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The Process of Accountability

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Abstract: This study underscores the need to recognise accountability as a dynamic two-way process that rests on recognising the role of the same individual/group as an “accounter” at one level and an “accountee” at another. Using this argument, elements of an effective accountability process have been identified which primarily highlight the fact that actors in an accountability relationship are also accountable for the accountability process itself. This study argues that accountability literature, because of increasing conceptual fuzziness, is at a crossroad where lack of urgency in developing a robust framework is likely to make accountability ineffectual. Relevant literature on accountability is reviewed and the need for a framework is identified. Using stakeholders’ theory as a starting point and existing literature as a guide, disparate findings are collated to present elements of a robust accountability process which can serve as the foundation of a dynamic, realistic and cohesive accountability framework. An analysis of accountability elements indicate that a vigorous accountability process should allow optimum freedom of choice to the accountee, as excessive controls not only stifle initiatives but tend to erode accountability of the accountee. The study identifies the need for role clarity and thus clear description of expectations, consequences and choices by accounters. Since an accountee’s personal moral values have a profound affect on how expectations and consequences are perceived and how accountability sources and their respective interests are optimised to their advantage, an accounter also bear some responsibility for situational shortcomings of an accountee. The study identifies distinct accountability facilitators that play an important role in improving an accountability mechanism. The focus in this study on mediators as non-stakeholders not only redefines the role of auditors but also cuts across traditional debates by allowing for the possibility of involving more qualified non-stakeholders as mediators to add credibility to the accountability process. The study distinguishes accountability medium from accountability mediators and highlights the need for refinement and expansion in accountability mediums. It identifies transparency as an objective and uniform measure of a result driven accountability process.

Key words: Accountability, process, fuzziness, dynamic, financial

INTRODUCTION

Recent financial and accounting scandals support a growing realisation that the consequences of an apparent lack of accountability can potentially disrupt fundamental systems on which free economies rest. Credible research on accountability issues is beginning to develop and as we understand the forces that affect accountability, our efforts toward improving accountability are likely to become more productive. There is an apparent state of conceptual fuzziness about the definition of accountability. Transparency, liability, controllability, responsibility and responsiveness are all defined as distinct dimensions of accountability (Koppell, 2005). Although, accountability dimensions have been identified, the efforts aimed at examining the relevance of these dimensions toward enhancing the accountability of individuals or institutions are rare. This situation is symptomatic of the fact that literature relating to accountability currently exhibits an apparent lack of urgency toward developing a theoretical construct. We believe that discussions on accountability issues have reached a point where development of a theoretical construct, which can provide fresh insight into interaction between accountability sources and forces, becomes imperative. Besides developing better understanding, an accountability model can help focus on specifics and avoid misunderstandings which frequently result from failing to distinguish between different dimensions of accountability and the specific role that they play in an overall accountability process. As a first step, this study, therefore, aims to identify essential elements of an accountability process which can serve as the foundation of a robust theoretical framework.

WHAT IS ACCOUNTABILITY?

Dubnick (2003) suggests that the concept of accountability can be approached in three ways: historically, institutionally and sociologically. Historically, accountability has religious and feudalistic roots. History, thus, provides a useful insight into the accountability mechanism of today. Institutional perspectives consider accountability as a formalized means of feedback and control while the sociological approach deems accountability as one of the social acts to overcome adverse relationships resulting from unanticipated or untoward behaviour (Scott and Lyman, 1968). It is, therefore, claimed that, depending on individual perspective, the contemporary popular meanings of accountability are many and have expanded beyond its core linguistic meanings of holding someone to account (Mulgan, 2000). Public accountability i.e. the accountability of public servants/organisations is frequently distinguished from what can be termed as private accountability. For example, public accountability tends to be more diffused and focused on achieving organisational objectives as a way to satisfy multiple stakeholders. The literature on public accountability, consequently, seems to be pre-occupied with controls and constraints. Private accountability literature, on the other hand, blends accountability with responsibility and tends to focus on determining liability of the actor (Becker *et al.*, 1991). It is also claimed that conceptually, both 'accountability' and 'ethical behavior' have lacked the 'sharpness' and clarity required for analytic purposes (Dubnick, 2003).

