Boundaries of Responsible Buying: Accountability for What and to Whom?

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Introduction

Many are the calls for increased accountability: for better control of business processes, greater transparency, increased ethical standards, a higher degree of sensitivity to the needs of services recipients and so on. Accountability is a sought-after but elusive concept. It appears in many guises and is constructed in a number of ways in local settings (Sinclair, 1995). In this chapter I discuss the construction of accountability in business organizations.

There seems to be one common view of accountability in relation to the world of business: The responsibility of managers, first and foremost, is to ensure that organizations perform in line with the interests of their owners. This framing of accountability is apparent within agency theory, the basic tenets of which have become something of a standard for conceptualizing and designing systems for corporate governance (Roberts, 2005; Lubatkin *et al.,* 2005). Owners have invested money and managers have been hired to run their enterprises. It can be argued, therefore, that managers have a responsibility towards their owners to make the enterprise as profitable as possible, in order for the principals to obtain a return on their investments. And owners, having invested money, have the right to control managers. For when individuals or organizations have assumed the role of agents, they no longer act purely on their own accord; they act on behalf of their principals. Agents are expected to do what their principals want them to do, and principals have the right to hold agents accountable (Woodward *et al.,* 2001). The relationship is skewed, in that one party is designated as superior, having been given the authority to command, or at least the right to expect the other, the subordinate party, to perform certain tasks and fulfill specific obligations. In other words: 'Accountability defined within a managerial model requires those with delegated authority to be answerable for producing outputs or the use of resources to achieve certain ends' (Sinclair, 1995, p. 222).

Although still predominant, the economic accountability of business has been contested during the past few decades, not least by proponents of the notion of corporate citizenship, who argue the case for increased corporate social responsibility (see, for instance, the literature review in Svedberg Nilsson, 2004). The range of responsibility that can be ascribed to business organizations is thus much wider than micro-economic conceptions of the firm hold, as is the range of issues for which organizations can or should be held accountable. Consequently, even when considering accountability in relation to business organizations, it is not self-evident that the business of business is

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merely to produce profits, although this is an established and theoretically grounded goal (Friedman, 1962). Ethics among organizational members may also need to be accounted for (Gatewood and Carroll, 1991), as well as, for instance, the possible merits of partnerships with NGOs and voluntary organizations (Frithiof and Mossberg, 2006).

A further implication of a wide interpretation of the nature and role of corporate responsibility is that one can question the very idea that governance systems are to be centred around micro-economic conceptions of reality that prioritize the needs of (profit-interested) principals. Although accounting systems do privilege an economic accountability (Shearer, 2002; Young, 2006), and accounting is a driving force for various calculative practices governing enterprises and individuals (Miller and O'Leary, 1987; Power, 1997), these systems have been seen as possible to reform. It has been argued, for instance, that accounting may have a role to play in widening standard conceptions of accountability (Roberts, 1991), as illustrated by the 'social accounting project' that attempts to frame economic accountability as a mere subset within a wider new proposed standard of social accounting (Gray, 2002).

Such proposed redrawing of boundaries and re-conceptualization of the role of the firm serve to emphasize one thing: When constructing accountability, a decision must be made about the principals that are to count as legitimate. If society rather than investors is seen as the main principal, for instance, then demands on companies/agents are widened (see Woodward *et al.,* 2001). The problem of *accountability to whom* is strongly related, therefore, to the problem of *accountability for what* (see Ebrahim, 2005, for a discussion of these problems in the case of voluntary organizations).

In the following sections, I analyse how accountability is constructed in business organizations – more specifically the construction of accountability as it is performed in managers' accounts[i], focussing on the delineation of accountability for what and to whom. This analysis raises two questions. To what extent do managers re-enact corporate accountability that is primarily an economic upward accountability affirming the primacy of owner principals? Do managers construct a wider 'social' accountability, including a larger range of principals and issues of responsibility? As the aim of the chapter is to contribute to the discussion on organizational accountability, I do not discuss the accountability of individuals[ii]. Rather, my focus is on the way in which accountability is perceived and defined in a few chosen business organizations in Sweden, and how actors in these organizations account for the scope and range of corporate accountability.

