. Willems, and Van Dooren (2011), pp. 517–518.

[291] W. Funnell (2001). *Government by Fiat. Retreat from Responsibility*, UNSW Press, Sydney, Chapter 1, pp. 1–25, especially pp. 1–2. Funnell is critical of the results of new public management and neo–liberal ideologies for society at large. According to him, it resulted in the transformation of citizens into clients and customers, into growing inequality and greater privilege for interest groups, and in the alienation of citizens from elected governments. Funnell argues that reduced government presence facilitated government retreat from responsibility. 'Not only have governments been less willing to accept longstanding obligations for their citizens, they have become even more secretive about that which remains for governments.'

tion is accountable for, is refused. Finding another seller may work but does not solve the problem. Product–services accountability seems straightforward, but it shows accountability problems that are not easily solved. It only works as intended in completely 'free' markets, and even there the relationship between business organization and consumer is not as simple as is assumed, largely because of the immense inequality between both parties in the relationship.

The governing domain

The *governing* domain is about the governing and governance of organizations, business as well as government organizations (or in between). It groups six manifestations of organizational accountability: [3] Administrative accountability, [4] Fiscal accountability, [5] Legal accountability, [6] Managerial accountability, [7] Board (or directors) accountability, and [8] Political accountability.

Figure 4. Administrative accountability

Governing Domain	
3. Administrative accountability	
Direction:	Vertical
Source:	Formal
Power:	(Mostly) strong
Who To whom:	Employees (internal), Boards (Directors) (external) *Internal:* managers and (board of) directors *External:* supervising and control institutions
About:	Following rules, regulations, and procedures for operations
Procedures:	Formal, dependent on jurisdiction and organization
Standards:	Defined in laws, regulations, standards, and procedures
Consequences:	Promotion, gratuities, demotion, dismissal
EIM	Necessary
Ethics Management	Compliance

Within the vertical structures of this manifestation organizational actions, transactions, roles, and functions can be examined in detail. Accountability processes start at the top, with the highest official, and take place along the 'chain of command'. It is the delegation of authority from superior to subordinate and corresponding accountability from subordinate to superior. It is about accountability for the procedures used to reach a decision, a product, or a service, regardless of the result of the procedure. It affects most of the other manifestations of organizational accountability. Managers have the right to request information regarding the operations from lower levels, but not from higher ups. They can directly decide about juniors' careers, promotion, and conditions of work. [292]

Administrative accountability is about the workings of an organizational system as a whole and its compliance to rules and regulations. Donald Kettl stated that administrative accountability is channeled by the rule of law but that in daily practice the workings of the system have been drifting beyond its bounds. As a result, the standards for administrative accountability and its regulations became fuzzier and arbitrary. [293] Kettl distinguishes between three types of administrative accountability with different relationships to the 'rule of law' and with different standards for accountability: [1] *Direct* administrative accountability occurs through authority–driven hierarchical and vertical structures in which law and regulations can be enforced; [2] *Mediated* administrative accountability occurs through contracts, where there is a substantial body of law that is more difficult to enforce; and [3] *Privatized* administrative accountability occurs through business organizations providing ser-

[292] Lindberg (2013), p. 12.

[293] D.F. Kettle (2009). 'Administrative accountability and the rule of law', *Political Science and Politics*, Vol. 42, No. 1, pp. 11–17, p. 11.

vices that contain privatized government activities. [294] The administrative accountability types result in a cascade of information asymmetries. Direct administrative accountability is dominated by law, mediated accountability has a clear rule of contract law but also moral hazards that make that law hard to enforce, and privatized accountability has 'little law', challenging problems in defining *who* is accountable, and needs to use norms and standards other than law to regulate accountability processes. [295] The application of norms and standards is voluntary although compliance could become an issue for their customers. Applications and third–party memoranda about compliance could also be used as an assurance in the accountability relationship with administrative accountors.

Enterprise information management is a core functionality for this manifestation, in each of its types. To be accountable, administrative scrutiny of rules and regulation is a necessary 'evil' for each of these types. Management of information as evidence of actions and transactions is important in an administrative environment, especially when there is 'little law.' In each type, determining who is accountable is difficult, because organizations *are* complex systems. When there is 'little' rule of law, it is even more difficult to determine and regulate an accountability relationship. In each type, organizations try to define in (more or less) detail the tasks, roles, and responsibilities of all participants in a business process. The idea is that blameworthy behaviour might be found out, and precisely defining business processes should avoid that behaviour. This, however, often develops into strict rule structures that lead, as shown before, [296] to the misbehaviour they intend to prevent, to routines

[294] Kettle (2009), p. 14–16.

[295] Kettle (2009), p. 14.

[296] Van Bussel (2020), pp. 85-91.

that divert from the established rules, retrospective inscribing, and practices that are difficult to account for. [297]

Although the administrative manifestation is largely internal in nature, there are many external 'eyes', accountors, exercising (financial, legal, and) administrative scrutiny, like tax offices, banks, accountants, auditors, and (government) inspectors. This oversight is mostly based on laws, regulations, specific statutes or prescribed or voluntary norms. Michael Power used the phrase 'audit explosion' to characterize a growing number of (quasi–)legal delegators, each of them exercising external oversight. [298] Most of these audits are 'voluntary': compliance to standards and norms is a way to ascertain organizational leaders that the organization functions according to (international) standards. However, as said before, in business–to–business, suppliers and customers expect certifications for specific standards, which transforms horizontal and 'voluntary' accountability into a more vertical one. According to Power, such audits are needed because accountability 'can no longer be sustained by informal relations of trust alone but must be formalised, made visible and subject to independent validation.' [299]

Although administrative accountability is very formal, there are informal dimensions, especially in the relationship between superiors and subordinates, but also in the relationships between peers. In the relational climates of teams, team members hold each other accountable for the overall performance of their team. These informal dimensions do not change the overall very formal character of administrative accountability.

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[297] See also: R.L. Linn (2003). 'Accountability. Responsibility and reasonable expectations', *Educational Researcher*, Vol. 32, No. 7, pp. 3–13.
[298] M. Power (1994). *The Audit Explosion*, Demos, London, pp. 1–9.
[299] Power (1994), p. 9.

Figure 5. Fiscal accountability

Governing Domain	
4. Fiscal accountability	
Direction:	Vertical
Source:	Formal
Power:	Strong
Who	Organizations, Board (of directors)
To whom:	*External:* Government budget agencies and tax authorities
About:	Paying taxes, collecting taxes (value added tax)
Procedures:	Formal
Standards:	Defined in laws, regulations, and fiscal standards
Consequences:	Penalties, dependent on jurisdiction, loss of trust of financial, fiscal, and tax authorities
EIM	Necessary
Ethics Management	Compliance

Fiscal accountability, strongly related to the financial and administrative manifestations, is seen as 'one of the main prerequisites for better macro–economic and fiscal stability, better credit ratings and better fiscal discipline (lower public debt and deficits), reduced levels of corruption and a determinant for higher rates of economic growth.' [300] It is a key element in the management of government finances determining fiscal risks, financial decision–making, and improving fiscal policies. It is being accountable for a balance between spending and revenues (taxes), the reasoning behind decisions, and

[300] Following: B. Trenovski (2017). *Fiscal Transparency, Accountability and Institutional Performances as a Foundation of Inclusive and Sustainable Growth in Macedonia.* Public Paper World Bank, Washington, p. 1. Online source, retrieved November 19, 2021, from: https://pubdocs.worldbank.org/en/278551516728264974/Borce-Trenovski-1.pdf.

management of budgets. Government organizations can only exist when attributed a budget to use for operations and service delivery to 'customers.' They do have a strong responsibility and accountability for use and management of these budgets, obliging them to report regularly. [301] There are strong supervising mechanisms in place that have influence on financial and administrative procedures. Because budgets are based on taxes, the public at large has an interest in the efficiency and effectivity of government operations.

For business organizations, fiscal accountability has a marked effect. Governments (and the media, civil society, and the public at large) want assurances that business organizations are contributing to the societies in which they operate. Governments recognise that tax systems could stimulate the competitiveness of their economies and the ability to attract investments. It is not uncommon to reach agreements with business organizations that allow them tax expenditures (exemptions, credits, deductions, preferential rates, and abatements.) [302] These expenditures, although politically a useful fiscal instrument, do have unintended consequences in an economy in which international tax competition and 'tax–avoidance' are common. It puts downward pressure on tax revenues. Multinationals shift approximately forty–two per cent of their profits to low–tax countries to avoid taxes. In Ireland, for instance, Apple has paid in

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[301] M. Schoch, C. den Broeder (2013). 'Linking information on policy effectiveness and efficiency to budget decisions in the Netherlands', *OECD Journal on Budgeting*, Vol. 12, No. 3, pp. 1–22.

