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# UNDERSTANDING ACCOUNTABILITY IN THE CONTEXT OF META-ORGANIZATIONS

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## Abstract

The puzzle:

- This paper highlights the context of meta-organizations and the complexity of accountability within it.
  - o people wish more openness, but it becomes more unclear who actually is holding whom to account.

This paper

- This paper highlights this complexity.
- How does this paper challenge and extend current literature on accountability?
  - o It aims to show the limitations in the way accountability research in org studies are dealing with this complexity
  - o It adds to the literature a more pluralistic perspective on accountability.

The study (or should this paper become more of a theoretical piece with illustrations only?)

- R&D consortia as an example of meta-organizations? Or do I take FIFA and other MOs with accountability problems as example?

The discussion

- Where else could this pluralistic perspective be helpful?
  - o Open society – demand for accountability
  - o Open society – horizontal forms of organizing
- What kind of things have not yet been dealt with and could be dealt with in future research?

## UNDERSTANDING ACCOUNTABILITY IN THE CONTEXT OF META-ORGANIZATIONS

### Introduction

The information available in societies have grown significantly over the last decades, particularly due to the changes in information and communication technologies. As we know more, we also have been able to evaluate a much wider range of behaviours by individuals and groups. Particularly after revelations of misconduct (for example, related to environment, health or employees), the perceived need to hold organizations accountable has grown, and with it the demand for more openness and transparency has risen.

Possibilities to monitor and sanction behaviour are seen important for the maintenance of social systems (Tetlock, 1985). Frink and Klimoski (1998, 2004) suggest that accountability is the glue or adhesive keeping the social system together. This presents a positive view towards accountability, taking accountability as a basic element. However, as Birchall (2011) points out, we can push the demand of openness and accountability over the edge, creating a situation in which 'big brother' is watching every step, based on a rigid set of behavioural norms, leading towards totalitarianism. Thus, when demanding too much openness and accountability this will eventually limit diversity and difference and limit the ability to stand out and do things in different ways.

Concurrently to the growing demand for openness and transparency, organizations have been changing because of the growing complexity of issues they are trying to solve or due to the need to adapt to the speed of innovations disrupting the market (Cropper, Ebers, Huxham, & Ring, 2009; Gray, 1989). Organizations have moved towards more focused and lean organizations, who do not provide all, but just a part of the whole product or service chain. This has meant more collaboration is taking place among organizations (Ahrne & Brunsson, 2011; Ahrne, Brunsson, & Seidl, 2016). Organizations thus have started to create additional social order among themselves, with their own behavioural expectations and accountabilities.

Inter-organizational collaborations often cross societies' local, regional or national boundaries. The participating organizations form the new social order and define expectations that are to be respected within the collaboration. Participating organizations, however, remain also part of a local society and its social order. Accepting that partners hold to behavioural norms present in their own local society, or not monitoring and sanctioning partners who even break local behavioural norms, has had severe consequences for organizations such as Ikea and Nike. They were made accountable for their partners' behaviour in the societies they themselves operated in. Missteps lead to boycotts, but also to legal steps.

Collaboration has not only been problematic for business organizations who collaborate, also NGOs, for example FIFA and public organizations, have run into situations where they have been made to account for their decisions to cooperate with other organizations. This has happened for example when outsourcing health care provision to firms whose behaviour has not been meeting the norms of their local society.

This paper aims to discuss this accountability challenge for collaborating organizations. In particular, the paper focuses on collaborating organizations in the context of meta-organizations. Meta-organizations are organizations that formed of other organizations voluntarily and in a non-hierarchical fashion.

There are multiple accountabilities in play simultaneously. On the level of individuals, individuals and groups who participate to the meta-organization from a member organization can be made answerable to the management and governance of the member organization, but they can also be answerable to the other participants, other member organizations and the meta-organizations as a collective. On the organizational level there are also various accountability relations. Organizations involved in meta-organizations are answerable to their own constituency, like any other organization. A member organization can also be answerable to the meta-organization, and the other members for its behaviour within and even outside the meta-organization, while at the same time they are answerable to the society in which they operate. Any member can also be made accountable for the behaviour of the meta-organization as a collective or individual members of this collective. Meta-organizations thus provide a very complex and multi-directional accountability relations for all involved.