Empirically, the chapter is based on an interview study on corporate social responsibility among middle- to top-level managers in three organizations in 2003/2004. The managers interviewed worked in three different corporations; *Wines* is a major supplier to the sales monopoly on alcoholic beverages in Sweden. *High-Tech* is a high-technology company that governs the Stockholm Stock Exchange, and *Shoes* sells accessories and shoes to consumers. At the time of the study, two of these organizations, Wines and High-Tech, had recently joined the Swedish *Globalt Ansvar*, a Swedish CSR initiative administered by the Ministry for Foreign Affairs that draws

upon and supports the ideas of the UN Global Compact. Both Wines and High-Tech had designated managers in charge of CSR on a director/vice-presidential level. The third organization, Shoes, was not a member of *Globalt Ansvar*, nor did it have a specific manager or function for CSR. In all, 13 managers were interviewed, 6 at Wines, 4 at High-Tech and 3 at Shoes. Most of the interviewees were involved in procurement, either directly, as purchasing and procurement managers or in some similar role; or indirectly, as higher-level managers or directors with procurement/CSR issues as part of their assigned duties. At High-Tech, two of the interviewees were from the personnel department, which was the function most engaged in CSR in that organization.

The remainder of the chapter is structured as follows. First, I sketch a theoretical framework highlighting the importance of boundary setting and processes of inclusion and exclusion for the construction of actors and accountability. Then I turn to the construction of accountability in business organizations, beginning with a brief discussion on boundary setting within procurement. In the next section, I analyse how interviewees went about constructing organizational accountability, and point to the results of these attempts in terms of the form(s) of accountability constructed. Finally, the main conclusions of the chapter are summarized and related to Shearer's (2003) concepts of accountability 'for-itself' and accountability 'for-the-other'. Here, I also comment on managers' perceptions of wider accountability as a more-or-less coercive pressure: as a form of adaptation to perceived pressure from principals, for instance. Depending on the type of principals, such as owners, that the managers saw as primary and the interests, such as profit interest, that these principals were believed to represent, a fitting accountability was constructed. But there was also a complementary perception of accountability when the construction of a wider accountability was considered to be more of a voluntary project that one could choose whether or not to undertake. In that case, accountability was defined as more of an achievement and a result of individual and company efforts.

Constructing actors and accountability

It is a basic assumption of this chapter that it is difficult to conceive of accountability unless there are actors to be held accountable (see the discussion in Holzer's chapter). A body ready to assume responsibility and being available to outsiders as an entity that can be held accountable is a core characteristic of modern organizations (Brunsson and Sahlin-Andersson, 2000). Without corporations, corporate social responsibility cannot exist. Likewise, strategies of blaming and shaming within softer forms of regulation presuppose the identification of a culprit actor. Without acting agents, principals have nobody to hold accountable.

On a fundamental level, for actors to be seen as actors, they must first be separated from their surroundings; it is useful, therefore, with some kind of intermediating 'other' (Cooper, 1983, p. 213) or boundary that can help delineate what

is to be part of the organization and what belongs to the outside world. Moreover, and in spite of being an important constitutive prerequisite, boundaries cannot be set once and for all. For organizations and other actors to continue to exist, boundaries must be continuously managed and redrawn. Thus as Llewellyn (1994) has suggested, boundaries can be expected to be highly active areas of organizational life: '… organizational boundaries constitute those areas where the process of organizing occurs. Such processes involve inclusion and exclusion as an organizational identity is maintained and the organization enacts its environment.' (p. 10).

