NGO accountability: retrospective and prospective academic contributions

# ABSTRACT

**Purpose:** This paper offers a retrospective and prospective analysis of the themes explored in the 2006 *Accounting, Auditing and Accountability Journal* special issue on NGO accountability.

**Design/methodology/ approach:** The paper is a reflective review essay.

**Findings:** The paper outlines how a number of themes in the 2006 special issue addressing downward accountability, hierarchical accountability and management control have been subsequently developed in a selective set of papers in the accounting literature. These themes lead to several suggestions for future research in NGO accountability.

**Originality/value:** The paper offers a systematic, original perspective on recent developments in certain areas of the field of NGO accountability.

**Keywords:** Downward accountability, hierarchical accountability, management control systems, NGO, NGO accountability

**Paper type:** Review paper

1. **Introduction**

Non-governmental organisations (NGOs) play significant roles in helping to protect, promote and advance human rights. These roles include deployment of aid to hundreds of millions of the most impoverished and vulnerable people on the planet. They also include advocating for or against public policies that proponents claim will protect and enhance the rights or interests of current and future sections of society, in addition to the natural environment and/or animal rights.

NGOs differ from for-profit corporations (and share a key characteristic with public service/sector bodies) in that their purpose is not to generate a financial surplus, but to use their income to fulfil their social remit to the greatest extent possible. In democratic countries NGOs differ from public service bodies in not being ultimately accountable to the demos through elections of politicians who decide upon the nature and scope of public services. The factors driving the nature and scope of both corporate and public service/sector accountability therefore differ from those underlying NGO accountability. In many countries, the NGO sector has historically also enjoyed high levels of public trust.[[1]](#footnote-1) While trust can reduce stakeholder demands for accountability and transparency, these high levels of trust enjoyed by NGOs arguably place additional responsibilities on NGOs to not take this trust for granted and to ensure they have internal mechanisms to proxy for the ‘scrutiny-through-accountability’ that is institutionalised for sectors that lack such high trust levels.

While some of the most trusted NGOs have long recognised the importance of effective accountability mechanisms even where these are not demanded by their dominant stakeholders (O’Dwyer and Unerman, 2008), revelations in early 2018 about exploitation and abuse in major NGOs demonstrated some of the risks for NGOs themselves where they fail to adopt effective accountability mechanisms. These revelations started with high-profile news reports alleging sexual exploitation of disaster victims by Oxfam aid workers and lack of action by Oxfam when they first became aware of these allegations (Brown, 2018a). The allegations led to threatened withdrawal of funding for Oxfam from both the UK government aid budget and from many individual donors, and a major internal investigation into other possible abuses of trust by Oxfam workers and new processes needed to screen workers more effectively in future (Brown, 2018b). The allegations against Oxfam were followed by a series of allegations about abuses of power, harassment and bullying of staff within other major NGOs, including Save the Children (Mance, 2018). The damage that has been caused to the vital operations undertaken by these NGOs by the fallout from these revelations, of issues that may have been internally-identified and prevented with better accountability[[2]](#footnote-2), provides a stark demonstration of how important effective accountability mechanisms are to the longer-term sustainability and success of NGO activities that can affect the lives of many hundreds of millions of extremely vulnerable people.

While there is a long-standing body of accounting research that examines accountability and accounting practices within corporate and public services organizations, before 2004 there was relatively little research that used relevant insights from accounting research to examine the scope and effectiveness of accountability in the NGO sector. Although NGO accountability had been researched in other disciplines, such as development studies, at the time we (O’Dwyer and Unerman) felt that the critiques and policy recommendations around NGO accountability within these literatures could be strengthened and benefit from insights possible through in-depth exploration of issues around accountability and responsibility covered within the accounting academic literature.

In responding to this major gap in the literature, and as part of a leadership tradition of encouraging socially-impactful explorations in previously neglected areas of accounting research, in 2004 the editors of *Accounting, Auditing and Accountability Journal* commissioned a special issue on the theme of NGO accounting and accountability. This special issue was published in 2006 and aimed to provide a platform for emerging work in accounting that addressed NGO accountability in diverse NGO contexts while initiating a more focused consideration of the numerous research issues to be addressed in this area.

