



**School of Management, Royal Holloway University of London**

***Working Paper Series***

**SoMWP-1205**

**The nature of knowledge sharing in NGO accounting and  
accountability processes**

**Gloria Agyemang, Brendan O'Dwyer, Jeffrey Unerman and Mariama Awumbila**

**October 2012**

The School of Management Working Paper Series is published to circulate the results of on-going research to a wider audience and to facilitate intellectual exchange and debate. The papers have been through a refereeing process and will subsequently be published in a revised form. Requested for permission to reproduce any article or part of Working paper should be sent to the publisher of this series.

The School of Management, Royal Holloway, University of London has over 65 academic staff who are organised into different research groups. The current research groups are:

Accounting, Finance and Economics

Strategy and International Business

Marketing

Technology and Information Management

Organisation Studies and Human Resource Management

The School also has around 60 research students attached to the various research groups. A strong theme of research in the School is its international and comparative focus.

Copyright © Gloria Agyemang, Brendan O'Dwyer, Jeffrey Unerman and Mariama Awumbila

ISBN: 978-1-905846-62-7

*Published by:*

The School of Management,

Royal Holloway University of London

Egham Hill

Egham

Surrey TW20 0EX

**The nature of knowledge sharing in NGO accounting and accountability processes**

Gloria Agyemang\*, Brendan O'Dwyer, Jeffrey Unerman and Mariama Awumbila

# **The nature of knowledge sharing in NGO accounting and accountability processes**

Dr Gloria Agyemang, Lecturer in Accounting at Royal Holloway, University of London;

Professor Brendan O'Dwyer, Professor of Accounting at University of Amsterdam Business School

Professor Jeffrey Unerman, Professor of Accounting and Corporate Accountability at Royal Holloway, University of London; and

Dr Mariama Awumbila, Senior Lecturer, Department of Geography, University of Ghana;

## **Abstract**

This paper presents a case study examining how accounting and accountability processes facilitate the sharing of different forms of knowledge in non-governmental organisation (NGO) contexts. The paper derives its primary insights from in-depth interviews with thirty NGO fieldworkers working and delivering development aid in Northern Ghana, Africa. We demonstrate how fieldworkers value both explicit, codifiable knowledge (referred to as 'operational knowledge') and contextualised, tacit knowledge (referred to as 'situational knowledge'). The sharing of situational knowledge in support of operational knowledge by fieldworkers within NGO-funder accounting and accountability processes is perceived as crucial for optimising the use of development aid. However, despite funder encouragement, fieldworkers refrain from sharing situational knowledge within these processes. This is influenced by the perceived coercive nature of the accounting and accountability processes. These processes offer fieldworkers limited flexibility and create uncertainty by failing to inform them of the consequences arising from sharing operational and situational knowledge. The findings develop prior work highlighting the tensions between global control and local flexibility in NGO-funder accounting and accountability processes. We show how the value attached to different types of knowledge influences how these tensions play out. The findings also challenge prior work suggesting that NGO fieldworkers attach little relevance to operational knowledge required by funders in accounting and accountability reports. Our analysis implies a need to develop more enabling NGO-funder accounting and accountability processes to enhance the effectiveness of development aid assistance. We argue that this will require greater fieldworker involvement in the development of performance measures, more frequent face-to-face funder-fieldworker interaction, and more timely feedback from funders to fieldworkers on how knowledge shared within accounting and accountability processes is used.

**Key words:** accounting; accountability; knowledge; non-governmental organisation (NGO)

**JEL descriptors:** M40; M41

## INTRODUCTION

This paper aims to enhance our understanding of the role of accounting and accountability processes in facilitating the sharing of key knowledge within non governmental development organization (NGDO) contexts. NGDOs typically receive aid funding from a number of governmental and private donors and channel this into providing welfare and other aid services to disadvantaged communities in developing countries (Ferguson, Huysman, and Soekijad 2010; O'Dwyer and Unerman 2010). We present the results of a field study conducted among thirty NGDO fieldworkers working and delivering development aid within impoverished communities in Northern Ghana, Africa. These fieldworkers are the key individuals involved in deploying and assessing the use of development aid at local community/grassroots level (Awio, Northcott, and Lawrence 2011). The data analysis focuses on the experiences and perceptions of the fieldworkers regarding the accounting and accountability processes that they use to share different forms of knowledge with funders. It is through this sharing of knowledge that funders may become aware of the effectiveness with which their funding has been used. As the effective sharing of knowledge is at the heart of the empirical issues under investigation, a knowledge sharing theoretical framework is drawn upon and adapted to the NGDO context to inform analysis of the data.

The paper's aims are important given the immense scale and potential impact of Official Development Assistance which is provided by governments and other private agencies, such as NGOs (non governmental organisations), to support the economic, environmental, social and political development of developing countries. Around 80 to 85 per cent of this assistance comes from government sources with the remainder emanating from NGOs, foundations and development charities (OECD 2009). In 2010, net Official Development Assistance from governments of the 23 countries that are members of the OECD's (Organisation for Economic Co-operation and Development) Development Assistance Committee came to US\$128.7 billion, the highest level ever<sup>1</sup>. Canada was the seventh largest contributor of aid, with the Canadian International Development Agency (CIDA) donating US\$87 million to Ghana in 2009 (OECD, 2011). Ghana is also one of the 20 'countries of focus' within the Canadian government's *Aid Effectiveness Agenda* (CIDA 2011). It is widely claimed that the effective deployment of this aid, often via NGOs, can

---

<sup>1</sup> Net Official Development Assistance as a share of the combined gross national income (GNI) of Development Assistance Committee member countries was 0.32%, higher than any other year since 1992 (OECD 2011). The 23 Development Assistance Committee member countries are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States of America (USA).

dramatically alter the life experiences of hundreds of millions of the poorest inhabitants in developing countries (Chen and Ravallion 2008; United Nations 2011)<sup>2</sup>. Thus, a marginal increase in the effectiveness with which these funds are transformed into aid provision through the delivery of NGO services can potentially have a significant impact on the lives of many aid recipients (KPMG 2010). Given that accounting and accountability processes are seen as essential to assessing the effectiveness with which this aid is spent (Ebrahim 2005; KPMG 2010), we are motivated to better understand the possibilities and limitations of these processes in governing the effective spending of this aid.

The paper's aims are timely given the increasing international calls for improved accountability with respect to the effectiveness of aid deployment (CIDA 2011; KPMG 2010; OECD 2011). For example, in the context of the ongoing global economic turmoil the effectiveness of development aid spending is being scrutinised more closely than ever before (KPMG 2010). The recent *Fourth High Level Forum on Aid Effectiveness*<sup>3</sup>, held in Busan, Korea, prioritised the importance of accounting for aid effectiveness and encouraged greater accountability between donors and their partners in individual countries who distribute donations on their behalf. It also called for accounting and accountability processes to develop more tailored output and outcome indicators to suit specific country contexts (Fourth High Level Forum on Aid Effectiveness 2011, 4-5; The Paris Declaration on Aid Effectiveness and Accra Agenda for Action 2011). While this focus on improving accounting and accountability

---

<sup>2</sup> The most recent publicly available figure for the number of people living on incomes below the World Bank poverty level of US\$1.25 per day is 1.4 billion. However, while this figure is the latest available, it should be noted that it relates to the year 2005. The World Bank's poverty projections for 2015 indicate that this figure should fall below 900 million by 2015. Key areas of progress in development in the past decade have involved a marked increase in access to education, improved HIV prevention, and greater access to cleaner drinking water. However, in urban areas in particular, poor sanitation and unsafe drinking water remain serious problems (United Nations 2011). A number of the NGOs studied in this paper seek to improve education and sanitation and drinking water for local communities in Northern Ghana. Much ODA is now targeted at achieving the United Nations (UN) Millennium Development Goals (MDGs). The MDGs represent a set of targets, agreed by the UN at a series of international summit meetings. They identify some of the main causes of extreme poverty worldwide and have come to underpin the poverty reduction policies and activities of many developed nations. The MDGs require the international community to: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development.

<sup>3</sup> The *Fourth High Level Forum on Aid Effectiveness* was held between 29 November and 1 December 2011 in Busan, South Korea. It followed meetings held in Rome, Paris and Accra that attempted to change aid relationships between donors and their partners to encourage greater international development co-operation. Five principles emerged from these meetings which encouraged: local ownership of development interventions; the alignment of development programmes around a country's development strategy; the harmonisation of practices to reduce transaction costs; the avoidance of fragmented efforts; and the creation of results frameworks. Government ministers from developing and donor countries, government representatives, parliamentarians, civil society organizations such as NGOs and private sector representatives met at the Fourth High-Level Forum and agreed a new framework for development co-operation. See: <http://www.aideffectiveness.org/busanhlf4/en/about/about-busan.html>. Accessed 6 February 2012.

with respect to country-level aid effectiveness is important, little attention has been afforded to the need for establishing suitable accounting and accountability processes at individual project or micro levels where NGOs often take responsibility for the delivery of aid among local communities. Specific accounting and accountability processes at this level can have a significant impact on the effectiveness with which development aid is deployed (Goddard and Assad 2006; O'Dwyer and Unerman 2010; Rahaman et al. 2010). The tendency to neglect detailed analysis at this level in international public policy debates as well as in the NGO accounting and accountability academic literature further motivates our research focus on micro-level NGO-funder accounting and accountability processes.

