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Reputation and accountability relationships: managing accountability expectations through reputation

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Reputation and Accountability Relationships: Managing Accountability

Expectations through Reputation

Cassio: Reputation, reputation, reputation. Oh, I have lost my reputation. I have lost the immortal part of myself, and what remains is bestial […]

Iago: […] Reputation is an idle and most false imposition, often got without merit and lost without deserving. […]

(Othello, Act 2, Scene 3)

Abstract

Accountability is said to be about the management of expectations. Empirical studies reveal considerable variation in organizational interest, intensity and investment in accountability relationships. Less is known, however, as to what explains these observed variations. Drawing on accountability and reputation-concerned literatures, this paper argues that a reputation-based perspective to accountability offers an underlying logic that explains how account-giving actors and account-holding forums actually manage these expectations, how organizations make sense of and prioritize among accountability responsibilities. Reputational considerations act as a filtering mechanism of external demands and help account for variations in degrees of interest in, and intensity of, accountability. The resulting accountability outcomes are co-produced by the reputational investment of both account-giver and account-holder, resulting in distinct accountability constellations and outcomes.

Practitioner Points

- Reputational concerns drive the way in which account-givers and account-holders relate to each other
- Contingent on external audience perceptions, reputational concerns can disproportionately focus organisational attention on visible, controversial or politicised aspects
- Public interest risks becoming narrowed down to the pursuit of salience for account-givers and account-holders alike
- Deficits arise when “what matters” for organizations (be they account-holders and account-givers) is not aligned with “what matters” from a public interest perspective
- No “ideal” accountability design exists that does not generate “desired” and “undesired” behaviors
Organizations are facing mounting accountability expectations. Dubnick, for example, notes that accountability is often cited as “both the cause and the cure for every ailment and imperfection in government” (Dubnick 2011, 707; Dubnick and Fredrickson 2011). Resulting demand overloads, conflicting expectations, “multiple accountabilities disorders” and such pathologies are widely diagnosed (Koppel 2005; Dubnick 2005; Bevan and Hood 2006; Hood 2007; Bovens et al. 2008; Messner 2009; Flinders 2011). Accountability is said to be about “the management of expectations” (Romzek and Dubnick 1987); but how do public organizations actually manage the diverse expectations and demands placed on them by different audiences?

Empirical studies reveal considerable variation in organizational interest, intensity and investment in accountability relationships - on both the part of account-givers and account-holders. For instance, the literature on political accountability points at variation in account-holders’ involvement and interest ranging from high intensity to largely ineffectual account-holding activities characterised by “undersight” (Zegart, 1999; 2011) and “passive principals” (Brandsma 2013). Similarly, whereas a whole host of studies speak of runaway agents, another strain highlights the pro-active nature of account-giving by non-ministerial agencies (Reiss 2011; Puppis et al. 2014 Koop 2014).

While we have a large variety of accountability typologies and diagnoses, less is known as to what explains differences in actual investment in accountability relationships. What is the underlying organizational logic that drives the observed variation in accountability relationships? Furthermore, what are the effects of these dynamics in terms of resulting accountability regimes? To account for these differences, this article suggests that (i) accountability behavior has to be understood as being motivated by reputational concerns, and (ii) accountability is an interdependent relationship between account-holders and account-givers. We argue that a reputation-based perspective to accountability offers an underlying logic of how account-giving actors and account-holding forums actually manage these expectations, how organizations make sense of and prioritize among the seemingly endless plethora of accountability responsibilities.
Organizational attention—of both account-holding forums and principals as well as of account-giving actors—is limited. Reputational considerations act as a filtering mechanism of external demands and help account for variations in degrees of interest in, and intensity of, accountability processes. They drive the focus and attention bestowed by organizations. The resulting accountability outcomes are co-produced by the reputational investment of both account-giver and account-holder. In other words, reputation is an important driver of the accountability behavior of account-givers and account-holders, resulting in distinct accountability constellations and outcomes. We adopt a relational approach as we identify the accountability outcomes that are jointly produced in the interaction. In doing so, we aim to contribute to both accountability and reputation-concerned literatures which both are centrally about moments of exchange and interaction.

Much of the recent empirical work on reputation has focused on how organizational actors selectively respond to external criticism. Yet, the actor’s account cannot succeed without being ‘heard’ or received by the audience. An exclusive focus on how actors react to audience criticism, in the absence of an understanding of the role of the audience, conveys only a partial and a necessarily limited understanding of reputational processes. It is therefore necessary to consider both the account-giver and the account-holder; both the actor and its audience. As co-production is a key characteristic of both accountability and reputation, the study of the interaction needs to be at the centre of the analysis.

A reputation-based perspective points to those areas where one can expect to see enhanced levels of intensity and investments in accountability relationships, or on the contrary, a disregard for accountability processes. Formal structures provide for the formal expectations (and associated incentives) placed upon organizations. However, they cannot fully account for the varied ways in which organizations choose to assign focus and attention among the various formal and informal expectations placed upon them, where we will see neglect of formal obligations or to the contrary, an intensification thereof. By stressing the reputational concerns that characterize organizational behavior, this approach advances our understanding of
how accountability processes unfold beyond the study of formal structures and incentives.