In exploring the impact of the 2006 special issue, the purpose of this paper is to offer a selective retrospective and prospective analysis of developments in some of the themes covered by the special issue. Apart from the transparency issues touched on above in relation to the 2018 allegations of long-standing exploitation, harassment and bullying within some major NGOs, NGO accountability mechanisms can be important, albeit not always, in helping to develop the efficiency and effectiveness with which NGO activities are delivered. Improving this efficiency and effectiveness can leverage much greater social benefits from a given level of resource for the most deprived in societies globally. As improvements in the area of NGO accountability policy and practice have the potential to deliver such major social benefits, momentum and insights from NGO accountability research need to continually advance. In this context, this paper seeks to assess and drive forward substantive improvements in the ways research has and can further impact upon improvements in NGO accountability policy and practice, thereby helping NGOs and policy-makers realise further benefits from improved NGO accountability.

We address the above aim by reflecting on how the accountability themes that were addressed in the 2006 NGO accountability special issue have been further researched and developed, and how the future research could and should advance. For reasons of focus, our selection of papers concentrates on a small sample of papers in accounting that have engaged substantively with and extended the special issue themes. They exhibit a clear lineage from the special issue papers by either advancing their empirical themes or their theoretical orientation.

The paper is structured as follows. First, we briefly reflect on the key themes explored in the 2006 special issue. Second, we trace how some of these themes were developed in a selection of papers in the subsequent accounting literature on NGO accountability. Third, we outline how new NGO sites and issues of interest have emerged. Finally, we offer some concluding thoughts and provide suggestions for a refreshed research agenda indicating directions in which this work could develop in the future to provide substantive insights in areas where there are gaps in knowledge – several of which are linked to more recent changes in the contexts in which NGOs are operating.

# Reflecting on the 2006 special issue

The introductory paper for the 2006 special issue offered an inclusive definition of an NGO and explained how the subject matter of each of the other papers in the special issue explored important issues of accountability in relation to organisations that conformed to this definition (Unerman and O’Dwyer, 2006a). Two broad NGO categories dominated the special issue: (1) welfare provision NGOs and (2) campaigning, advocacy and hybrid (combinations of welfare and advocacy) NGOs (Dixon et al., 2006; Goddard and Assad, 2006; Gray et al., 2006; Unerman and O’Dwyer, 2006b). A key theme in many of the papers was the danger of inappropriate accountability mechanisms potentially threatening the viability of NGOs such that these mechanisms could be counterproductive and result in socially damaging outcomes. This was seen to be especially likely if downward accountability to beneficiaries was ignored or downplayed, or if accountability mechanisms were imported by NGOs directly from corporate contexts. The increasing reliance by funders on formally imposed mechanisms that significantly increased bureaucratic burdens on NGOs was central to some of the papers (Dixon et al., 2006; Goddard and Assad, 2006). The introductory overview paper concluded that it was unlikely that a single set of largely uniform accountability mechanisms would be suited to all NGOs, and called for future studies to develop suitable accountability mechanisms for a variety of NGOs (Unerman and O’Dwyer, 2006a).

# Key areas of development in the accounting literature

## 3.1 Extending articulations and experiences of downward accountability

A central feature of several of the NGO accountability papers subsequently published in the accounting literature has been the attention afforded to variations on the notion of downward accountability. Many of these papers conducted in-depth case studies which directly examined the implementation and effectiveness of downward accountability. A selective sample of these are reviewed below.

Awio et al. (2011) undertook a comprehensive examination of a welfare delivery NGO in a Ugandan community affected by the HIV/AIDS pandemic. Their case offered a positive example of downward accountability implementation by showing how grassroots NGOs augmented formal accountability duties to funders with “bottom-up” accountability to their service beneficiaries. Overall, this yielded positive outcomes for their provision of social services delivery.

Exploring downward accountability mechanisms in a different context, O’Dwyer and Unerman (2010) and O’Leary (2017) sought to understand the extent to which downward accountability contributed to the effectiveness of rights-based approaches to development. The rights-based approach focuses on helping developing communities assert their rights to self-determination and the fulfilment of political, civil, economic and social rights. It asserts that NGO beneficiaries should see themselves as ‘rights claimers’ within the overall development landscape, and not just in relation to the services provided by NGOs (Jordan, 2007; O’Leary, 2017). O’Dwyer and Unerman (2010) found variations in practice with regard to the substantive implementation of downward accountability mechanisms and identified several barriers to implementation including insufficient local NGO attention to downward accountability due to the control of locally-based NGOs by unrepresentative elites. Their findings questioned the rhetorical commitments to downward accountability embedded in the rights-based approach.