The paper seeks to contribute to the literature by extending and developing prior research investigating NGO accounting and accountability processes. First, it responds to Rahaman et al.'s (2010) call for researchers to examine how accounting can and should be used within social-purpose settings to address social problems in the African continent (see also, Rahaman 2010). We place special attention on the extent to which the accounting and accountability processes studied exhibit enabling or coercive characteristics as part of attempts to address the tensions that can exist between the costs of delivering aid ineffectively and the costs of misused funds (Rahaman et al. 2010, 1123; see also, Adlers and Borys 1996; Ahrens and Chapman 2004; Wouters and Roijmans 2011). By mobilising perspectives from the knowledge sharing literature, the paper also takes up Rahaman et al.'s (2010) call for researchers to apply insights from other domains to examine accounting and accountability processes in these social-purpose settings. As Rahaman et al. (2010) contend, this facilitates the generation of policy recommendations that can help to improve the design, operation and impact of NGO accounting and accountability processes, an important objective given the scale of development aid funding which is targeted at countries in the African sub-continent.

Second, the study of knowledge sharing is an emerging area of enquiry (Foss, Husted, and Michailova 2010) and has rarely been examined with respect to the operation of accounting and accountability processes generally (for some exceptions, see Busco, Giovanni, and Riccaboni 2007; Mouritsen, Larsen, and Bukh 2001; Roberts 2003) or within the specific context of the international development sector (Ferguson et al. 2010, 1807). This lack of research in the development sector is especially surprising as knowledge sharing is viewed as crucial to enhancing the effectiveness of NGO interventions (Ebrahim 2005; Ferguson et al. 2010; O'Dwyer and Unerman 2007) and the development sector is itself widely characterised as 'knowledge-intensive' (Korea Development Institute and World Bank Institute 2011; Powell 2006). Our aim to increase our understanding of how accounting and accountability processes shape the "governance of knowledge sharing" (Foss et al. 2010, 459) between

NGDO fieldworkers and their funders addresses this omission in the literature as well as specifically responding to calls for more in-depth, context-rich research examining how governance mechanisms – such as accounting and accountability processes – shape knowledge sharing (Foss et al. 2010, 470; Wang and Noe 2010). This unique adaptation of a knowledge sharing framework to the distinct NGO context offers a new and potentially insightful lens through which to examine aspects of NGO accounting and accountability which are intended to facilitate the transmission of knowledge between different parties involved in NGO management, governance and funding.

Third, prior research has questioned the ability of ‘upward’ accounting and accountability processes – the processes through which NGO fieldworkers exchange knowledge about their NGOs’ operations with their direct funders (Ebrahim 2005) – to enable more effective as opposed to efficient spending of aid funding (Everett and Friesen 2009; O’Dwyer and Unerman 2007, 2008; Rahaman et al. 2010). It has also been claimed that these processes operate in an overly coercive manner thereby rendering assessments of, and improvements in, aid effectiveness more problematic (Awio et al. 2011; Rahaman et al. 2010). However, prior research rarely bases its primary insights on empirical evidence grounded in the experiences of NGO fieldworkers working with local communities who are directly involved in facilitating these accounting and accountability processes. Hence, there is little work examining the potential of upward accounting and accountability processes using in-depth analyses of the actual experiences of those involved in delivering NGO services at the grassroots level – where the degree of adaptation of NGO provision to local contexts is experienced in practice, and where much of the knowledge for upward accounting and accountability processes is generated (but see, Dixon, Ritchie, and Siwale 2006)<sup>4</sup>. This absence has led to limited consideration of how NGO accounting and accountability processes operate not only to assess, but also to support (or constrain) these grassroots fieldworkers in their efforts to ascertain “how things are going, identify problems, prioritize issues, [and] develop ideas for improvement” (Wouters and Wilderom 2008, 489). This form of micro-level research engagement is necessary if we are to deepen our understanding of local constituencies’ experiences of accounting and accountability processes more generally, in particular the impact these mechanisms have on their daily working lives. This paper seeks to remedy this research gap by ascertaining and analysing, from the perspective of grassroots NGDO fieldworkers, the scope offered by upward accounting and accountability to create an

---

<sup>4</sup> Rahaman et al. (2010) enrolled a range of perspectives in their study of accounting and accountability in social purpose alliances tackling the HIV/AIDS pandemic. These ranged from senior management in major development agencies and the World Bank to individuals at ‘various levels’ in NGOs (pp. 1101-1102). Hence, they also placed some, albeit not their primary, emphasis on ground-level perceptions.



environment where knowledge is shared in a manner that can contribute towards improving the effectiveness of NGOs' deployment of aid resources<sup>5</sup>.

The findings reveal a prevalence of coercive knowledge sharing environments within the NGO-funder accounting and accountability processes studied. Here, explicit, codified knowledge (referred to as 'operational knowledge') is rarely informed by rich, contextualised, tacit knowledge (referred to as 'situational knowledge') drawing on fieldworkers' on-the-ground experiences. Despite explicit encouragement by funders, fieldworkers are disinclined to share situational knowledge. A number of factors contribute to this reluctance, including: a lack of funder feedback on the use of operational knowledge shared through accounting and accountability processes; fieldworker apprehension about the future funding consequences of sharing situational knowledge; and funder inflexibility with respect to the allocation of funding. This reluctance is exacerbated by a widespread absence of informal and formal face-to-face accountability channels between funders and fieldworkers that could create stronger fieldworker-funder social ties and more opportunities for knowledge sharing. While we also uncover evidence of the recent emergence of more enabling knowledge sharing environments within the accounting and accountability processes, situational knowledge likely to significantly influence the effectiveness of NGO interventions remains largely withheld from funders. Overall, the findings unveil the nature of the continuing tensions between global control and local flexibility in NGO accounting and accountability contexts (see also, Rahaman et al. 2010) as well as extending our understanding of how the concepts of coercion and enabling (Adler and Borys 1996; Ahrens and Chapman 2004; Chapman and Kihn 2009; Free 2007) translate to this setting.

The remainder of the paper is organized as follows. Section 2 outlines how coercive and enabling accounting and accountability processes can influence knowledge sharing between NGOs and their funders. Section 3 provides a theoretical framework conceptualising the factors influencing knowledge sharing and adapts this to the NGO accounting and accountability context. Section 4 contextualises the study. Section 5 outlines

---

<sup>5</sup> The data analysed in this paper was collected as part of a research project partly funded by the Association of Chartered Certified Accountants (ACCA), the global body for professional accountants. Part of the data analysed for this paper was included in a descriptive practitioner-oriented research monograph published by the ACCA. No aspects of this data have been published in any other academic forum. This paper mobilizes the concepts of coercion and enabling within a knowledge sharing theoretical framework in order to transform the practitioner-focused data into a theoretically informed academic paper. The focus of this paper is also distinct from that of the ACCA research monograph in that it specifically examines how upward accounting and accountability processes facilitate different forms of knowledge sharing. This transformation of aspects of the practitioner-oriented monograph into an original academic study is consistent with prior published work which has undertaken a similar process (see for example, Anderson-Gough, Grey, and Robson 2005; Chenhall, Hall, and Smith 2010; Robson, Anderson-Gough, and Grey 2001).

the research design and methods while Section 6 provides the case analysis. Finally, section 7 discusses the case analysis in the context of the theoretical framing and considers the wider implications of the study's findings.

## **2. THE NATURE OF UPWARD NGDO ACCOUNTING AND ACCOUNTABILITY PROCESSES**

NGDOs typically receive aid funding from different donors and use this to provide welfare and other aid services to impoverished communities in developing countries. Local, community based NGDOs receive this funding from donors once it has been channelled through large International NGOs (INGOs). These INGOs commonly have intermediate-level country offices and managers in developing countries to distribute the aid funding to grassroots NGDOs (some of which will be part of an INGO, some of which will be independent from an INGO). The key individuals involved in deploying and assessing the use of this funding at the community/grassroots level are NGDO fieldworkers.

Given the large sums of money allocated to development aid, there is significant interest among funders in assessing the extent to which this aid has been efficiently and effectively deployed. Prior research suggests that assessments of the efficiency and long term effectiveness of NGDO operations are best facilitated through cultures of broad based knowledge sharing between NGDO fieldworkers and their funders within upward accounting and accountability processes (Ebrahim 2005; Ferguson et al. 2010; O'Dwyer and Unerman 2007). It is widely argued that this promotes learning environments allowing NGDO fieldworkers and their funders to react and adapt to changing conditions in the local environments they seek to assist thereby ensuring that NGDO funding delivers the maximum long term impact on targeted communities (Ferguson et al. 2010; Powell 2006)<sup>6</sup>.

