SEMINAR 18th May 2009

An Ethic of Accountability

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An Ethic of Accountability

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February 2008  
Revised May 2008


I wish to acknowledge the many conversations with my accounting colleagues at Portland State University that have been integral in developing and articulating these ideas, especially Rodney Rogers, Kristi Yuthas, and Darrell Brown, and the support received from the Center for Professional Integrity and Accountability, School of Business Administration, Portland State University.
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Introduction

As members of the academy, society grants us the right to explore ideas and the implications and implementation thereof. In turn, we accept the responsibility to act as conscience and critic of society. The means by which we exercise these rights and fulfill these responsibilities are enlightened reflection and scholarship, and from these our other tasks follow. Each of us has to envision how we can effectively fulfill this responsibility. My purpose here is to consider a framework that provides a context within which we, as accounting academics, might contemplate our roles as scholars and teachers. There are two reasons for undertaking this project. The first is to communicate ideas and experiences to those who read academic accounting articles. The second is to expand my stock of ideas and experiences that result from attempting to articulate and communicate these ideas and experiences.

I want to consider rights and responsibilities and to convey the idea that such contemplations can lead to understanding the world differently. By understanding the world differently, we can choose to live your lives differently, and teach and research accounting differently. As a result, we can have an enlightening, enabling, and transforming effect on our world. Those who study, practice, or will practice accounting comprise one part of that world; therefore, the possibility exists for changing the understanding and practice of accounting. Our challenge, and that of any member of society, is to act, based on a value set that increases the societal welfare rather than the interests of only a subset thereof. The domain of interest here is
accounting, primarily because that is where we happen to be involved at this point in our lives and careers.

In the following essay, I reiterate, maybe even clarify, and extend some of my previous thoughts and ideas as they provide some context for current and future ideas, experiences, and research. I do not propose to survey the literature. Others have done and will do a much better job than I. My intention is to share my thoughts and ideas, and to the extent that they are others, I’m sure they could do (or did) a better job as well, but hopefully there may be ways of seeing that are stated in different, more informative ways. I hope to encourage inclusive, enlightened, and ongoing dialogue concerning what constitutes organizational management and the accounting profession’s rights and responsibilities associated with acting in the public interest as a basis for academic discussion and debate.

The function of a social organization, be it a society or a work organization, is ultimately social integration, that is, to specify, coordinate, and integrate the efforts of its members in goal directed behavior. Rights and responsibilities specify the relationships among members and groups within a social organization as well as the relationships between members, groups, and organizations. Within a society, rights represent the privileges accruing to a societal member or group; whereas responsibilities entail the obligations accruing from the societal privileges. Accountability is the linchpin of any legitimate and just system of rights and responsibilities. By accountability, I mean the duty to give an account of one’s actions. In the following discussion, I use examples primarily related to what is coming to be known as social sustainability, which refers to both the processes that create, and the institutions that facilitate, social health and wellbeing both now and in the future. Also, implicit in social sustainability is the necessity of both environmental and economic sustainability both now and in the future (Dillard, et al,
forthcoming). Though the label may not have been used and the terminology may be different, these social sustainability components represent fundamental concerns of ethics research in accounting, and acting in the public interest is the definitive criteria for judging the actions of accounting and business professionals.

The discussion is organized as follows. First, I consider what it means to act in the public interest. Central to this discussion is an ethic of accountability, which generally delineates the rights and responsibilities of organizational management, the accounting profession, and members of society. Next, I specifically consider the rights and responsibilities of the accounting professionals as well as accounting academics. After discussing the rights and responsibilities related to an ethic of accountability, I present an example that considers the types of decisions confronted by organizational management as these actors confronts the issues associated with social sustainability as well as the information requirements of a supportive management and accounting information system. These information requirements provide the basis for designing and implementing reporting systems that provide society or its representatives with the information necessary to hold organizational management accountability for its actions. Brief closing remarks conclude the essay.