Llewellyn emphasizes that work on boundaries is centred on processes of exclusion and inclusion, of deciding what is to be part of the organization and what is not. This means that finding ways to include or exclude a number of activities, issues and problems is an integral part of establishing, maintaining, managing and attempting to move boundaries (see Jacobides and Billinger, 2006). It also implies that the particulars of the where, what and how of boundary setting and boundary maintenance are likely to affect the aims and scope of accountability. In this chapter, arguments aimed at expanding the boundary of the organization, increasing organizational accountability and taking responsibility for a wider range of issues are interpreted as instances of inclusion. Similarly, attempts to shrink the boundary of the organization, limiting accountability and taking responsibility for a narrower range of issues will be interpreted as exclusion.

Boundary maintenance within procurement

Once established, the boundaries of organizations serve the purpose of 'binding structures' (Llewellyn, 1994). They hold organizations together, contributing to the construction of organizational unity and an organizational identity – and an agent to be held accountable. But boundaries not only separate organizations from their environments; they also function as 'thresholds' (Llewellyn, 1994), as entrances into organizations and exits from them, enabling us to track inputs and outputs. Thus people and processes that can be expected to be involved in deciding on the whereabouts of the 'thresholds' of organizations may be particularly relevant to study, given an interest in the local constructions of organizations and accountability. This is one reason for the special emphasis on procurement in this chapter.

Although many areas of organizational life are involved in boundary maintenance, procurement is a corporate function with an explicit boundary-spanning role (Perrone *et al.*, 2003). It is an organizational area in which the borders of organizations are likely to be contested and defended on a regular basis in, for instance, discussions of the relative merits of 'make' versus 'buy': producing internally or purchasing from one or more suppliers. Thus procurement is an area of corporate life that faces recurring issues about who is to be responsible and accountable for what: the company or its suppliers. In addition, it is an area in which it is evident that the management of boundaries may be

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regarded as the result of choice based on corporate self-interest as well as an adaptation to external pressures.

Deciding on 'make' rather than 'buy' within procurement is an issue of managing the supply chain. This choice also involves the favouring of 'hierarchy' over 'market' (Coase, 1937), appropriating a larger chunk of the environment and bringing it in over the threshold of the organization. Consequently, when applying a make-strategy, the boundaries of the organization are expanded, which usually requires the assuming of greater accountability, not least economic. When making rather than buying, the costs of production no longer stem from a supplier, but have become an internal cost for which the organization is responsible.

Conversely, deciding to buy rather than to make means that part of the organization is pushed out over the threshold, into the environment. By shrinking the boundaries, organizational accountability can be limited (cf. Sobczak's [2003] discussion of boundaries between buyers and suppliers). What was once an internal production cost is now a supplier's cost (although indirect transaction costs are likely to increase). And what were once employees and members of the organization become part of another organizational actor. This may be one reason for the popularity of outsourcing during the last decade – apart from the cost-cutting possibilities. It tends to look better if the subcontractor lays people off than if the organization itself does it.

In the past, procurement has been centred around responsibilities pertaining to price and total costs (Gadde and Håkansson, 1993) and to costs and quality (Axelsson *et al.*, 2002); apart from an economic accountability, actors have been held accountable for the quality of goods and services. A more recent addition to the context of procurement is the idea that actors, particularly buyers, should assume social responsibility and exhibit 'socially responsible buying' (Maignan *et al.,* 2002), involve ethics in their purchasing decisions (Razzaque and Hwee, 2002), and disclose accounts of their CSR practices (Perrini, 2005). For the single corporation, this means a growing array of responsibilities for which it can be held accountable, and more choices to be made on issues of accountability. If a corporation chooses to buy from suppliers, it can still attempt to remain accountable – for the wellbeing of people working within production, for instance – as illustrated by the contemporary use of voluntary codes of conduct in certain companies:

> Whereas codes of conduct in the 70s contained obligations benefiting the employees of a company and possibly of its subsidiaries, current codes most often apply to all workers in the network of companies, including subcontractors, franchisees and other economic partners. Accordingly, these texts are re-establishing the link between economic power, of the network's hub company, and its social responsibility for the activities of all companies in the network (Sobczak, 2003, p. 225).