The rest of this article explores this argument in three steps. First, it deepens the discussion regarding the relationship between accountability and reputation. Second, it highlights how organizational interests can be differentiated in terms of their reputational investment. Third, it develops a typology of accountability constellations and outcomes based on variations in account-giver and account-holder reputational investment in the accountability relationship. We draw on a variety of empirical examples from the literature to illustrate our main points.

**Accountability and Reputation**

Both the exercise of accountability and concerns with reputation are relational: they refer to the relationship or the interaction between the account-giving actor and the account-holding forum (Bovens 2007; Dubnick and Fredrickson 2010). Bovens, for instance, defines accountability as ‘a relationship between an actor and a forum in which the actor is obliged to explain and justify his conduct; the forum can pose questions; pass judgment; and the actor may face consequences’ (Bovens 2007, 452).

The reputational concerns of both account-givers and account-holders are at the heart of this perspective to public accountability. More generally, reputation has been identified as being crucial for understanding individual and organizational behavior (Carpenter 2001; 2010; Moffitt 2010, 2014; Carpenter and Krause 2012; Gilad 2015; Maor 2015; Busuioc 2016). We argue that reputational concerns are central to account-giving and account-holding as well. Thus, reputation accounts for a proactive sense of engaging “networks of audiences” or different degrees of responsiveness to critical or supportive signals from these audiences. Account-holding or -giving are essential parts of cultivating one’s reputation vis-à-vis the respective account-giver or -holder as well as multiple audiences. Seen from a reputational perspective, accountability is not about reducing “information asymmetry”, moral duties, containing agency losses, or ensuring that agents stay committed to the original terms of their mandate. Instead, accountability – in terms of holding and giving – is about advancing one’s own reputation vis-à-vis different audiences – for account-givers and account-holders alike. Reputational concerns
determine which account-holders matter for account-giving actors (and should therefore be prioritized) among the thicket of existing relationships, and which competencies will be emphasized in the account-giving process. Similarly, for account-holders, reputational concerns help determine which of their account-givers will be prioritized and become the focus of limited organizational energy and resources.

This account differs from much of the literature on accountability that does not examine the two parties—account-giver and account-holder or actor and forum—jointly. The focus has largely been on whether, and if so how, actors/account-givers carry out their account-giving duties. Account-holders/forums however, are largely taken for granted, assumed by default to be discharging their end of the relationship in practice (e.g. posing questions, passing judgment, enacting consequences).

Displaying similar one-sidedness, the principal-agent literature on bureaucracy is primarily concerned with formal control strategies employed by principals, in abstract of agent responses and behavior. Orthodox principal-agent based accounts would account for differences in the intensity of oversight by pointing to transaction costs. Within this framework, principals’ monitoring efforts are the result of a calculated trade-off between monitoring costs and informational (and electoral) benefits. Principals will, for instance, choose between resource-intensive “police patrolling” and less costly (yet dependent on third parties) “fire alarms” (McCubbins and Schwartz, 1984), or even dispense with providing for monitoring mechanisms altogether. Focusing on “principal supremacy” (Meier and Krause 2003, 301; or “principal authority”, Carpenter and Krause 2015) in the relationship, such approaches often ignore the co-produced nature of accountability interactions and the relevance of agent preferences in shaping principal responses (see however, Callander 2008; Gailmard and Patty 2007, 2013), the control process, and actual oversight outcomes.

How, then, can such reputational concerns be understood? Reputation relates to the “presentation of self” (to make the inevitable reference to Goffmann 1959). Organizations, just as individuals, seek support and acceptance from their networks of audiences (Romzek et al. 2012), driven to a considerable extent by an “audience
approval motive” and “concerns with falling in the esteem of others” (Tetlock 2002, 455, reflecting (Tetlock’s) “intuitive politician” framework). Whereas such analysis has often been used to account for individual behavior, similar claims can easily be made, and have been made, for individuals within organizations and organizations as a whole (Carpenter 2001; 2010). Behavioral accounts of (public) bureaucracy have noted how organizations strive towards niches that are not populated by potential rivals, that are generally popular and unlikely to generate negative headlines and political attention, and that do not require co-production (Wilson 1989). After all, receiving criticism from relevant audiences, the drumbeat of increasing attacks in view of ongoing “failure” or, arguably more importantly, the perception of not appropriately fulfilling one’s own role perception are potentially highly destabilizing.

Following Carpenter (2010), one can distinguish four key sources that define organizational core competencies. It is in these areas that we expect organizations to invest in reputation management (“reputational investment”). We understand “core competency” here in terms of organizational identity (‘what do we want to be known for’). These four competencies are technical, procedural, performative and moral. Technical defines subject expertise, procedural the capacity to follow procedures and justify decisions on that basis, performative points to the appearance of successful outcomes, and moral to a general acknowledgement of the inherent worthiness of the organization’s activities.