The degree to which upward accounting and accountability processes facilitate factors contributing to cultures of broad based knowledge sharing depends on the extent to which they exhibit coercive or enabling characteristics (Adler and Borys 1996; Ahrens and Chapman 2004; Free 2007; O'Dwyer and Unerman 2008; Wouters and Wilderom 2008; Wouters and Roijmans 2011). Coercive processes formalise highly specified reporting requirements

---

<sup>6</sup> Development is often conceptualised as a process involving significant change. Without a good understanding of the underpinning socio-economic realities, including the perceptions of local people, it is argued that development projects are often not viable or sustainable (Powell 2006). The sustainability of development aid projects is therefore seen to depend on stakeholders with local, national and international knowledge interacting together to share their knowledge (MacFarlane 2006). How and whether upward accounting and accountability processes enable this sharing of socio-economic realities has rarely been examined in depth, and especially not at the micro-level we focus on in this study.

underpinned by clear rules and expectations (Ahrens and Chapman 2004). They operate largely to constrain individuals (such as employees) and punish them for any failure to meet pre-determined targets. They therefore “substitute for, rather than ... complement ... commitment [and] are [largely] designed to force reluctant compliance and to extract recalcitrant effort” (Adler and Borys 1996, 69). Individuals are not encouraged to independently assess whether a process or project is working well nor to identify and communicate improvement opportunities (Adler and Borys 1996). This deliberately curtails the use of individual initiative and limits knowledge sharing outside of pre-specified requirements, thereby inhibiting as opposed to promoting learning. If, for example, individual employees do share suggestions with management outside pre-specified requirements, they will often have “no clear idea who will evaluate [them], according to what criteria ... or why [the suggestions are] ultimately approved or rejected” (Adler and Borys 1996, 73). Coercive characteristics prevail in environments where there are large disparities of power, knowledge, skills and rewards (Adler and Borys 1996).

Enabling accounting and accountability processes are more adaptable. They offer individuals the flexibility to make mistakes and afford them the freedom to innovate and exercise their own initiative. Individuals’ intelligence is enrolled rather than replaced (Adler and Borys 1996) and they are encouraged to “mobilize [and share] their local knowledge” (Ahrens and Chapman 2004, 296). For example, enabling processes seek to assist employees to do their work better by providing regular feedback, outlining opportunities for improvement and helping them to prioritize actions (Wouters and Wilderom 2008). Interactive dialogue and the fostering of trust between employees and high-level management is explicitly encouraged. These processes encourage experimentation and enrol employees’ knowledge in reviews and refinements of definitions, data and performance measures in order to ensure that these measures are valid and reliable in the context of achieving overall organisational or inter-organisational aims (Wouters and Roijmans 2011). Moreover, management accept that the formal accounting and accountability processes will always be incomplete and that local knowledge supporting or contextualising reporting within these processes is of crucial importance (Wouters and Wilderom 2008).

Prior research indicates that development aid funders have commonly, albeit not exclusively (see, Ebrahim and Rangan 2011), developed upward accounting and accountability processes that exhibit more coercive than enabling characteristics (Ebrahim 2005; Ferguson et al. 2010). They usually require NGOs to demonstrate *how* aid funding has been spent (Awio et al. 2011; O’Dwyer and Unerman 2008; Rahaman et al. 2010) and require quantitative reporting in rigid funder-specified formats offering limited reporting

flexibility (Ebrahim 2005; Ebrahim and Rangan 2011; Rahaman et al. 2010). Prioritisation is often given to reporting knowledge that indicates the extent to which aid funding has delivered the aid outcomes that have been specified in advance by donors (e.g. Rahaman et al. 2010).<sup>7</sup> While these formal accounts may help donors judge the *efficiency* with which their funding has been deployed, in terms of how much of their pre-specified aid outcomes have been delivered to potential beneficiaries, it is widely argued that their primary focus on control and justification rarely encourages the sharing of key contextual knowledge regarding factors that might enable more detailed, informed assessments of the long term effectiveness of the nature and focus of aid delivery; knowledge which could lead to a potential re-orientation of funder focus and objectives (Ebrahim 2005; Ferguson et al. 2010)<sup>8</sup>. Moreover, prior research also claims that NGDO fieldworkers view the knowledge they are required to share within these accounting and accountability processes as being of limited benefit to understanding the key factors impacting on the success or failure of development projects, given they focus on grading performance as opposed to improving it (Ebrahim 2005; see also, Chenhall, Hall, and Smith 2010, 753).

Some funders, particularly large national development agencies, have made the implementation of more enabling accounting and accountability processes drawing on beneficiary perspectives a condition of continued aid funding and have provided scope for the sharing of this knowledge in their upward accounting and accountability processes (Ferguson et al. 2010; O'Dwyer and Unerman 2010, 2007). However, notwithstanding these efforts, and despite an absence of in-depth empirical evidence derived from individuals delivering services in the field, it is continuously claimed that these processes continue to operate in an overly coercive manner *on-the-ground* thereby failing to encourage the sharing of key contextual knowledge between NGDO fieldworkers, INGO managers and donors (O'Dwyer and Unerman, 2010; Rahaman et al. 2010). We seek to remedy the empirical gap in the literature underlying these claims by ascertaining and analysing, from the perspective of

---

<sup>7</sup>For example, if an aid donor provides funds to deliver a specified literacy curriculum to girls between the ages of five and nine, then the upward accountability report from the NGDO to the donor would be likely to require information that focuses on the number of girls between these ages to whom the specified curriculum had been delivered.

<sup>8</sup> Extending the example in footnote 7 above, in some instances where literacy among boys is significantly lower than that among girls, and where there are few, if any, donors focusing on male literacy, long-term alleviation of poverty might require some of the aid funding currently provided to develop female literacy to be used for male literacy. In other instances, a rigid literacy programme might need adapting to take account of local cultural differences to more effectively teach students to read and write. Without mechanisms to inform donors of these needs and local circumstances, a highly efficient deployment of aid in terms of the literacy programme being delivered to a high number of children for a given cost risks translating into a highly ineffective deployment of aid in terms of relatively few of the children improving their literacy by much as a result of attending the literacy programme.

grassroots NGDO fieldworkers, the scope offered by upward accounting and accountability processes *in practice* to share knowledge in a manner that may contribute towards improving the effectiveness of NGDO's deployment of aid resources. Specifically, we seek to answer the following research question from the perspective of grassroots NGDO fieldworkers:

How do (upward) accounting and accountability processes facilitate knowledge sharing in NGDO-funder accountability relationships?

To analytically frame our examination of the research question, the next section conceptualises the key factors influencing knowledge sharing in conventional organizational contexts and adapts these to the specific context of project-level NGDO-funder accounting and accountability processes studied in this paper.

### **3. CONCEPTUALISING THE FACTORS INFLUENCING KNOWLEDGE SHARING IN NGDO-FUNDER ACCOUNTING AND ACCOUNTABILITY PROCESSES**

Knowledge sharing encompasses “the provision of task information, know-how and feedback on ... procedure[s] [and processes]” (Foss et al. 2010, 457-458). Knowledge sharing processes aim to enable knowledge acquired by individuals to become “understood, absorbed and used [by recipients]” (Ipe 2003, 341; Nonanka and Krogh 2009). This can occur via written correspondence or face-to-face communication with other experts, or through documenting, organizing and capturing knowledge for others (Wang and Noe 2010, 117). Successful knowledge sharing transforms individual knowledge into ‘organisational’ knowledge by embracing extended learning processes as opposed to simple communication processes (Cummings 2003; Foss et al. 2010). In the development sector, knowledge management processes seek to facilitate and structure knowledge sharing in order to improve development-related decision making processes and ultimately strengthen the self-sufficiency of development beneficiaries (Ferguson et al. 2010, 1797).

#### ***The cognitive, social and structural factors associated with knowledge sharing***

Ipe's (2003) conceptual model of knowledge sharing highlights the interrelated nature of the cognitive (nature of knowledge), social (motivational) and structural (organisational) factors associated with the sharing of knowledge by individuals. It elaborates on four factors influencing how and whether knowledge is shared between individuals within organisations; a focus we adapt to the NGDO-funder accounting and accountability context studied in this

paper. These factors comprise: the nature of knowledge; the motivations to share knowledge; the opportunities to share knowledge; and the culture of the overall environment within which knowledge is shared (see Table 1). We elaborate on each of these factors below. Our subsequent empirical analysis in section 6 focuses on how, and the extent to which, these cognitive, social and structural factors are facilitated by and embedded in the accounting and accountability processes governing relations between NGDO fieldworkers and their funders.

**Insert Table 1 about here**

*The nature of knowledge*

The knowledge sharing literature commonly distinguishes between two types of knowledge: tacit and explicit. Tacit knowledge resides within the individual and is largely acquired through experience (Blackler 1995; Cabrera and Cabrera 2002; Lam 2000; Nonaka and Krogh 2009; Polanyi 1966). It is “tied to [individuals’] senses, tactile experiences ... and intuition” (Nonaka and Krogh 2009, 636). Articulating tacit knowledge is difficult as it tends to “stick” to the knower (Ipe 2003, 344) and is deeply rooted in action, involvement and commitment within specific contexts. Tacit knowledge sharing requires close social interactions between knowledge givers and receivers (Lam 2000) with ongoing dialogue representing the most common means through which it is made explicit (Dixon 1994; Nonaka 1994). Given the close and flexible nature of relationships between NGDO fieldworkers and their beneficiaries, and the often unique needs (to the beneficiaries and fieldworkers) of each aid project that they experience, each individual NGDO fieldworker is likely to possess extensive tacit knowledge. This influences an often intuitive understanding of their development work and the projects on which they are engaged (Ferguson et al. 2010). The sharing and use of this contextually rich knowledge in decision-making processes is considered crucial to successful development interventions (Powell 2006).

In contrast, explicit knowledge represents easily codified knowledge, and is therefore shared more readily using formal, systematic language. Whereas tacit knowledge represents “know *how*”, explicit knowledge corresponds to “know *what*” which is capable of being extracted and stored independently and objectively without the presence of the knowing subject (Lam 2000, 490; Nonaka and Krogh 2009). This tacit-explicit knowledge distinction is, however, not a stark dichotomy but is widely conceptualised as a continuum with extremes of the two knowledge types located at either end (Inkpen and Dinur 1998).