This paper aims to unravel the challenges of accountability and transparency in this setting. It asks how on different levels - individual, member organization and meta-organization - mechanisms are put in place to ensure accountability and where member organizations and meta-organizations prevent or shield themselves from carrying the burden of being answerable for behaviour of others within that social order.

### Meta-organizations and their particular features

The theory of meta-organizations builds on the understanding that meta-organizations differ from other organizations, because of having organizations instead of individuals as their members (Ahrne & Brunsson, 2008). Ahrne and Brunsson argue that this distinction is relevant because organizations have a capacity of action and access to their own resources and their own members. This means that member of a meta-organization is by essence similar to the organization that it is a member of and could in principle do all the things the meta-organization does.

There is also another feature that is relevant when looking at meta-organizations: meta-organizations are voluntary non-hierarchical structures, i.e. associations (Bor, 2014). Based on these two starting points (Berkowitz & Bor, 2018) a set of foundational premises can be formulated (see

Premise number	Foundational premise
FP1	Organizations have their own capacity of action and access to their own resources and their own members.
FP2	Organizations are created and shaped.

FP3	Organizations have life spans that are difficult to predict, though can be very long.
FP4	Organizations have no personal sphere; they cannot be met and need a unique identity to ensure their continued existence.
FP5	Organizations need a degree of autonomy and authority to ensure their continued existence.
FP6	Organizations differ severely in access to power and resources.
FP7	Associations are governed by their members.
FP8	Associations are concerned with only a part of a members' life.

Table 2). These premises provide the basis for the particularities of meta-organizations.

There are a few particular features of meta-organizations that are worth mentioning, especially in relation to the question of accountability:

- Dynamics in membership
  - Changes taking place in the member organizations affect the meta-organization. (Cropper & Bor, 2018)
  - A meta-organization can create its own member organizations (Ahrne and Brunsson, 2008).
- Limited power over members
  - A meta-organization has limited power over its members and can have difficulties in persuading and committing its member organizations. (Berkowitz & Dumez, 2016)
- Decision-making by consensus
  - It is often difficult in meta-organizations to decide by methods other than consensus which leads to meta-organizations formulating rules as standards (Ahrne and Brunsson, 2008). As members need their degree of autonomy, making decisions by methods other than consensus, would potentially harm member organizations and have as potential consequence the leaving of members.
- Resourcing and control over resources
  - Meta-organizations are often resourced by their member organizations. Decision power and control over the use of these resources can be handed over to the meta-organization (direct resources), but they can also remain with the organization providing the resource (indirect resources) (Bor, 2014; Bor & Cropper, 2015).
- Different contribution levels
  - It is often challenging to harmonize the demands of the members, often resulting in different levels of contribution. This is linked to different levels of influence (Bor, 2014).

### Accountability: The need for a pluralistic perspective?

In the accountability literature there are different views on accountability. One stream links accountability to “general ideas of social order, ideas about the links between agents and principals, professionals and clients, subordinates and superiors, individuals and their gods” (March & Olsen, 1995, p. 150). In such social order, principals are providing agents with power to decide. And in return, the principal can monitor, evaluate and potentially punish the agent. The principal can thus demand the agent to account for how it has used or plans to use its power.

As Olsen (2015, p. 427) puts it: “No power without accountability. No accountability without autonomy”. Mäkelä (2013) similarly develops three principles, that describe the limits to the accountability of an agent: the difference principle, the control principle and the autonomy principle. The idea behind these principles is that each agent is only accountable for those results that can be seen as effects of the individual agent’s actions or non-actions.

In a different stream of accountability literature, however, this is not seen as satisfactory. In this stream each and every member is considered responsible for the actions or non-actions of the collective, by virtue of being a member of the organization (Albin, 2016). Each agent has the responsibility to make sure that procedures, processes and practices exist to ensure no harm is caused by the collective. This means it would be justified to hold a collective to account and punish it for actions of its individual members. While there are grades of responsibility, all members of a collective have a responsibility for the collective’s actions.

Albin (2016) argues that this external view on accountability makes sense in situations which are not concerned with a clear principal-agent structure, but between actors and those affected by their actions. Thus, a difference can be made between *internal accountability*, “whereby an actor has delegated authority to another actor and whereby the first actor is getting the right to monitor, evaluate and sanction the actions of the second” and *external accountability* “whereby actors are held to account by all those who are affected by their actions, rather than by those who have delegated power to them” (Gustavsson, Karlsson, & Persson, 2009).