Taking forward these insights, O’Leary (2017) offered a more nuanced, contrasting perspective. She showed how the embedded promise of self-determination in the rights-based approach was enacted in the accountability relationships between two Indian NGOs and their beneficiaries. She presented two case studies of NGOs seeking to transform their target communities into active, engaged and self-determined citizens. She revealed that their accountability to beneficiaries was not merely a process of providing a *post-hoc* account of NGO activity within which beneficiaries participated. The NGOs she studied perceived *themselves* to be accountable for the enactment of certain promises and outcomes within their target communities. As such, they enacted a sense of so-called ‘felt responsibility’, a characteristic also evident among NGO workers in O’Dwyer and Boomsma’s (2015) subsequent study of Oxfam Novib in The Netherlands. This characteristic was not only related to internal motivations but reflected a genuine sense of responsibility and accountability to beneficiaries to undertake courses of action that would fulfil the implicit promises made within the rights-based approach. O’Leary (2017) therefore offered a much more positive and nuanced perspective on experiences of downward accountability in the context of the rights-based approach than found by O’Dwyer and Unerman (2010).

From an allied perspective, O’Dwyer and Unerman (2008)mobilised the theoretical constructs of hierarchical and holistic accountability to advance work investigating the emergence of accountability mechanisms in advocacy NGO settings. They expanded the initial focus in the special issue on advocacy NGOs by investigating major developments in accountability practices at the human rights advocacy NGO, Amnesty Ireland. Their key concern was to uncover how and why Amnesty’s historical reliance on internal forms of accountability had been augmented with a range of ad hoc external accountability mechanisms. They conceived of holistic accountability as a combination of hierarchical and downward accountability and showed that while holistic accountability mechanisms exhibiting accountability to a wide range of stakeholders were favoured by Amnesty’s middle management, a hierarchical conception of accountability privileging a narrow range of stakeholders had begun to dominate external accountability discourse and practice. This was, according to Amnesty’s middle managers, proving counterproductive to Amnesty’s mission achievement. O’Dwyer and Unerman (2008) highlighted the difficulty of advocacy NGOs like Amnesty engaging fruitfully in downward accountability processes while also unveiling the accountability tensions within NGOs when they become increasingly reliant on external funding from private individuals and organisations seeking simple measures of performance achievement. While O’Dwyer and Unerman (2008) suggested that Amnesty’s senior management should become more open to holistic accountability, whatever its complexities, in retrospect this recommendation appears vague as it downplays the complexity of operating in funding environments where different funders require different forms of accountability, and crucial campaigns rely on continued funding streams from numerous sources.

While O’Dwyer and Unerman (2008) highlighted practical problems in implementing downward accountability in advocacy NGO contexts, Taylor et al. (2014) explored whether downward accountability actually lost its meaning when applied to the published special-purpose disaster recovery reports of organisations leading the recovery effort from Australia’s 2009 ‘Black Saturday’ bushfires disaster. They studied the nature and extent of downward accountability rendered by NGOs to victims during the recovery period. According to Taylor et al. (2014), the appearance of downward accountability traits in the disaster recovery reports was an artefact of the motivation for upward and internal accountability. They argued that downward accountability enacted in the context of charitable deeds-based recovery actions was devoid of principal–agent expectations and further claimed that, in the context of a natural disaster, downward accountability did not sit well, conceptually, in a stakeholder-oriented accountability typology framework.

In contrast, Marini et al. (2017) offer a unique perspective on the operationalisation of downward accountability with their focus on how accountability was operationalised within the context of a South African microfinance institution (MFI). They studied the introduction of a tool to enhance consumer protection, the Client Protection Card (CPC), to deliver accountability within their case organisation in order to focus on accountability from the perspective of clients and fieldworkers. Their attention to one tool is unique and uncovered four factors critical to the tool’s success: its design; its appreciation of the local culture; the nature of its distribution by fieldworkers; and its responsiveness to the MFI clients’ perspective. The paper indirectly problematizes notions of downward accountability by illustrating how certain accountability tools need to be tailored to the needs of ‘clients’ if they are to be effective (see also, Marini et al., 2018).