Whether knowledge is primarily explicit or tacit in nature, the ‘value’ attributed to it has a significant bearing on whether or not it is shared. When individuals perceive knowledge

as valuable, knowledge sharing becomes a process “mediated by decisions about what knowledge to share, when to share it and who to share it with” (Ipe 2003, 345). For example, if individuals attach a high value to knowledge they possess, they may claim emotional ownership of it and refuse to share it due to its impact on their status, career prospects or individual reputation (Thomas-Hunt, Ogden, and Neale 2003).

#### *Motivations to share knowledge*

The willingness to share knowledge is influenced by a number of internal and external factors (Ipe 2003; Lam and Lambermont-Ford 2010). Internal factors include the perceived power attached to knowledge and the reciprocity - the mutual give-and-take of knowledge - that results from sharing it. External factors comprise the knowledge sharer’s relationship with the recipient and the rewards for sharing knowledge (Ipe 2003).

If individuals perceive that *power* comes from possessing knowledge they possess, they may hoard this knowledge as part of a control and defense mechanism (Cummings 2003; Ipe 2003). *Reciprocity* can encourage knowledge sharing as individuals anticipate that sharing knowledge may be worthwhile to them, even if they are uncertain about what will transpire as a result. For example, reciprocity can lead to increased trust between the sender and recipient, increased recognition for the sender, or increased expertise for both parties (Hong, Suh, and Koo, 2011; Wang and Noe 2010) thereby increasing the propensity of the sender to share knowledge he or she might otherwise have withheld. However, where reciprocity is low, individuals will be less willing to share knowledge given their apprehension about how they will be evaluated based on the knowledge shared (Cabrera and Cabrera 2002; Milliken et al. 2003; Wang and Noe 2010).

Reciprocity can also encourage knowledge sharing by mitigating against power inequalities in relationships (Ferguson et al. 2010). The extent of these power inequalities is contingent on the *relationship between the knowledge sender and the recipient*. Significant power inequalities often exist between funders and NGDOs due to many NGDOs’ reliance on limited funding streams for their survival. Reciprocity may help develop trust in these relationships thereby encouraging greater knowledge sharing. However, barriers to trust can also arise from perceptions that others (in our case, funders or NGDOs) might exploit knowledge shared and disrupt attempts at co-operation (Ipe 2003; Mouritsen et al. 2001).

Knowledge sharing can engender many *real and perceived rewards*. Individuals derive extrinsic motivation through their needs being satisfied from obtaining external

rewards. Knowledge tends to be freely shared when it leads to career advancement and increased remuneration or, in the case of NGOs, where it leads to increased or continued funding. However, the use of external monetary rewards may exclusively encourage the sharing of *explicit knowledge* which is seen as objective, more measurable and actionable by managers (Ipe 2003). While much research deems explicit rewards and incentives as essential to motivating knowledge sharing, tangible rewards alone are often insufficient. For some professionals, such as NGO fieldworkers, intrinsic rewards can arise from the work they do and formal rewards may be seen as demeaning (Ipe 2003). For example, non-monetary rewards such as the development of strong social ties have been shown to encourage the sharing of tacit knowledge as these ties can enhance intrinsic satisfaction (Argote, McEvily, and Reagans 2003).

### *Opportunities to share knowledge*

*Opportunities to share knowledge* represent structural factors that can facilitate or hinder knowledge sharing (Lam 2000; Wang and Noe 2010). Formal *purposive learning channels* and informal *relational learning channels* both provide opportunities for knowledge sharing. Formal channels create structures specifically set up to share knowledge thereby providing the context and the tools to enable knowledge sharing to occur. Knowledge shared through these channels tends to be mainly explicit. Most knowledge is, however, shared through relational learning channels often encompassing unplanned situations drawing upon personal relationships as individuals socially interact (Ipe 2003). These channels facilitate face-to-face communication thereby allowing the building of trust, which, as noted above, is central to enabling tacit knowledge sharing (Cummings 2003).

While different learning channels offer opportunities for knowledge sharing, individuals may find themselves *unable* to share knowledge (Riege 2005). For example, where individuals have weak verbal and written communication skills they may find it difficult to articulate their knowledge in a manner that may be understood by recipients. This can act as a barrier, as for knowledge to be shared effectively it needs to become understandable and usable. Differences in individual national cultures may exacerbate these communication problems. For instance, there might be insufficient capture and analysis of issues because of taken-for-granted cultural factors which may mean that understanding is lost by receivers of knowledge. Barriers of this nature can be significant in NGO-funder relationships as the senders (beneficiaries and NGO grassroots fieldworkers) and receivers of knowledge (funders) often come from entirely different countries and cultural backgrounds.



*Culture of knowledge sharing environment: The influence of coercive and enabling accounting and accountability processes*

The three factors discussed above - the nature of knowledge, the motivation to share knowledge, and the opportunities to share knowledge - are all embedded in a final factor, the *culture of the environment* in which knowledge is shared. This culture, which comprises norms, values and practices within an organisational or inter-organisational setting, influences “how and what knowledge is valued, what kinds of relationships and rewards it encourages in relation to knowledge sharing, and the formal and informal opportunities that individuals have to share knowledge” (Ipe 2003, 353). All the four factors are interrelated with each factor influencing the others in a non-linear fashion. The factors exert different amounts of influence on knowledge sharing depending on the setting examined. Moreover, the absence of one or more of the factors does not preclude *all* knowledge sharing (Ipe 2003).

The nature of upward accounting and accountability processes significantly influences the culture of the environment in which different types of knowledge may be prioritised and shared (see Table 2 below). In NGDO-funder relationships, highly coercive accounting and accountability processes create coercive knowledge sharing environments. They construct environmental cultures prioritising the sharing of explicit knowledge demanded by funders from NGDOs<sup>9</sup>. An objectivist approach to knowledge is favoured where knowledge is perceived as objective, universal and instrumental and must be taken at face value, as if containing some universal truth. This undermines the potential of knowledge that is indigenous to context-specific practices, thereby downplaying any role for tacit, contextually embedded knowledge that might allow funders to learn from fieldworkers’ and beneficiaries’ experiences and insights (Ferguson et al. 2010). Limited reciprocity and high power inequalities (Adler and Borys 1996) between funders and NGDOs prevail as a failure to share explicit knowledge in specified formats can carry severe consequences in terms of lost or delayed funding. This can lead to low levels of mutual trust and weak social ties among NGDOs and funders resulting in limited interactive dialogue (Adler and Borys 1996; Wouters and Roijmans 2011). In these contexts, relational learning channels remain largely underdeveloped with purposive learning channels prevailing and facilitating mainly one-way

---

<sup>9</sup> While we present two extremes of coercive and enabling accounting and accountability processes above, we do so only for reasons of analytical clarity. Accounting and accountability processes will possess coercive and enabling characteristics in varying degrees. It is therefore more accurate to think of various processes existing on a continuum, with enabling characteristics predominating within processes at one extreme and coercive characteristics predominating within processes at the other extreme (see, Ahrens and Chapman 2004; see also, Table 8 in Section 6).

communication from NGDOs to funders. By marginalising alternative forms of knowledge, emerging local-level discourses may be silenced and this can prove counterproductive to achieving funders' publicly espoused development aims (Ferguson et al. 2010).

**Insert Table 2 about here**

In contrast, enabling accounting and accountability processes can create enabling knowledge sharing environments by constructing environmental cultures affording importance to tacit knowledge (see Table 2 above). The sharing of this knowledge is motivated by encouraging cooperation within both formal and informal feedback mechanisms supported by continual interaction between NGDO fieldworkers and funders (or their representatives). This seeks to foster the development of strong social ties and open cultures of learning (Ahrens and Chapman 2004; Ebrahim 2005) thereby affording NGDOs (through their fieldworkers) an opportunity to experiment and learn from their mistakes (Ferguson et al. 2010; Wouters and Roijmans 2011; Wouters and Wilderon 2008). Relational learning channels therefore play a key role in support of purposive learning channels within these processes. A more practice-based perspective on knowledge is embraced, with knowledge posited not merely as a self-contained entity but as emerging in socially constructed practices (Thompson and Walsham 2004). An openness to sharing knowledge that is culturally embedded and context dependent – situated knowledge - is evident and fieldworkers are encouraged to address the choices and opportunities envisaged by beneficiaries themselves and to use these perspectives to propose innovative, relevant solutions to pervasive development challenges within the accounting and accountability processes (Ferguson et al. 2010).

To summarise, knowledge sharing between NGDOs and their funders is deemed crucial to ensuring the long term effectiveness of NGDO interventions (Ebrahim 2005; Ferguson et al. 2010; Powell 2006). Upward accounting and accountability processes, be they primarily coercive or enabling in character, significantly influence the nature and extent of knowledge sharing that may occur in NGDO-funder relationships and can therefore help determine the success (or otherwise) of NGDO interventions (see Table 2). We mobilise the characterisation of accounting and accountability processes as coercive or enabling (in section 2) together with Ipe's (2003) conceptualisation of the factors influencing knowledge sharing to frame our empirical analysis. This framing is used to help us better understand, from the perspective of NGDO fieldworkers, how, and to what extent, upward accounting and accountability processes facilitate knowledge sharing in NGDO-funder accountability relationships.