An organizational “nirvana” in terms of reputation would be to be well-regarded on all four of these dimensions, but it is unlikely that such a constellation will emerge that easily. After all, not all organizational decision-making can be measured or directly attributed (therefore reducing the possibility of performance-based reputation), procedural accuracy may be disputed if outcomes are seen to violate appropriate “morals” or appear unsuccessful in performance terms, and what constitutes “technical expertise” is often also contested. Furthermore, the context of executive politics hinders organizations’ pursuit of reputational niche-seeking. After all, political careers depend on the rise and fall of (competing) bureaucratic organizations, interdependencies persist across government, public sector activities are likely to generate political heat, and, therefore, organisational/individual
survival cannot be taken for granted (even if organisational “death” is rarely diagnosed) (see also Bertelli et al. 2015, Bertelli and Sinclair 2015). Organizations, therefore, select strategies as to how they seek to be understood and stress particular aspects of their competence to enhance audience perceptions of niche roles, uniqueness and appropriateness.

How these resources play into the way in which organizations give and hold to account varies on the basis of which they can draw on these resources. In giving account and holding to account, organizations will stress those competencies that allow them to present themselves in a positive light to specific audiences so as to enhance beliefs about one’s unique role and competence: Account-holding becomes an opportunity to demonstrate competence and responsiveness. For a regulator, for instance, a complaint against a certain party is “a chance for public relations work, an opportunity (...) to demonstrate its worth making the source of the complaint a significant matter” (Hawkins 1984, 97). Similarly, account-giving places actors in a limelight and affords them the opportunity to highlight specific competences and aspects of performance. As organizations, both account-holders and account-givers will be driven by reputational considerations with self-presentation, esteem and the projection of competence “where it matters” when enacting their accountability roles.

Such a perspective leads to two further implications. One is that any relationship between account-giver and account-holder is embedded in a much wider set of “networks of audiences” (Carpenter 2010). Audiences can be both formal and informal in nature (i.e. outside the formal chain of authority) and play a key role in empowering or weakening an organization (Carpenter 2010). Organizations may select strategies as to how they seek to be understood, but, ultimately, reputation emerges as a product of the way in which audiences respond to these attempts at self-presentation. Such attempts put considerable strain on the account-giver: the external view confirms and mirrors the image that organizations seek to display. Account-giving will always be about anticipating the reactions of these networks of audiences (see Tetlock 2002). Furthermore, the accountability of account-givers is inherently limited, not all decision-making can easily be accounted for, the expectation of having to give account may overshadow attention to the actual
practice, and social norms shape the style and scope of account-giving (see Messner 2009).

Accordingly, the way organizations give account does not solely relate to the party to whom account is given. Equally, reputations of account-holders are not solely dependent on the relationship with the account-giver. Instead, the way in which accountability relationships play out is that the two parties are concerned about their reputation in view of wider networks of audiences that will value the activities of the account-giver and -holder on the way accountability is being exercised. Put differently, it is the reputational consequences of giving and holding to account in view of the wider networks of audiences that accounts for the variations in efforts among account-givers and account-holders.

The other implication is that account-holder and account-giver are in an interdependent relationship in which accountability (i.e. the result of account-giving and -holding) is co-produced. Account-holders will be criticized for their performance if account-givers are found wanting. For example, those holding financial institutions to account did not escape criticism for having failed to notice increasing vulnerabilities in financial markets before the full scale of the global economic crisis were being realized. As a result, any attempt at self-presentation will not just be evaluated on the basis of the performance itself, but on the basis of the performance of other parties. Reputations can be made and unmade by the performance of others.

In sum, by taking a reputational approach to accountability, a new set of actors (i.e., audiences) is introduced into the principal-agent (actor-forum) oversight equation, thereby altering established dynamics. From a reputational perspective, agents and principals (as well as other types of account-holders, namely ‘forums’ in accountability terminology such as third-party monitors) are organizations, have audiences and are dependent upon them for their support and endorsement. While the existing literature would suggest that the two accountability parties are driven by different interests – political account-holders by re-election motives, administrative account-givers by concerns of bureaucratic politics – we put forward a unified logic of action in accountability.
This argument challenges many of the key assumptions of “principal supremacy” that characterize principal-agent based approaches to accountability. Principals, as well as other account-holders, driven by reputational considerations, interact with agents (account-givers) in ways that go beyond a sole interest in the prevention of “drift” or “shirking” or the containment of “agency losses”. Instead, the principal becomes potentially dependent on the agent for the endorsement of, and compliance with, its role: agency reluctance to do so will reflect negatively on the reputation of the principal vis-à-vis its audiences. Moreover, the agent can build “coalitions of esteem” among various audiences, which can empower it vis-à-vis its principal (as noted by Carpenter 2001; Moffitt 2010). Certain control mechanisms or courses of action (e.g. the use of formal sanctions, organizational termination), while formally available, can become reputationally barred as a result, challenging notions of “principal hegemony” in the relationship. For example, seeking to intensively hold “trustee”-type organizations to account may face resistance: demanding greater accountability from supposedly independent central banks or economic regulators (or courts) may face criticism on the basis that such attempts reduce “credibility” and amount to “politicization”. These audience-induced dynamics question the hierarchy formally assumed in orthodox principal-agent perspectives; from a reputational approach, the account-giver account-holder interaction becomes one characterized by complex interdependencies.