Using Llewellyn's (1994) view of boundary maintenance, the Sobczak example can be seen as the result of a process of inclusion, of attempting to construct a wider accountability that included issues previously not associated with focal organizations. In the next section, I discuss other instances of inclusion and exclusion when turning to the accounts of my informants.

Accounts of inclusion and exclusion

The discussion in this section is structured round two interrelated processes of boundary setting and maintenance that affected the constructions. One question concerns the delimiting of the focal organization in the supply chain, primarily in relation to suppliers: What is to be inside the organization and what is not to be? The other question more explicitly addresses delimiting of the contents of organizational accountability, and with the main topic of the chapter: Did the managers re-enact a corporate accountability that was primarily economic, or did they construct an accountability that includes a wider range of principals and issues of responsibility (see Figure 1)?
FIGURE 1 ABOUT HERE

The question of delimiting the organization can be considered the more basic issue of the two, concerning as it does the shaping of the agent to be held accountable. Therefore I begin by discussing ideas used to manage organizational boundaries. As becomes evident, however, the problem of delimiting the organization and that of delimiting accountability tend to overlap.

Delimiting the organization in the supply chain

One primary way of delimiting the organization in the accounts of managers was through the notion of locus of control. Organizations were described as being in control of themselves. For instance, the manager in charge of CSR at High-Tech stated that it was easier to assume social responsibility for one's own employees than for people and activities situated 'outside the walls of the company'. Although one might have the ambition to promote change in the environment in the direction proposed by *Globalt Ansvar*, this was described by interviewees as being a more difficult task, due to lack of control of actors in the environment.

This way of delimiting the organizations is, of course, an unsurprising finding. It is a common view of organizations in accordance with the established linking of accountability to a particular juridical person. Traditional make-or-buy discussions are also based on the assumption that there is a distinct difference between organization and environment – that there exists an explicit boundary between the company hierarchy on the one hand and the market on the other. This view of the bounded nature of

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organizations was enacted among my informants as well: Buyers belonged to one category and suppliers to another. Buyers were constructed as being accountable for themselves. Suppliers were seen as entities separate from the buying organization, their primary role being responsibility for inputs to the buyer.

The presence of a principal-agent relationship in the accounts of managers not only reinforced the boundary between buyer and seller, however; it served to undermine the division between the two parties as well. So although boundaries to suppliers were taken for granted in the accounts, these same boundaries were being re-established and defined anew by organizational members, at least partially because of the continuous evaluation of suppliers expected by the principals.

Holding suppliers accountable involved having to consider the boundary between principal and agent. Questions had to be answered, questions like: What aspects are to be evaluated and compared when considering the suitability of present and future suppliers? By way of illustration, interviewees at both Wines and High Tech told of being involved, at the time of the study, in ongoing reforms of their systems for evaluating suppliers. At Wines, new indicators for social responsibility were being developed; at High-Tech, a more elaborate Web-based platform for handling suppliers and purchasing was being introduced.

In addition, informants described organizational boundaries as temporary by nature. The boundaries of suppliers were considered to be 'changeable' (Brunsson, 1985); they were there to be explicitly managed by the buyer. At Wines, the manager in charge of CSR argued that if one wanted to make a difference to CSR issues in relation to an external actor, purchasing and procurement was the area 'where you can really do it', because of the pressure a large buyer could exert on suppliers. According to interviewees, CRS in relation to suppliers – like work conditions at sites and wineries – was an important part of the overall CSR efforts at Wines. This was primarily in relation to lower priced, bulk-wine suppliers, in which cases Wines was in the position of being a major buyer. At High-Tech, the situation was a bit different. At the time of the study, managers said, High-Tech focussed on making CSR more important internally, through ethics courses, a revised management handbook and other measures. However, the director in charge of promoting these issues saw suppliers and their CSR as the next step. The boundary for CSR efforts was to be moved. Currently, however, there was a gap or 'decoupling' (Meyer and Rowan, 1977) between functional areas. Thus the procurement manager claimed not to be aware of the ideas of the Global Compact, nor of High-Tech being part of *Globalt Ansvar*.