[302] J. Levitis, N. Johnson, and J. Koulish (2009). *Promoting State Budget Accountability through Tax Expenditure Reporting*, Center on Budget and Policy Priorities, Washington, p. 5. Also: Tax expenditures are 'a special provision of the tax system that reduces tax liability for a certain subset of taxpayers.' R. Altshuler, and R. Dietz (2011). 'Reconsidering tax expenditure estimation', *National Tax Journal*, Vol. 64, No. 2, pp. 459–489, p. 459.

some years a minuscule annual tax rate as low as 0.005 per cent. [303] Such practices result in severe criticism and led to a proposal for a minimum global tax of fifteen per cent for business organizations. At the same time, these organizations also collect taxes as unpaid tax collectors, value added tax, for instance, and a range of labour taxes. The impact that taxes (and the tax systems used) have on business organizations is important both in terms of direct cost, and of compliance costs. Tax authorities, however, do have strong power to force compliance, and although many business organizations try to limit their taxes to the bare minimum, it is impossible for them to completely escape from paying taxes.

Figure 6. Legal accountability

Governing Domain	
5. Legal accountability	
Direction:	Vertical
Source:	Formal
Power:	Strong
Who	Organizations, Board (of directors), employees
To whom:	*External:* Courts and tribunals
About:	Holding officials/employees/organizations legally responsible
Procedures:	Formal
Standards:	Laws and regulations
Consequences:	Legal sanctions
EIM	Necessary
Ethics Management	Compliance and integrity

[303] J.E. Stiglitz, T.N. Tucker, G. Zucman (2020). 'The starving state. Why capitalism's salvation depends on taxation', *Foreign Affairs*, Vol. 99, No. 1, 30–38. Online source, retrieved on November 19, 2021, from: https://www.foreignaffairs.com/articles/united-states/2019-12-10/starving-state?

The legal manifestation of organizational accountability is of increasing organizational importance as a result of [1] an evolving formalization of social relations, more trust in courts, and the prevalence of law, [304] and [2] the problematic adjustment of the existing accountability mechanisms to a complex and fragmented society. Jeff King argues that six essential attributes characterize legal accountability: [1] an individual right of petition; [2] a functionally independent adjudicator; [3] interpretation and application of publicly affirmed legal standards; [4] decisions that are interpretations of applicable standards, are responsive to the principal submissions, and are ordinarily published; [5] a declarative or coercive remedy; which is [6] final (subject to appeal or reversal by due process of law.) [305] Legal accountability needs trusted information as evidence. The degree of control is high and detailed. New doctrines, procedural mechanisms, and forms of relief enable law to take part in the regulation of state and organizational power.

Legal accountability mechanisms do have limitations. Their access is problematic, their scope limited, and they promise more than can be delivered. [306] They, however, enable law to exert control over government and organizational power by providing 'tin openers' to

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[304] Harlow (2002). Also: D.M. Katz, C. Coupette, J. Beckedorf, and D. Hartung (2020). 'Complex societies and the growth of the law', *Scientific Reports*, Vol. 10, art. 18737. Online source, retrieved on November 19, 2021, from: https://doi.org/10.1038/s41598-020-73623-x.

[305] J.A. King (2013). 'The instrumental value of legal accountability', N. Bamforth, and P. Leyland (eds.), *Accountability in the Contemporary Constitution*, Oxford University Press, Chapter 6, pp. 124–152, p. 127.

[306] As is the general argument of: C. Harlow, and R. Rawlings (2009a). 'Judicial review and administration. A tangled web', C. Harlow, and R. Rawlings, *Law and Administration*, Cambridge University Press, Cambridge, third edition, Chapter 16, pp. 711–748, pp. 747–748.

courts for exposing organizations to judicial procedures. [307] It is reactive, based on evidence, and conducted through investigations by external monitoring agencies. Trusted information is important as evidence.

Although legal reviews are 'supported by the weight of law, and the underlying value is the rule of law', legal accountability is manifest in arenas far beyond courts of law. [308] This legal manifestation is used to subject organizations to an extensive range of controls, which allow for legal evaluations and sanctions. Legal accountability is the most unambiguous of all manifestations of organizational accountability, as it is based on detailed legal standards, prescribed by civil, penal, or administrative statutes. [309] These standards are to be followed and compliance may be enforced by legal accountors. Governments and business organizations use the courts also when citizens, business organizations, or consumers are suspected of deviant or unlawful behaviour, like fraud.

Multinational organizations wield considerable political influence and possess more economic power than some governments. [310] Many have developed close business and political relationships with those in power. Through privatization and sub–contracting, business organizations exercise functions that once were reserved for

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[307] C. Harlow, and R. Rawlings (2009b), 'Transforming judicial review', C. Harlow, and R. Rawlings, *Law and Administration,* Cambridge University Press, Cambridge, third edition, Chapter 3, pp. 95–139, p. 126.

[308] Romzek (2000), p. 25.

[309] Bovens (2007a), p. 456.

[310] M. Babic, J. Fichtner, and E.M. Heemskerk (2017). 'States versus corporations. Rethinking the power of business in international politics', *The International Spectator*, Vol. 52, No. 4, pp. 20–43. Online source, retrieved on November 19, 2021 from: https://www.tandfonline.com/doi/full/10.1080/03932729.2017.1389151.

governments. Interest groups have increasingly turned to the courts to constrain power of business organizations. This has led to a search for how national and international law can be used to hold non–government actors accountable when they do harm (in human rights, for instance.) [311]

Figure 7. Managerial accountability

Governing Domain	
6. Managerial accountability	
Direction:	Vertical
Source:	Formal
Power:	Strong
Who	Managers
To whom:	*Internal:* Senior managers and/or (Board of) Directors
About:	Results
Procedures:	Formal
Standards:	Internal indicators for management roles and performance criteria
Consequences:	Internal sanctions and/or gratuities
EIM	Recommended
Ethics Management	Compliance and integrity

This manifestation of accountability refers to the answerability of managers for the results of their domain of work to the managers senior to them, or to the (board of) directors. It implies accountability for all aspects of their management level, from planning to reporting and from delegation to control. Managerial accountability

[311] International Commission of Jurists (2009). *Corporate Complicity & Legal Accountability.* Report of the International Commission of Jurists Expert Legal Panel on Corporate Complicity in International Crimes, ICJ, Geneva, pp. 1–2.

means both conformity to rules and procedures (compliance) and focus on results (performance), all evidence–based, so information management is important. [312] Evaluation is also about behaviour of managers in reaching those results. It is related with political and board accountability, because without managerial accountability both of those manifestations would be difficult to realize.

Sometimes this manifestation is regarded as identical with the administrative manifestation, because they arise both by virtue of an employee's position in power structure of an organization. [313] It is, however, more about the professional behaviour of managers, monitoring inputs and outputs (or outcomes) according to agreed performance criteria. It is about making sure that money has been spent as agreed, processes and courses of action are efficiently carried out, and programmes have achieved their intended results. Managerial accountability is interested in the quality of the product or service, and not in the quality of the procedure, as is the case for administrative accountability. [314] The focus of managerial accountability is on doing the 'right' things efficiently and effectively.

Managers are held accountable for results by assigning them responsibility, authority for decision–making, and the autonomy and resources necessary to achieve these results. [315] According to Warwick Funnell, flexibility in decision–making, risk–taking, and eval-

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[312] K. Klaas, L. Marcinkowski, and M. Lazarević (2018). *Managerial Accountability in the Western Balkans. A Comparative Analysis of the Barriers and Opportunities faced by Senior Managers in Delivering Policy Objectives*. SIGMA Papers, No. 58, Paris. Online source, retrieved on November 19, 2021, from: https://read.oecd-ilibrary.org/governance/managerial-accountability-in-the-western-balkans_88be2112-en#page1.

[313] Sinclair (1995), p. 227.

[314] Newell, and Bellour (2002), p. 9; Sinclair (1995), p. 227.

[315] Klaas, Marcinkowski, and Lazarević (2018), p. 11.

uating performance by measurable results are the primary considerations in managerial accountability. He argues that, overall, accountability is weakened because of the emphasis on performance within its managerial manifestation. Services (and the information about them) are more about technical efficiency and performance than about effective delivery. It means more control by managers rather than greater scrutiny. [316] Jane Broadbent and Richard Laughlin summarize that the managerial manifestation is about how managers operate and control day–to–day operations and how they are accountable for processes, performance, and programmes. [317]

This manifestation of organizational accountability is an integrity challenge, too. As research shows, scrutiny for managerial behaviour is needed. Not only has the base rate for managerial incompetence been rated to average above fifty per cent, it is also estimated that the base rate for low integrity managers is in the ten to twenty per cent range. [318] This implies that every organization employs several managers that harm their organization and its employees. Proper oversight, and periodic assessments are needed to prevent these individuals from misbehaviour. [319] Such rates for incompetence and

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[316] Funnell (2001), p. 177, and pp. 1–25.

[317] J. Broadbent, and R. Laughlin (2003). 'Control and legitimation in government accountability processes. The private finance initiative in the UK', *Critical Perspectives on Accounting*, Vol. 14, No. 1–2, pp. 23–48.

[318] For incompetence: J. Hogan, R. Hogan, and R.B. Kaiser (2010). 'Management derailment. Personality assessment and mitigation', S. Zedeck (ed.), *American Psychological Association Handbook of Industrial and Organizational Psychology*, American Psychological Association, Washington, Vol. 3, pp. 555–575, p. 556. For integrity: Kaiser, and Hogan (2010), p. 231.