A reputational approach therefore offers a distinct theoretical account of organizational behaviour in accountability relationships. By identifying reputation as a key variable in driving accountability behaviour and outcomes, the approach stands apart from established approaches in the accountability literature, which are largely descriptive/analytical, or evaluative in nature (Bovens 2007; Bovens, Schillemans, ‘t Hart 2008). Moreover, due to its emphasis on reputation as the source of bureaucratic power (as opposed to informational asymmetries), actor-forum interdependence (as opposed to ‘principal supremacy’), and the crucial role of informal relationships and interactions (as opposed to formal structures), it also offers a different account to predictive principal-agent informed approaches to accountability.
The next section expands on the notion of reputational investment before moving to a discussion of the consequences of a reputation-based account in terms of accountability constellations.

**Reputational Investment in Account-giving and Account-holding**

How, then, does an emphasis on reputation bring us closer to making sense of how organizations manage accountability expectations? How does reputation supposedly regulate organizational investment in accountability?

As reputation is central to organizational and individual life, it determines the ways in which individuals seek to allocate attention, and blame. Given that at the heart of reputation management is the protection of one’s reputation, a higher intensity of both account-giving and account-holding will occur in areas of higher reputational investment, i.e., where it matters whether one’s reputation is being maintained/enhanced or not. In other words, reputational investment matters in accounting for different degrees of intensity and interest in giving and holding to account. Below we distinguish between “core” and “non-core” reputational concerns of both account-giver and account-holder, and, in a second step, we explore how variations in these concerns lead to the emergence of different kinds of accountability dynamics between the two parties.

Turning to the account-giver first, the empirical literature on accountability, as mentioned, has illustrated considerable variation in account-giving. Account-givers are not just seeking to “drift”, instead numerous instances of voluntary and pro-active account-giving have been identified, even if such activities come with significant opportunity costs (Reiss 2011; Koop 2014; Karsten 2015). Such enthusiasm (or reluctance) can be explained by an actor’s assumptions about the reputational implications of behaving in a certain way. Thus, some relationships warrant greater organizational attention than others. After all, while account-givers are said to be aware of their diverse audiences, not all audiences have the same potential effect on the perception of the account-giver’s performance, and, therefore, on their likely survival (Carpenter and Krause 2012).
Account-giving allows organizations to garner support, to interact and track audience expectations, manage perceptions (and reputational risk) as well as to present themselves to (and court) new audiences. Accordingly, for account-givers, more intensive accountability behavior will take place on aspects related to core competencies – as this is where reputational costs (and potential gains) are concentrated – and/or in response to other heightened reputational threats, such as due to recurrent criticism, moments of high political controversy or salience. “Uneven responsiveness” (Maor 2015) is therefore a consequence of whether account-giving occurs in an area of “non-core” or “core” interest and heightened reputational risk. In this respect, Moffitt (2010, also 2014: chapter 5), for example, highlights how the FDA utilizes public advisory committees to re-apportion responsibility for high-risk tasks by publicizing risk and uncertainty, especially when these risks relate to implementation-related activities conducted by actors outside the agency itself. Public committees become venues for deliberately revealing information to shape outsider knowledge and perceptions and manage reputational risk related to high implementation uncertainty. Regulators in other settings have also increasingly been reported to pro-actively set up public hearings and organize public consultations (Löfstedt and Bouder 2014) and to pro-actively communicate to justify their actions (Puppis et al. 2014). “Fishbowl transparency” (Coglianese 2009), the pro-active release of uncontextualised data is becoming increasingly popular among regulators in an attempt to build public trust, particularly in response to regulatory scandals and incidents (Löfstedt and Way 2014). Such efforts are increasingly visible among European Union (EU) regulators and range from the release of (raw) safety data including clinical trial reports (e.g. European Medicines Agency) to pro-active public overviews of regulatory interactions with the industry (e.g. the European Banking Authority) or public consultations on an unprecedented opening up of the scientific process, including allowing for unsolicited input in all phases of the internal decision-making process (e.g. European Food Safety Authority, ‘Open EFSA’ initiative).

Carpenter’s four core resources for reputation identify those key aspects in which organizations respond with higher degrees of attention towards their audiences’ signals. Such higher levels of intensity can be expressed in both pro-active and highly defensive strategies that highlight the technical, procedural, performative or
moral importance of their work. Such presentational strategies will not necessarily only result in the production of ‘more’ information and account-giving or hardened ‘teflon’ defences, but will emerge as a careful calculation of potential risks. In other words, organizations will stress their moral status (as guardian of particular societal values and own organizational status as ‘trustee’; for example, as ‘guardian of the social market economy’ in the case of the German federal cartel authority or as ‘protection from communist subversive activities’ in the case of Hoover’s FBI), their performative success (such as ‘having reduced prices to customers’ or ‘secured private investment’, as often provided by UK-based economic regulators), their procedural appropriateness (such as health rationing agencies seeking to defend why some patients are deemed unworthy of supposedly too costly treatment), or their technical expertise (such as organizations stressing their high degree of professional qualification).