#### **4. CASE CONTEXT**

This study specifically examines experiences of NGDO-funder accounting and accountability processes in the Northern Ghana context (see also, Rahaman et al. 2010). Ghana is located on the west coast of Africa, English is its official language and its population was estimated at 24.2 million in 2010 (Ghana Statistical Service 2011). In 2010, Ghana received Overseas Development Assistance of almost US \$1.5 billion from 19 development partners - including Canada, USA, United Kingdom and the International Development Association (IDA). There is intense NGO activity in Northern Ghana, especially in and around the capital city of the region, Tamale, which has been labelled 'the NGO capital of Ghana' given the large number of international NGOs operating from there. NGO activity focuses on assorted areas including health, education and agriculture. Poverty reduction programmes using micro credit schemes are also prevalent. While poverty levels have fallen considerably in the past decade, about 30 per cent of Ghanaians live on less than \$US1.25 a day and two million people have limited access to food. The Northern region, with a population of almost 2.3 million, is the most impoverished and has experienced recurring food shortages. For example, key development indicators, such as child under-nutrition (12 per cent of Ghana's children under the age of five are deemed underweight) and adult literacy rates are lowest in this region, indicating a significant degree of underdevelopment and poverty (Ghana Statistical Service 2011). The Northern region provided an ideal field study site to examine issues of NGDO-funder accounting and accountability given the range of development issues requiring attention and the clustering of a large number of diverse INGOs and local NGDOs in the area.

#### **5. METHOD**

As the research objectives for this study focused on understanding NGDO fieldworkers' experiences of upward accounting and accountability processes, an interpretive, qualitative research approach was adopted as this emphasises describing and understanding the meanings individuals assign to processes (Cooper and Morgan 2008; Doz 2011; Prasad and Prasad 2002; Stake 2005). The empirical data analysed was collected in three stages throughout 2007 and 2008 in and around Tamale.

### ***Stage 1: Preliminary interviews***

The initial stage of the study involved obtaining an understanding of the national context of NGDO activity in Ghana. To gain this understanding a sample of senior managers in eight high profile INGOs with significant operations in Ghana were selected from a Ghanaian INGO database and sent a written invitation letter to participate in the initial phase of the research<sup>10</sup>. All eight INGOs contacted responded positively and agreed to an in-depth interview at their country head office level in Accra, the capital city of Ghana. These interviews, which were all audio-recorded and fully transcribed, focused largely on how NGOs operated in Ghana and what sort of accounting and accountability relationships existed between funders and locally based NGDOs. An analysis of the transcripts and of several supporting documentary sources provided us with a detailed background understanding of Ghanaian NGDO context. This was used to inform the issues explored in the in-depth interviews with grassroots NGDO fieldworkers carried out in stage 2 of the study<sup>11</sup>.

### ***Stage 2: Main data collection interviews***

For the main stage of the empirical data collection, we conducted in-depth, semi-structured individual and group interviews with thirty community-based NGDO fieldworkers. We specifically focused on interviewing fieldworkers in NGDOs addressing health, education, agriculture and general poverty reduction as these are deemed to be the most pressing areas in need of development in Ghana. A letter was sent to the executive directors of 31 NGDOs operating in these development areas in the Tamale region inviting them to participate in the study. The letter outlined the nature of the study, the names and professional backgrounds of the four researchers, and their research credentials in the NGO accounting and accountability field. We requested permission to interview NGDO fieldworkers directly engaged in delivering services to beneficiaries on-the-ground who were responsible for completing accounting and accountability reports for funders and were the primary on-the-ground NGDO point of contact for funders. The letter stated that the study was being partly funded by an international professional accounting body (ACCA - Association of Chartered Certified Accountants) and suggested some possible benefits that the NGDOs might derive

---

<sup>10</sup> Our knowledge of the local NGO context and of the NGOs operating in the northern Ghana region was also informed by the expertise of one of the Ghanaian authors. This author is a Professor in a leading Ghanaian university and is a member of the board of one of the largest INGOs operating in Ghana.

<sup>11</sup> As our research focus was on studying the perspectives of fieldworkers working directly with NGDO beneficiaries, the data acquired from this initial set of interviews is not explicitly presented in the case analysis section of the paper (see section 6).

from the research findings<sup>12</sup>. Ten NGOs responded positively to our request. In stage 1 above, we were also introduced to two INGOs' local partner NGOs by the Ghanaian national branches of the INGOs. We also conducted interviews in these two NGOs. The sample selection was purposive in that the focus of the study was on NGOs that worked directly with beneficiaries (Patton 2002, 230-242). Consequently, interview material from one NGO that did not work directly with beneficiaries but rather acted as an umbrella NGO allocating funding was excluded from our analysis. Overall, the analysis in the paper is derived from thirty fieldworkers in eleven NGOs (see Table 3).

**Insert Table 3 about here**

The participant NGOs had differing structural characteristics. Some were local branches of INGOs, some were local partners working for and with the local branches of an INGO, and some were small independent local NGOs. Despite these differences, all the NGOs received their core funding from either international government Official Development Assistance or other international non-governmental sources. Governmental funders included USAID (United States Agency for International Development), DANIDA (the Danish government's international development aid agency), DFID (the United Kingdom government's Department for International Development), and Irish Aid (the Irish foreign aid development agency). Non-governmental funders included Oxfam UK, Oxfam Novib (The Netherlands) and UNICEF (The United Nation's children's fund).

Semi structured, in-depth face-to-face interviews were chosen as the core research method as they offer an effective way of gaining deep meaning and understanding from individuals working in the field (Patton, 2002). Previous work on NGO accounting and accountability has also used in-depth interviews and found them to be successful in generating, rich insights from NGO employees (see for example, Awio et al. 2011; Dixon et al. 2006; Goddard and Assad 2006; O'Dwyer and Unerman 2008, 2007; Rahaman et al. 2010). An semi-structured interview guide was used to direct the conversation during the interviews. It first sought information on the role and activities of the fieldworkers; the nature of the accounting and accountability reports they prepared for funders; and the nature of their interactions with funders and beneficiaries. It then focused on how and what type of information was gathered as part of the accounting and accountability processes with funders; what information was deemed most important in enabling fieldworkers to work effectively on

---

<sup>12</sup> This letter is available on request from the authors.

behalf of beneficiaries (and why); how information gathered was used by them and by funders; the flexibility afforded to them both generally and in the accounting and accountability processes; how they identified and communicated the needs of beneficiaries to funders; and any changes they would recommend to the accounting and accountability processes (and why).

All except one of the thirty fieldworkers interviewed were Ghanaian nationals (one was a Canadian national). Almost half of the fieldworkers had been educated to at least undergraduate level in Ghanaian universities in areas such as agriculture, development studies and engineering. Two had been educated to graduate level in Denmark and the USA. The remainder had completed their senior high school ('senior secondary school') education. Although the initial intention was to hold face-to-face interviews with individual fieldworkers, in eight of the eleven NGDOs the fieldworkers attended the interviews in groups (of 3 or 4 fieldworkers) and these engagements therefore took the form of group interviews (Kitzinger 2004; Morgan, Krueger, Scannell, and King 1998) (see Table 3). The interviews were conducted through the English language in the NGDO offices<sup>13</sup> in the field by two of the authors, both of whom are Ghanaian female academics. They were assisted by a male Ghanaian postgraduate student who took detailed notes. Extensive efforts were made to create a non-threatening, open atmosphere throughout the interviews. For example, the fieldworkers were reassured of the interviewees' independence, guaranteed anonymity, and reminded that they would have an opportunity to discuss the preliminary findings of the study in a subsequent workshop (see stage 3 below). It was also highlighted that the interviews were not aimed at assessing the professional competence of the fieldworkers but rather sought to understand *their* everyday experiences of the accounting and accountability processes they encountered. Throughout the interviews, the interview guide was used very loosely and a form of "reflexive interviewing" (Emsley and Kidon 2007) was undertaken in order to allow interviewees to pursue themes which were important to them in the context of the study's focus (Gendron 2009; Patton 2002). The fieldworkers were very welcoming, polite and courteous. They reflected carefully on the questioning and probing and appeared sincere and comfortable when speaking of their individual experiences. They seemed anxious to assist with the project and carefully led both interviewers through a large range of documentary evidence both during and after the formal interviews. This evidence included all of the accounting and accountability reports the fieldworkers regularly completed for funders as

---

<sup>13</sup> These were quite cramped, small buildings. One interview (NGDO B) was held outdoors in a shaded area around a table.

well as case studies outlining their key interventions<sup>14</sup>. Extensive probing of fieldworker perspectives occurred throughout the interviews<sup>15</sup>. The interviews lasted from 45 to 90 minutes and were audio-recorded with the advance permission of the fieldworkers and subsequently transcribed. Detailed notes were also taken during the interviews by both interviewers. Along with the transcriptions, they were later analysed to ascertain common themes in relation to the operation of accounting and accountability processes and the sharing of knowledge within them.