**ACTING IN THE PUBLIC INTEREST**

One of the hallmarks of a profession is a responsibility to act in the public interest in return for exclusive rights and jurisdictions to a particular domain of knowledge and action (Kultgen, 1988). In this section, I consider the accounting professional and organizational management’s responsibility for acting in the public interest as well as the role to be played by the academic accounting community.
Acting in the public interest is acting to enhance the wellbeing of society within the context of sustainable natural, social, and economic systems. The imperative to act in the public interest provides the moral context wherein an action or activity is contemplated and legitimized. Acting in the public interest represents a central component of an individual or a profession’s social and professional responsibility and legitimizes the distinguishing characteristic of the social contract by granting rights, privileges, and status (e.g., Donaldson, 2000). The public accounting profession, particularly, is charged with acting in the public interest (Code of Professional Conduct for Public Accountants, AICPA, 2003). The accountant’s responsibility is to facilitate organizational management in meeting its public interest responsibilities.

An Ethic of Accountability

Within western market capitalism, organizational management plays a central role in ensuring the long term viability of a democratically governed society grounded in justice, equality, and trust and supported by sustainable natural, social, and economic systems. Society grants organizational management the right to use its economic assets (natural, human, financial, and technical) in order to provide goods and services for the citizens of the society. Society entrusts organizational management with control over its economic assets. In return, management accepts a fiduciary responsibility with respect to these assets. As part if this fiduciary responsibility, organizational management accepts an obligation to provide an account of, and to be held accountable for, its actions. Having granted the right to use its assets, society accepts its responsibility for holding organizational management accountable for its actions. I have termed this reciprocal relationship an ethic of accountability (see Table 1). Both parties are equally responsible for carrying out this ethic of accountability.

1 These ideas have evolved from Yuthas and Dillard (1999), Dillard and Yuthas (2001), Dillard (2007) and Niebuhr (1963).
Accountability requires relevant and timely information as well as the specification of the necessary set of relevant evaluation criteria. Organizational management is responsible for providing information necessary of rendering its actions transparent and understandable. As the grantors of the rights, society is responsible for establishing the evaluation criteria and processes used in holding organizations accountable. Care must be taken so that the evaluation criteria reflect the norms and values of the society, not those of special interests or those in power. The accounting profession is implicated throughout an ethic of accountability. In fact, the existence of an accounting profession, especially the public component, is predicated on an ethic of accountability.

An ethic of accountability is grounded in the realization that the organization is a member of an ongoing community and has an obligation to act responsibly. Following from earlier work (Niebuhr, 1963; Dillard and Yuthas, 2001), acting responsibly requires that the decision to act recognizes and incorporates four primary components: solidarity, interpreted actions, the contemplated action, and accountability (Figure 1). Solidarity refers to the organization’s recognition of its situated and interrelated status as a responsible member of an ongoing community. Interpreted actions are the observed outcomes associated with past actions that over time reveal the physical and historical interrelatedness of any actions undertaken within the context of the community. Contemplated action projects outcomes on to anticipated actions in light of the interpreted past actions. In deciding to act, organizational management is obliged to consider the anticipated act and its propriety in light of its projected effect and to formulate realistic projections with respect to the anticipated implications for community members based on an intentional awareness of the effect of past actions and a sensitivity to circumstances that
supplement these observations. Accountability refers to the operationalization of an ethic of accountability.

(Figure 1 here)

Conceptually, an ethic of accountability requires an ongoing conversation among all affected parties. Instantiating an ethic of accountability does not seek “the good” in a utilitarian sense or “the right” in a deontological sense, though both are consistent with the ideal. The good and the right are delineated as part of the process of determining the appropriate action within the context of the ongoing community. Fitting action as well as the act of holding, and being held, accountable depends upon open and trustworthy communication between the actor and the community members as well as among the community members themselves.

A preliminary condition in implementing an ethic of accountability requires the stipulation of what constitutes legitimate communal dialogue whereby the rights and responsibilities of all community members are recognized. Trustworthiness among the actors grows out of the ongoing interactions and is central to establishing a sense of loyalty and responsibility. If the communal discourse is controlled by powerful, self-interested members who exploit the social and physical resources to achieve self-serving objectives, an ethic of accountability becomes impossible, and its pretense becomes a means for manipulation and exploitation with any possibility of solidarity and social sustainability destroyed.

