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Management and Accounting Issues

## Conceptual and Theoretical Antecedents of Accountability: Implications for Third Sector Organizations Research

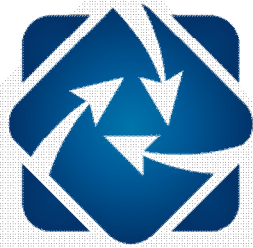
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### **Abstract**

This essay proposes that conceptual and theoretical antecedents of accountability literature presents and, its ramifications, are complementary and highlight the relevance of knowing the relational nature of accountability mechanisms, tools and processes to answer genuine demands of organizations as social systems, to become effective and efficient. In addition, the actors involved in the internal and external environment in which nonprofit organizations operate, as employees, board members, volunteers, suppliers, clients, firms, governments and other organizations play a core function in terms of decisions and choices that, on the one hand, are determinants of accountability and, on the other hand, are influenced by it. Nonprofit accountability empirical literature is also examined as way to improve comprehension and contribute to new insights.

**Key-words:** Accountability, Third Sector, Third Sector Organizations.



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## 1 INTRODUCTION

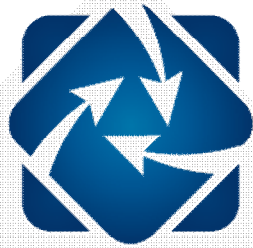
Individuals and organizations are part of complex environments, composed by multiple connections, in which the construct accountability plays a relevant role since ancient time, as evidenced by the consideration of several scholars and practitioners in Law, Sociology, Psychology, Accounting, Management and other knowledge arenas (Bovens (2006), Frink & Ferris (1998), Frink & Klimoski, R. J. (2004), Green (1943), Newman & Turem (1974), Schlenker, Britt, Pennington, Murphy & Doherty (1994), Tetlock (1983a)).

According to Bovens (2006, p.6), accountability is a concept which origins remount governance relations involving accounting when, on the one hand, subjects were held accountable to royalty and, on the other hand, is a contemporary one connected to the notion of equity and fairness, being governments, organizations and individuals held accountable to everyone.

Several definitions and meanings of the term are presented by the literature, reinforcing it as a balance factor to mankind in terms of behavior across the centuries linked to the construct responsibility, as posed by Green (1943, p. 3) in criminology, to whom responsibility means "personal accountability" as a way to predict individuals conduct and condition to life and relations in society, a view aligned to Tetlock (1992, p. 337). In the same way, Schlenker *et al.* (1994, p. 632) affirm that accountability means being responsible and debates about its origins and consequences generated the concept responsibility, which is a substantive that came into view in languages of nations as France, England and Germany in the 17<sup>th</sup> and 18<sup>th</sup> centuries, corroborating what Bovens (2006) emphasizes about the relevance of these two constructs to governance relations between governments and citizens.

The significance of accountability to society is asserted by Newman & Turem (1974, p. 5) as a topic which calls for attention, is priority, controversial and abstract to social work context of efficacy and success in problems solutions, concerning factors from obstacle recognition and purposes design. In this viewpoint, to pose an issue that can be solved is a way to be accountable, specially in case of development of human services involving "helping agents" whose accomplishment evaluation is the easiest configuration of accountability also considering two kinds of "constituencies": "providers of service" and service "recipients", according to Adelberg & Batson (1978, p. 343). This formulation is in accordance with the definition offered by Borrero, Martens & Borrero (1979), to which accountability is "[ ] a statement of clear intent by the service provider (agency, worker, etc.) and recipient of the intended services (client system) and evaluation of the effectiveness and/or efficiency of the intent of both parties". Another aspect pointed out by Frink & Ferris (1998, p. 1260) is that accountability involves a framework of incentives and punishments, compliance with patterns and controlling.

According to Frink & Klimoski (2004, p. 2), accountability is determinant to social systems viability and has not being object of consideration by scholars despite be considered



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an essential concept to organizations. With the aim to contribute to fulfill this gap in literature, this essay proposes that conceptual and theoretical antecedents of accountability literature present and, its ramifications, are complementary and highlight the relevance of knowing the relational nature of accountability components (e. g., mechanisms, tools and processes) to answer genuine demands of organizations (accountability measurement, performance evaluation) as social systems, to become effective and efficient. Also, factors that represent these accountability components introduced by the literature are explored as well actors involved in organizations' operations.

## 2 ACCOUNTABILITY

Accountability is also defined as someone's necessity to defend their convictions to whom is held accountable, in a permanent structure of interfaces of actions and decisions (Lerner & Tetlock (1999), Tetlock (1983a), Tetlock (1983b), Tetlock (1985b), Tetlock & Boettger (1989), Tetlock, Skitka & Boettger (1989), Tetlock (1992), Tetlock (1994)), additionally, is a social psychological instrument of compliance linking people to the social system to which they belong in expressed or unexpressed way (Tetlock, 1985a). In this context, the term was studied by Sinclair (1995, p. 219) considering what he denominates five kinds: "political, public, managerial, professional and personal" as well two discourses: "structural and personal".