[319] A. Padilla, R. Hogan, and R.B. Kaiser (2007). 'The toxic triangle. Destructive leaders, vulnerable followers, and conducive environments', *Leadership Quarterly*, Vol. 18, No. 3, pp. 176 –194.

problematic integrity are enough reason to hold managers to account. [320]

Figure 8. Board (or Directors) accountability

Governing Domain	
7. Board (or Directors) accountability	
Direction:	Vertical
Source:	Formal
Power:	Strong and weak
Who	(Board of) Directors
To whom:	*External:* Shareholders, superior government organizations, and other stakeholders
About:	The organization, its behaviour, and the strategic decisions made in relation to its operations
Procedures:	Formal
Standards:	Law and regulations, organizational charters.
Consequences:	Dependent on jurisdictions
EIM	Necessary
Ethics Management	Compliance and integrity

According to Andrew Keay, this manifestation of accountability concerns constraining organizational executives and boards (ceo's, board of directors, and/or directors of government organizations) to provide an account and an explanation (to an accountor whose

[320] According to: S. Ackroyd, and P. Thompson (2015). 'Unruly subjects. Misbehaviour in the workplace', S. Edgell, H. Gottfried, and E. Granter (eds.), *The Sage Handbook of the Sociology of Work and Employment*, SAGE, London, Chapter 11, pp. 185–204, managerial misbehaviour is 'the most glaring example of selective myopia' and 'there are some indications managerial misbehaviour is becoming more rather than less prevalent.' (p. 185). The myopia of social research for managerial misbehaviour cannot be sustained, especially when reviewing the data used by Hogan, Hogan, and Kaiser (2010) and Kaiser, and Hogan (2010).

identity may differ) about the organization, its behaviour, and the decisions made in relation to its operations. [321] This manifestation concentrates on [1] strategic, rather than detailed control on organizational self–evaluation and reporting, [2] periodic, formal external evaluation, and [3] on a 'rationalization' of organizational responsiveness. Strategic control emphasizes setting of objectives to establish overall direction. [322] This manifestation is closely linked with managerial accountability. What is mentioned there about incompetence and integrity is fully applicable to this manifestation.

Boards (and directors) do have a legal responsibility to provide oversight and be accountable for an organization's performance. They are responsible for appropriately governing the resources of the organization and following all legal and ethical standards. Their power is delegated to them by shareholders, superior government organizations, or political administrators. Is the power of shareholders to require accountability relatively weak, that of government organizations or political administrators is strong. They can remove directors when not satisfied with the account given, although that is an extreme punishment. That is not equally true for shareholders of a business organization. They are at a disadvantage when compared with the (members of the board of) directors. They lack the information that is available to the directors, which they need to assess organizational performance or to know how well the organization is really doing. [323] In theory, shareholders can require all information at any moment in time. In practice, it is almost impossible to get the detailed information that is necessary to eliminate this

[321] Keay (2015), pp. 57–70.

[322] Stone (1995), p. 512–514

[323] A. Keay, and J. Loughrey (2015), 'Board accountability in corporate governance', *Legal Studies*, Vol. 35, No. 2, pp. 252–279.

information asymmetry. [324] Shareholders do have the power to remove a director, but a majority vote need to be obtained. This is difficult, especially in large organizations where small shareholders are disorganized and powerless to impose their will. It is much easier to sell all shares, which demonstrates that the power shareholders wield is rather weak.

Given the globally evolving regulatory frameworks, a strategy focused only on profit, without thinking about social consequences can trigger substantial costs. Larry Ribstein states that the share price penalty may exceed profits gained from 'doing wrong'. Most shareholders do not want 'their' business organizations acting in ways that trigger penalties, liabilities, and future regulation. The risks for not disclosing (regulatory) risks are too high. Directors and managers might engage in nefarious activities for profit, especially if they are sure of not being caught or penalized and might want to hide substantial risks. But this is not because managers are excessively accountable to shareholders. It is because they are 'not accountable enough'. [325] The Volkswagen diesel emission scandal of 2015 is an example of 'not accountable enough'. It involved cheating

[324] S.H. Han, M. Kim, D.H. Lee, and S. Lee (2014), 'Information asymmetry, corporate governance, and shareholder wealth. Evidence from unfaithful disclosures of Korean listed firms', *Asia–Pacific Journal of Financial Studies*, Vol. 43, No. 5, pp. 690–720.

[325] L.E. Ribstein (2005). 'Accountability and responsibility in corporate governance', *Notre Dame Law Review*, Vol. 81, No. 4, pp. 1431–1493, pp. 1444–1445. Keay, and Loughrey (2015), pp. 258–259. The power of shareholders differs in various jurisdictions. In the United Kingdom, for instance, the shareholders cannot interfere except in very limited circumstances. In the United States, not even a unanimous vote of shareholders can control the directors, which explains why asking directors to be really accountable will always be problematic. Stating that they are 'not accountable enough' is correct and is incentivized by the prevailing jurisdiction.

of consumers, taxpayers, governments, and shareholders and indicates how ineffective the control systems were. It is unlikely that the shareholders of Volkswagen would willingly risk billions of dollars of value, bringing the company to an almost bankruptcy. It is likely that Volkswagen was an example of short–termism, in which managers started cutting corners to meet rising sales targets and expected profitability. The absence of integrity–based accountability systems is clear. [326] Board accountability, thus, is, just like other governing manifestations, not as straightforward as it seems, with many bottlenecks and problems to solve.

Figure 9. Political accountability

Governing Domain	
8. Political accountability	
Direction:	Vertical and horizontal
Source:	Formal and informal
Power:	Strong and (relatively) weak
Who	Government organizations; Business organizations (indirectly)
To whom:	*External:* Parliament, Ministers, Secretaries; society at large.
About:	Development and operationalization of policies and decisions
Procedures:	Formal, but with countless informal backrooms in which business organizations participate
Standards:	Law and regulations
Consequences:	Political responsibility and its consequences (depending on jurisdiction)
EIM	Necessary
Ethics Management	Compliance and integrity

[326] S.D. Carter, D. Crooks, I. Wise, and S. Beyer (2018). 'Volkswagen – The failure of perfection and moral hazard. What price victory?', *International Journal of Business and Applied Sciences*, Vol. 7, No. 1, pp. 35–48.

This manifestation is a very complex one because of it being intertwined with, what is sometimes called, representative of democratic accountability, a vertical accountability relationship between citizens and elected representatives (members of parliament or government officials), which comes into being through democratic elections. That is a relationship in which citizens cede power to politicians who in turn need to explain and justify their actions to their electorate. The citizens have the right to sanction political leaders by voting them in or out of office. [327] Developments within the representative system cross borders with political accountability.

In its 'pure sense' this political manifestation is formally *only* applicable to government organizations, be they national, regional, or local. According to Antonio Bar Cendón, political accountability takes place in a double dimension: vertical and horizontal. In its vertical dimension, political accountability is a relationship that links the government administration with the minister and/or secretary politically responsible for that administration. In its horizontal dimension, it is the relationship between government and parliament. That relationship may also include some of the positions at the top of the administration, depending on the legal and constitutional provisions of a country. [328]

Political accountability allows ministers and secretaries to control the large government administration that implements the general policies that politicians decide upon. These policies, however, are only guidelines for meeting political goals which allow the administration a lot of leeway in a wide range of activities. Ministers and secretaries have various priorities, lack of time, and cognitive constraints. Hence, they can attend to a limited number of deci-

[327] Bovens (2007a), p. 455; Peruzotti, and Smulovitz (2006), p. 6.
[328] Bar Cendón (2000), p. 29.

sions, policies, actions, and transactions. It is not uncommon that employees seek to block, divert, and slow–down their political 'bosses'. Balancing complex rules and procedures and allowing the administration discretion to use their expertise, is difficult. [329] But ministers and secretaries are accountable for the workings of a bureaucracy, even if they have no knowledge of infraction(s). They are dependent on the information handed to them by the administration. If their account is deemed unsatisfactory, it could, ultimately, lead to their resignation. For this political manifestation of accountability to be effective, both a strong administrative manifestation and integrity–based ethics management are necessary.