It is interesting to point out that despite claims of ambiguity credible literature on general accountability seems to present a fairly consensual view. It refers to acts justifying one's action or inaction to an audience that has reward or sanction authority and where rewards or sanctions are dependent upon an audience's evaluation (Beu and Buckley, 2001; Tetlock, 1992; Ammeter *et al.*, 2004). The tendency in literature and in practice, to use the terms accountability and responsibility interchangeably (Baier, 1966; Blatz, 1976) indicates that conceptual fuzziness, to some extent, still persists. However, current literature on accountability has highlighted certain characteristics of accountability which add significantly to our understanding. We identify and derive several accountability characteristics which form the basis of our discussion on accountability in this study.

- Accountability is a result of a relationship between "accounter(s)" and "accountee(s)". It may be formally established or the result of the situation that actors find themselves in. It also mean that the extent and the scope of accountability depend on each actor's unique situation.
- Accountability is a two-way responsibility. Scott and Lyman (1968) have alluded to this characteristic of accountability by including accountability of others' actions (e.g. subordinates) within the scope of accountability. Thus an accountee is accountable and an accounter has the responsibility to hold an accountee accountable. It also means that an accounter is accountable for ensuring the existence of a robust process that can hold an accountee accountable.
- Accounters have and may exercise the power to reward, punish and sanction an accountee to ensure that the accounter meets the accountee's expectations.
- Accountability is a responsibility. Accountability, however, enfolds all other responsibilities. This means that one of the accountee's responsibilities is to be accountable for all other responsibilities. Responsibility in this case is interpreted as assignment of duties rather than the process to fix the blame for failing to fulfil responsibility.
- Accountability involves examination of events directly or indirectly related to an accountee's decisions, action and inactions.
- Accountability covers future as well as hypothetical events and is both ex-ante and post-ante. While accountability primarily focuses on decisions leading to actions or inactions, it may include events not directly resulting from an accountee's decisions or events beyond their control. Accountees are not only expected to explain past performance but also their plans for the future and how they will react in a hypothetical situation. Politicians, for example, are frequently held accountable for their stand on such issues as abortion, gay rights etc. Even before they have a chance to be in a position to affect or vote while in office on these issues.

Between the time when the relationship between an accounter and an accountee initiates and terminates, both parties can expect to assess their relationship to decide upon continuity or change within the terms of this relationship. The assessment may be continual or periodical, formal or informal. Accountability, thus, needs to be viewed as a process which precipitates such an assessment. An understanding of the elements of the accountability process, as attempted later in this study, is essential toward developing a robust process capable of achieving desirable outcome.

Despite the clamour for greater accountability following corporate scandals like Worldcom, Tyco or Enron, empirical evidence has shown that greater accountability does not always lead to positive behaviours. Some of the dysfunctions of accountability include increased use of impression management tactics (Ferris *et al*., 1997), stereotyping (Gordon *et al*., 1988), focusing on irrelevant information (Tetlock and Boettger, 1989), inflating performance appraisals (Klimoski and Inks, 1990) and the misallocation of scarce resources (Adelberg and Batson, 1978). However, research does suggest that a number of dependent variables are positively influenced by accountability effects, including performance (Yarnold *et al*., 1988; Fandt, 1991), satisfaction (Haccoun and Klimoski, 1975), conformity (Breaugh *et al*., 1980) and goals and attentiveness (Frink and Klimoski, 1998). Beu and Buckley (2001) have shown that accountability also encourages actions in conformity with ethical standards. Research also indicates that accountable individuals develop greater accuracy and are more attentive to needs of others than individuals not held accountable (Fandt, 1991). While, corporate scandals culminating in calls for more accountability may be an over simplification of a bigger problem, a carefully developed accountability process capable of minimising adverse reactions is not beyond conception.