Though utopian, one way to conceive of, implement, and provide criteria for evaluating, the required conversation is proposed by Habermas (1984, 92-104). Legitimate communication provides the basis for responsible action. Following Habermas’ ideal speech situation, communication is legitimate if it satisfies the follow three validity claims:

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2 See Broadbent (1998)
1. Propositional validity – (physical world) concerns the correspondence between the claim and the external or objective evidence. This relates to the extent a claim is true and requires the speaker to provide the grounds upon which the claim is being made.

2. Normative validity – (social world) concerns the correspondence between the claim and the extant social norms and relates to the degree to which the claim is consistent with the prevailing social norms. The speaker is required to provide justification.

3. Subjective authenticity – (personal world) concerns the correspondence between perceived and actual intent of the speaker. This relates to the extent that a claim is genuine, as opposed to strategic/manipulative and requires that the speaker prove her or his trustworthiness.

The extent to which these claims can be attained determines the extent to which an ethic of accountability can be achieved.

Clearly, these conditions are idealistic and difficult to obtain. Nonetheless, they represent criteria for initiating and sustaining meaningful and ongoing conversation among members of a community. The inability to satisfy these validity claims calls into question the veracity of the communal discourse; thus, imposing limiting conditions on the operationalization of an ethic of accountability. Alternatively, those committed to acting in the public interest can use these criteria as guidelines for facilitating open discussion and community dialogue. For example, emerging issues arise from, and relate to, unique contextual circumstances. Legitimate communal dialogue provides the means for selecting and prioritizing interests and outcomes, with alternatives chosen based on the strength of the better argument.³

Seriously implementing an ethic of accountability results in an expanded scope of behavior alternatives, a framework for setting priorities, a more widely understood and accepted set of evaluation criteria, and a higher likelihood of successful applications. The process does not prescribe a set of generally applicable rules but emphasizes the importance of context and

³ As Broadbent (1998) points out, the specification of the better argument is not a static state but will be continually renegotiated throughout the life of the community.
accountability, nor does it necessarily presume government regulation and oversight, though it might be required. An intermediary such as a nongovernment organization (NGO) or a not-for-profit organization might fulfill such a role. Alternatively, it might be presumed that if left to its own devices the market will naturally develop mechanisms within the private sector to accomplish the necessary monitoring. In any of these situations, society must ensure that the appropriate exists to support the specification and maintenance of an ethic of accountability. For example, if the market solution is deemed the appropriate one to pursue, society, through the state or otherwise, must maintain the necessary institutional infrastructure such as the means for writing and enforcing contracts, a compatible systems of property rights, and autonomous market mechanisms.

The Accounting Profession’s Rights and Responsibilities

To reiterate, organizational management and the accounting profession have a central role in the long-term viability of a democratically governed society grounded in justice, equality, and trust and supported by a sustainable economic system. While all members of society have a moral obligation to act in the public interest, organizational management is specifically granted fiduciary responsibility over society’s economic resources. The accounting profession facilitates and monitors organizational management in carrying out this fiduciary responsibility. As such, those engaged in the practice of accounting are concerned with the integrity and accountability of financial and administrative systems and those who design, implement, and utilize them. In order to adequately fulfill this charge, the practicing accounting community itself must maintain high standards of integrity, responsibility, and accountability.

Here, we find what might be called a nested ethic of accountability. The accounting profession has been granted the right to attest to the veracity of organizational management’s
claims with respect to their fiduciary responsibilities to society. As a result, the profession
agrees to be held accountable for their actions. Society grants the right to act in its stead and
accepts the responsibility for holding the accounting profession responsible for their actions,
which include specifying, evaluating, and enforcing appropriate evaluation criteria.

In both its role as a member of the accounting profession, in that it shares its expert
knowledge, and as a member of the academy, the academic accounting community has a
responsibility to facilitate, and engage in, an ongoing conversation among stakeholders regarding
accounting’s (the profession, the professionals, the systems) and organizational management’s
public interest responsibilities. Further, the accounting profession, the business community,
members of the academy, and representatives of the community have a responsibility to engage
in and sustain this conversation. Failure to do so on the part of any of the participants would
constitute a violation of the ethic of accountability.