Parliament is the only accountability institution directly elected by citizens and directly accountable to it through the ballot box. Viewed as an accountor–accountee relationship, in parliamentary democracy citizens delegate their law–making powers to parliamentarians who, in turn, delegate that power to several delegates who form the government in a 'chain of delegation.' In return, there is accountability from the government, through parliament, to the citizens — the ultimate accountors. [330] This accountability relationship, however, is not as strong as it seems. It is claimed that the role of parliament in forming governments has damaged its role in holding them to account and to make the government behave. [331]

The influence of business organizations on politics muddies the water further, just like that of bureaucrats and interest groups. It is

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[329] W.T. Bianco, and D.T. Canon (2015). *American Politics Today*, W.W. Norton & Company, New York, sixth edition, Chapter 12, pp. 454–487.
[330] Strøm (2000), pp. 267–268.
[331] P. Larking (2012). 'Ministerial accountability to parliament', K. Dowding, and C. Lewis, *Ministerial Careers and Accountability in the Australian Commonwealth Government*, ANU Press, Canberra, Chapter 5, pp. 95–114, especially 95–99.

impossible to hold them formally to account. Citizens are not represented in policy networks in which government administration, experts, interest groups, and 'big corporations' participate. These groups, however, do not represent citizens, are not constrained by electoral pledges, and do not have to anticipate electoral sanctions. There are no formal mechanisms to hold them to account. [332] Another problem is the temptation of self–interest by politicians that leads them to continuous moving between government and business spheres. These representatives are disguising their interests and are mystifying accountability with the risk of negating its effects. [333]

It is this participation of business organizations in political networks and the combination of government and business spheres that creates troublesome problems for political accountability. Business organizations are only indirectly linked with the political manifestation of organizational accountability, but there are no 'eyes' linked to this manifestation for them to account to. There is, however, intense scrutiny of business organizations and their influence on politics by many interest groups that are very diverse in nature. They hold business organizations to account with informal (but potentially strong) social accountability mechanisms.

The social networks domain

This domain is about the way peers (organizations and employees) and professional associations keep organizations and individual

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[332] Y. Papadopoulos (2007). 'Problems of democratic accountability in network and multilevel governance', *European Law Journal*, Vol. 13, No. 4, pp. 469–486; Willems, and Van Dooren (2011), pp. 517–518.

[333] G. Lehman, and K. Thorne (2015). 'Corruption, criminality and the privatised state. The implications for accounting', *Accounting Forum*, Vol. 39, No. 4, pp. 366–370.

employees accountable for their behaviour. It groups two manifestations of accountability: [9] peer accountability, and [10] professional accountability.

Figure 10. Peer accountability

Social Networks Domain	
9. Peer accountability	
Direction:	Horizontal
Source:	Informal
Power:	(Relatively) strong
Who	Peers (organizations, team members)
To whom:	*External:* peer organizations *Internal*: team members, peer groups
About:	Mutual monitoring of performance and behaviour in peer groups
Procedures:	Informal, based on informal feedback
Standards:	Informal agreements between peers; peer norms
Consequences:	Loss of esteem and reputation
EIM	Not necessary
Ethics Management	Integrity

Scientists have long been interested in the impact of the social, educational, and workplace environment on employee behaviour. There is a growing amount of literature that suggests than the influence peers have on the behaviour of individual employees is very important. [334] According to Robert Goodin, peer accountability is

[334] R. Holden, M. Keane, and M. Lilley (2021). 'Peer effects on the United States supreme court', *Quantitative Economics*, Vol. 12, No. 3, pp. 981–1019; J. Jansen Lockett, L. Barkley, J. Stichler, J. Palomo, B. Kik, C. Walker, J. Donnelly, J. Wilson, J. Sanborn, and N. O'Byrne (2015). 'Defining peer–to–peer accountability from the nurse's perspective', *JONA. The Journal of Nursing Administration*, Vol. 45, No. 11, pp. 557–562; B.J.

'based on mutual monitoring of one another's performance within a network of groups.' [335] Peer accountability occurs when employees (or organizations within the same organizational network) are accountable to their peers. Although there is a lot of criticism possible on March and Olsen's theory of the logic of appropriateness, it may be possible to apply this theory to peer accountability. Under this theory, 'actors seek to fulfil the obligations encapsulated in a role, an identity, a membership in a political community or group, and the ethos, practices and expectations of its institution. Embedded in a social collective, they do what they see as appropriate for themselves in a specific type of situation.' [336] It is inherently social and 'soft' and relies on the integrity of colleagues, be they organizations or individuals. Networks of organizations and/or individuals do control its members by 'mutual monitoring among a band of well–intentioned coequals.' [337]

Peer accountability is inherently informal; it lacks formal sanctions. Standard setting, feedback, and appropriate behaviour are rooted in the capacities of networks to develop social norms of engagement, and to control these through non–coercive means like approval and disapproval. It could backfire, however, when social pressure is strong. Individuals may refuse to submit to pressures. [338]

Moy (2021). 'Can social pressure foster responsiveness? An open records field experiment with mayoral offices', *Journal of Experimental Political Science*, Vol. 8, No. 2, pp. 117–127.

[335] Goodin (2003), p. 378.

[336] J. March, and J.P. Olsen (2011). 'The logic of appropriateness', R.E. Goodin (ed.), *The Oxford Handbook of Political Science*, Oxford University Press, Oxford, pp. 478–497, p. 478.

[337] Goodin (2003), p. 392.

[338] Z. Terechshenko, C. Crabtree, K. Eck. and C.J. Fariss (2019). 'Evaluating the influence of international norms and shaming on state respect for

Peer accountability is about esteem, and reputation, the intangible hand, as argued by Geoffery Brennan and Philip Pettit. [339] Colin Scott argues in the same vein that the fear of losing one's reputation drives the effects of peer accountability. [340] It does not matter if peers are organizations in a political or business network or employees in a team or work group. Organizations that lose esteem or reputation may find it more difficult to collaborate, share resources, or find partners. The commitment to respect peers (employees as well as organizations) and to behave appropriately, the unwillingness to let peers down, and the fear to lose a reputation, is very effective, although extremely difficult to control. Peers will conform to the expectations of the relational climates they are part of. Social approval is more important than the potential effectiveness or outcomes of a decision. This could mean a risk for accountability: if unethical and non–compliance behaviour is deemed necessary for the 'good' of the group of peers it might be perceived as acceptable. Expectations in relational climates do not always conform with organizational expectations and 'mores'. [341]

Developing strong social relationships within organizations and increasing team understanding of what behaviour is expected in the organization should lead to compliance or conformity to expectations, especially when organizational leaders continuously emphasize the expected ethical behaviour, and integrity–based ethics management is prevalent within the organization.

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rights. An audit experiment with foreign embassies', *International Interactions*, Vol. 45, No. 4, pp. 720–735.

[339] G. Brennan, and P. Pettit (2004). *The Economy of Esteem. An Essay on Civil and Political Society*, Oxford University Press, Oxford, especially p. 5, pp. 245–321. See also (about reputation): Busuioc, and Lodge (2017).

[340] Scott (2006), pp. 180–181.

[341] Lerner, and Tetlock (1999), pp. 256–257. See: Van Bussel (2020), pp. 32.

Figure 11. Professional accountability

Social Networks Domain	
10. Professional accountability	
Direction:	Horizontal and vertical
Source:	Informal and formal
Power:	(Relatively) strong
Who	Professionals
To whom:	*External:* Professional organizations *Internal*: Employers
About:	Professional behaviour
Procedures:	Professional code of behaviour and ethics
Standards:	Professional (dependent of specific profession)
Consequences:	Loss of reputation; reprimand, censure, suspension
EIM	Recommended (where possible)
Ethics Management	Integrity and compliance

Professionals lay claim to expert knowledge beyond the understanding of non–professionals, implicating that actions can be fully assessed only by fellow–professionals. Barbara Romzek and Melvin Dubnick characterized professional accountability as 'deference to expertise', where organizations rely on an experts' technical knowledge and where external scrutiny is inappropriate. [342] This last statement is questionable. Professional accountability takes place in the world of professions, *outside* an organizations' walls but also *within* its accountability framework. Professional are accountable to their organizations for their decisions. But they are not sanctioned for *results* (patients dying, or lawyers losing), but for *'malpractice' in their processes*, using improper means to achieve results. [343] Professionals are governed by a set of technical and/or professional norms

[342] Romzek, and Dubnick (1994), pp. 272–271.

[343] Deleon (1998), pp. 548–549.

and practices to define behaviour and performance. They are subject to these norms but are autonomous in their work and act according to their own criteria and knowledge. These professional rules and principles have both a technical and an ethical dimension. It is common for professions to have their own codes of behaviour and/or ethics. Professional organizations establish mechanisms for their application and control. These controls, where they exist, tend to focus on compliance with these professional rules and principles. [344] Effective and reliable scrutiny requires review boards or disciplinary committees containing expert members of the same profession. [345] Professional bodies implement codes with (binding) standards for acceptable behaviour.

In the last decades the reputations and performance of experts are being questioned and diminished trust in professionals seems to be the result. The evidence, however, that professionals or professional institutions are less trustworthy is elusive. What there is, is evidence that 'we say we trust less' in polls and talk shows. Repeated messages do not make it true. [346] But that there is a 'culture of suspicion' is without doubt and this culture, extensively nurtured by social media, should stimulate external, formal professional review bodies to pull the reigns and force their professionals to comply to the defined ethical and behavioural standards that they have accepted but often only lukewarmly implemented in practice.

The societal domain

This domain groups one manifestation of accountability: [11] social and environmental accountability. This manifestation is about

[344] Bar Cendón (2000), pp. 39–40.
[345] Bovens (2007), p. 456.
[346] O'Neill (2002), pp. 43–45.

all the (unspecified) calls for (government of business) organizations to account for their behaviour to the general public ('society at large') or, at least, to civil interest groups, charities, and associations of clients. Within this domain, many questions arise about the way organizations manage the environment, human rights, labour circumstances, perceived influence on politics, and so on.