A different aspect of the fluidity of boundaries between organization and environment was that, in the accounts of interviewees, it was not always clear what was really inside or outside the organization, making it more difficult to define who was accountable for what. Shoes, for example bought their higher-priced footwear primarily from Italy, whereas shoes in the lower price range were imported from Asia. The company had a system of using 'partners' as a middle hand when dealing with supplier factories in Asia. These partners were described as 'employees working for Shoes', by

the purchasing manager, who added that they were not true employees, as they worked for a commission and were not employed by Shoes. The partners were insiders outside the borders of the organization, making the company less responsible for them and their activities.

Another example of the inside-outside puzzle comes from Wines. As in many other industries and companies, outsourcing had become the more prevalent method of production at Wines during the previous decade. Having once bottled the wine in house, Wines had increasingly outsourced the processes to suppliers. If the boundary between the buyer and supplier had been fixed, this could be interpreted as a means of shifting the responsibility away from the buyer and to the supplier. By contrast however, according to the Director for Procurement, this outsourcing made Wines accountable for the quality of their suppliers, a widening of responsibility they had handled through the introduction of new types of quality control. In other words, a shrinking of formal boundaries expanded rather than limited the scope of local accountability. When bottling was done inside the formal organization of Wines, the organization was expected to be in control of itself; when bottling was outsourced, managers at Wines felt obliged to control and be responsible for another organization as well[iii].

Even if one wanted to draw the line, it was not always easy to do so. Wines had a system for evaluating suppliers, including the overall evaluation to determine if a supplier was good enough to be retained by the company. According to the procurement director, it would be 'strange' for Wines to work with below-standard suppliers. But if a supplier was to fall short, the relationship was not necessarily severed; the preferred course of action was to develop the supplier. Moreover, the company had to consider its aim of being a 'respectable' buyer – a preferred buyer. To 'kick down' the price level and let the suppliers take too much of the blow for increased costs, would not be respectable, the procurement director concluded. In short, buyers evaluated suppliers, but suppliers evaluated buyers as well; the boundaries were managed in both directions.

There was another aspect of supplier evaluation of customers and the occurrence of mutual boundary management: It was not always obvious that buyers played the role of principals or that suppliers played the role of agents. Under certain conditions the roles were literally reversed. This reversal is best illustrated by Wines, which from time to time competed for the opportunity to be an agent for top wine brands from France and other wine countries. Being the agent for an exclusive brand contributed to the building of the buyer's own brand, and was a sought-after position. As the supply of top brands was relatively scarce, the power tended to shift from buyer to seller. Wines was reduced to an applicant, and the supplier was turned into a principal opting for the best deal. It was exceedingly difficult for Wines to pressure the suppliers on such issues as increased accountability. As noted by a Wines' manager working with agency wines, he was not in a position to make additional demands if he wanted to close the deal.

Delimiting the range of accountability

In this section I focus on some of the informants' ideas for delimiting the accountability of their companies. How did they go about managing the boundaries of accountability? What issues and problems were placed inside and what were left outside for others to handle? Picking up on the importance of buyers' relationships with suppliers from the previous section, I begin by analysing informants' ideas about customer preferences and pressures, and how they affected managers' constructions of accountability.

In recent years, there has been a great deal of discussion on wages and human rights issues in the clothing and shoe industries. At Shoes, interviewees were well aware of these discussions, but they did not believe that they had affected their business. It was not their impression that their customers demanded accountability for CSR issues; nor that they were expected to be knowledgeable about the specifics of all the parties involved in the production of the shoes sold in their stores. In this respect, the procurement manager in charge of the lower-priced segment did not differ from the manager responsible for buying high-quality, mainly Italian, leather shoes. Yet managers at Shoes were aware that such problems could arise, which caused them some concern. One purchasing manager at Shoes mentioned that she had made an effort to ask about the labourers and their working conditions in Romanian factories known to be used by their Italian suppliers for part of the production process: 'They laughed at us' she said; the suppliers claimed that it was self-evident that factories in Romania were OK and that the work force was of adult age.