ACCOUNTABILITY: THEORETICAL PERSPECTIVES

In order to understand and explain accountability, researchers have followed several theoretical perspectives, the most promising of which include agency theory, organisation control theory and stakeholder theory. Agency theory, by implication, considers individuals as those who will maximize their utility to the extent permitted by the constraints imposed on them (Jensen and Meckling, 1976). As the relationship between an “accounter” and an “accountee” is that of a principal and an agent or hierarchical, constraints are necessary to minimise risks associated with information asymmetry and moral hazard (Beu and Buckley, 2001). Organizational control theory, which supports the view that individuals are subject to rewards and sanctions based on a comparison of their actual performance to established standards (Cassell *et al*., 1997), also implies that behaviour results from control mechanisms. Both these theories tend to highlight control as a mechanism of accountability and downplay the social relationship aspect of human interaction at work. These theories seem to imply that more refined and efficient control mechanism should always result in greater accountability.

However, both agency or organisation control theories do not fully account for factors that can affect accountability outcome significantly. They limit the scope of accountability to conformity with procedures and tend to ignore the freedom that is needed to perform effectively. If an accountee’s role is defined too explicitly, there is potentially very little to be accountable for. The individual efforts at taking initiatives, which may not conform to established rules and procedures, should be appreciated and recognised. Both theories also downplay the important role that ethical behaviour plays in greater accountability. Accountees should be allowed to have freedom to act with regards to their own perception of ethical standards for which they are finally held accountable. It is acknowledged that here that controls are important but, as part of the accountability process, they have limited usefulness.

The development of stakeholder theory has largely been in response to fiduciary obligations theory which argues that managers who fail to maximize shareholders’ wealth are violating a moral property right by spending-if not stealing shareholders' money (Friedman, 1962; Finlay, 1998; Phillips, 2004). Thus, a manager’s responsibility and hence accountability is to shareholders only. Opponents of fiduciary obligation theory argue that the doctrine of *ultra vires*, which was designed to protect investors, has been dispensed with. This doctrine give corporations the rights, power and privileges of a person. Equating share ownership with firm ownership, therefore, is unjustified because the firm is now an independent entity that is not "owned" by anyone. Thus, management loyalty to the corporation also takes precedence over shareholders’ interests. Shareholders are now among the many stakeholders whose interests are affected by the organisation. The stakeholder’s perspective of accountability also does not make any distinction between stakeholders and accounters. It also argues that a firm’s survival depends on the balance between inducement and contribution of all stakeholders (Lorca and Garcia-Diez, 2004) and thus accountability to all.

The notion that a business must take account of the interests of all stakeholders has given rise to the concept of social responsibility (Bowen, 1953). However, this expansion in the description of stakeholders has raised more questions and has been a source of much criticism. Defining stakeholder, determining which stakeholder takes precedence and prioritising a stakeholder’s interest are as much debatable issues as the identity of the authority entitled to rank priorities. Identity of stakeholders, in the case of businesses, has been expanded to include shareholders, financiers, employees, suppliers and society at large (Argandona, 1998; Carroll, 1993; Simmons, 2004). These definitions focus on the extent of influence, interests, rights, benefits and obligations of the stakeholders (Clarkson, 1998;

Karakowsky *et al*., 2005). Among the more controversial question as to stakeholder's status is also the status of competitors.

While the study subscribes to the stakeholder's theory of accountability, it is obvious that if stakeholder's theory is to be accepted in any form, the relationship between an accounter and accountee must be clearly defined. Since, it would be impractical to expect an accountee to be accountable to stakeholders that cannot be identified, identification of stakeholders (accounters) is a pre-requisite of an accountability relationship. Identification of accounters occur at 2 levels: when accounters identify themselves by establishing and displaying/exercising the power to strengthen, support, change, harm or discontinue this relationship and When an accountee identifies potential accounters as those who can influence accountability of the accountee. Accountees are interested in the later part because they see the accountability function as a means of continuation and consolidation of their status.