While this notion of downward accountability was somewhat lauded in the special issue, concerns surrounding the nature of upward accountability pervaded. We now address work which has expanded theoretical and empirical insights on these concerns

## 3.2 Coping with hierarchical accountability

The 2006 special issue’s concern with the danger of inappropriate accountability mechanisms threatening the viability of NGOs is a theme that subsequent research has embraced. Several studies show how these threats have manifested themselves, and thereby exposed NGO management and field workers to uncomfortable contradictions. However, a number of sophisticated studies have also shown how NGOs seek to cope with and even control the nature of the influence that forms of hierarchical accountability have on their aims.

Duval et al. (2015) reflect on the perceived dominance of hierarchical accountability by studying how funders may exert framing influence on NGOs through the collection and arrangement of information required in grant applications (see also, Everett and Frieson, 2010). They studied the Canadian International Development Agency's (CIDA) grant application process and showed how the prescriptive arrangement of information in application forms led to a representation of NGOs as “financially inclined performers” who delivered results as defined by funders. CIDA was shown to impart normative views privileging narrow performance focused on hierarchical accountability over social obligations. In an entirely distinct context, Martinez and Cooper (2017) illustrate how the values driving diverse ‘social movements’ were threatened by the necessity to embrace the accountability requirements of, what they refer to as, ‘the international aid assemblage’. They show how the values held by members of a broad social movement were in continual conflict with externally imposed accountability requirements which, they argue, eventually resulted in the disarticulation of a wider social movement as missions and governance became radically reformed.

Despite the studies above reflecting a sense of helplessness among NGOs in the face of hierarchical accountability demands, other research has illuminated how NGOs can possess agency when it comes to coping with and influencing the nature of hierarchical accountability mechanisms (see, Cordery and Sim, 2018; O’Dwyer and Boomsma (2015) show how a group of Dutch development NGOs proactively sought and secured influence over the accountability demands of their key (government) donor (see also: Boomsma and O’Dwyer, 2019). The NGOs were proactively involved in steering the funder towards accountability requirements suited to their particular circumstances and missions. O’Dwyer and Boomsma (2015) thereby unveil the conditions under which NGO-preferred conceptions of accountability can gain (but also lose) influence among key funders. Augmenting these insights, Agyemang et al. (2017) examined how NGO fieldworkers in Ghana coped with the narrow control characteristics of their funders’ hierarchical accountability regime by engaging in a skilful form of compliance accountability whereby they worked with and around the formal upward accountability processes in order to adapt them to local contingencies. The funders’ focus on control failed to stifle the fieldworkers’ initiative which was driven by their intrinsic commitment to beneficiaries and a related desire to influence the development of upward accountability metrics. While the case showed how this influence was emerging within fieldworker-funder interactions, the commitment of funders was unclear. Overall, their analysis offers a more nuanced perspective on the influence of hierarchical accountability by unveiling how a sense of ‘felt responsibility’ among NGO fieldworkers, also common to the NGO workers in O’Dwyer and Boomsma (2015) and O’Leary (2017), can mediate and partly diminish the negative impacts of hierarchical accountability processes. Complementing these insights, an earlier study by O’Dwyer and Unerman (2007) studied an attempted transition from a hierarchical accountability regime to a more balanced ‘social accountability’ regime among Irish development NGOs and their governmental funder. Again, this study revealed how the NGOs possessed agency and sought to create a partnership with the funder that embraced a form of holistic accountability focused on effectiveness as opposed to efficiency. In contrast to O’Dwyer and Boomsma (2015), however, these aims were rarely realised due to a combination of a lack of resources, deficient organisational commitment, and inadequate expertise within the funders and the NGOs.