An Agenda for the Academy

In light of the dramatic and continuing failures in living up to organizational
management’s responsibilities as responsible stewards of its economic assets, society is seriously
questioning organizational management’s motives and the accounting profession’s ability to
safeguard the public interest. In the United States, the Sarbanes-Oxley Act, the Federal
Sentencing Guidelines, Public Companies Accounting Oversight Board, NYSE Corporate
Governance Rules, and the follow-on legislation and regulations begin to codify society’s
expectations but cannot serve as a substitute for professional commitment to uphold the
responsibilities for acting in the public interest. Accounting professionals employed as public
accountants, particularly external auditors, have a clear responsibility to the public and their
audit clients for providing relevant, reliable, and transparent information to external and internal stakeholders.

The responsibilities of professionals employed in capacities other than public accounting are less clearly delineated. However, they also have responsibilities in facilitating an ethic of accountability, especially as they act as a professional member of the organizational management team. The accounting function within an organization is central in: developing, implementing and using information systems that render the organizational activities understandable; providing the information that can be used both strategically and operationally by the organization in carrying its objective of provided goods and services for the citizens of society; and providing the means by which society can evaluate whether organizational management is fulfilling its fiduciary responsibility to society. For example, the accounting function prepares communications used by creditors, owners, sponsors, contributors, employees, unions, managers, politicians, regulators, and society. These stakeholders have a right to expect objective, independent, honest reporting.

As collectors and conveyors of organizational information, accountants have a unique opportunity and responsibility to identify and communicate activities and behaviors that jeopardize or enhance the organization’s ability to carry out its responsibilities. Unless the accounting system incorporates both natural and social systems, it cannot adequately incorporate the risks, opportunities, and responsibilities faced by individuals, organizations, and society. Internal auditors and managerial accountants are directly involved with recognizing and addressing organizational risks resulting from activities of the organization. The controllership function ensures that the organization does not violate its implicit license to operate-- a license that derives directly from shared rights and responsibilities. The responsibilities are clearly
broader than a legal privilege granted by a corporate charter, and processes must be designed in conjunction with the rights and responsibilities arising from an ethic of accountability. These processes include safeguards that address the integrity and transparency of the financial and administrative systems and those who design, implement, and utilize them. If the systems do not meet these requirements, serious questions arise within society regarding the foundational purpose of accounting as a profession.

Academic accounting carries out its responsibilities through scholarly investigation, educational innovation, and community interaction. One of its primary means of influence is scholarly research. A crucial focus is to bring together the expertise of faculty, students, and the community to identify and consider the critical issues facing accounting and organizational management. For example, we have and must continue to be involved in the scholarly investigation of accounting, the accounting profession, accounting professionals, and accounting systems within their economic, political, social, ecological, and organizational context, recognizing the advantages of exploring a wide range of research topics using various methods.

Examples of research areas associated with an ethic of accountability in financial accounting include non-GAAP disclosures (e.g., social or environmental) and the effects of reporting practices on market fluctuations. In managerial accounting, related research topics include the interplay between autonomy and internal control devices, the impact of corporate governance issues, the evaluation of environmental risk, and the roles of budgeting and accountability in a transparent business environment. In auditing, cogent questions concern corporate governance, the effects of enacting and pending legislation, and providing assurance for a variety of stakeholder groups. Important research issues in the accounting information systems area include the social consequences of information access, relating creativity and
business knowledge to system characteristics, and the interrelationship between system capabilities and the moral implications of accounting technologies.

Another primary focus for academic accounting is education and educational innovation. Efforts in these areas should provide the appropriate tools for constructively addressing critical issues facing accounting and organizational management as they strive to exercise their rights and fulfill their responsibilities. These tools should include both an appreciation for the historical and current role of organizational management, accounting, and the accounting profession as well as an ability to envision opportunities for socially responsible, and responsive, development, especially in the areas of integrity and accountability. Educational innovation ranges from pedagogy and program development to educational research. Much work has been, and is being, done in these areas, but it might be constrictive to more directly focus on the rights and responsibilities surrounding an ethic of accountability.