Figure 12.Social and Environmental accountability

Societal Domain	
11. Social and Environmental accountability	
Direction:	Horizontal
Source:	Informal
Power:	Weak and strong
Who	Organizations, (boards of) Directors
To whom:	*External:* 'Society at large', interest groups, social networks, and the media
About:	Social and environmental behaviour
Procedures:	No procedures, but societal protest and upheaval, and often legal procedures
Standards:	No standards, but opinions
Consequences:	Reputational damage, legal procedures
EIM	Recommended (where possible)
Ethics Management	Integrity and compliance

This manifestation involves answering concerns of unspecified citizens, customers, and/or interest groups through various audiences (as social media, newspapers, and other media) about activities of government or business organizations. Those concerns can be very diverse: labour situations, the political interference of business organizations, corruption, human rights, health care, tax evasion, providing of services by government organizations, behaviour of public officials, and, recently, the environmental behaviour of or-

ganizations. It is a horizontal, largely informal mechanism of control of organizations that rests on the actions of temporarily groups of citizens, an array of citizen's associations and (social) media. These actions try to monitor and expose both government and business organizations for perceived or real wrongdoing. They will involve oversight agencies, activate legal action, mobilize social media and media organizations, and put pressure on political parties and members of parliament.

Social and environmental accountability relies on civil society to exert influence on organizations. Its mechanisms contribute to the enforcement of the rule of law, but also try to use reputational concerns of organizations and employees. [347] They are not blunt instruments used to evaluate all the actions and actors within government and business organizations, but allow for selective control, signalling, and sanctioning of specific actors or behaviours. Although they can be very strong instruments, they are extremely demanding in terms of participatory efforts. If participation is lacking, this manifestation's actions are only very weak controls on organizational behaviour. The mechanisms used are 'demand-driven and operate bottom-up', like demonstrations, protests, and investigative journalism. [348] In recent years, the use of participatory data collection and analysis tools have led to more intense accountability practices. These include, for example, expenditure tracking and citizen and customer monitoring. Mechanisms of social and environmental ac-

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[347] Peruzzotti, and Smulovitz (2006), p. 10–11.

[348] C. Malena, R. Forster, and J. Singh (2004). *Social Accountability. An introduction to the concept and emerging practice*. Social Development Papers, No. 76, World Bank, Washington, p. 3 Online source, retrieved on November 19, 2021, from: https://documents1.worldbank.org/curated/en/327691468779445304/-pdf/310420PAPER0So1ity0SDP0Civic0no1076.pdf

countability are intended both to complement and enhance conventional mechanisms of accountability.

Most of these informal actions and mechanisms rely upon public pressure, because the possibilities of judgement and sanctioning are lacking. [349] These very public actions, however, can result in public relation disasters for the 'victims' of this manifestation of organizational accountability. [350] Government as well as business organizations try to contain the effects of social accountability by adhering to corporate social responsibility (CSR), that encompasses issues revolving around the interaction with society. It covers issues like ethics, philanthropy, and community involvement, product safety, human rights, equal (labour) opportunities, and environmental activities. CSR is linked with social reporting, the communication of social effects of the (economic) actions of organizations to particular interest groups within society and to society at large. It stresses the need for socially relevant organizational behaviour. [351]

CSR deals especially with social obligations imposed on organizations by international law principles, making CSR itself controlled by the legal manifestation of organizational accountability. Most organizations try to comply to minimum standards for social obligations using their reputation to impress that they are a solution for regulation and societal problems. Although that is popular view within government circles, business as well as government organizations are, paradoxically, also considered by the general public as

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[349] Bovens (2007), p. 457.

[350] W.S. Laufer (2003). 'Social accountability and corporate greenwashing', *Journal of Business Ethics*, Vol. 43, No. 3, pp. 253–261.

[351] S. Seifi, and D. Crowther (2018). 'The need to reconsider CSR', D. Crowther, and S. Seifi (eds.), *Redefining Corporate Social Responsibility*, Emerald Publishing, Bingley, Chapter 1, 1–14.

causing and permitting environmental disasters, financial and fiscal scandals, social ills, and corruption. [352]

It is an important reason why CSR–policies and expressed pro–social behaviour of many organizations are not believed and trusted by the public at large. [353] It is understandable: it is a largely unregulated and unchecked domain unless or until a failure is disclosed. 'Compliance' often devolves into a creative blending of risk and reputation management when organizational leadership does not enforce integrity–based ethics management. [354] Which was what happened in the financial crisis of 2008: many financial institutions had CSR–policies in place when they fell victim of their myopia. [355]

Environmental aspects within CSR, especially, are treated very critically by many interest groups and large segments of the general public. Accountability for environmental activities is part of social accountability because there are, many environmental laws notwithstanding, not (yet) common accountability structures of ac-

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[352] Minimum standards: P. Park (2009). 'Perspectives of lawyers in practice on CSR', S.O. Idowu, W.L. Filho, *Professionals' Perspective of Corporate Social Responsibility*, Springer, Berlin–Heidelberg, Chapter 2, pp. 33–47. Paradox: A.G. Scherer, and G. Palazzo (2008). 'Globalization and corporate social responsibility', A. Crane, A. McWilliams, D. Matten, J. Moon, and D. Siegel (eds.), *Oxford Handbook of Corporate Social Responsibility*, Oxford University Press, Oxford, pp. 413–431.

[353] H. Rim, and S. Kim (2016). 'Dimensions of corporate social responsibility (CSR) skepticism and their impacts on public evaluations toward CSR', *Journal of Public Relations Research*, Vol. 28, No. 5–6, pp. 248–267.

[354] Laufer (2003), pp. 253–261.

[355] C. Jacob (2012). 'The impact of financial crisis on corporate social responsibility and its implications for reputation risk management', *Journal of Management and Sustainability*, Vol. 2, No. 2. Online source, retrieved on November 19, 2021, from: https://www.ccsenet.org/journal/index.php/jms/article/view/18126.

countors and accountees in place. Organizational leaders face growing public demand to reduce the pollutants their organizations produce and to increase their environmentally responsible activities. It is becoming a very important dimension and subset of CSR. [356] Damage done to the environment resulted in the attention of investors and the general public in environmental responsibility. [357] Environmental challenges are complex and diverse in nature. Climate change, acidification of the oceans, declining biodiversity, and ozon depletion in the stratosphere illustrate the environmental problems of modern civilization. [358] Business organizations are central to this process as they are the engines of the global economy, continuously driven by the impossible objective of infinite growth. The resulting environmental damage has led to social criticism, political mobilization, and government regulations. As was correctly asserted by Roger Burritt and Stephen Welch, accountability for environmental activities 'cannot function without information being provided to stakeholders about actual and potential environmental performance'. [359] Alon Lischinsky and Annika Sjölander affirm that or-

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[356] M. Kitzmueller, and J. Shimshack (2012). 'Economic perspectives on corporate social responsibility', *Journal of Economic Literature*, Vol. 50, No. 1, pp. 51–84.

[357] S. Castaldo, F. Perrini, N. Misani, and A. Tencati (2009). 'The missing link between corporate social responsibility and consumer trust. The case of fairtrade products', *Journal of Business Ethics*, Vol. 84, No. 1, pp. 1–15.

[358] W. Steffen, K. Richardson, J. Rockström, S.E. Cornell, I. Fetzer, E.M. Bennett, R. Biggs, S.R. Carpenter, W. de Vries, C.A. de Wit, C. Folke, D. Gerten, J. Heinke, G.M. Mace, L.M. Persson, V. Ramanathan, B. Reyers, S. Sörlin (2015). 'Planetary boundaries. Guiding human development on a changing planet', *Science*, Vol. 347, No. 6223, pp. 736: 1–10.

[359] R.L. Burritt, and S. Welch (1997). 'Accountability for environmental performance of the Australian Commonwealth public sector', *Accounting, Auditing & Accountability Journal*, Vol. 10, No. 4, pp. 532–561, p. 534.

ganizations must do business within the expectations and norms of society, that this demands public scrutiny of environmental performance and the disclosure of information about that performance.

At the same time, many organizations, be they governmental or business, try to manipulate the outcomes of public debates about environmental issues. [360] They have advanced strategies in place to provide information about their environmental performance. [361] In their annual reports financial disclosures complement with sections concerning social and environmental metrics. The public tends to regard these metrics as biased and as a consequence, organizations try to enhance the credibility of their environmental activities by circulating metrics through 'independent' sources. [362] There is a risk that news media are becoming dependent on the public relations activities of private interests and that environmental news, especially, is manipulated to boost the financial and reputational interests of business organizations. Poor environmental performance, after all, impacts share prices, brings unwanted publicity and, possible, government interference. So, why not using a public relations budget to manipulate communication about environmental activities and mixing public relations with propaganda? It happens. Public

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[360] A. Lischinsky, and A. Sjölander (2014). 'Talking green in the public sphere. Press releases, corporate voices and the environment', *NORDICOM Review. Nordic Research on Media and Communication*, Vol. 35, Special Issue, pp. 125–139.

