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The One World Trust promotes education and research into the changes required within global organisations in order to achieve the eradication of poverty, injustice and war. It conducts research on practical ways to make global organisations more responsive to the people they affect, and on how the rule of law can be applied equally to all. It educates political leaders and opinion-formers about the findings of its research.

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Global principles for global operators

Why looking at accountability in relationships matters in achieving sustainability and effectiveness

Michael Hammer

Effectiveness and sustainability in what globally operating organisations do, whether they are corporate actors, state or intergovernmental, or rooted in civil society such as NGOs, is at the heart of the agenda for many in leadership and management that guide them. The more corporate actors, intergovernmental agencies and civil society groups are involved in the same business of supporting access for citizens of this world to global public services, and some may say through that involved in global governance, the more important it becomes to identify common drivers for their relationship with those affected by their operations.

Different shapes or form

The big challenge in determining success in the search for sustainable effectiveness in delivering global public goods, however, is increasingly not just a question of broadening concepts of profits towards using a triple bottom line approach to capture different types of returns an organisation may seek on its investments. Whether this organisation is a corporate actor, an intergovernmental body, or a civil society group, to all of them financial flows and tangible rewards matter in different shape or form. In the same way the traditional concepts of how to secure legitimacy for operations, which traditionally would have been understood in political governance as a function of mandating by a majority of stakeholders ahead of decisions (input legitimacy) or in service delivery and business as a result of satisfactory outcome with the work once accomplished (output legitimacy), fail to capture the full scope of the relationships in particular global organisations have with their stakeholders.

Eventually, what is critical for long term sustainability of operations is therefore the accurate identification of who matters in terms of stakeholders, and making sure that these constituencies are effectively engaged through policies and systems that enable these relationships to be meaningful.

Identifying stakeholders accurately

To achieve a common basis for identifying driving principles which are applicable to the relationship between stakeholders and global organisations across different sectors our research at the One World Trust conceptualises accountability as a function of four key dimensions: transparency, participation, evaluation, and complaint and response.

The research approach we use at the One World Trust is not only cross-sectoral because we believe that powerful operators ought to work to common principles because independent of their tradition they have a significant impact on others in a shared global public sphere, we also believe that it enables global organisations to learn more effectively from each other as in many ways they are not as different as they may seem in particular in terms of their relationships with stakeholders.

All global organisations across all sectors share the need to identify their stakeholders accurately. Especially for institutions working internationally the constituencies that are affected by their work and that may matter to the sustainability of their operations may initially often appear legion and faceless. Simple differentiation by national boundaries, socio-economic characteristics or legal status will often only provide very limited answers to the question who, either as client, customer, competitor, or beneficiary groups matters as key stakeholders.

Careful mapping of these, and pushing the analysis beyond the boundaries of the immediately visible circle of stakeholders is critical for all global actors, and needs to be done with different types of bottom lines in mind and openness to understand what 'returns' and 'legitimacy' can mean from a perspective of the stakeholder and not only from the vantage point of the operators.

A pragmatic entry point

While not necessarily the only way to do so, the *One World Trust's Global Accountability Framework*¹ is a pragmatic entry point into the questions associated with how understand and creatively work with what governs the relationships between those who take decisions at a global scale, and those who are affected them. By breaking down the often nebulous concept of accountability into the above mentioned four distinct dimensions: transparency, participation, evaluation, and complaints and response, the framework offers a very practical approach to working on the common challenges experienced in all sectors involved in global governance.

Through our Global Accountability Index, which measures individual organisations' capacity for stakeholder accountability according to the framework, we have been able to generate new knowledge on each assessed organisation. But more importantly we have been able to demonstrate the opportunities for these organisations to learn across sectoral boundaries from what initially appear to be unlikely models of engaging with stakeholder accountability, and generated a beginning understanding of their dynamics of change.