The situation was described a bit differently by the managers at Wines. Although they did not believe that their end customers expected them to work hard with suppliers on CSR issues and to be accountable for their supply chain, they did assume that responsibility to some extent. On the other hand, even if customers were to appreciate a wider accountability, Wines did little to market their CSR efforts on their products at the time; as one of the purchasing managers commented: 'How are they [consumers] to know?'. There was also a feeling at Wines that end customers could be more likely to hold them accountable in the future, as customer expectations for CSR were both higher and more common in, for example, Great Britain. It was further noted that there was a fear at Wines and among its competitors in the industry that wine and liquor could turn into another tobacco, thereby risking heavy de-legitimization of the industry as a whole.

High-Tech had experienced some pressure, but not completely in line with mainstream notions of CSR. There had been instances in which customers had tried to influence the corporation to be less proactive on, for example, gender issues, expecting them to be doing business only with men. But this was against the internal principles of High-Tech. Here, managers also reported pressure on High-Tech not to be too concerned with CSR issues in relation to other actors – placing extra demands on companies on the exchange, for instance, which could be interpreted as disturbing the mechanisms of the market.

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Regarding outside pressure for a wider accountability, one important aspect had to do with the location of the business. Many interviewees agreed that CSR and a wider accountability were primarily issues for developing countries and for companies doing business in those countries. According to my interviewees, CSR at Wines was a larger issue when dealing with suppliers in South Africa than when dealing in Europe.

But place was not confined to geographical location. Place also involved categorization – categorizing the company as similar enough to companies that 'had to' be accountable. Managers argued that pressure for a wider accountability differed among types of firms. For some, the pressure for CSR was high; for others it was more voluntary. Although High-Tech was doing business internationally, it was not described as the type of transnational corporation that had to deal with CSR issues in relation to suppliers. Likewise, as mentioned previously, even though Shoes sold footwear and even though a large number of the shoes sold in its stores were produced in Asia, interviewees did not identify Shoes with companies like Nike, and there were no allegations of their utilizing sweatshops in production. It appears that one reason for Shoes having limiting accountability, or at least not expanding it, was a lack of identification with the category of firms that were held accountable for CSR. Returning to the concepts of principals and agents, this suggests that the managers interviewed were indeed aware that there were principals that put pressure on agents to be more accountable for various issues apart from, and in addition, to economic interests. At the same time, however, they saw these principals and pressures as primarily pertaining to firms in a different category. They were not obliged to do CSR – it was merely an option.

Yet the situation was a bit more complicated than this division into 'hard' or 'soft' calls for a wider accountability may suggest; there is a belief that if the owner principal wanted the organization to be more accountable, it should be more accountable. In this respect, opting to join *Globalt Ansvar* was interpreted as the principal having a preference for CSR issues that ought to be considered when delimiting organizational accountability. And as the interests of the owner were deemed important, this made the achievement of a wider accountability seem less than optional. This way of reasoning was most evident in the two managers in charge of CSR at Wines and High-Tech. Managers at Wines further commented that as they were state owned, they were expected to behave responsibly when marketing their products.