[361] At least for business organizations: Laufer (2003); H. Lehtimäki, J. Kujala, and A. Heikkinen (2011). 'Corporate responsibility in communication. Empirical analysis of press releases in a conflict', *Business Communication Quarterly*, Vol. 74, No. 4, pp. 432–449.

[362] A. Hansen (2010), 'Making claims and managing news about the environment', A. Hansen, *Environment, Media and Communication*, Routledge London, Chapter 3, pp. 36–74.

relations are, after all, many times used to 'clean the organizational image', even using manipulation of the public. [363]

As long as organizations do not have to grant public access to independently verified information that validates their metrics, this dimension of CSR is difficult to evaluate. But reputations are valuable, and just for that reason social and environmental accountability could make organizations more accountable. If the effects of public disapproval impact the reputational capital of an organization (and its shareholder value), it represents a sanction that strongly influences the possibility of success in the market.

A framework: some conclusions

The framework of accountability manifestations can assist organizational leaders in aligning their governing structures with the

[363] I.K. Idris (2019). 'Propaganda in contemporary public relations', *Proceedings of the 1st International Conference on Anti-Corruption and Integrity (ICOACI), September 3, 2019*, Research Synergy Foundation, Jakarta, pp. 82–89. Public relations want 'to mould public opinion and behaviours by manipulating a human's basic motives and desires.' (p. 89). According to Idris, in dominant public relations research public relations have been conceptualized into two–way mutual dialogic communication, as is reflected in the many definitions of what public relations are. See for instance: S. Roberts–Bowman (2020). 'What is Public Relations?, A. Theaker (ed.), *The Public Relations Handbook*, Routledge, Abingdon–New York (sixth edition), chapter 1, pp. 3–24. Idris emphasizes that recent research shows a *lack* of two–way dialogic communication, specifically on the website and social media platforms. The conclusion of Idris is that the three fundamental elements of propaganda (manipulation, well–planned intention, and one–way communication flow) are still commonly practiced in public relations. My conclusion that public relations are often used to 'clean the organizational image' is not as farfetched as may initially be thought.

(external) expectations of accountability. The complex systems organizations turn out to be are dynamic networks of multi–actor and multi–directional interactions, functioning in hostile and dynamic environments, with erratic strategic decisions made by organizational leaders. In such systems, it is never clear who is, in the end, responsible and accountable for a decision, an action, a transaction, or a policy. There are 'many hands' that participate in the making, implementation, and processing of such decisions, actions, transactions, and policies. It is clear that in such organizations, information is core to everything organizations do, and that it should be meticulously governed and managed. The overall assumption in management literature that information is managed appropriately is, however, incorrect. In addition, in such complex environments the assumptions in accountability literature about rational decision–making and linear cause–effect relationships, are not viable. Collective views of accountability *do* make a lot of sense in such organizations and are, possibly, the only solution to hold complex organizations to account.

Where does this leave the framework of manifestations of organizational accountability defined above?

First, the manifestations of organizational accountability in the framework *cannot be ranked in order of importance*. All of them may have serious organizational consequences. It is a subjective consideration of organizational leaders how those manifestations should be prioritized, and in which order. In daily practice, most attention seems to be paid to formal manifestations with 'strong' power, although those do not need to be the ones with the most severe consequences. Organizational leaders can use the framework to decide in which order these manifestations are prioritized, based on an analysis of the (un–)acceptability of consequences.

Second, although all manifestations in the framework are about 'being accountable', and they are presented as (as I have stated before) eleven ideal types in which a linear cause–effect relationship seems clear, *in reality ideal types do not exist*. As Tom Campbell already determined in 1981, ideal types are selective oversimplifications to understand the nature of the subject of simplification. In ideal types, relations of linear cause and effect are *assumed*. However, assumptions may not be true. [364] In complex organizations linear causes and effects often are extremely difficult to detect. It is, many times, hardly possible to pinpoint the direct cause(s) of an effect (if it is even possible to pinpoint a specific effect itself!), the complex and varying models of causation notwithstanding. [365] Organizational leaders may use the framework to analyse the existing possibilities within its governance structure to identify cause–effect relationships, and the responsible and accountable individuals, or, when not possible, accept the fact that the organization (or maybe better: its (board of) directors and other senior managers) will be accountable as a collective.

Third, although it is difficult to rank them, there is *one manifestation that influence success or failure of all other manifestations: peer accountability*, based on the relational climates in which employees work, function, and socialize. This informal manifestation of organizational accountability is about how employees in the relational climates or organizations are socialized, how they are stimulated to behave, how that behaviour is monitored by the behavioural standards of the team, group, or place of work, and how group monitoring and social control pressure employees to be accountable to their

[364] T. Campbell (1981). *Seven Theories of Human Society*, Clarendon Press, Oxford, pp. 175–177.
[365] Lindberg (2013), pp. 16–17.

peers about their behaviour. When these behavioural standards do not conform with the required organizational standards for the other manifestations of accountability, there are compliance risks. Organizational leaders need to ensure that managers of teams, groups, or places of work align organizational expectations and requirements for behaviour with the expectations and requirements adhered in the teams, groups, and places of work they manage. Of all the manifestations of organizational accountability, this manifestation needs to be addressed continuously.

Fourth, although defined as manifestations of accountability, it is good to remember that *they are, at the same time, manifestations of performance*. This seems to be contradictory, but it is not in reality. Accountability and performance both are objectives of organizational governance and need to be balanced to be effective. If one of them is dominant, it will have negative effects on the other objective. Extremely performance–driven organizations will have problems with the accountability objective, just like extremely accountability–driven organizations will have problems with performance. Accountability and performance are two sides of the same coin. When one side of the coin is a manifestation of organizational *accountability*, the other side of the coin is a manifestation of organizational *performance*. [366] The manifestations of organizational ac-

[366] As has been proposed in: G.J. van Bussel, F.F.M. Ector, P.M.A. Ribbers, and G.J. van der Pijl (1999). 'Work- or documentflow. The document revolution? Archival documents as trigger for process improvement', J.P. Heje, C. Ciborra, K. Kautz, c.s. (ed.), *Proceedings of the 7th European Conference on Information Systems Copenhagen Business School, 23-25 June 1999*, ECIS, Copenhagen, I, pp. 55–69; and G.J. van Bussel, F.F.M. Ector, G.J. van der Pijl, P.M.A. Ribbers (2001). 'Building the record keeping system (RKS). Process improvement triggered by management of archival documents', J.P. Sprague (ed.), *Proceedings of the 34th Hawaii International Con-*

countability do have matching manifestations of organizational performance. Just like any other manifestation, product–services *accountability*, for instance, will be matched by a manifestation of product–services *performance*. Organizational leaders can use the framework to analyse the performance manifestations matching the accountability ones, decide on the performance and accountability criteria needed to realize a balance, and implement these in governance structures like rules and routines.

Fifth, the framework denotes the ethics management approaches needed for all manifestations. *Both compliance–based and integrity–based ethics management are necessary to meet external expectations of accountability.* Nine manifestations require integrity–based ethics management. It can no longer be maintained that only compliance–based ethics management is necessary. Organizational leaders will need to also implement integrity–based ethics management in their organizations. That is not a *choice*, it is a *necessity*! Only implementing compliance–based ethics is insufficient to be really accountable in complex organizations. It may result in symbolic and repetitive accountability relationships that develop into yearly rituals that do not cover anything that is part of really 'being accountable.' [367] Added to this, for the only manifestation that influences success or failure of all other manifestations of accountability, peer accountability, integrity–based ethics is the only possibility. It is an informal accountability manifestation that is ignored by compliance mecha-

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ference on System Sciences, HICCS, Maui, Vol. 8, pp. 8060. Extensively elaborated in: G.J. van Bussel, and F.F.M. Ector (2009). *Op Zoek naar de Herinnering. Verantwoordingssystemen, Content–Intensieve Organisaties en Performance* (*In Search for Remembrance. Accountability Systems, Content–Intensive Organizations, and Performance*), Van Bussel Document Services, Helmond. For an English summary, view pp. 459–467.

[367] Schillemans, and Bovens (2011), pp. 6–8.

nisms. Stimulating behaviour to conform to expectations of integrity and continuously evaluating this behaviour in the context of their relational climates and the organizational ethical code may be the only possibility organizational leaders have to address peer behaviour.

Sixth, *all manifestations of accountability need information, and, with one exception, information management.* Governance is, as I mentioned before, about information, as are its two objectives. Without information both performance and accountability cannot be properly managed. The manifestations are guidelines for enterprise information management that indicate which information is crucial for the organization to allow for performance and accountability. Organizational leaders should consider information to be a business asset governed and managed just as all other crucial business assets. Their information governance should be focused on the information within all interactions in business processes. They cannot ignore information any longer. Not managing information in complex organizations is a recipe for (reputational) disaster.