In contrast, in areas of low reputational investment (non-core interest), there will be less interest in providing information and in account-giving. These are areas where survival is not at stake, so information will be provided at a minimum level and the likely response is low-level protocolization. Varying levels of organizational responsiveness to external criticism are documented in practice and this differentiated responsiveness is found to be shaped by reputational considerations, i.e. by an organization’s understanding of its core reputation and associated reputational threats (Carpenter 2001; Maor et al. 2013; Gilad et al. 2013).

A distinction in core and non-core significance for account-givers’ reputation may be accused of being overly simplistic. Core interests may be difficult to identify as any one organization may be said to consist of different incentives and professional orientations. Organizations may face problems in terms of internal dynamics when it comes to identifying core and non-core areas for reputation management. For example, university academics are usually less interested in accounting for teaching-related activities (i.e. non-core activities): teaching, unlike research, is not seen as being of equal value in terms of professional reputation (as evidenced by the inevitable conference circuit question ‘what are you working on’). In contrast, university management, faced with the institutional reputational costs of poor rankings and consequent potential loss in student-related income, may regard
accounting for teaching quality as core activity. Such internal processes are at the heart of many internal organizational battles and shape the ways in which organizations are able to pursue proactive and defensive ways of protecting their reputation. Indeed, the argument presented here therefore also holds for accountability relationships within organizations rather than merely between different organizations. However, such internal tensions just add a further layer to the reputational argument, namely the way in which actors can engage in reputation management and are perceived to be doing so in a credible way by their audiences.

For account-holders, reputational investment similarly matters in accounting for different degrees of intensity and interest in holding to account. Whether accountability forums ‘care’ about accountability, and therefore maintain an interest in discharging their formal duties, is dependent on the extent to which such activities are of core significance to their reputation. Whereas much of the existing literature assumes that account-holders are, by default, interested in holding agents to account, this assumption does not match empirical observations. Not all account-holding settings are populated by organizations with a vested interest in the performance of the account-giving entity. Forum interest in accountability is found wanting in a variety of settings—whether the setting is domestic agencies/ministerial departments (Dudley 1994; Hogwood et al. 2000; Schillemans 2011; Pollitt 2006; Dubnick and Frederickson 2010) or supranational/EU-level ones (Brandsma 2013; Busuioc 2013). For instance, Ogul (1976, 177) found that reports sent by the executive branch to Congress were mostly not read with a legislator noting: “we have to keep the wastebaskets full to survive.” So-called “forum drift” (Busuioc 2013; Schillemans and Busuioc 2015) ranges from poor preparation for accountability moments and lack of engagement with the actor, to altogether being absent at hearings and the absence of sanctions despite documented agent non-compliance.

As with account-givers, account-holder’s reputational costs (and gains) are heightened when core competences are at stake. For some account-holders/forums, accountability is more of defining function of their identity than for others. Audit offices, administrative tribunals, ombudsmen are “institutions of accountability” for which accountability is a primary, defining competence, whereas for other account-holders such as legislatures, it is only one of several functions (Mulgan 2000). We

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expect more intensive account-holding among forums where accountability is a core task for account-holders as opposed to an incidental/secondary one. There will be severe (negative) reputational consequences for those who are being seen to be ‘slacking’ on the job of holding to account when this is a defining organizational role.

In contrast, for those organizations where account-holding is a secondary task and not central to their reputation, failure to invest in account-holding is unlikely to lead to significant reputational gains or losses. This is consistent with the often limited and sporadic interest in accountability processes among political actors that has been documented in a variety of accountability studies (Dudley 1994; Hogwood et al. 2000; Mulgan 2003; Pollitt 2006; Verhoest et al. 2010). Research on UK agencies noted that “[p]arliamentary and ministerial interest” varied “from the persistently uninterested, through minor levels of the irritatingly irrelevant (as seen by agency), through varying levels (sometimes seen as useful feedback), to very high levels in a small number of agencies (…)” (Hogwood et al. 2000, 221).

Nevertheless, even secondary tasks carry a potential for reputational risk when they gain public visibility. It follows then that account-holders—including partial ones—much like their account-givers, pay attention to issues that carry the potential of increased reputational risk (other than core competences) due to increased salience or heightened controversy and ensuing visibility. Such specific instances also offer the opportunity to cast the organization as an active and diligent account-holder. Empirically, increased salience is associated with increases in oversight and this applies to forums otherwise seen as neglecting their account-holding processes (e.g. Dudley 1994; Zegart 1999; Hogwood et al. 2000; Pollitt 2006). For instance, in her study of US intelligence agencies, Zegart speaks of legislators with weak incentives to oversee such agencies, exercising sporadic and ineffectual oversight. When they did exercise “bouts” of oversight, legislators focused on press reports and very visible intelligence abuses (e.g. such as CIA’s secret operations), as opposed to less glamorous, yet endemic, co-ordination problems: “With the camera lights on, Congress’s attention naturally gravitated to covert activities (…) Scandalous spy schemes make for sexy work and great publicity. Legislators who investigated press reports of clandestine abuses were considered ‘players’. They appeared important, at the center of action—and this appearance appealed to voters. (…) Focusing on more
nitty gritty organizational issues instead of Orwellian specters offered no such political rewards” (Zegart 1999, 197).