Still owners were expected to be interested in profits, and the primacy of an economic accountability was clearly present in the accounts of informants. Price was considered to be an important criterion for supplier selection, for instance, although it was to be complemented by such factors as total cost and quality indicators. Economic accountability already existed and was being re-enacted by informants. One example of the reproduction of economic accountability comes from one of the managers at High-Tech. Referring to Friedman's idea that the business of business is business, she stated that theirs was a company like other companies, and its main goal, therefore, was to make a profit. Placing statements such as hers within the frame of the importance of

categorizations for the range of accountability, categorizing an organization as a business makes economic accountability legitimate and primary. It follows that among the majority of interviewees, there was little argument in favour of including economic issues in organizational accountability. Nor was there much complaint that economic accountability was not being considered. One exception was a manager in charge of procuring bulk wines at Wines. Having previously worked outside the wine industry, she considered wine as yet another farm produce that ought to be bought at a good price. However, she had become aware that her colleagues considered wine as more of a specialty good, increasing the salience of aspects other than costs.

Although an ever-present demand for profit could be problematic when working to promote CSR, or constitute a 'dilemma' as the manager in charge of CSR issues at High-Tech put it, the stronghold of economic accountability was not to be interpreted as making a widening of accountability impossible. Ideas of and systems for economic accountability did place certain limits on corporate accountability, but one could argue that it enabled an extension of boundaries of accountability towards a more social one. For instance, Wines had established supplier-evaluation technologies that were under reform at the time of the study. On the one hand, interviewees discussed how an evaluation using CSR criteria meant having to adapt CSR to the existing system. Merging social responsibilities and demands into a common measure for assessing accountability, for example, demands a single metric that has been shown to be difficult to establish (Székely and Knirsch, 2005). In the case of Wines, an alternative model for working with suppliers to make them better at coping with demands for social responsibility had been rejected, as the structure of that model did not fit the general system of evaluation. Furthermore, managers discussed how CSR considerations could clash with other economic considerations, and that commercial interests were likely to be considered weightier if that were the case. Thus the adaptation of CSR issues to the existing economically accountable system of a corporation could work against a more liberal extension of the range of accountability.

At Wines, on the other hand, it was further argued that the existence of a system for a more traditional supplier evaluation made the introduction of CSR criteria easier, as they could be fitted into the general system of assessment and auditing already in place. By having a system for economic accountability in place, accountability was already visible. This, in turn, enabled the introduction of other issues for which agents could be held accountable. In conclusion, then, economic accountability served as a yardstick against which alternative and wider forms of accountability could be identified and measured. And it could work for as well as against the construction of a wider social accountability.

Conclusions: Accountability for-itself and for-the-other

In this chapter I have analysed accounts of accountability by managers in three Swedish business organizations. One conclusion of the discussion in the previous sections is that the corporate accountability constructed was economic as well as social in character, although economic accountability was considered by interviewees to be more self-evident. The organizations were categorized as businesses, and as such they were to be governed by principals with economic interests. This categorization and the emphasis on economic accountability, was especially pronounced among the managers at Shoes. In this case, an explicit social accountability was virtually excluded from the accounts. There appeared to be greater accountability at Wines and High-Tech, but even that perception varied depending on the interviewees.

In part, this result is likely to be a consequence of social accountability being a more complex issue, involving a higher degree of diversity and uncertainty as compared to economic accountability. It is easier 'to know' what economic accountability is, as its form and content is more institutionalized in society. As Shearer (2002) has argued, for instance, extant accounting systems are being constructed around a micro-economic view of the firm. They are more or less bound to support the primacy of economic accountability, therefore – what Shearer (2002) defines as accountability 'for-itself' rather than a wider social accountability, an accountability 'for-the-other'. Accountability for-the-other involves a broad range of responsibilities, and incorporates several principals apart from those of the owners: those of workers, suppliers and end consumers, for example. Returning to my study, it seems likely that the boundaries of an economically accountable organization were easier to draw and manage than were those of a truly socially accountable organization would have been; hence, the more consistent view of economic accountability and the perceived primacy of economic interests among principals.