Seventh, and last, the eleven manifestations of organizational accountability *are about external expectations about how organizations should be accountable for the ways they affect their environment. It is society asserting itself on organizations.* Society will always have an effect on organizations but in a complex world those expectations of accountability are evolving. My last manifestation, social and environmental accountability is a receptacle of many informal issues that may evolve into separate formal accountability manifestations when laws and regulations ask organizations to 'be accountable.' Eleven manifestation may become twelve or thirteen manifestations in five years. It is a representation of extremely complex and fluid expectations that 'society' expects organizations to satisfy. Organizational leaders need to satisfy the expectations of their stake–

and shareholders to realize performance but also the fluid expectations of society–at–large in 'being accountable.' They have to balance their organizational governance in such a way that the annual performance and accountability metrics are up to expectations. Organizational governance is a balancing act between its both objectives. The only way to even come close to such a balance is to mix the rationalities for integrity and compliance into the behavioural norms and standards expected of all employees and to continuously monitor and evaluate this behaviour against those norms and standards. What is needed is a strategic approach to both accountability and behaviour within organizational governance.

6

A STRATEGIC APPROACH

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Organizations are, just like their environments, constantly in flux. They are open systems that seem stable but are continuously adapting to changing environments. They can be characterized as a multiplex, comprised of many domains, many players, and a complex overlay of interactions and relationships combining them. [368] Organizational leaders are increasingly challenged in coping with uncertainty and unpredictability. They are challenged by external expectations to 'be accountable' but also to 'be performance oriented.' They need governance that finds a balance between those two objectives but in organizations as a multiplex in flux that is not an easy endeavour.

This complexity has led organizational leaders to a governance strategy to not only use information technology for realizing performance (for which it is exceptionally well equipped) but also for realizing accountability, trying to translate *post factum* evaluations into *pre factum* definitions of rules and procedures to ensure compliance. [369] This ICT governance strategy may work but most often results in inflexible and static systems. Employees experience these systems as increasingly contradictory with their routines, leading to unpredictable (mostly (pro–social) deviant) behaviour (as retrospective inscribing), harming accountability *and* performance. This strategy is based on the assumption that information technology systems of high–quality capture information of high–quality. That assumption proved, in the end, to be wrong. [370] As I emphasized before: organizations do not necessarily need *information systems*, but they do need relevant *information* of good quality. *Information* governance is, thus, a 'must.' It is the 'operating system' for infor-

[368] Falconer (2002), 31–34.

[369] Heidelberg (2017), pp. 1383–1387.

[370] Before: pp. 23–24.

mation management (including rules, decision–making rights, security and risk parameters), and realizes the governing of interactions that define the coordination and control environment for the valuation, creation, collection, analysis, distribution, storage, retention, disposal, preservation, and use of information. Organizational leaders need such an 'operating system' as part of organizational governance to reach both of the organization's objectives, without severely damaging (one of) them.

Information governance is the part of organizational governance that directly influences the operational tools, mechanisms, and behaviours that concern information and information management. Enterprise information management 'takes care' of all information in the organization and follows the direction of information governance to assist both objectives of organizational governance: performance and accountability. Its effectivity has been negatively influenced by the neglect of organizational leaders, the deviant information behaviour of employees (as a result of neglect), and the lack of a theoretical foundation. [371] For reaching the objectives of performance and accountability, enterprise information management is (at least) in need of a theoretical foundation that is attuned to the workings of an organization, the processing and archiving of 'trusted' information, and the recognition that 'trusted' information is necessary for both performance and for compliance and accountability processes. I developed the framework of the 'Archive-as-Is' for such a necessity. The framework can be used by organizational and information governance to define the coordination and control environment for the information value chain and to create an eval-

[371] About neglect: see pp. 20–21 here before; about deviant information behaviour: Van Bussel (2020), pp. 59–61; about lack of a theoretical foundation: Van Bussel (2017), pp. 19–23.

uation environment for ethical behaviour. Especially this last one is a crucial component: as has been shown before, behaviour of managers and other employees needs to be addressed when balancing both objectives of organizational governance.

Organizational and information governance need a strategic approach to handle the manifestations of accountability (and performance!) that have been described before. A strategic approach is also needed because some manifestations have accountors that try to change the phases of temporality that are part of an accountability relationship: [1] assessing of information, [2] discussion, questioning, and answering, and [3] the definition of consequences, punishments and/or rewards. Some of these accountors abuse their power to offer an organization only the possibility to submit a report and face consequences. [372] This may be called accountability but seems to be more about control than about accountability. It cannot always be avoided but an organization's governance structure should be prepared for such occasions.

As Raphael Zumofen observed, in accountability research the accountee has always been the centre of interest. [373] That is not incorrect, because an accountee has to 'be accountable.' Accountees perceive such a view as *incorrect*. From their point of view, the expectations and (potential) demands of the accountor are the centre of interest. An accountee (in this case: an organization) has to provide a response, either reactive or proactive, to every (potential) demand from an accountor, for every accountability manifestation it is confronted with. From an organization's point of view, the response to the expectations and demands of an accountor is maybe the most important part of the accountability relationship. Expec-

[372] Following Zumofen (2015), pp. 6–8.

[373] Zumofen (2015), p. 7.

tations and demands are based on [1] explicit (or *de jure*) standards, codified in law, regulations, or contractual obligations, and [2] implicit (or *de facto*) standards, general notions of acceptable action and behaviour as defined by societal values, beliefs, and assumptions. [374] Handling accountability for those expectations and demands contains at least two dimensions: [1] performance standards, explicit or implicit, generated by the organizational environment, embedded in and directed by organizational (and information) governance; and [2] a response, reactive or proactive, from the organization on the expected performance standards for the manifestation of organizational accountability it has to account for, including discussions about how the organization perceives itself to 'be accountable', how it perceives itself to be compliant to the required standards, and the evidence it presents to demonstrate this compliance.

Such a response is part of a strategic approach to accountability in which the organization itself tries to proactively engage with and plan for external expectations and demands within its organizational governance structure. [375] This book emphasized that integrity–based ethics management and (organizational) behaviour are important for realizing the objectives of organizational governance. It is impossible to realize a strategic approach to accountability without defining a strategic approach to ethical behaviour.

My strategic approach to accountability is based on the research of Kevin Kearns and Raphael Zumofen but is much more detailed. The approaches op Kearns and Zumofen concentrate solely on accountability and ignore behaviour. My approach consists of three components: [1] a strategic approach to *ethical behaviour* as it is (1)

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[374] K.P. Kearns (1994). 'The strategic management of accountability in non–profit organizations. An analytical framework', *Public Administration Review*, Vol. 54, No. 2, pp. 185–192, p. 187.

[375] Kearns (1994), pp. 87–88.

crucial for accountability as well as performance, (2) essential to peer accountability, the only manifestation of organizational accountability that influences success or failure of all other manifestations, that is completely informal, and based on peer evaluation of ethics and behaviour, and (3) neglected by organizational leaders although there are measurements that point out that ethical behaviour of managers and employees is creating (financial) problems; [2] a strategic approach to *accountability*, positioning accountability as an objective that has to be carefully planned and prioritized; and [3] *external checks* on the internal procedures of both approaches as an extra assurance for outside accountors that the organization is doing everything it can to 'be accountable' on strategic, tactical, and operational organizational levels. The separate steps in these three components will be introduced individually in order to obtain a practical guideline that could be used in each and every organization to realize a high–level strategic approach in organizational governance for ethical behaviour and accountability.

First, the strategic approach to *ethical behaviour* is divided in ten separate steps. Its objective is stimulating and evaluating behaviour that is in accordance with organizational values, a code of expected behaviour, and guidelines for integrity and compliance. These ten steps are presented in Figure 13.

Figure 13. Strategic approach to ethical behaviour

1. Identification or organizational values
Determining what the organization is about, which values it adheres to (like: honesty, fairness, integrity, trustworthiness, respect) and which values it wants to present to its environment
2. Identification of the ethical implications of organizational values

Determining the ethical consequences of those values, especially for the behaviour of employees
3. Identification of the expected ethical behaviour
Determining the expected ethical behaviour for employees in different business processes, (management) roles, and activities, based on the ethical implications of organizational values
4. Definition of a code of expected ethical behaviour
Capturing the specifics of expected ethical behaviour in a code as a requirement for employee behaviour, defining acceptance boundaries for (pro–social and/or deviant) behaviour
5. Definition of guidelines for integrity and compliance
Capturing guidelines for integrity and compliance, based on the code of expected ethical behaviour, defining boundaries for (pro–social and/or deviant) behaviour
6. Communication of the code (4) and guidelines (5)
Communication of the code of expected ethical behaviour and the guidelines for integrity and compliance to all managers and employees, using formal and informal communication channels. All managers need to align behaviour in teams or work groups with the code and guidelines and communicate and discuss this with their team or work group members
7. Training of employees according to code (4) and guidelines (5)
Training of all managers and employees in the application of the code of expected ethical behaviour and the guidelines for integrity and compliance in behaviour. This training will be part of socialization processes in the organization. All managers and employees need to participate periodically in training, based on teams or peer groups
8. Training of assessors in assessing the code (4) and guidelines (5) in managers and other employee assessments

Training assessors in evaluating the code of expected ethical behaviour and the guidelines for integrity and compliance in all employee assessments, especially in the evaluation mechanisms used, in the recognition of deviant behaviour, and in the possibilities for formal and informal punishments and rewards in accordance with code and guidelines
8. Periodical evaluation of the behaviour of managers and other employees for compliance to the code (4) and guidelines (5), including punishments or rewards.
Evaluating the behaviour of both managers and employees against the code of expected ethical behaviour and the guidelines for integrity and compliance, and capturing evaluations in assessment reports
9. Evaluation of the outcomes: analysis of the results of the assessments and definition of the learnings.
Evaluating assessment outcomes and definition of learnings (and improvements)
10. Application of the learnings in the approach to ethical behaviour
Application and implementation improvements into the approach.