### ***Stage 3: Feedback workshop***

The third data collection stage of the study took the form of a feedback and clarification workshop, held in Tamale, in which all four authors of this paper participated. All of the NGDOs that participated in the second stage of the study were invited to comment on an interim analysis of the findings from the study. Eight of the 10 NGDOs from the second stage of the study were represented with a total of 24 field workers attending the workshop. Participants were placed into six mixed groups (i.e. not all group members were from the same NGDO). The workshop was organised to be highly participative. After an initial presentation of the preliminary findings of the study by a member of the research team, the fieldworkers, in their groups, were invited to review and comment on these findings. A member of each group then presented their views to all participants of the workshop, which led to a lively forum and plenary discussion. Comments from this workshop were fed into the empirical analysis in order to refine aspects of the preliminary analysis. Stage 3, therefore, enabled the achievement of several outcomes. First, it allowed the research team to be accountable to the fieldworkers. Second, it appeared to advance the knowledge of the fieldworkers, many of whom suggested that they did not have many opportunities to engage in intensive inter-NGDO interactions. Third, it supplied rich feedback to help inform the preliminary data analysis and provided “respondent validation” thereby enhancing the credibility and trustworthiness of our analysis and the dependability of the overall research process (Gibbert and Ruigrok 2010; Huberman & Miles 1994; Patton 2002).

---

<sup>14</sup> All of this documentary evidence was photocopied and both interviewers received copies to take away with them for further analysis.

<sup>15</sup> Fieldworkers were also encouraged to debate among themselves when addressing our questions. For example, in one group interview (NGDO F) the fieldworkers initially disagreed on aspects of an issue being discussed but then debated it amongst themselves and eventually came to an agreement.

## ***Data analysis***

As the data was collected, it was analysed inductively, firstly by the two interviewers and later by all four researchers. Contextual notes were made after each interview to inform the subsequent analysis. In the initial analysis phase prior to the feedback workshop a number of recurring themes were identified across most of the interviews. Throughout this process, we continually sought out unexpected and contradictory evidence or opinions in the empirical data (Patton 2002; Silverman 2010). A set of codes based on the main questions and sub-questions contained in the interview guide was then developed (Huberman and Miles 1994; Ryan and Bernard 2003). These codes were subsequently re-analysed and eventually collapsed into the following broad themes: routine compliance; absence of critique; positive story reporting; fear of funding being curtailed; knowing more than reporting; working under constraints; and pressures and tensions of reporting. These themes formed the basis of the preliminary descriptive analysis of the findings that we presented at the feedback workshop (Denzin and Lincoln 2000).

Subsequent analysis drew on the feedback received at the feedback workshop and focused more specifically on interpreting the main themes in the context of the theoretical framing informing this paper. First, we focused closely on the nature of the knowledge the NGDO fieldworkers were referring to in their discussions about the benefits and problems associated with the accounting and accountability processes. Second, we addressed how and whether, in their view, the accounting and accountability processes facilitated the sharing of such knowledge. Through an on-going iterative process of listening to the interview data on the tape recordings, reading and re-reading the transcriptions and referring back to the core literature driving the theoretical framing in sections 2 and 3, an understanding of the nature of the processes of knowledge sharing through the accounting and accountability processes emerged (Locke 1996). Continual redrafting, reanalysis and interaction between the data and the theoretical framing was undertaken to inductively craft the case analysis presented in the next section.

## **6. CASE ANALYSIS**

In this section, the findings of the study are presented and analysed. The formal upward accounting and accountability mechanisms used within the overall accounting and accountability processes are first outlined. We unveil two core types of knowledge embedded in the accounting and accountability processes and term these *operational knowledge* and *situational knowledge*. The core analysis focuses on how, and the extent to which, the



accounting and accountability processes are perceived as facilitating the sharing of operational knowledge and situational knowledge between the NGDO fieldworkers and their funders<sup>16</sup>, leading to more effective deployment of finite development aid resources. A broad summary of the case analysis is presented in Table 4 below.

**Insert Table 4 about here**

### ***Accounting and accountability processes in practice***

Two main types of upward accounting and accountability reports were produced by the NGDO fieldworkers: *stewardship reports* and *performance evaluation (and assessment) reports*. The main audiences for these reports were overseas funders (see Table 5). The fieldworkers were required to provide these reports to evidence how much funding they received, how it had been used and what benefits derived from its use. These reports formed part of the regular technology of managing NGDO activities (Blackler 1995; Lam 2000) and represented the key mechanisms through which knowledge about NGDO activities was shared with funders.

**Insert Table 5 about here**

There were two types of stewardship reports – *annual* and *interim* reports. Each year all NGDOs produced an annual summary report of their activities showing operational and financial performance. Some local branches of international NGDOs produced their own annual country reports which outlined their mission statements, summarised their core activities, and provided operational and financial information about project and organisational activities. In many NGDOs, fieldworkers also provided interim reports of their activities throughout the year which included details of funds received and their utilisation. Both the interim and annual reports focused mainly on quantitative performance measures. These included such measures as: the number of clients visited (micro credit NGDOs (designated NGDO A and NGDO K (see Table 3)); the number of beneficiaries receiving capacity building training (micro credit, agriculture and water and sanitation NGDOs (A, B, J, K and E); the number of patients visited (health NGDOs (C and H)); the number of health outreach meetings held (health NGDOs (C and H)); the number of women paying credit back on time (micro credit NGDOs (A and K)); and student attendance, enrolment and progression figures

---

<sup>16</sup> Please note that throughout the case analysis section we use the term ‘funder’ as shorthand for ‘fundes and donors’.

(education NGDOs (F and G)). Both types of stewardship report included a narrative summary of achievements and, if desired, some discussion of problem areas where *activity* targets had not been met and the “lessons fieldworkers had learned” from undertaking the activities (see Table 6).

**Insert Table 6 about here**

Performance evaluation (and assessment) reports were written at specific stages during the life of individual projects. *Performance evaluation reports* were typically written at the end of a project or at the end of a funding stream, and represented final summative reports to funders (see Table 7). Consultants working for funders sometimes completed these reports in conjunction with fieldworkers. *Performance assessment reports* were written on an on-going basis but were much more comprehensive than annual or interim stewardship reports. They concentrated on the extent to which predefined project aims and objectives were being achieved and encouraged some explanation of the context in which projects were undertaken together with reasons why projects proved successful or otherwise. Attention was also afforded to issues surrounding project or aid sustainability and the extent to which any ‘learning’ had emerged from undertaking the projects. This was consistent with an apparent overall aim among several funders of obtaining evidence of potential broader, longer-term *impacts* of projects; a focus prior accounting research suggests upward NGO accounting and accountability processes ignore (see, O’Dwyer and Unerman 2008; Rahaman et al. 2010).

**Insert Table 7 about here**

***The nature of the knowledge embedded in the upward accounting and accountability processes***

*Types of knowledge*

Two significant, interrelated types of knowledge emerged from our analysis. We term these operational and situational knowledge (see Table 4 above). Operational knowledge represents explicit knowledge about project *activities* that is general, context independent and standardised. It was embodied in the ‘doing’ of projects (Blackler 1995; Lam 2000) and often took the form of quantified measures of outputs (such as those mentioned in the previous section). Situational knowledge largely comprised tacit knowledge that was context dependent and personalised. It was mainly acquired through ongoing dialogues among NGDO fieldworkers and between fieldworkers and beneficiaries throughout the information

gathering processes for the accounting and accountability reports. It represented knowledge reflecting the personal experiences, intuition and know-how of the fieldworkers (Lam 2000; Nonaka and Krogh 2010; Polanyi 1966) which was embedded in “their interpretations of the contexts in which they worked” (Blackler 1995, 1041). For example, it could reflect contextual knowledge about the influence of local customs and culture on the results of development interventions as well as areas where beneficiary feedback suggested greater attention in interventions should be afforded.

#### *Value attached to gaining operational knowledge*

The majority of fieldworkers clearly valued operational knowledge even if they recognised its limitations for assessing the longer term *impacts* of NGDO interventions. While they often bemoaned its narrow focus on short term activities and outputs, they articulated numerous situations where its acquisition for periodic stewardship reporting had led to improvements in their work. For example, in the child literacy education NGDO (F) output measures attempting to ascertain behavioural changes in children such as enrolment rates, drop-out rates, attendance rates, and the rate of student progression to further education were widely praised. The process of gathering and writing stewardship reports also forced some NGDOs to critically assess their operations and to direct their funding in a more focused manner. This led to their knowledge about their development interventions becoming more honed while also “helping to standardise [a] common understanding of programmes” (NGDO B - agriculture) between different NGDOs based on what they saw as international norms.

[In the stewardship report] we say that as a result of our intervention so many numbers of children are being retained who would otherwise have dropped out [of school]. This helps [us] to make comparisons with other NGDOs. (NGDO F – child literacy education)

Many fieldworkers also felt that the necessity of reporting and *explaining* variances within stewardship reports often uncovered previously unknown contextual reasons for deviations and “helped keep [them] on their toes” (NGDO J - agriculture):

[One] report was monitoring [standardised] growth ... [the variances reported meant] that I went to look at how ... the farmers [used] some of the tools they were [provided with] [and] ... whether they were using the tools properly. If they were not, I made some corrections ... After that, I wrote [in the report] whether they actually used the tools to work at all. Did they go to the bush [the farm] at all ... and did they need and use the input? (NGDO I – poverty reduction)

Attaining operational knowledge for the performance evaluation (and assessment) reports sometimes, albeit indirectly, forced fieldworkers to review projects more comprehensively in terms of longer term impact – a focus prior research claims that upward

accounting and accountability mechanisms neglect (Awio et al. 2011; Ebrahim 2005). For example, one fieldworker explained how operational knowledge gained as part of the preparation process for completing a performance evaluation report led to his NGDO realising that they had to consider contingency plans for sourcing alternative long term funding in order to ensure the continuation of certain projects:

We held an evaluation meeting which we call KIC (Knowledge Information between Counterparts) ... during which we became apprehensive about the possibilities of cuts or a reduction in funding. So we opened a new bank account to try to get funding from other stakeholders interested in the education of Muslim children. During KIC we were able to share ideas as to how to handle the situation. (NGDO G – Muslim education)

These perspectives contrast with prior research suggesting that NGO fieldworkers question the value and purpose of operational knowledge used in upward accounting and accountability mechanisms (Lewis and Madon 2004; O’Dwyer and Unerman 2008; Rahaman et al. 2010). Irrespective of the specific upward reporting requirements, the fieldworkers used the operational knowledge for ‘internal management’ purposes in order to improve *their* individual efforts aimed at ensuring that *their* interventions had positive longer term impacts. Hence, while the requirement to report pre-specified operational knowledge had a coercive character, these fieldworkers used the knowledge attained in an enabling manner which allowed them to re-focus their efforts where it was deemed necessary and possible.