This notion of accountability also implies that accountability is situational and may even exist between competitors. For example, a competitor's action can affect the accountability relationship between an accounter and accountee and to that extent competitors in a business environment are also accountable to each other. While this paper agrees with the notion that the accounter's material contribution (Phillips, 1997) or influence (Mitchell *et al*., 1997) are also determinants of their status, such a view leaves out many stakeholders who can have a negative or positive effect on accountability relationship. It is acknowledged that more material contributions do raise obligations of fairness, but these special obligations do not exhaust the number of accounters that an accountee may be accountable to.

It has been argued that there is no *prima facie* priority of one group of accounter over another (Donaldson and Preston, 1995) and that organisations work toward the common good (Coelho *et al*., 2003). This notion seems impractical. It can be argued that an accountee needs to strike a balance between accounters' interests (Freeman, 1984) and based on Pareto's efficiency model an optimal point may exist where accounters can be addressed without making another accounter worse off. However, when accounter' interest appears to collide, they are likely to put accountees in a position where they have to moderate or sacrifice one interest over the other. Given ambiguity of priorities in terms of accounters, accountees are more likely to follow actions which either conform to their own ethical standards or are more convenient under the circumstances. Moreover, by becoming all things to all an accountee may lose focus which can result in an erosion of accountability and, in essence, accountability to no one.

A stakeholder's priority has been determined using utilitarian method: however, all the deficiencies of utilitarian decision procedures arise. Phillips (2004) divides stakeholders into legitimate and derivative stakeholders and feels that legitimate stakeholders' interest should take precedence over derivative stakeholders. McCall (2002) advocates a merit based mechanism and suggests careful analysis of the merits of each competing claim.

A more practical argument is based on the claim that at an individual level, faced with an audience whose expectations are different from their own, accountees will conform to the extent that the evaluator has more status or is more powerful or exerts the most pressure (Brass *et al*., 1998; Frink and Klimoski, 1998; Andriof and Waddock, 2002). Mitchell *et al*. (1997) reflect a similar view when they argue for a theory of stakeholder salience that can explain to whom and to what managers [should] pay attention and identify three criteria for salience (possession of power, legitimacy, urgency of claim). While most of the above arguments have merit, to us identifying and prioritising stakeholders is part of the same process and should use similar contexts. Priority accounters are those with the power to change the terms of an accountability relationship, whether favourable or unfavourable, between the accountee and an accounter.

FUNDAMENTAL ELEMENTS OF AN EFFECTIVE ACCOUNTABILITY PROCESS

Based on our view of accountability and accounters, elements which are believed to constitute essential parts of an accountability process are presented below.

In view of arguments put forward by ambiguity theory, this study maintains that accounters, as the starting point of the accountability process must clearly define the terms of accountability which lead to the role of accountees. Role ambiguity theory (Kahn *et al*., 1964) proposes that individuals assigned with responsibilities within organisations may suffer from dissatisfaction (Churchill *et al*., 1974), tension, anxiety and lower performance (Gross *et al*., 1958) in the absence of role clarity. Given this relationship between responsibility and role clarity and our earlier assertion that accountability encompasses all responsibilities, greater job ambiguity should result in a less effective accountability.

Terms of accountability and the role of accountee's perception: A critical review of existing literature relating to accountability makes it clear that accountability terms mostly revolve around 3 fundamental parameters of expectations, choices and consequences.

As applied to business organisations, expectations involve tasks of contextual behaviour which are invariably related to the organisations' core functions (Borman and Motowildo, 1993). Tetlock and his colleagues suggest that when audience's expectations are known before accountees form their own opinion, conformity becomes the likely coping strategy (Lerner and Tetlock, 1999; Tetlock and Boettger, 1989). In cases where audience views are unknown, an individual may engage in pre-emptive self-criticism and may lose focus. As individuals perceive greater ambiguity of expectations, the motivation for self serving decisions increases (Ferris *et al*., 1997). If expectations are unclear, individuals may not feel accountable and may not even behave ethically (Baucus and Near, 1991; Grover, 1993). Therefore, increasing an accountees' understanding of what others expect from them should lead to conformity to expectations.