The accountability debate in public administration usually surrounds attributes like "external scrutiny", "justification", "sanctions" and "control" as reinforced by Mulgan (2000, p. 557) who examined its ramifications. In comparing the term between private and public sectors, Mulgan (2000, p. 87) defend that accountability "refer to certain obligations that arise within a relationship of responsibility, where one person or body is responsible to another for the performance of particular services". On the other hand, a broader perspective of accountability supported by Dubnick (2002), take into consideration legal, organizational, professional and political backgrounds, specified by moral pulls and pushes.

A contribution to the research of the construct in organizations was given by Frink & Klimoski (2004) with the proposition of role theory as a structure for accountability, in the special edition of Human Resource Management Review (HRMR), in which also took part Erdogan, Sparrowe, Liden & Dunegan (2004), Ammeter, Douglas, Ferris & Goka (2004), Beu & Buckley (2004), Cropanzano, Chrobot-Mason, Rupp & Prehar (2004) and Gelfand, Lim & Raver (2004).



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Formal Accountability Mechanisms	Informal Sources of Accountability
Formal reporting relationships	Group norms
Performance evaluations	
Employment contracts	Corporate cultural norms
Performance monitoring	
Reward systems (including compensation)	Loyalty to an individual's superior and colleagues
Disciplinary procedures	
Supervisory leadership training	Emphasis on and respect for the customer's output
Personnel manuals	

Figure 1 Formal accountability mechanisms and informal sources of accountability.

Fonte: Adapted from Frink & Klimoski (2004, p. 3).

Social systems are translated by Frink & Klimoski (2004, p. 2) as a set of shared expectations, to which organizations' stakeholders are expected to answer, being subject to observation, evaluation and sanction as condition to reach conformation, as well reinforce the relevance of accountability as basement for the organization long term high efficiency, effectivity. The accountability demand related to its components and consequent organization's reaction includes the construction of accountability mechanisms and informal sources of accountability, exhibited in Figure 1, seen by the authors as a web of accountabilities which can be a challenge to organizations' human resources, specially in form of notion of self-accountability considering a permanent environment in which being held accountable is a condition that impacts individuals (Frink & Klimoski, 2004, p. 3), what is aligned with empirical evidences obtained by Tetlock (1985a).

In terms of conceptualization, there are aspects in the root of accountability definitions, according to Frink & Klimoski (2004), involving persons in two perspectives: the agent which is subject to evaluation and response as consequence of behavior and, the other, is the audience with evaluation and observation functions as well an additional ingredient denominated self-accountability which is present in such environment to show the possibility of behavior scrutiny of all people.

In this way accountability involves an actor or agent in a social context who potentially is subject to observation and evaluation by some audience(s), including one's self (Frink & Klimoski (2004, p. 3). The authors emphasize accountability as a dynamic relational process in the organization environment, in which the interactions between agent and audience are composed by actions and influence, in a role systems perspective, as shown by Figure 2.

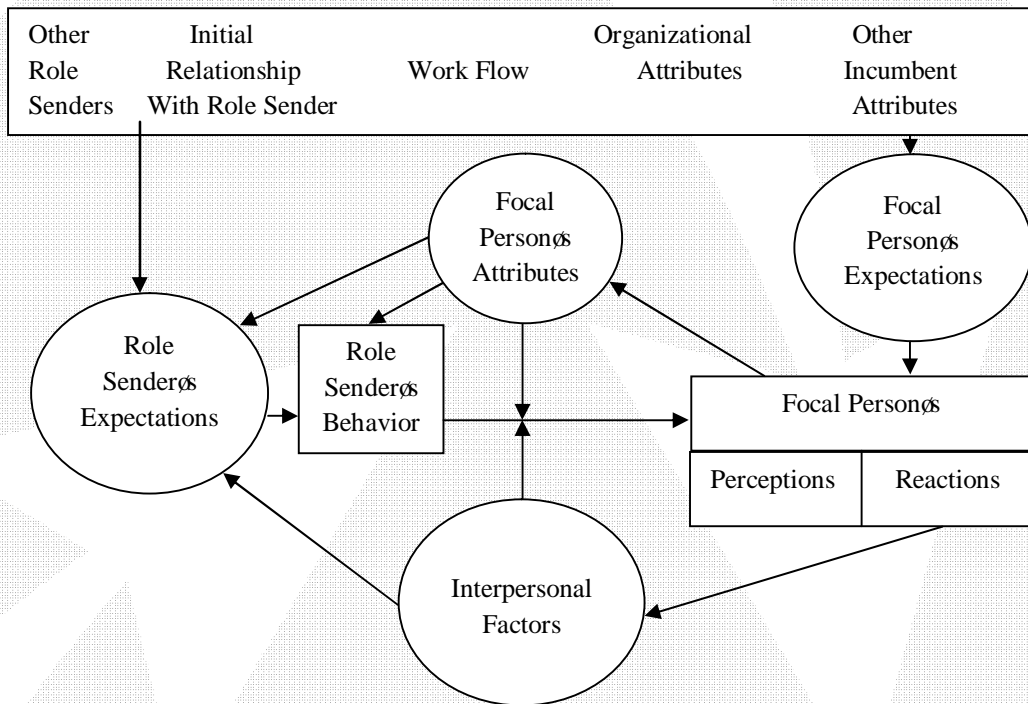
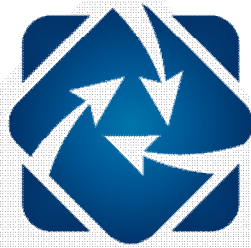