Rahaman et al. (2010) offer a carefully considered perspective on the influence of hierarchical accountability processes informed by traditional accounting techniques. In common with Agyemang et al. (2017), they focus on Ghana and explore how accounting facilitated a HIV/AIDS campaign involving the World Bank, the Ghana AIDS Commission, and over 3,000 alliance members. They uncover how traditional accounting offered forward-looking budgetary information and introduced standardized practices across the alliance. Accounting assisted the World Bank and the Ghana AIDS Commission to maintain the alliance by providing information that allowed them to direct specific actions and enable a form of discipline among alliance members - a key feature of hierarchical accountability regimes. However, they also illustrate the downsides of this hierarchical accountability by showing how the accounting regime sometimes unintentionally conflicted with the social purpose activities. This involved: the diversion of scarce resources away from the campaign; the determination of the type of health prevention and treatment activities offered; and the disruption of the overall continuity of HIV/AIDS prevention activities. Hence, Rahaman et al. (2010) simultaneously offer support for and are suspicious of the role of hierarchical accountability in enabling frontline health activities. Overall, they claim that a major challenge is to ensure that the tensions that exist between (1) a social purpose and (2) accounting practices are creatively maintained in such a way that neither the social purpose nor accounting comes to dominate and colonize the other.

This section and the previous section have largely addressed advances in efforts to account to external constituencies, thereby building directly on key special issue themes. However, the special issue only touched on the issue of internal accountability. We now turn to the recent developments of this theme as it is an area that has advanced significantly in the past decade.

**3.3 Developing internal accountability - the evolution of management control systems in NGOs**

In the past decade, issues of internal accountability and management control within NGOs have rapidly emerged in the literature, with a recent special issue of *Accounting Organizations and Society* assembling some examples of this genre (Hall and O’Dwyer, 2017). This work has expanded the theoretical perspectives on NGO accountability, the nature of the accountability studied, and the empirical sites examined. In particular, it has instigated a more recent, but as yet underdeveloped, focus on performance measurement and management control systems (MCSs) in the realm of NGO accountability. Chenhall et al. (2010) kick-started much of this focus by examining how the combination of MCSs and social capital in a welfare NGO impacted on how it maintained its identity and ability to deliver services, when obtaining funding. The study showed how different combinations of controls were related to different forms of social capital. A key finding, of central relevance to our discussion above, was how attempts to introduce formal controls such as budgets failed as they were overly focused on obtaining and managing finance and were introduced coercively resulting in employees failing to identify with a new competitive funding context. The conflicts between fieldworkers and funders referred to earlier were translated to the organisational level in later work by Chenhall et al. (2013), who showed how deliberations over the design and operation of performance measurement systems affected the potential for productive debate and compromise between different ways of evaluating performance. They argued that different PMSs could bring together (or even push apart) organizational members with different evaluative beliefs, with the manner in which these beliefs were merged being potentially productive and/or destructive (see also, Hall, 2017).

As Hall and O’Dwyer (2017) demonstrate, recent work in this domain especially highlights the association between values and beliefs and control, albeit in different ways. Chenhall et al. (2017) study how performance management systems (PMSs) can be expressive by incorporating the perspectives of NGO employees. Here, NGO employees are assigned agency which allows them to influence a PMS design in a manner that enables them to express their individual values. Chenhall et al. (2017) show how a sense of ‘felt responsibility’ (O’Dwyer and Boomsma. 2015; O’Leary, 2017) among employees can be embedded in a PMS by expediting accessibility and playfulness in employee engagement processes, thereby enacting a form of ‘workplace democracy’ where NGO employees participate in processes of organizing, decision making, and governance. This focus extends and aligns with the prior work of O’Leary (2017) and O’Dwyer and Boomsma (2015), albeit in an entirely different context.

Kraus et al. (2017) explore organisational ideology as a unique, central dimension of MCSs in NGOs. In a case study of a health centre operating as an NGO they showed how the ability of ‘ideological talk’ to emphasise the centre’s significance and distinctiveness offered the health centre’s manager a powerful instrument of control. As with Chenhall et al. (2017), they also illustrate how NGO ‘employee’ values may be incorporated in a MCS. However, their case shows how this was enabled through a form of ‘manipulation’ relying on ideological control which targeted as opposed to embraced employees’ attitudes. The employees (doctors and nurses) passively perceived their values being reflected in a hierarchical MCS despite having limited input into the MCS design. Their agency was therefore curtailed by an organisational structure buttressed by ideological control where open discussions were almost entirely absent, a contrast to the open employee engagement depicted in Chenhall et al. (2017). Kraus et al. (2017) illustrate how employee values were ‘forcibly’ aligned with existing and emerging controls through the ‘ideological talk’ of the centre manager which was reinforced by several ceremonies, symbols and rituals (see also: Chenhall et al., 2015). The self-selection of the doctors and nurses abetted a balanced ‘fit’ between organisational and professional identity that was nurtured through these ideological controls which, according to Kraus et al. (2017), shielded the doctors and nurses from the ‘ethical burden’ arising from patient treatment decisions that could have proven difficult to rationalise.