Second, a strategic approach to *accountability* is divided in twelve separate steps. Its objective is defining responses to accountors and preparing to be accountable for all manifestations of organizational accountability. These twelve steps are presented in Figure 14.

Figure 14. Strategic approach to accountability

1. Identification of the manifestations of organizational accountability, including their source, power, and spatial direction.

Determining accountability manifestations that influence the organization and their source, power, and spatial direction, to gain an overview of existing and potential accountability relationships to allow for prioritization of manifestations and responses
2. Prioritization of manifestations or organizational accountability
Determining the relative importance of the separate manifestations for the organization to define urgency and to plan accountability activities accordingly
3. Identification of the ethics management needed
Determining the ethics management (compliance, integrity, or both) needed for each separate manifestation
4. Identification of the accountors
Determining all accountors that the organization has or will have to deal with in order to be able to respond to all demands, potential demands, or obligations
5. Identification of the expectations and demands of identified accountors
Determining the various expectations and demands of the different accountors, based on type (known or anticipated) and degree of obligation (*de jure* or *de facto*)
6. Classification of accountors and expectations and demands
Classifying accountors according to their demands to gather some accountors under the same category of demands, to potentially spare resources when responding to them, and to identify similar information needed
7. Evaluation of the accountability environment
Evaluating [1] potential changes in the used legal or regulatory standards, [2] potential changes in the informal or implicit standards, [3] the opinion leaders defining these standards, [4] the tactics or strategies available to help ensure the organization's accountability, and [5] the experiences of comparable organizations, to select the right tools to define an adequate strategic response

8. Implementing internal accountability structures based on Steps 1 to 7
Implementing the internal accountability structures that allow for documenting policies, decisions, products, actions and transactions, based on the prioritization of accountability manifestations and identification of needed ethics management. Internal accountability relationships need to be defined and an internal auditing structure has to be implemented. This internal auditing structure need to emphasize evidence, as this can be used in response presentations
9. Selection of response presentation
Determining and selecting the evidence the organization will need in order to fulfil the requirements of each category of accountors
10. Definition of the response
Determining to be reactive or proactive, or formal or informal, determined by the perception how to present and convey the organizations' message
11. Evaluation of the outcomes: analysis of the results of the accountor assessments and definition of the learnings
Evaluating accountor assessment outcomes and definition of learnings (and improvements)
12. Application of the learnings in the approach to accountability
Application and implementation improvements into the approach

Third, *external audits on the internal procedures of both approaches* as an extra assurance for outside accountors that the organization is doing everything it can to 'be accountable' on strategic, tactical, and operational organizational levels. This phase consists of four steps. These steps are presented in Figure 15.

Figure 15. External audits on the internal procedures of both approaches

1. External audit of the behavioural assessment process
External audit of the behavioural assessment process implemented by the organization to ensure that managers and employees behave within the boundaries defined within the code of expected ethical behaviour and the guidelines for integrity and compliance
2. External audit of the accountability process
External audit of the accountability process implemented by the organization (as well as the internal audit structure) to ensure a strategic response to the various accountors of the manifestations of organizational accountability
3. Evaluation of the outcomes: analysis of the results of the audits and definition of the learnings
Evaluating audit outcomes and definition of learnings (and improvements)
4. Application of the learnings in the approaches to behaviour and accountability
Application and implementation improvements into the approaches

A strategic approach to accountability is not new. An approach that combines accountability, behavioural assessments, and external audits on the internal approaches most certainly is. An approach like that is needed in the multiplex an organization is nowadays. Even with such an approach, the complexity of the environment and the quickly changing parameters do not guarantee success. That is the reason a learning cycle has been integrated into the approach.

Implementing learnings and continuous improvements allow for quick adaptation to new circumstances which fully fits the trend of strategic flexibility. [376] Enterprise information management helps in taking care of organizational information, directed by that part of organizational governance that concerns information.

Organizational governance, my strategic approaches to behaviour and accountability, and the theoretical foundation of enterprise information management in my framework of the 'Archive-as-Is' prepare organizations to 'be accountable' by tackling that problem on different levels: behaviour, accountability responses, and information (management). Together, they create a complex model, which is difficult to realize but will have positive results when used.

Two remarks to end this book.

Issues of accountability emerge largely from employee uncertainty, influenced by an unstable organization that is continuously in flux, and susceptible to changes in its environment. Strategic flexibility and responsiveness are traits that organizations should develop, together with flexible control based on employee integrity. Accountability favours the organization that is 'aware, prepared, responsive, and open — and most firms are entrenched, hopeful, reactive, and defensive.' [377] Organizational leadership should direct organizational governance in 'opening up' their organizations and continuously implement their organizational values in employee behaviour.

Organizational strategy needs to be viewed more as a function of the organization than as an artificial construct that has effect on it. Traditionally, strategy formulation and implementation are

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[376] D. Brozovic (2016). 'Strategic flexibility. A review of the literature', *International Journal of Management Reviews*, Vol. 20, No. 1, pp. 3–31.
[377] Falconer (2002), p. 35.

speculatively directed with one–, three–, and/or five–year scales. Strategy should be viewed as a continuous phenomenon, 'part of a symbiotic, self–organizing system that involves constant interplay with the decisions taken by and the ongoing operation' of the organization. [378] Just like operational flexibility, strategic flexibility is essential for creating an organizational governance where accountability can quickly be brought to the attention of organizational leaders to flexibly adapt organizational strategies for behaviour and accountability and to respond to them. The described strategic approach above will be adapted many times. The necessity for a flexible strategy for accountability, however, will be just as urgent now as it will be in the future.

[378] Falconer (2002), p. 36.

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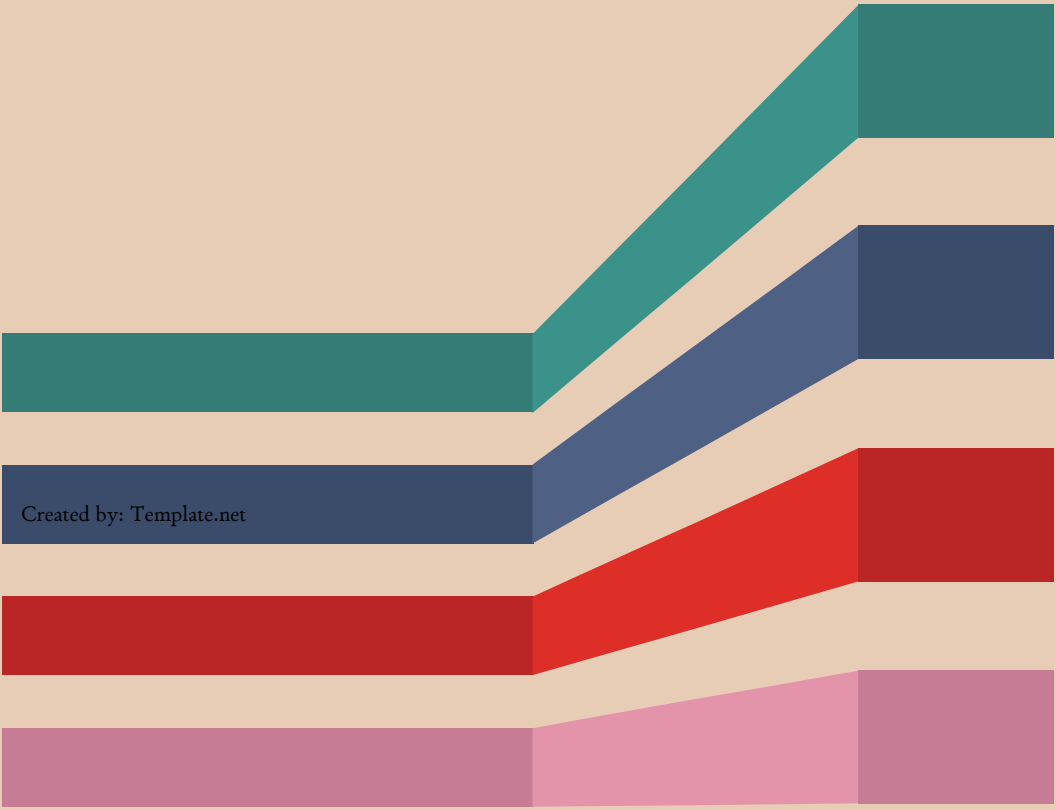

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