There is another possible contributing factor for aspects of social accountability being less pronounced in the accounts of my informants: There was no strong agreement among interviewees that corporations were required to deal with social accountability. I have shown that, depending on how organizations were categorized, social accountability was defined either as expected or as voluntary. In the cases discussed here, there was a tendency to frame social accountability, or accountability for-the-other, as being optional rather than compulsory. In this respect, Shoes stands out as the extreme case, choosing not to engage in CSR because it was felt that the company was not required to do so. At the other two firms, there was more of an active choice to try to achieve a widened accountability. As there was little perceived pressure, constructing accountability for-the-other could be seen as deviation from the role of agent in the principal-agent relationship between firm and owner. Social accountability was an individual/company achievement more than an adaptation to pressure from a range of principals in the environment. And although their company's membership in the Swedish Government initiative, *Globalt Ansvar,* was noted by some managers at

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both Wines and High-Tech as committing their company to opt into the category of socially responsible corporations, this membership did not seem to require much action – at least not at the time of the study.

FIGURE 2 ABOUT HERE

Figure 2 is an attempt to summarize the main conclusions of this chapter regarding the construction of accountability in business organizations. As shown in the figure, one dimension of the construction of organizational accountability is the range of accountability – whether it is narrow or wide – about privileging the economic interest of owner principals or emphasizing the existence of multiple principals and a diversity of interests – in sum, whether it is accountable for-itself or accountable for-the-other. The other dimension entails the perceived driving forces for accountability. This dimension has to do with agency in a different sense of the word than a principal-agent discussion implies: the possibility for exercising actorhood. In Figure 2, the questions of how the boundaries of the entity to be held accountable are to be managed and what issues are to be included or excluded from organizational accountability are considered to be affected by two complementary driving forces. Agency is one of these. With a high degree of agency, accountability is constructed as a result of what managers themselves set out to do. From this perspective, the construction of a wider accountability is an achievement[iv]. As a complement, accountability can be constructed reactively, because it is felt that the organization is required to have a certain form of accountability. Then the construction of a wider accountability turns into an adaptation to pressure from future principals in the environment, in order to be accepted or legitimate (Meyer and Rowan, 1977). In conclusion then, using the framework of Figure 2, the organizations in the present study tended to be in the lower left-hand corner for economic accountability and in the upper right-hand corner for social accountability.

Finally, this chapter's more tentative conclusion is that systems for making and keeping an organization accountable, even when it is dominated by an economic accountability for-itself, may serve to expand the notion of 'self'. Such systems may actually work in favour of a wider accountability, even if economic accountability is the present yardstick. Supplier evaluation systems, for instance, draw attention to and enable discussions of existing and possible ranges of accountability. By being highly visible and accessible expressions of boundary management, they may not only serve as an instrument for governance purposes; they can also provide an opportunity for actors to affect processes of inclusion and exclusion. Still, the complexity of constructions of accountability for-the-other is likely to increase when multiple demands and responsibilities are considered and when opposing preferences are to be aligned (see the discussion on alignment in Thedvall, 2006).

FIGURE 1. Boundary Setting and Accountability

Focus	Organization ⇔ Suppliers
Range	Economic ⇔ Social

FIGURE 2. Organizational Accountability between the Self and the Other

	Narrow Economic Accountability	Wider Social Accountability
Accountability as an Achievement	Want to be accountable for-itself	*Want to be accountable for-the-other*
Accountability as Adaptation	*Have to be accountable for-itself*	Have to be accountable for-the-other

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[i] In relation to the field study, the concept of 'account' is used in the more everyday meaning of the word as 'giving an account of' something; see discussions in Czarniawska (1997, p. 41) and Shearer (2002, p. 543).

[ii] The relationship between individual and organizational accountability is also outside the scope of this chapter, but see Svedberg Nilsson (2002).

[iii] This reasoning is in line with that of Gadde and Håkansson (1993), who emphasize the importance of control through networks (and not merely hierarchies).

[iv] That accountability is conceptualized as an achievement may, in turn, have positive implications for the relationship to suppliers. This is due to the tendency among suppliers to consider purchasing managers more trustworthy if they do not only appear do what they have to do, but exhibit autonomy by acting on their own accord within their formal role (see Perrone *et al.* 2003, p. 424).