A critique of accounting programs follows concerns about the accounting profession and its social responsibilities. Most programs have inadequately addressed the need for students and faculty to understand the depth and complexities of the profession. Curriculum/course design does not respond in any meaningful way to responding to an ethic of accountability and the associated issues. The curriculum generally consists of a broad range of technical material, geared to knowledge of rules and conventions of practice, which are designed, at least implicitly, to facilitate passing professional exams. However, the public expects universities to transcend the production of accounting technicians by exploring the societal role of accounting, integrating and enhancing technical competence with an understanding of the complex responsibilities of accounting to organizations, society, and the environment. Salient curricular issues include the philosophical and moral grounding of accounting and the ethical and social dilemmas likely to be
faced in the practice of accounting. The development of the profession, its relationship to the public, and its role in society associated with an accountability ethic should be an integral part of accounting education at all levels. Innovative programs should provide students with an appreciation of the situated societal roles of the profession as well as their own rights and responsibilities as accounting professionals. The rights and responsibilities of organizational management as well as other stakeholders should also be articulated and debated along with the interrelationships between social and natural systems.

The third action domain concerns community interaction such that its members understand an ethic of accountability including the rights and responsibilities of organizational management and accountants, as well as the rights and responsibilities of society. The objective is to engage the “community,” as a facilitator and participant in an ongoing conversation exploring public interest responsibilities of all constituencies with the purpose being to articulate roles consistent with the core values of society. As a result, opportunities for socially responsible, and responsive, action should be formulated and put into practice. The resulting action could take the form of providing expert and enlightened commentary, facilitating discussion forums addressing the issues surrounding an ethic of accountability, and conducting continuing education that highlights rights and responsibilities. Generally, community involvement includes enabling an open and enlightened conversation among the members of the relevant ongoing community, which includes such as students, faculty, the accounting profession, organizational management, the public sector and civil society. In the next section, I consider some of the social sustainability reporting issues that might be included in these conversations.

SOCIAL SUSTAINABILITY
In order for society to fulfill its obligations under an ethic of accountability, organizational management must provide timely and understandable information reflecting its activities. In addition to the traditional economic activity, information concerning the organization’s activities in both the environmental and social arenas is requisite if organizational management is to give an adequate account to society. I draw on the Global Reporting Initiative’s (GRI) Guidelines (2006) as a template to illustrate relevant social sustainability performance indicators that might be considered as society and the accounting professional develop appropriate evaluation criteria. While the GRI guidelines address the three major performance indicator groups (economic, environmental, social), I consider only the performance indicators associated with the social dimensions, because they currently are the least developed and represent the greatest challenge in developing meaningful measures and in need of research.

Key social performance indicators include: labor practices, human rights, community, and product responsibility. The social sustainability indicators discussed below are summarized in Table 2 and follow from such internationally recognized standards as the United Nations Universal Declaration of Human Rights and its Protocols; United Nations Convention: International Covenant on Economic, Social, and Cultural Rights; International Labor Organization’s Declaration on Fundamental Principles and Rights at Work of 1988; and the Vienna Declaration and Programme of Action. Next, I discuss examples information content associated for each of the social performance indicator groups. Each needs to be debated and refined as we develop expanded accounting and reporting requirements in considering how best to design and implement information systems that can provide the necessary decision inputs to both organizational management and society.
**Labor Practices**

One of the most obvious and direct social sustainable dimensions concerns labor practices. At a minimum, organizational management should provide information on the following aspects: employment; labor/management relationships; occupational health and safety; training and education; and diversity and equal opportunity. Following the GRI guidelines, relevant demographic dimensions include: total workforce by employment type, employment contract, and region; total number and rate of employee turnover by age group, gender, and region; and benefits provided to full time employees that are not provided to temporary/part time employees by major operation. Key measures associated with labor/management relations include the percentage of employees covered by collective bargaining agreements as well as the minimum notice periods regarding operational changes. Occupational health and safety measures include: percentage of total workforce represented in formal joint management-worker health and safety committees that advise related programs; rates of injury, occupational diseases, lost days, absenteeism, and work related fatalities by region; education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases; and health and safety topics covered in formal agreements with trade unions. Training and education indicators include: average hours of training per year per employee by employee category; programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings; and percentage of employees receiving regular performance and career development reviews. Diversity measures include the composition of governance bodies and breakdown of employees per category according to...
gender, age, group, minority group membership, and other indicators of diversity as well as ratio of basic salary of men to women by employee category.