The previous sections have addressed issue of internal and external accountability, focusing primarily on specific empirical advances in the literature. Our final section reflects briefly on three theoretical contributions, especially in light of Unerman and O’Dwyer’s (2006) effort at theorising NGO accountability in the special issue.

**3.4 Theorising NGO accountability**

Everett and Friesen (2010) and Lehman (2007) have theorised issues around NGO accountability in an evocative and illuminating manner. Everett and Friesen (2010) examined the shift towards greater external accountability in the field of humanitarian relief. Drawing on the work of Judith Butler and Samuel Beckett, they frame this shift as a performance in the Théâtre de l’Absurde, characterising it as an ironic and agonistic play occurring both on and off stage as part of a contest pitting ‘humanitarians’ against their donors. They argue that while donors increasingly ask humanitarians to follow technical scripts in their accountability for their performances, the latter counter by offering scripts that highlight the humanitarian's moral obligation to the so-called ‘suffering other’. They reveal how the Red Cross and two standard-setters, the Humanitarian Accountability Partnership and the Sphere Project, endanger their goals by observing a number of contradictory scripts related to neutrality, commerce, and performance. They maintain that technical and moral accountability are inseparable, and highlight, what they term the ‘grotesque’ nature of modern humanitarian assistance.

Lehman (2007) asks if NGOs are doomed to fail because they are unelected and unaccountable, and unlikely to rise above the limitations of the system that makes them necessary in the first place. He evaluates a possible role for NGOs by theorising alternative ways of thinking about “civil society”. He draws together interpretative strategies from a variety of philosophers to develop what he categorises as ‘an ontic dialectical thinking’ which can be used to assess whether NGOs can truly fill the democratic vacuum, and contribute towards the good society. Lehman (2007) argues that NGO contributions involve examining connections with accountability in a world in which public intervention and social awareness have been trivialised with a reinvigorated civil society helping to reconcile the role of NGOs to an authentic and effective end.

Davison (2007) formulates an analytical model for interpreting photographs in accountability statements from Barthes' renowned theoretical work on photography, *La chambre Claire*. She offers a study of the communication of accountability by an NGO through a detailed analysis of one photograph. The study proposed a conceptual framework for examining photography based on *La chambre claire*'s contrast of rational codes (*Studium*) with intuitive elements (*Punctum*) and offers an application of the framework by considering the *heterogeneity* and *accountability* of NGOs through an examination of the *Oxfam Annual Review 2003/2004* front cover photograph.

These three perspectives are intriguing in that they theorise different dimensions of NGO accountability while also complementing each other. Everett and Friesen (2010) point to an inevitable fusion of moral and technical accountability while Lehman implicitly bemoans the narrow nature of this focus. Davison (2007) offers a more micro-level theorisation that suggests a more subtle form of accountability representation from NGOs.