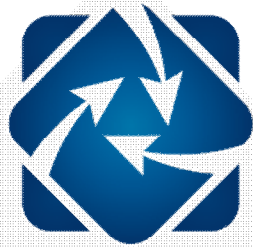
Figure 2.6 A framework of role theory and accountability.  
Fonte: Adapted from Frink & Klimoski (2004, p. 6).

This framework points that people have functions which are exercised by actions and expectations and consequences, with each other being influenced by variables as "knowledge, skills, abilities and personality" as well by ancient relations with the organization and colleagues. One possible implication of Role Theory framework to third sector organizations research is at the empirical arena, in terms of accountability measurement advances, which may bring higher efficiency and effectiveness to all stakeholders.

## 2.1 Third sector accountability

Nonprofit organizations face many issues in terms of its economic, legal, organizational, historical and ethical perspectives of accountability which were explored, respectively, by Bogart (1995), Chisolm (1995), Fry (1995), Hammack (1995), and Lawry (1995). Therefore, is considered crucial to identify and understand the implications of the accountability conceptual and theoretical antecedents to these institutions, the comprehension about the "conceptual accountability framework" proposed by Najam (1996, p. 351), in which the author presents the term in categories composed by "functional" and "strategic" levels.

Posing questions about how to keep managers accountable to persons and groups, Bogart (1995) uses as basement public choice theory, social choice theory and principal-agent theory. Agency theory was examined by Miller (2002) as basement to the observing the role of nonprofit organizations boards of directors, in which accountability rules are determinants and



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the principal-agent relational perspective was also examined by Ebrahim (2003a) considering both internal and external environments.

To be aware about the historical context of accountability in the third sector as explored by Hammack (1995) is a way to improve understanding of its foundations and highlight contemporary environment. Formal and informal aspects were studied by Chisolm (1995) for what was called by her "legal accountability", considering prescriptions to organizations and their managers what was complemented by Lawry (1995) who examined the construct by its ethical perspective. The internal organizational perspective of accountability was investigated by Fry (1995) in contrast to its external controlling role.

A more practical approach of the concept was given by Ebrahim (2003b) and Ebrahim (2010) in presenting "categories of accountability mechanisms" employed by nonprofit institutions, e.g. "reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, social audits" and the dimensions: "upward-downward, internal-external and functional-strategic". In the same way, Coule (2015, p. 76) posed the question "What implications are there for the nature of accountability in a range of governance theories and their associated practices?" aligned with the studies of Helming, Jegers & Lapsley (2004), Gray, Bebbington & Collison (2006) and Knutsen & Brower (2010)

### 3 CONCLUDING REMARKS

This essay launched the proposition that conceptual and theoretical antecedents of accountability literature present and, its ramifications, are complementary and highlight the relevance of knowing the relational nature of accountability components (e. g., mechanisms, tools and processes) to answer genuine demands of organizations (accountability measurement, performance evaluation) as social systems, to become effective and efficient.

Also, factors that represent these accountability components introduced by the literature are explored as well actors involved in organizations' operations. In this way, the conceptualization of the construct was presented considering historical and contemporary aspects that are part of third sector organizations daily operations and enhance the understanding of how several issues impact relations in the internal and external environments involving distinct stakeholders. For future research, empirical issues as accountability measurement and performance evaluation can be investigated as others subjects that are relevant to third sector organizations and all actors components of this complex reality.

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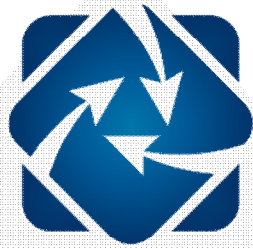
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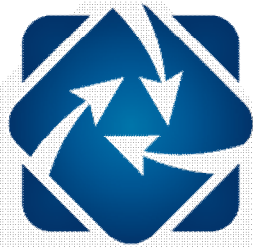


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