If an accountee is required to meet only the expectations mandated by accounter, an adverse consequence could be that accountees bear no accountability for the product of their actions. Thus, aligned to the question of clarity of expectation are clarity of choices; choices available to an accountee to meet expectations. Harmon (1995) initially argued that efforts toward greater accountability through issuance of law, regulations etc are bound to fail unless the paper recognisea the intelligent management of contradictory motives and forces as part of the accountability process. While, setting task or role boundaries within which employees operate is beneficial, some autonomy is needed within these boundaries. This argument invokes the accountability paradox, meaning that that excessive clarity of expectations limit freedom to act and thus erodes accountability. Much has been written about accountability paradox but most of it has been confined to public accountability. However, accountability paradox is as much valid in profit oriented organisations as in public sector. While it seems like an impossible situation, accountability paradox can be resolved, to some extent, by emphasising clarity rather than rigorous details and by focusing clearly on choices that an accountee may not exercise. Ultimately, in the case of accountability, clarity is desirable as an optimal balance between expectations and freedom of choice.

Consequences, either positive or negative, are a significant tool for behaviour modification. The possibility of adverse consequences in criminal law is used extensively to control crimes. Spitzer (2005) believes that effective consequences is the only way to ensure accountability. The honour code among the CEO didn't work. Board oversight didn't work. Self regulation was a complete failure. But one thing has worked; law enforcement. Kahn *et al*. (1964) argue that ambiguity of consequences is less likely to lead to fulfilment of the objectives of accountability. Unfortunately, business literature on undesirable behaviour tends to focus more on controls rather than consequences. While it is agreed here that clarity of consequences in terms of organisational setting, though desirable, are more difficult to establish. There is a need for internal rules or external regulations to focus on defining consequences which are commensurate to the undesirable behaviour. While the current legal environment seems to be catching up with white collar crime and negligent/irresponsible behaviour in terms of clear and appropriate consequences, accountability failures and consequences need to be defined and taken up much more rigorously. It is also worth mentioning that personal consequences should be distinguished from shared consequences. Shared consequences tend to be less effective because of diffused responsibility.

While defining fundamental parameters clarifies the role that an accountee is expected to play, it would be wrong to assume that the accountee will interpret his/her role exactly according to the perception of the accounters. Moreover, in the absence of clearly defined terms of accountability and where accounters find themselves accountable, it will be up to the accountee to understand the terms of the accountability relationship. Current literature on accountability rarely discusses the effect of an accountee's perception as a factor in an accountability process. Although, as this study shows, Knouse' (1979) sweeping proposition to develop a psychological theory of accountability goes too far and fails to recognise many factors that affect accountability, it highlights the fact that the value system of an accountee plays an important role in shaping the attitude of an accountee in 3 respects:

- It shapes an accountee's interpretation of the expectations, consequences and choices
- It influences an accountee's recognition of different stakeholders' claim and
- It effects how an accountee maintains a perceived balance between competing accounters' claims.

Kant believed that each of us can come up with moral law based on our own rationality and not on anything external. Since morality is derived from rationality and rationality is the same for everyone, moral actions must be universal. Varying cultural perceptions of morality (Enderle, 1997) in different parts of the world and the fact that moral and natural rights change and develop over time (Tinker *et al*., 1991) do not support the argument that moral actions are universal. Utilitarian claim that the morality of an action depends on its consequences. The deontological perspective views behaviour as ethical or unethical by examining the rules and principles that guide behaviours and is based on a system of rights and duties (Buckley *et al*., 1998).