**4. Prospective perspectives**

While much of the work in the intervening fourteen years since the 2006 special issues was commissioned in 2004 has significantly enhanced our knowledge of NGO accountability, current developments in practice offer opportunities for more comprehensive advances on prior studies. For example, recently, traditionally large donor countries such as The Netherlands, Belgium and France have radically reduced their funding for development NGOs and become more prescriptive about how this funding should be spent (Huyse and De Bruyn, 2015; Spitz et al., 2013). This gradual shift from a focus on ‘aid *to* NGOs’ to ‘aid *through* NGOs’ (Huyse and De Bruyn, 2015; Schulpen, 2016) is having significant impacts for how funded NGOs are governed and held externally accountable. Development NGOs are also increasingly being asked to adopt more entrepreneurial ways of working and to engage extensively with the private sector in order to demonstrate their self-sufficiency. Many have expressed fears that ‘tied-aid’ - aid linked to specific governmental objectives - is becoming increasingly common, thereby reducing NGOs’ autonomy or ‘right of initiative’. For example, in The Netherlands and Belgium, funding cuts have been accompanied by explicit demands for policy coherence prioritising certain lobbying and advocacy roles among funded NGOs. Several NGOs claim that these restrictions make it impossible for them to retain their role as relevant actors in processes aimed at bringing about transformative, sustainable changes to civil societies (Banks et al., 2015; Elberset al., 2014; O’Leary, 2017). Future research could study the impact of these developments on the accountability of NGOs, especially the processes through which changes in accountability demands have evolved and their impact on NGOs’ core operations.

Official development assistance from traditional donor governments is also shrinking due to low economic growth rates and long-term structural issues, including the rising costs of public welfare for ageing populations and the need to allocate public funds to tackle the refugee crisis in some European states. Development aid allocations are also being increasingly influenced by public opinion and political pressure from various non-governmental actors, including civil society coali­tions and the media. The role of NGOs as intermediaries between Northern (governmental) donors and Southern NGOs (counterparts) is also changing due to the recent cuts in governmental funding and the increased organizational capacity of Southern NGOs who are sometimes laying claim to direct funding, thereby cutting out Northern NGOs in the aid channel (Schulpen, 2016). These shifting roles of development NGOs will have a significant impact on the nature of the accountability required of them by donors because of different funding models and the increasing amounts of partnerships with the private sector and other, Northern and Southern, NGOs (Huyse and De Bruyn, 2015; Schulpen, 2016). We need to know more about the nature and extent of these impacts, with future academic NGO accountability research being a key source in developing such knowledge.

While we have outlined how prior research has unpacked notions of felt accountability and felt responsibility, these notions can also be usefully attached to concepts of identity. Future research could, for example, focus more explicitly on how identities in NGOs are formed in conjunction with the development of specific types of accountability. This could uncover the dynamic process through which identities and different forms of accountability such as felt and downward accountability can co-evolve. Here, identity is in a continuous state of flux wherein an identity is formed and subsequently confronted with forces, such as attitudes to and conceptions of accountability, seeking to modify that identity. This is constantly evolving dynamic that NGOs must continually manage. Key aspects of Gioia et al.’s (2013) organisational identity formation process could be mobilised to seek to understand how types of accountability evolve in key stages within identify formation (and change) processes. For example, a core stage of identity formation involves organisational members coping with a possible *meanings void* in which they struggle to give meaning to a leader’s vision and need to decide upon who they are *not* in order to determine who they are. This form of sensemaking may operate in conjunction with, and influence, the nature and development of accountability mechanisms in NGOs. The role of various forms of accountability in enabling organizational members to decipher how to attain some desired identity change from where they currently stand (see, Clegg et al., 2007, p. 508) could be a fascinating avenue for future research. Unveiling and understanding the schisms that may develop as attempts to alter an identity take hold in parts of an NGO but fail in other parts of the same NGO also offer a fruitful future research focus.

We also need more studies of accountability in NGOs that are less formalised. While there is a plethora of literature on how social movements evolve and seek influence, there has been, to our knowledge, limited attention afforded to how they address issues related to their own accountability, which can become pressing as they increase their influence and formalise (Martinez and Cooper, 2017). The sheer scale and diversity of social movements could make this an especially fruitful area of investigation, especially among more diverse decentralised movements such as Occupy Wall Street and online movements such as the #MeToo movement. These latter movements effectively challenge our conception of what an NGO might be and offer a myriad of accountability challenges. How do specific types of social movement adapt to increased scrutiny and demands for greater accountability? What sort of mechanisms do they adopt and with what effect? Relatedly, while there is an increasing interest in research examining the production of counter-accounts we also need to study the accountability of the so-called counter-accountants and the movements that frequently produce these accounts.