As a third view, Keohane (2003) suggests a pluralistic view on accountability, particularly for situations with many decision-makers, or core groups, where it is difficult to identify responsibility for action and inaction. He identifies eight different types of accountability. While these types of accountability differ in their nature, any given process of accountability may involve several types of accountability. They are thus not mutually exclusive; they can overlap. The different types of accountability suggested by Keohane are presented in table 1.

Table 1 Eight types of accountabilities by Keohane (2003: 1131-1134)

Hierarchical accountability	Superiors can remove subordinates from office, constrain their tasks and room for discretion, and adjust their financial compensation.
Supervisory accountability	The practice of authorizing one collectivity to act as the accountability holder with respect to specified power-wielders.

Electoral accountability	In this democratic form of accountability, electorates determine whether officials secure their re-election.
Fiscal accountability	Mechanisms through which funding agencies can demand reports from, and ultimately sanction, agencies that are recipients of funding.
Legal accountability	Refers to the requirement that agents abide by formal rules and be prepared to justify their actions in those terms, in courts or quasi-judicial arenas.
Market accountability	Organizations are accountable to "their market", customers, investors, etc. Pressure from markets typically takes the form of "exit" than "voice." Investors and consumers abandon the firm more often than they vote out its management or demand changes in practices.
Participatory accountability	Results of demands for explanation of professional performance or bureaucratic action. Professionals claim expertise, for which validation is required. When participatory accountability operates, agents are answerable to other people participating with them in a decision-making process. Participatory accountability provides a potential link between collective and individual accountability.
Public reputational accountability	This types is meant to apply to situations in which reputation, widely and publicly known, provides a mechanism for accountability even in the absence of other mechanisms

What is common in all these approaches is that accountability is seen as being responsible or having the possibility of being made responsible for something that relates to the actions or non-actions of the agent or his/her affiliates. What differs between these approaches is the scope of the responsibility and the mechanisms that bring it about.

### Accountability in meta-organizations

The context of meta-organizations is excellent for trying to understand better how complex, open organizations deal with demands of accountability. As Berkowitz and Bor (2018) point out, these organizations deal with multidirectional accountability.

One way of thinking about this is to consider who is accountable within the meta-organization. This can be a singular person or a group, and the accountability may be based on formal position or informal ones.

	Singular	Plural
Informal	As individual, as belonging to a group/society	As informal unit; as collective, as group.

<b>Formal</b>	In a role or position, as member of, as representative	As formal unit; as organization.
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Another way of thinking about this is to ask whom meta-organizational actors are accountable to. Important thereby is the consideration if the accountability takes place within the meta-organization or to external parties. And also here we can consider individual and collective.

	<b>Singular</b>	<b>Plural</b>
<b>Internal</b>	An individual accountable to their internal voice	A collective accountable to its members – to the collective “internal voice”
<b>External</b>	An individual accountable to others (individuals, groups, organizations, collectives)	Accountable to others (individuals, groups, organizations, community)

The multiple layers of the meta-organizations bring about a variety of accountabilities. The meta-organization can be held accountable by the society in the sense of external accountability and by all of the member organizations in the sense of internal accountability. The individual member organizations can be held accountable for their commitments by the meta-organization but also by other members, both in the sense of internal accountability, but also to the actions and non-actions of the meta-organization or other members in it in the sense of external accountability. The representatives are accountable to their own organisations with a traditional principal-agent i.e. hierarchical accountability by Keohane but also to their peers in working groups and decision-making bodies in the sense of participatory accountability by Keohane. The most distinctive accountability of meta-organization is that the representative is accountable for the meta-organization for bringing about commitment to the decisions of the meta-organization in one’s own organization.