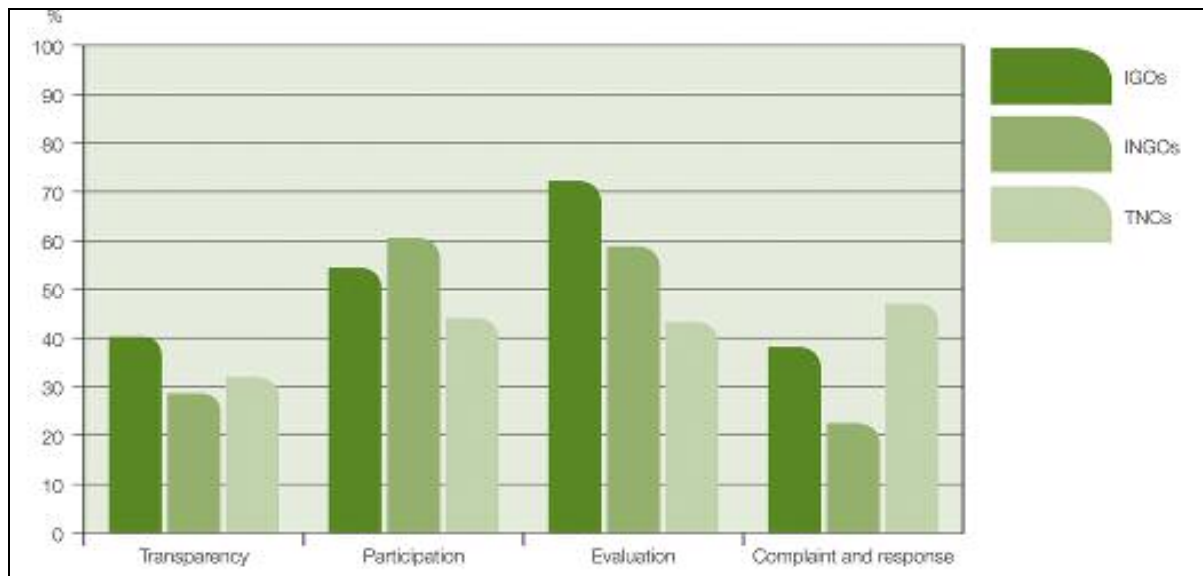
Multiple lessons to learn

Key results² include for instance include that while intergovernmental organisations were overall doing well in particular when it came to policy and systems for evaluating their work, their capacity

¹ The Global Accountability Framework was developed over a five year period through collaborative research with more than 400 stakeholders from transnational corporations, intergovernmental organisations and international NGOs. For more information visit <http://www.oneworldtrust.org/?display=gapframework>

² One World Trust (2006): The 2006 Global Accountability Report: Holding Power to Account. Edited by Monica Blagescu and Robert Lloyd, London

to be transparent and respond to stakeholder complaints was much weaker. Similarly, while international NGOs were on average strongest in terms of their policies and systems on participation of stakeholders, organisations in this category found it extremely hard to match the average performance of transnational corporations, which by public perception are considered to be amongst the operators on the global stage which have least capacity to be transparent. Again, both intergovernmental organisations and international NGOs failed to reach the demonstrated capacity for handling complaints that many transnational corporations have in place in result of a strong customer orientation of their work.



Overall there is not only still a lot to do in each sector in terms of strengthening capacity to be accountable to those who matter for effectiveness and sustainability for operations. There are also multiple lessons to learn from others. In the same way that seeking returns over several bottom lines is not only a matter for corporate actors, legitimacy cannot be taken for granted by intergovernmental agencies simply in result of a mandated role as endorsed by political governance processes.

Sticking to the traditional methods and understandings of a sector therefore does not always make sense and the detail of accountability relationships are worth looking at. By working across sectors and putting individual organisations' performance in perspective across different dimensions of analysis the Global Accountability Index has demonstrated clear and very manageable opportunities for improvement of policy, management systems and practice of accountability.

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