**Human Rights**

A second social sustainability indicator is the organization’s commitment to honoring and advancing human rights both within the organization and throughout the supply chain. One primary indicator is the organization’s investment practices reflected in the percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. Indicative of organizational management’s commitment to honoring and advocating human rights of those associated with manufacturing their products is the percentage of significant suppliers and contractors that have undergone screening of human rights and actions taken and total (and percentage) hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations. Indicators of discriminatory practices are the total incidents of discrimination and the actions taken. The information system should also identify operations in which the right to exercise freedom of association and collective bargaining may be at risk as well as indicate what actions have been taken to support these rights. Operations having significant child labor or compulsory labor risks must be identified and the measures taken to eliminate these risks specified. Another aspect of human rights concerns security practices and the extent to which security personal are trained with respect to policies and practices concerning aspects of human rights that are relevant to the organization’s operations. As an indication of the organization’s commitment to protecting indigenous rights, the information system should provide the total number of violations involving their rights and the actions taken with regard to these violations.

**Community**
What the GRI guidelines refer to as society, I have labeled community and refer to the
effect of organizational actions on the communities within which they operate. The organization
should be held accountable for the nature, scope, and effectiveness of any programs and practices
that assess and manage strategic and operational impacts on that community. Organizational
management must address corruption by analyzing the related risk associated with corruption in
its business units and the information system should report the total and percentages of those
units so analyzed in addition to actions taken in response to incidents of corruption. The
information system should make transparent any activities in which the organization participates
with the purpose of influencing policy development such as lobbying and contributions. The
total value of contributions, be they financial or in-kind, to political parties, politicians, and
related institutions should be reported by legal jurisdiction. An indication of the extent to which
management has engaged in anti-competitive behavior is the number of legal actions for anti-
compliance behavior, anti-trust, and monopoly practices that have been filed and their outcome.
Finally, the total value, monetary or otherwise, of significant fines and sanctions for
noncompliance with laws and regulations should be reported.

**Product Responsibility**

The product responsibility dimension of the social sustainability concerns the
characteristics of the products or services provided to customers. A socially responsible
organization is concerned with the health and safety impacts of products and services throughout
their life cycle. The information system should report the extent to which life cycle assessments
are undertaken and report the number and percentages of products and services that are subjected
to the assessment. In addition, the total number health and safety regulatory and voluntary code
of non-compliance incidents should be collected and reported by the type of outcome. In
addition, associated practices designed to elicit life cycle related customer satisfaction, and the results should be reported. Labeling is another area that provides insights into an organization’s commitment to product responsibility. The information system should make available the type of labeling information required and the percentage of products and services subject to these requirements. Following this, the total number of related non-compliance incidences should be reported by type of outcome. Marketing communications such as advertising, promotion, and sponsorship should be subjected to processes designed to determine their adherence to laws, standards, and voluntary codes. The information system should report the total number of violations of these requirements, and guidelines should be reported by type of outcomes. The total number substantiated complaints concerning breaches of customer privacy and loss of data should be collected and reported as well as the monetary value of significant fines for noncompliance with laws and regulations concerning the provisions and use of products and services.