The particular features of the functioning of meta-organizations create also specific accountability questions

- The fact that the members of the meta-organization are also organizations means that the meta-organization needs to show its worth. It makes the meta-organization thus accountable to its members in the market accountability sense of Keohane



- The indirect resources create specific accountability issues. A member organization commits itself to providing indirect resources for the meta-organization, but it might be challenging to hold it accountable for this, because the representatives of member organizations act as principals, while at the same time being the key agents.
- Changes in member organizations are hard to predict, and can create difficulties in terms of accountability. What, for example, happens in terms of the meta-organizations' accountabilities to external stakeholders when a member changes its priorities and its resources are no longer available making a meta-organization unable to deliver?
- Different contribution levels between the member organizations raise the question about how this difference and related power differences influence accountability. Can less contributing members hold another member accountable for its higher commitments? Do weaker parties have the possibility to claim non-responsibility in quests by external parties for members to render account?
- The tendency to decide with consensus links to the question of addressability and actorhood addressed by Grothe-Hammer (2018). What are the effects of claims by a member of non-actorhood or claims of a member trying to dilute responsibility to a collective. If a rule was created by or some action demanded by the collective, the meta-organization, what remains the responsibility of the member organization? And can it be made accountable?
- When a meta-organization sets up a member organization, this also creates interesting questions of accountability. As when does the meta-organization stop being accountable for the actions of the member organization, when is such member organization autonomous and can it ever decide to step out and become an ex-member?

## Methodology

To examine the different types of accountability playing out in meta-organizations, I draw on multiple case studies. The cases are five R&D consortia funded by the European Commission as Networks of Excellence during 2004-2009. These five consortia belong to the 33% smallest consortia in the sample of consortia funded by January 2004, having up to 20 member organizations. These consortia are all funded in the same broad research field (there existed seven such research fields). The member organizations of these consortia included universities, research institutes and companies.

The data included in the analysis are consortium agreements of the cases (n=5) and interviews with members of executive committees and administrative personnel assisting these committees (n=30).

The consortium agreements provide a general picture of the agreed upon decision structures, responsibilities and expectations related to particular groups/roles (o.a. of boards, committees, and members) laid down in a set of rules and the potential consequences of not adhering to these rules. The agreements were coded in NVivo for references to different roles. After this, responsibilities and tasks were coded as well as rules and potential consequences of not following those rules.

The interviews provide accounts of decision-making processes in the consortia. The questions asked related to what kinds of decisions were made, what kinds of decisions were made by the

executive committee and member board, what kinds of decisions had been in their eyes most important, after which follow-up questions were made about who were involved in different decision processes, how the decision process looked like, who prepared the decisions and how and by whom and how the decisions were then carried out. While this data was not gathered with the purpose of studying the different types of accountability, the data does provide insight into decision-making processes including who is to be answerable to whom, and about what. The interviews were coded for references confirming, denying, or diffusing the existing of responsibility or need for accountability, or descriptions of challenges with accountability.

The data finally was coded for the different types of accountability. Thus, the question answered during the analysis was how a piece of the data about accountability/responsibility could be linked to the different types of accountability.

#### *Short case impressions*

The first case includes fourteen members including academic members and industrial members from seven different countries around the EU. They received 10 million euro for a five-year project.

The second case includes twenty members, all of which were academic. These members came from ten different EU countries. The consortium received 15.5 million euro for a five-year project.

The third case also has twenty members, but includes next to the academic members also a commercial research organization. The members came from eleven different EU countries. This consortium received a bit over 7.5 million euro for a five-year project.

The fourth case is slightly smaller, having twelve members from eight different countries. the members are all academic. This consortium received a bit over 7 million euro for a five-year project.

The fifth case has sixteen members from seven EU countries. The members were both academic as well as small and medium sized companies. This consortium received 10 million euro for a five-year project.

#### **Early draft of results**

*Presence of different types of accountability in the cases.* Some of the accountability types are easily recognisable in the material. This includes the fiscal accountability, which is linked to the funds received from the European Commission, the supervisory accountability of the coordinator and administrative support personnel as well as the executive committee towards the member board, and the hierarchical accountability of members toward the coordinator as well as participants to work-package leaders. The electoral and market forms of accountability were not present in these cases, while legal accountability present in the agreement but was little discussed in the interviews. The two most present in the interviews were those of participatory accountability and public reputational accountability.

*General perspective on how accountability was achieved.* Although most cases followed a rather formal approach, whereby the expectations in terms of behaviour were spelled out in rules and

**Commented [SB1]:** Is there no voting with feet present? How about people stopping to participate? People not reacting to requests?

also socialisation had taken place through the shared development of workpackages and agreements on the way of working. One of the cases however utilised other tools as described below.