#### *Value attached to gaining situational knowledge*

Situational knowledge, derived mainly from fieldworker experiences and interactions with beneficiaries and fellow fieldworkers, was deemed crucial to supporting actions proposed as a result of an analysis of operational knowledge or for contextualising operational knowledge. Fieldworkers working in mental health, education and agriculture NGDOs frequently referred to the importance of their knowledge of beneficiary “capacities”; a term used to refer to perceived levels of literacy and understanding among beneficiaries. Working closely with beneficiaries meant that fieldworkers developed detailed knowledge of their specific needs. For example, the child literacy education NGDO (F) discovered that the education process required much longer periods of training for facilitators responsible for holding literacy classes than was originally planned:

We used to build capacities by training facilitators between January and March. Classes start in May/June. But the facilitators made it known to us that they would work better if they had a longer period of training. So, this year we have moved the training start date to November ... They can now have 7 to 8 months to build up their expertise before the classes start (NGDO F – child literacy education).

## *The sharing and (non) sharing of operational and situational knowledge within the accounting and accountability processes*

### *Motivating the sharing of operational knowledge*

Lam and Lambermont-Ford (2010) suggest that individual, tangible external rewards *alone* encourage the sharing of operational knowledge. Our analysis, however, reveals some interplay between the intangible rewards fieldworkers derived from their work and the tangible rewards available through the receipt of funding. Sharing operational knowledge through upward accounting and accountability reports was deemed *intrinsically* rewarding as it allowed fieldworkers to demonstrate, albeit often in a restricted, funder specified fashion, how well they undertook their work, which contributed to enhancing their individual status and reputations. Several fieldworkers indicated that they were anxious to demonstrate their commitment to transparency and compliance; a desire derived from of a sense of duty and responsibility to beneficiaries and a fear of being viewed as corrupt and fraudulent by funders. Hence, they were content to carefully synthesise and share required operational knowledge upon which they hoped funders might build some understanding of the effectiveness and efficiency of their interventions:

Information sharing in the reports is very important to us ... [It provides] the paper evidence of what is going on ... It helps to build some trust and confidence between them [funders] and us [fieldworkers]. (NGDO C – mental health).

These intrinsic motivations co-existed with a more obvious set of extrinsic motivations influenced by the fieldworkers' relationship with funders and the *tangible* rewards they received for sharing operational knowledge through upward accounting and accountability reports. In Northern Ghana, the dependence of NGOs on specific funders for resources places funders in a very powerful position (Aryeetey 1998; Botchway 2001; Porter 2003; Townsend et al. 2004). Accountability to funders *required* specific operational knowledge sharing by fieldworkers in prescribed formats following funder imposed rules and regulations; hence, it took on a coercive character, outweighing the intrinsic motivations:

If you don't meet the [funder's] exact request in your reporting, they will get fed up and they will cancel their funding and drop the children ... The child and the community will lose. So, we must always make sure we meet the [funder's] request. (NGDO D – child sponsorship)

## *The barriers to sharing operational and situational knowledge*

### *Low levels of reciprocity*

Fieldworkers often refrained from sharing situational knowledge or toned down its significance in their reporting due to a lack of funder feedback with respect to the operational knowledge they shared. Several complained that funders “never came back to ask for further [clarifying] information” (NGDO I – poverty reduction) and “d[id] not account to [them] [or] tell [them] what they use[d] the reports for” (NGDO H – support for disabled). Feedback about the use and impact of operational knowledge represented an intrinsic reward acknowledging the importance of their efforts and they were anxious to know how knowledge imparted was being used to evaluate their work, in particular the consequences of these evaluations for future funding. Moreover, in cases where performance evaluation (and assessment) reports were written in conjunction with external consultants using operational knowledge provided by them, they were keen for reassurance that their efforts were being fully recognised:

The fact of the matter is that there is no mutual accountability from donor[s] ... They are willing to listen but whether they apply what you tell them is another thing. To say it directly, our funder in [name of country] has never accounted ... to [us]. (NGDO F – child literacy education)

Moreover, where situational knowledge *had* been shared in performance evaluation reports, there was a widespread suspicion that funders did not evaluate it. For example, in cases where funders did provide feedback on how they had used operational knowledge, supporting situational knowledge providing qualifications and explanations regarding local conditions was either “lost or ignored” (NGDO C- mental health) with funders focusing exclusively on output-oriented performance measures:

In the end people [funders] ... look at the tables and what has been spent rather than the message in the narratives. (NGDO C – mental health).

One fieldworker (NGDO C – mental health) highlighted how reports he had helped write comprised a combination of operational and situational knowledge. The operational knowledge specified the number of health outreach meetings his NGDO had held and the number of patients they had visited, while the situational knowledge relayed a number of ‘life stories’ of mentally ill individuals outlining, in the patients’ own words, “what their experiences with mental illness [were] like” (NGDO C – mental health), especially the problems they encountered in their daily lives. He stressed that the life stories were aimed at

“sharing knowledge to help people understand what mental illness [wa]s about from the perspective of the sufferer and, [in the process] were used as a tool to influence policy makers and funders” (NGDO C – mental health). In particular, the stories sought to help funders better understand how and where interventions should be focused as well as assisting in publicising the on-the-ground work of the NGDO. However, the stories were never published or commented on by funders. They were actually retained on the INGO intranet database as specific funding was not allocated for their wider publication. This was seen as a missed opportunity:

At our last internal review, the director was around and he read one of the [life] stories and said ‘this is very, very rich and anybody in the public domain who reads it would be very interested’. This is because it gives much better information about what we do and about the prevailing mental health situation in the country. (NGDO C - mental health)

*Fostering a ‘culture of silence’: funder aversion to unintended consequences and failures*

The perceived lack of reciprocity also left fieldworkers unsure as to what (negative) consequences might derive from sharing situational knowledge within the accounting and accountability processes. Their lack of strong social ties with funders (or funders’ representatives) meant that they speculated constantly about the possibility of penalties (in the form of reduced future funding) arising from sharing such knowledge. Part of this fear arose from some NGDOs’ experiences of having funding tranches delayed when reports were not completed in the exact fashion required by funders. Significant costs were attached to sharing knowledge of unintended consequences or perceived ‘failures’ in projects undertaken (see also, Cabrera and Cabrera 2002) and it was widely felt that the accounting and accountability processes only encouraged the reporting of successes. This fostered what one fieldworker termed ‘a culture of silence’ as little explicit recognition or reward was offered for situational knowledge sharing. Consequently, fieldworkers frequently told funders what they thought funders wanted to hear given the perceived risk that funders might “apply the handbrake” (NGDO F – child literacy education) on future funding if too much focus was placed on sharing unintended consequences or failures:

There is a culture of silence among the staff although it has improved over the last few years, but I think much more needs to be done ... to enhance communication and the relationship that exists between the board [of NGDO F] and the donors. For me, I would describe it as a cat and mouse relationship, a lion and a mouse relationship actually. Because, they are always dictating; ‘if you don’t do it, then we apply the handbrake’ as they say. So, I think that there is a kind of dictatorship. (NGDO F – child literacy education)

Many fieldworkers felt frustrated as “the [reporting of] unintended consequences [was seen to be] crucial in ultimately achieving [longer term] project aims” (NGDO J - agriculture) as well as providing “an opportunity for [funders] to appreciate the key issues [on the ground]” (NGDO K – micro credit). For them, a better understanding of ‘failures’ provided valuable learning opportunities that could be used to improve the shape and delivery of current and future projects (see also, Ebrahim 2005). These perspectives accord with prior research indicating that decision-making for development purposes is enhanced when “contextually embedded knowledge” gained from local stakeholders is considered and used by funders (Ferguson et al. 2010).