Whatever the rationale for ethical behaviour, the cause of unethical behaviour can be classified into individual difference and situational factors (Trevino and Youngblood, 1990; Key, 2002). By examining the entire set of accountees and the set of ties representing some relationship between the accountees, Brass *et al.* (1998) suggest that the social relationships mutually interact with characteristics of individuals, issues and organizations in influencing behaviour. Characteristics that have been known to affect individual response are many and include cognitive moral development, personal moral philosophy, religious beliefs, demographic factors, emotional responses etc. (Beu and Buckley, 2001; Ruegger and King, 1992; Velayutham and Perera, 2004). Using differential association and reasoned action theory, researchers have also concluded that individuals are influenced by the values, attitudes and norms of other individuals who are members of disparate social groups (Zey-Ferrell and Ferrell, 1982; Dubinsky and Loken, 1989). Other situational variables include the organization's normative structure, obedience to authority, reinforcement contingencies and other pressures etc. (Trevino, 1986). It is apparent that morality affect perception and hence accountability. Despite the complexity of this issue it would be wrong to ignore the role that perceptions play in the accountability process.

The scope of accountability: Our earlier assertion, that an accountee is not only accountable for his/her own decisions and actions as part of a two-way accountability process but also responsible for holding others accountable has several implications for accountability process.

- Stakeholders, as accounters, bear responsibility for ensuring the existence and effectiveness of all the elements of an accountability process.
- Stakeholders, as part of the accountability process, also bear responsibility for an accountee's moral failing, especially related to situational factors. Thus an individual's failure to be accountable may primarily stem from his/her failure to hold others adequately accountable.
- The scope of accountability increases as it moves up the hierarchy of responsibility.

Accountability and facilitators: Since, accountability involves examination of an accountee's decisions and actions by accounters, all factors that contribute toward better monitoring, examination and assessment of an accountee's actions and decisions should result in overall improvement in the accountability process. This study classifies some of the more important facilitators into controls, medium and mediators.

Accountability literature, which covers controls more than adequately, distinguishes between formal and informal controls (Roberts, 2002). Formal controls are based on judicial, legislative and executive or hierarchical controls, whereas informal controls are derived from society's values which include norms of behaviour, codes of ethics and political and social philosophies. While formal controls are frequently used to facilitate accountability, there is sufficient evidence that social controls also play a significant role in the accountability process (Ferris and Judge, 1991). Formal and informal controls are in turn classified as internal or external to the organisation. Formal internal mechanism includes performance evaluations, employment contract, incentives systems and all kind of formal reports. Informal internal mechanism includes company culture, group norms and ethics of honesty, openness and loyalty to colleagues as well as others. Formal external controls are derived from contractual arrangements and legal enforcements.

Accountability medium can be used by the accountee to articulate his/her account of the performance or by the mediators to report on the performance of the accountee. Therefore, it is useful to separate the medium from the mediators. Within accountability literature, effectiveness and usefulness of mediums of accountability has not received much attention (Towers, 1991). Accountability mediums include accounting (financial and management), informal reporting and direct contact. Financial accounting is the most widely used medium of accountability also because it is among very few instances of explicit accountability established as legal requirement. It is generally agreed that financial accounting, as a primary medium of accountability, has failed to meet the information expectations of all stakeholders, not only because of conceptual issues, but also because of myopic vision of the accounting profession. Although, Linowes' (1972) seminal work on addressing wider stakeholders' concerns generated much interest from accounting professionals, it has very little effect on accounting practices and regulations. Accountants have remained pre-occupied with the categories of "more" and "less" while ignoring "enough" (Gorz, 1989). Research suggests that accountants have failed to innovate partly because of their education and training and partly because of the nature of their roles (French *et al*., 1992). In fact, recent work suggest that accountants are unable to take new initiatives without formal guidance (Bebbibgton *et al*., 1994). The failures of financial accounting seem to contribute significantly to the recent accountability crisis. The identification of the crucial part that mediums play in accountability process calls for:

- Re-examination of the role of financial accounting as an accountability medium.
- An expansion in the scope of financial accounting.
- The need for alternative accountability mediums.