*“There has not been a problem with the progress of the project as a whole, we have not really tried to connect things in a very formal way. So.. However that one time at the very beginning there were a couple of partners that were not co-operating as much as we wanted to. And we then did put quit a lot of pressure on them, that if they did not change their attitude we would kick them out of the.. of the.. of the network.” (Interviewee 60601)*

*Responsibilities described.* The consortium agreements provide responsibilities for a large number of different groups. This includes the member organizations, coordinator, administrative team, governance body, executive body, operational bodies, and advising bodies. Often there is not one line of accountability, but a string. For example, the consortia are accountable to the Commission as the Commission provides them with funding. The Commission demands accounts showing how the consortium members spend the funding, how effectively the consortium is organized, and what the consortium has achieved with the funding. Based on the contract with the Commission, the coordinator of the consortium is responsible for delivering or ensuring the delivering of the necessary information. As the coordinator is accountable for the consortium to the Commission, the coordinator needs to hold all members to account to ensure it can deliver, but also the different operational bodies. The coordinator, therefore, would have a larger responsibility, it is made to be accountable for the consortium as a whole. Often, this results in larger power of the coordinator in questions related to the division of funds, but not ultimate power.

*Supervisory accountability.* The coordinator in most cases was held accountable by the member organizations via a governance board, in the form of supervisory accountability. This board supervised the coordinator, and the suggestion for the division of funds, for example, needs approval by this board. Also, when the coordinator has difficulties getting member organizations to act, it is this board that approves the punishment the coordinator is suggesting to put on such member organization.

*Hierarchical accountability.* In one particular case (610), the coordinator actively avoided the hierarchical accountability, by creating decision structures in which all members participated in the production of suggestions and the decisions through grading of suggestions. This, however, according to some interviewees led to dilution of responsibility and creating a situation where no one was accountable for decisions made.

*Participatory accountability.* In another case (606), no form of hierarchical accountability was established in relation to the coordinator. Each member was responsible for one work package. Each member is therefore responsible for reporting on one work package, and the coordinator is compiling these reports into the consortium report. When asked what is done when a member is late with their report, the interviewees of one of the cases responded

*I: You start to slowly increase the pressure {laughing}. Well that is one of the agonies of a.. of a network.. There is always somebody who is last. (Interviewee 60603)*

*I: I mean, if somebody is being a pain in the neck and not replying, [the coordinator or administrative assistant] might ask the member of the Executive Group who knows the reclusive person best to give him a ring and say come on, what's going on here. (Interviewee 60607)*

This, thus, presents an interesting example where participatory accountability is being utilized where the hierarchical accountability is not fluently working.

Similar participatory accountability was present in the operational bodies of the consortia. While often operational bodies were in the consortium agreement described in terms of hierarchical accountability, the interviews reveal that due to the lack of control over the members of operational units, there was no possibility to execute hierarchical power in terms of changing those participating.

*Election based accountability.* Although most of the cases had established an election based choice for filling executive functions, and thus aiming to produce electoral accountability, due to the limited life of the consortia – they were set-up for 5 years – this kind of electoral accountability could in practice not be utilized. In meta-organizations with longer timespans, however, this kind of accountability may play a much more significant role.

### **Early ideas for the Discussion and Conclusions**

The aim is to discuss the particularities of MO.

- There are some types of accountability that do not neatly fit the Keohane types.
- There are layers of accountability – and internal-external accountabilities
- The link between external accountability and internal accountability
- The model of types of accountabilities

Discuss the mechanisms to ensure accountability is taking place.

Discuss the findings in relation to other organizational types and IORs

Discuss the findings of the possibility for avoiding accountability in the cases and discuss how this links in particularly to other International Organizations.

The accountability in the MO is complex and multifaceted.

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Table 2 Foundational premises of Meta-Organization Theory (adapted from Ahrne and Brunsson, 2008; Bor, 2014; Cropper and Bor, 2018). Foundational premises 1-6 relate to the nature of the members and foundational premises 7-8 relate to the nature of the collaboration.

<b>Premise number</b>	<b>Foundational premise</b>
FP1	Organizations have their own capacity of action and access to their own resources and their own members.
FP2	Organizations are created and shaped.
FP3	Organizations have life spans that are difficult to predict, though can be very long.
FP4	Organizations have no personal sphere; they cannot be met and need a unique identity to ensure their continued existence.
FP5	Organizations need a degree of autonomy and authority to ensure their continued existence.
FP6	Organizations differ severely in access to power and resources.
FP7	Associations are governed by their members.
FP8	Associations are concerned with only a part of a members' life.