This relevance of public visibility to oversight behavior is raised by a number of other studies. Ogul (1976, 15) for instance, notes how visibility (“to groups that are important to them”) serves as a stimulus for Congressional oversight. In his study of water pollution control, Hawkins (1984, 97) notes how “[a]gency vulnerability to public criticism leads them to be more responsive to complaints raised by those in a position of power.” In fact, control mandates were redefined on this basis: “for many fieldmen, the working definition of a ‘serious’ pollution is ‘basically anything that’s going to cause a great amount of public reaction’” (also Etienne 2015). Public visibility, in its various guises, shapes the oversight behavior of account-holders in fundamental ways.

From this perspective, it might be argued that “ownership” (i.e., being a principal as opposed to a third-party account-holder or monitor) matters. However, the effect is an indirect one: it does so by constituting a reputational investment in accountability. In other words, principals might not necessarily be invested in accountability and control processes through (prior) ownership but through reputation. If a bureaucratic actor “misbehaves”, this is likely to reflect badly reputationally and have a backlash at the political level for the principal. For instance, while a certain task might have been delegated to an independent body, such formal separation will make little difference in the case of high profile scandals. The political principal is likely to have to suffer the consequences on a par with the agent. The anticipation of such potential reputational repercussions and the desire to pre-empt them is an important incentive — and possibly a more plausible explanation — for a principal interest in (aspects of) agency control post-delegation.

One implication is that we need to focus on the interactions between account-giver and account-holder (and the wider networks of audiences) rather than on one side of the relationship only. If the “other” is of high importance to one’s reputation, then support (or lack of criticism) is essential. Therefore, the extent to which the “other” (account-giver or -holder) is important for contributing to one’s reputation in the face of one’s audiences matters. It matters for both the intensity of interest in giving
or holding to account, as well as the ways in which these different degrees of interest are channeled (Power et al. 2009). High degrees of interest are likely to lead to a decrease in informal “high trust” relationships and therefore trigger formalization and codification.

**Accountability, Reputation and Interaction**

So far we have dealt with the two actors separately and have focused solely on issues of motivation based on the centrality of the account-giving or account-holding to an organization’s reputation. Accountability is, however, as noted, relational. It matters what the supposed understandings over the respective duties and entitlements are. For example, agency-type relationships might be said to differ considerably from those defined as “trustee”-type relationships (Majone 2001; Hood and Lodge 2006). Account-givers are likely to pay considerable attention to their status; for example, whether they understand their role as being that of a “subordinate agency” or as autonomously “standing apart” from other organizations in a trustee-type arrangement.

In turn, whether account-holders will pay much attention to such understandings during times of heightened attention is questionable, and whether they will respect institutional boundaries will largely depend on the potential reputational costs of doing so. Reputation-based accounts also highlight that perceptions of “trustees” and “agents” can vary over time, regardless of legal framework. Establishing or maintaining understandings regarding trustee- and agent-roles is central to an individual’s and an organization’s reputation and, thus, at the heart of account-giving and account-holding. Furthermore, demands for “account-giving” and “accountability”-supplying also raise issues about direction of interest. Establishing reputation in terms of performing a particular role expectation establishes particular incentives to ask for, or supply some types of information rather than others.

Drawing on the earlier distinction between “core” and “non-core” concerns among account-holders and account-givers, four distinct relational outcomes and dynamics of accountability relationships can be distinguished. These are illustrated in Table 1. The rest of this section explores the dynamics in more detail, but four key implications of this 2x2 table should be noted. One is that the relational focus
emphasizes the importance of accountability processes as a co-production resulting from the degree of reputational investment by both account-giver and account-holder. The second is that these activities have, in turn, effects on the respective parties’ relationships with their networks of audiences. The third is that the discussion moves beyond the traditional concern with drift by being able to incorporate further constellations. The fourth, resultant, implication is that none of these constellations should be seen as more or less desirable and, as noted, changes in public attention can lead to shifts from one cell to another.

### TABLE 1 ABOUT HERE

**Intensive heat.** Under conditions of mutual high interest, i.e. where account-giver and -holder both have a core interest in the relationship and are reputationally-involved in accountability, we expect “intensive heat”. Parliamentary grillings of agencies and industry actors following scandals (such as congressional hearings of regulators and top bankers during the financial crisis, or following high-profile intelligence leaks), commissions of inquiry, hearings of new EU commissioners before the European Parliament are illustrations of such dynamics. Account-givers will be concerned about presenting their activities in the most positive light, by opting for presentational strategies that highlight achievements, by developing defensive blame management strategies against potential areas of attack, and by gaming in order to massage performance management systems to escape criticism and offer “good news”. Intensive activity on the part of the actor is not just directed in supplying information; intensive activity can also be directed towards exhaustive denials or the purposeful non-disclosure of damaging information.