Accountability mediators are actors who are and maintain an arm's length distance from both accounters and accountees. Mediators as part of their function add credibility to the accountability process. For the mediators, as assurance providers, addressing accounters' concerns is primary. Accounters not only need to know that accountees are presenting a complete, accurate, relevant and balanced report of their performance but also that the accountability process itself is robust enough to continue to deliver credible information. In the corporate setting, mediators include auditors, audit committees, professional accounting bodies, government etc.

The key element of credibility is trust, which is least generated by self certification and internal review. It is extremely important that mediators maintain their arms' length status. Auditing as a profession has suffered much because of the fact that auditors have increasingly acquired an interest in accountees (Sikka and Willmott, 1995). While legislation in countries like the United States has more recently addressed part of the problem, there is still a lot of work to be done. By identifying the role of mediators within an accountability process this study argues for:

- Expansion in the number and types of mediators who are qualified enough to independently verify accounters' interest beyond financials.
- Recognition of these mediators on the same level as auditors.
- Expansion in professional accounting bodies' role by including the concerns of all accounters.

Measuring accountability: Scott and Lyman (1968) identify 2 types of accounts: excuses and justifications. Excuses are accounts which accept wrong action but forward extenuating circumstances and deny responsibility. Justifications are accounts accepting responsibilities but deny the pejorative quality associated with it. Since, accountability is about making the right choice accountees must be able to achieve the goal without any excuse. The accounts whether excuses or justifications, should not be part of an accountability process. The nature of an accountee's arguments (whether justification or excuses) and the decision to reward or punish, are part of an accounter's decision after an accountability process is complete. The objective of an effective accountability process is to ensure that the accounter/accountee have sufficient opportunity to evaluate their relationship to determine fairness and sustainability.

In order to ensure that an effective process is in place, the process must be amenable to objective measurement. The effectiveness of an accountability process can be measured on the basis of transparency, responsiveness and compliance. However, expectations from the accountee as a measurement of accountability should first and foremost be determined on the basis of transparency. The transparency requirement makes it imperative on the accountee to provide quality information to all accounters. A transparent organization grants access to the public, the press, interest groups and other parties interested in the organization's activities. In Canada transparency has been institutionalized in the form of Access to Information Act and other regulations that open up the information to public review. While, responsiveness and degree of compliance also seem to be plausible scales, they are only complementary. How far, an accountee has complied with the instruction or has been responsive to the concerns of the accounters can only be determined after the availability of information. As mentioned earlier, there are at least 2 interpretations of responsiveness. One focuses on the expectations of the accounters and the other on needs as perceived by the accountee. A responsive accountee, besides adjusting quickly to expectations can actively solicit accounters' expectations. For example, companies can form focus groups and advisory councils with representation of key constituent groups.

Compliance as the duty to comply with standards and the reporting of policies and performance is less complicated to determine. The study argues that the consequences for non-compliance and non-responsiveness should be different from the consequences of not revealing expected information and should be more severe. To this study, the critical question seems to be straightforward: did the organization reveal the facts of its performance or has the accountee been transparent enough?

CONCLUSION

This study maintains that accountability can also be seen as a process. Based on this assertion, it identifies many elements which play a vital role within this process. To improve the accountability process, it is important to understand how these elements interact and ultimately affect individual accountability.

The study advocates the need for expansion in the scope of accountability by identifying accountability as a two-way process and including accountability for the accountability process itself. It argues that role clarity and thus clear description of expectations, consequences and choices by stakeholders are fundamental building blocks of an accountability process. However, an accountee's personal moral values have a profound effect on how expectations and consequences are perceived and how accountability sources and their respective interests are optimised to their advantage.

The study distinguishes accountability medium from accountability mediators and highlights the need for refinement and expansion in accountability mediums. It exposes the role of mediators as entities which add credibility to the accountability process and argue for the possibility of involving more qualified non-stakeholders as mediators. It also argues that, in order to be effective, accountability process must be amenable to objective and uniform measurement.

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