**Rights and Responsibilities**

Relating this discussion of social sustainability back to an ethic of accountability, these dimensions of social sustainability illustrate the rights and responsibilities associated with organizational management’s social obligations. With respect to labor practices, the organization has the right to employ society’s human assets and accepts the responsibility for treating them honestly and fairly with dignity and respect and consciously recognizing their employees as more than a means to an economic end. Broadening the horizon of social responsibility with respect to human labor, the organization claims the right to utilize the result of human work and accepts the responsibility to respect and advance human rights generally and specifically to protect the rights of their stakeholders. As a member of an ongoing community,
organizational management accepts the right to operate as a respected member of the community. In doing so, it accepts the responsibility to respect and abide by the laws of that community and not to impose its will on the community or its members. Organizational management claims the right to produce and sell its products and services to members of the community. As a result, the organization accepts the responsibility to provide a safe, reliable product accompanied by honest and complete information about the products and services as well as to safeguard customer privacy.

**CLOSING REMARKS**

To be moral, an act must be preceded by a serious and conscious consideration of the physical and historical context within which the action is to be carried out. The agent acts as a responsible member of an ongoing community, accepting the right of the community to require an account of both process and outcome. In turn, the community accepts its responsibility to hold the actor accountable. A part of this process includes establishing and implementing evaluation criteria, as well as effective monitoring mechanisms and reporting requirements. Both are to be established and carried out through enlightened, democratic processes.

I have proposed an ethic of accountability as establishing the conceptual parameters for the rights enjoyed and the responsibilities incurred within a democratically governed society. Recognizing accountability as the linchpin of any legitimate and just economic system places accounting at the critical interface between those who control the economic assets (organizational management) and the society that they benefit. An ethic of accountability can also provide a contextual framework wherein we as academic accountants can carry out our responsibilities as conscience and critic of society and its institutions. The ideas presented herein
have emerged from my scholarship and reflection, and I anticipate that they will be modified, expanded, or rejected as we facilitate and engage in an ongoing dialogue among the various constituencies within this ongoing community.

Social sustainability is a key component in implementing an ethic of accountability. As such, accounting systems must incorporate the requisite information if they are to adequately satisfy the needs of both organizational management and society. From a process perspective, a relevant and complete reporting system would include the organizational wide goals as well as the related organizational governance structures. In conjunction with the organizational goals and governance structures, organizational information systems should provide information concerning key successes and short comings; major organizational risks and opportunities; major changes in systems, structures or reporting practices; and the strategic and procedural responses contemplated and implemented. These performance measures represent examples of the information necessary for organizational management to satisfy its obligation as a responsible member of an ongoing community as well as for society to fulfill its responsibility for holding management accountable for their actions. In order to develop our understanding of the rights and responsibilities associated with an ethic of accountability, each of the groups involved with, and affected by, the organization’s actions must actively and energetically engage in the dialogue of developing models and measures of economic, environmental, and social responsibility. It is our responsibility as members of the accounting academy to both facilitate and criticize this dialogue.
REFERENCES


Global Reporting Initiative Guidelines. 2006


http://www.unhchr.ch/huridocda/huridoca.nsf/(Symbol)/A.CONF.157.23.En

<table>
<thead>
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<th>RESPONSIBILITIES</th>
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<td>Control of the economic assets of society</td>
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<tr>
<td>SOCIETY</td>
<td>Assign control of society’s economic assets and hold corporate management accountable for their use</td>
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Table 1. An Ethic of Accountability
### Examples of Social Sustainability Indicators

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<thead>
<tr>
<th>Labor Practices</th>
<th>Community</th>
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<tr>
<td>Employment</td>
<td>Nature, scope and effectiveness of programs and practices that assess and manage strategic and operational impacts on the community</td>
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<tr>
<td>Labor/management relationships</td>
<td>Corruption</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>Lobbying and contributions</td>
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<tr>
<td>Training and education</td>
<td>Anti-compliance, anti-trust, and monopoly</td>
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<td>Diversity and equal opportunity</td>
<td>Fins and sanctions for noncompliance</td>
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<tr>
<th>Human Rights</th>
<th>Product Responsibilities</th>
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<td>Investment practices</td>
<td>Health and safety impact of products and services throughout the product life cycle</td>
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<td>Procurement practices</td>
<td>Noncompliance with codes and regulations</td>
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<td>Discriminatory practices</td>
<td>Labeling requirements</td>
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<td>Customer privacy</td>
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Table 2. Examples of Social Sustainability Indicators
Figure 1. Acting as a Member of an Ongoing Community