In turn, account-holders will be actively discharging their tasks, going beyond mandated responsibilities and developing visible strategies of holding to account. Such activities offer them the opportunity to establish their profile as reputable account-holders. This will include visible target-setting, at times high (-profile) demands for actors to give account, and attempts at establishing a reputation for high level interest in, if not knowledge, of the field. For example, in the context of political account-holders, it is likely that such core interests will be focused on headline-grabbing and politically useful aspects. Emphasis will be placed on the
“measureable”. Other type of account-holders may have different time-horizons, but
they will be concerned with cultivating a reputation as competent, and even pro-
active, account-holders. Given the intensity of the interaction between account-givers
and account-holders and the high reputational stakes, this is unlikely to lead to a
willingness to be exposed to potentially embarrassing or career-harming
information. In sum, therefore, what characterizes this relationship dynamic is that
accountability processes carry high stakes for both parties. The outcome is likely to
be volatile relationships with varying types of standards, repeated calls for a
“codification” of relationships and inevitable blame games.

Going through the motions. Under conditions in which account-holders’ core
interest is in holding to account (be it because accountability is a core task or because
the account-giver is salient/controversial), but where the account-giver has little
interest in establishing or sustaining their reputation via this particular relationship
or mechanism, we expect a pattern of “going through the motions”. Account-holders
will demand information and will seek to establish their profile in order to build
their reputation. Different types of forums will be interested in different types of
information, whether this is in presentational headlines, financial accounts, or
operational protocols. This will be met by relative passive account-giving that will
provide for a minimum level of compliance so as not to alienate the forum, without
much concern about the reputational consequences of giving account in this
particular relationship. This is an area where protocolization and the presence of
guidelines will be used as evidence of procedural compliance.

Account-givers, for their part, are unlikely to be able to resist demands for account-
giving over time; however, one would expect that such responses will remain at a
minimum level. Indeed, they may turn on aggressive account-holding by
complaining about administrative burdens and goal displacement. Audits could at
times fall into this category. Characterized as “the dead end of accountability”,
audits are often produced for their “rubber-stamping” function, but they are not
engaged with further by regulatory agencies or political actors (Power 1999).

Unsolicited advances. Under conditions of non-core interest by account-holders, but
core interest and reputational investment by account-givers, we expect a pattern to
emerge that can be defined as “unsolicited advances”. Such a pattern suggests that the account-giver will voluntarily provide for additional sources of information and reporting, pro-actively attempt to engage the forum and manage expectations or to build additional constituencies of support by initiating procedures vis-à-vis other account-holders in order to establish and maintain their reputation. What characterizes this category is the one-sided, non-requited, voluntary character of the interaction, with a forthcoming account-giver and relative disinterested passivity on the side of the account-holder. For example, such a dynamic could be said to support the development of “voluntary accountability” (Schillemans 2011; Koop 2014; Karsten 2015), i.e., practices initiated by the actor that go beyond formal requirements. Standards of accountability implicit in voluntary regulation mechanisms and certification procedures, for instance, could be another illustration of such unilateral attempts aimed at cultivating a positive organizational image and expanding one’s support basis (Tremblay-Boire et al. 2016). A whole range of organizations have taken to indicating their commitment towards environmental, social or other “good citizenship” activities, without any form of major interest by a specific forum.

This account therefore offers an alternative to the conventional explanation for the presence of voluntary accountability as a pre-emptive strategy to prevent more extraneous formal accountability provisions, instead, voluntary accountability emerges as a strategy to build audience support and to cultivate a positive reputation. Consistent with this explanation, voluntary accountability practices that have been documented amongst a broad array of regulatory agencies are said to be primarily horizontal in nature i.e., they are geared towards actors outside the hierarchical or supervisory chain as attempts to broaden networks of support (Schillemans 2011), as opposed to traditional principals. “Unsolicited advances” can allow an organization to engage with new audiences and ‘cozy up’ to new sources of support, complementing existing (formal) network affiliations. As noted above, political interest in agency performance is found to be related to salience considerations; organizational bodies at the low end of the salience spectrum will have to seek approval and support elsewhere.
At the same time, it is likely that such voluntary accountability focused on those areas where organizations will perform “well”, and do not risk embarrassment. Such voluntary exercises emerge either as an attempt to force other parties to present similar information, or, indeed, as a response to reputation-driven “races to the top”.