Developments in NGO accountability have led to increased sophistication in the use of accountability methodologies and methods. We need to capture the processes through which sophisticated measures emerge from these methodologies and methods and are used, especially how entirely different quantitative and qualitative methods are often used in a complementary manner within NGO accountability processes. A plethora of measurement techniques such as social return on investment (Hall et al., 2015; Hall and Millo, 2017) and blended value accounting (Nicholls, 2009) have emerged in the last decade. Moreover, diverse technologies have been applied in different contexts in order to assess, *inter alia,* the sustainability of development NGO interventions. We need to acknowledge and study the complexity and sophistication of these mechanisms from an accountability perspective, especially as their sophistication is, in some instances, outstripping private sector developments.

Given the specific institutional contexts in which many NGOs operate, examining the role of control systems within means-ends decoupling can offer additional insights into the relationship between PMSs and NGO mission achievement. Means-ends decoupling occurs when policies or procedures, such as accountability mechanisms, areimplemented to varying degrees but are weakly correlated with the core tasks of an organisation(see: Bromley and Powell, 2012; Wijen, 2014). This form of decoupling is particularly prevalent in highly opaque fields, such as the development NGO field, which are characterised by the presence of *causal indeterminancy –* an unclear relationship between means and ends (Wijen, 2014). The external environment can generate means-ends decoupling by creating the myths of causality, control and coherence that organisations are structured around. This can involve situations where formal accountability mechanisms are applied to obscure goals. Organisational members, such as NGO managers, may see certain mechanisms as possessing little utility but choose to pursue them anyway in the presence of larger structural pressures (see: Martinez and Cooper, 2017). It would be stimulating to study how and why this type of means-ends decoupling occurs within different NGO organisational and field contexts. This may reveal how and why accountability mechanisms become institutionalised in specific NGOs and in NGO fields and end up being valued as ends in themselves.

Finally, while some prior research has focused on the evolution and operationalisation of NGO accountability technologies (Boomsma and O’Dwyer, 2019), the specific nature of individual accountability technologies and their implementation and effects at the organisational level are in need of more in-depth investigation. Future research could investigate NGO managers’ experiences of these accountability technologies and offer a more fine-grained analysis of the nature and operationalisation of specific technologies.

The 2006 special issue represented an effort to kick-start a research stream that would offer important, impactful insights into accounting and accountability in the then neglected NGO domain. This has, to some extent, occurred but, as our suggested research directions above imply, there is much more work to be done in NGO accountability. Much of this work relates to ongoing developments in NGO accountability associated with changes in contexts facing NGO operations. As such contexts, and the nature of NGO operations, continue to change, there will be major public policy interests in the impartial and robust insights provided by academic research into the effectiveness of NGO accounting and accountability policies and practices, and their impact on how effectively NGOs can deliver their vital services to many hundreds of millions of the world’s most vulnerable and impoverished people.

In light of this social significance of high quality research in many novel areas of NGO accountability, we would encourage emerging researchers to move beyond studying existing insights from the academic literature in marginally different geographical locations or sectors, as such insights are unlikely to produce substantive novel insights that will help improve NGO accountability policy and practice. We feel the intellectual effort that goes into future studies will have much more positive social impact if more researchers devoted their efforts to investigating the many substantive challenges in continually evolving NGO accountability policy and practice arenas, some of which we set out in our research agenda above.

We sincerely hope that this review, albeit brief and highly selective, will encourage others to enter and explore what we have found to be a fascinating and area of study with high levels of impact potential.

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1. For example, in January 2001 the first of what has become a highly respected series of annual global surveys on the state of trust in various institutions (subsequently known as the *Edelman Trust Barometer* reports) explored “The relationship among NGOs, government, media and the corporate sector” (Strategy One, 2001, p. 1). About three quarters of the survey’s respondents felt that NGOs had become significantly more influential during the 1990s. Outside the USA, levels of trust in NGOs in 2000 were much higher than trust in corporations, government or the media. By the end of 2004, NGOs were the most trusted sector in both the USA (55% level of trust) and Europe (45% level of trust) compared to trust for the business sector (48% in the USA and 36% in Europe) and government (44% in the USA and 27% in Europe) (Edelman, 2005).

   [↑](#footnote-ref-1)
2. We acknowledge that the failure to adopt accountability practices and reputational risk may not *always* be closely related in NGOs given that certain NGOs are highly vulnerable to any suggestions of impropriety irrespective of the attention to accountability. [↑](#footnote-ref-2)