**Parallel lives.** Finally, a pattern of “parallel lives” emerges when both parties have no core interest in giving or holding to account. There will be minimum engagement in order to follow formal requirements and to ensure that this pattern of mutual non-engagement does not have any reputationally damaging implications should things go wrong. However, in this case reputation will be built elsewhere in the sense that other audiences will be regarded as more important. Thus, in a political context, social or professional fora (or altogether different political fora) will be seen as more important for enhancing reputation on the side of account-givers, while account-holders will be primarily interested in fostering their own careers rather than expending their energies on holding entities to account that will have no impact on their survival or advancement. Relationships will be largely informal and limited. The oversight dynamic between Congress and CIA referred to earlier provides a good illustration of this. According to Zegart: “For 27 years, Congress was content to avert its eyes (...) Even after the 1961 Bay of Pigs operation, legislators shied away from challenging or changing the CIA. Reaction was limited to a single set of hearings by the Senate Foreign Relations Committee. (...) the tone of the meetings was friendly, even jovial. Bissell [the CIA Deputy Director] and the committee members exchanged pleasantries. Chairman Wayne Morse expressed some surprise at some of the support logistics, but left it at that. The CIA emerged without a scratch (...)” (Zegart 1999, 194).

While each one of these accountability constellations and dynamics points to distinct reputational investments, this does not mean that these constellations are likely to remain stable. Accountability interactions can be located in different cells of the table. For instance, young or inexperienced agencies that seek support and recognition are likely to intensively court the favors of a large set of account-holders at once. With the passage of time, they are likely to learn which relationships matter reputationally and become settled in a less “gruelling” accountability pattern.
Environment and institutional disturbances are also likely to lead to changes in the ways in which audiences and aspects are assessed as core- or non-core reputationally. Moreover, organizations will not necessarily always get their reputational calculations right. For instance, in their classic study of the Challenger disaster, Romzek and Dubnick (1987) document how NASA shifted from a professional accountability system towards bureaucratic and political accountability, with tragic consequences. Similarly, the financial crisis offers a good example for changing costs and benefits to account-holders. In view of wider hostility towards financial institutions, legislative committees turned increasingly hostile towards financial institutions and their regulators. This, in turn, had implications for the way in which account-givers were seeking to sustain their reputation; both in pro-active and responsive ways. Finally, a further factor pointing to inherent instability in the accountability constellation and dynamic is the cost to both parties inherent in each of these fields. A relationship defined by “intensive heat” is highly demanding for both account-holder and account-giver, and is unlikely to persist over time.

Conclusion
A reputation-based account has a number of implications for the study of accountability. The epitaph from Shakespeare’s Othello highlights an important tension: on the one hand the key identity-shaping and relevance of reputation to organizational life (Cassio) and, on the other, a view as to the illusory character of reputation as a matter of perception and presentation, granted externally, often “without merit and lost without deserving” (Iago). While these two positions offer contrasting moral positions, their combined insights point to the importance of reputation in organizational life. This paper has sought to advance the literatures on accountability and reputation by emphasizing a relational account that focuses on the interaction of account-givers and account-holders. Alternative logics of action and different settings offer further scope to explore variations in accountability behavior (Mashaw 2006), but such discussion goes beyond the scope of this article.

Four main implications emerge from our reputation-based argument. The adoption of one theoretical lens will necessarily bring its own biases, blind spots and limitations but, hopefully, come with gains in analytical rigor and coherence. First, the perspective advanced in this article moves beyond existing accounts by stressing
the fundamental importance of reputational considerations in shaping organizational behavior in accountability. Reputation is at the heart of organizational survival, shaping the way in which organizations selectively focus their activities and responses on some responsibilities more than others. It is part of organizations’ “immortal parts” and it is about external imposition.

Second, this perspective highlights that giving and holding to account is about relationships and relational interdependence, not just between the account-giver and -holder, but also with wider networks of audiences. As a result, formal accountability relationships are hardly indicative of how actual dynamics are likely to play out. Instead, these dynamics are contingent on the perceptions of external audiences and the significance of the relationship for the account-holder and -giver. Formal provisions tell us little about how the actual relationships will work out; however, they will provide for resources for the parties involved. Third, it offers a number of predictions as to how relationship dynamics between account-holder and account-giver will evolve, given their respective reputational investment. It suggests how different constellations lead to different behavioral patterns and overall outcomes in terms of accountability relationships. In other words, this article suggests that any analysis of accountability should start with the relational implications regarding reputational investment before investing into the design of institutions of account-holding and -giving.

Another important implication is that a reputational understanding of accountability processes suggests there is no “Goldilocks state” of accountability. The seemingly ideal state of “high interest” among both account-giver and account-holder, where both parties are invested in the accountability relationship, is exactly the kind of “cause and cure” dynamic that has been diagnosed by Dubnick. The end-result of such a state of high intensity is the inevitable resource depletion by both organizational actors. For instance, if such a state were to characterize a regulatory agency’s interactions with all of its account-holders (ranging from audit bodies to ombudsmen, to political and social actors etc.), it is highly likely that this would result in the envisaged accountability pathologies and multiple accountabilities disorders identified in the literature. Deficits will particularly occur when “what matters” for organizations (be they account-holders and account-givers), and what is
therefore prioritized, is not aligned with "what matters” from a public interest perspective. The challenge arises from how to align the two in order to harness reputational processes to achieve desired accountability outcomes.

References


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