While performance evaluation (and assessment) reports did offer the *opportunity* to reflect on longer term implications and explicitly encouraged consideration of the extent to which ongoing learning was occurring within projects, several fieldworkers felt that funders were mainly interested in short-term outputs. Moreover, funder reaction to the reporting of unintended consequences and failures was seen to be contingent on the nature of the challenges posed. If they questioned the core ethos and/or focus of a funder, sharing such knowledge risked compromising future funding streams:

[N]ormally, what the donor ... want[s] to see is the short-term outputs, to see whether it's really worth allocating the next phase of the money. (NGDO E – water and sanitation)

#### *Fostering a ‘culture of silence’: funder reporting myopia and inflexibility*

This perceived culture of silence was seen to be particularly frustrating when it prevented the sharing of knowledge through accounting and accountability reports that could indicate that the focus of funders’ efforts was misguided. For instance, fieldworkers in the water and sanitation NGDO (E) considered their primary funder’s preference for supporting rural development a sub-optimal use of funding. They believed that the acute need for their services arose in urban areas such as Tamale [the northern regional capital of Ghana]. However, they were required to undertake and report on activities related to rural development only. While they understood that resources were limited, they wanted some scope to use their local knowledge and to exercise their own initiative to enable them to select the areas in which to focus their work as this would allow them to use their funding more effectively:

For instance, this year because of the heavy downpour – the rains -, we had problems because we were supposed to construct 658 household latrines. But because of the nature of the weather - that was around July, August and September – we could not do anything [in rural regions] ... If we were going to excavate 658 latrines in [name of urban region] we would have finished it. The opportunity to determine the district which we should work in for a



particular year, we would love it so much. If we had the opportunity, that would be the greatest thing that we would love to do. (NGDO E – water and sanitation)

The perceived lack of funder flexibility and consequent ineffective use of funding was a source of considerable frustration. As one fieldworker explained: “[while] the resources are limited ... we are with the people [beneficiaries] all the time and we know the areas in which these facilities are most needed [and] the demand is [much] higher in Tamale” (NGDO E – water and sanitation). Due to the uncertainty about funder responsiveness to situational knowledge and the requirement to only report on the use of funds in rural areas, knowledge about alternative and pressing needs in urban regions like Tamale was not shared within the accounting and accountability processes.

Fieldworkers also found that they required more time to educate and prepare beneficiaries in rural areas for their engagements which meant that the timelines for reporting on rural interventions were often too short and inflexible. It was therefore deemed difficult to adequately assess and report on impacts. However, as one fieldworker stated rather wearily, “the funders have their own beliefs, their own agenda ... and a beggar has no choice ... you have to satisfy the donor” (NGDO B – agriculture). Hence, this knowledge was withheld from the accounting and accountability reports for fear it might deter funders from providing funding in subsequent periods.

However, while situational knowledge was often not shared with funders it was, as with operational knowledge, mobilised by many NGDOs to critically assess their own on-the-ground work. For instance, it was sometimes used in conjunction with operational knowledge to guide NGDOs’ internal assessments or ‘audits’ of operational areas that required their attention:

We try to examine what has been the state of [our] work with regards to community mental health. How many health outreaches have been held in a year? How many life stories have been written, how well have they been written? You know, things like that, and this brings out issues that might need attention. Some of the information may or may not be required by donors but [we] need that [information] to implement our programme as well. So for us, it is like an internal programme audit [irrespective of funder requirements]. Knowledge sharing is very important to us internally and we have a centre where we upload all our reports even though they are just for internal use [they do not go to funders]... we see it like an obligation. (NGDO C – mental health)

### *Declining funder indifference to situational knowledge*

While most fieldworkers bemoaned perceived funder indifference to situational knowledge, there were indications that this was beginning to dissipate. For instance, fieldworkers in the NGDO providing basic education literacy to Muslim children (NGDO G – Muslim education) indicated how their work had recently benefited from funder feedback and discussion about operational knowledge they had reported regarding activities undertaken. This responsiveness encouraged them to share situational knowledge through the accounting and accountability processes about the circumstances facing different families and how the focus of the funding could be realigned to address these (for example, by supporting initial educational ‘needs assessments’ of entire families). The funder subsequently disseminated the results of the NGDO’s work (encompassing both operational and situational knowledge) in the education literacy NGDO community which led to widespread recognition of the impacts of their approach. Other international funders then sought to support their activities.

A fieldworker in the disability health NGDO (H) revealed how he and his colleagues were finally starting to develop improved working relationships with their funders. While they outlined major concerns regarding the historical lack of feedback they received on detailed, contextualised case studies submitted as part of their reporting, some funders had commenced providing feedback and offering more support especially when the situational knowledge shared outlined key contextual challenges they were facing:

You know, we are [now] finally corresponding regularly, and there may be certain area problems, management problems, financial, anything. So, they [funders] now give some support [to] resolve any challenges that we may have. (NGDO H – support for disabled)

Whilst representing exceptions, we also uncovered some instances (e.g. NGDO A - micro credit and NGDO G - Muslim education) where funders had apparently commenced engaging in more active monitoring in order to directly assess the effectiveness of NGDOs’ actions. This involved funder representatives visiting local communities to try to ascertain from the communities and from their observations the impact the funded NGDOs’ work was having. The fieldworkers were very positive about this form of ‘audit’ of their work:

The [funder] now monitors a lot. They will even move down into the community without you [NGDO A] to check that what you say you are doing in this place is actually happening. We [NGDO A] are happy with this. You want your funders to monitor. They have to come to the grassroots and see what we do instead of just sending letters ... We want them to know that we are actually always with the people and we are doing what we believe we should be doing. (NGDO A – micro credit)

Certain NGDOs had also successfully lobbied for some flexibility in the allocation of funding. This was only permitted, however, if they could show that efficiencies had been made within their existing budget. For example, the water and sanitation NGDO (NGDO E) was allowed to re-allocate unused funding targeted at latrine construction and mechanisation to training services:

If somebody has been able to make some savings and you explain why, they [funders] will see eye to eye with you. It is not that you have misapplied the funding; it is because the activities have been carried out and then this was the surplus that was left from this budget line and has been utilized in the other area. Before that is done you have to call them [the funders] and [make] them understand that. (NGDO E – water and sanitation)

On-the-ground NGDO innovations that complemented funders' core objectives were also beginning to attract funder support; again, only if the innovations came within originally allocated budgets. A case in point was the development of a 'child savings scheme' initiated by fieldworkers in the child sponsorship NGDO (D) which was supported by their funders. Although the NGDO had to follow standard funder reporting requirements applicable to all countries in which the funders operated, as long as fieldworkers' suggestions supported overall funder programme aims and were approved in advance, they could be undertaken and then explained in the narrative sections of the accounting and accountability reports.

### ***Opportunities to share operational and situational knowledge***

#### *The limited role of relational learning channels in supporting purposive learning channels*

The stewardship and performance evaluation (and assessment) reports provided purposive learning channels in which structured operational knowledge was shared. While the reluctance to share situational knowledge was often based on fieldworkers' *perceptions* of possible negative funding and reputational consequences (see also, Ipe 2003; Riege 2005; Wang and Noe 2010), relational learning channels offered the possibility for fieldworkers to informally interact in accountability dialogues with funders (or their representatives) thereby providing more scope for sharing situational knowledge. Moreover, where donor reporting specifications in the stewardship and performance evaluation (and assessment) reports were highly inflexible, knowledge that was previously withheld as fieldworkers felt it did not *fit* within the required formats could be more easily shared through informal relational accountability interactions. However, this potential was not historically recognised by funders and few opportunities for accountability dialogues existed. This was again seen as a lost opportunity for funders to "appreciate the real issues" preventing effective development

interventions” (comment from feedback workshop). Several fieldworkers wanted funders’ representatives to visit them more often “so that they c[ould] see what [wa]s happening on the ground” (NGDO H – support for disabled) and understand the NGDO operational context better. Relational learning channels could also provide fieldworkers with information on the *actual* as opposed to the perceived funder reaction to situational knowledge sharing within the accounting and accountability processes.

While relational learning channels were not prevalent, several fieldworkers indicated that, consistent with the evidence of dissipating funder indifference to situational knowledge above, certain funders were beginning to develop these channels to support existing purposive channels. In two instances, evaluations and reviews feeding into performance evaluation (and assessment) reports had been carried out jointly among fieldworkers and funders’ representatives (NGDO G – Muslim education and NGDO H – support for disabled) thereby helping to establish stronger social ties between funders and fieldworkers. A funder of one of the agriculture NGDOs (NGDO B) introduced ‘organisational reviews’ using fieldworkers and funder representatives working together. While the fieldworkers acknowledged that these were far from routine encounters, the face-to-face communication and relationship building encouraged them to more readily share situational knowledge that could potentially influence the focus of funders’ efforts. As these processes involved “more listening and response from the [funders]” (NGDO B - agriculture) they eased some of the aforementioned concerns about limited reciprocity.

Relational learning channels were also evident in fieldworkers’ increasing interactions with consultants operating on behalf of funders. For example, fieldworkers in the disability health NGDO (H) met with different NGDOs and consultants working for funders to discuss general concerns aided by interpreters. Within these face-to-face accountability dialogues, they felt somewhat freer to share knowledge incorporating the contextual challenges they faced. These channels were sometimes used as a medium where different fieldworkers’ *common* concerns could be shared with funders, through the consultants, albeit with no guarantee that their concerns would initiate a funder response:

We [a group of fieldworkers] were all together with the consultants and we realised that most of our problems, our challenges were about the same and the changes we were suggesting were all about the same ... The consultants indicated [that they were not] here to tell [us] that a change c[ould] be made. They would go back ... and discuss it with the donors and bring back their comments ... They also made it easier for us to communicate as they came with a bilingual interpreter. (NGDO H – support for disabled)

### *Relational learning channels among fieldworkers and beneficiaries*

While relational learning channels were far from prominent in *funder-fieldworker* accountability relations they actually dominated the interactions between beneficiaries and fieldworkers *as part of* the process of gathering knowledge for potential sharing within the accounting and accountability processes. Indeed, in many instances the establishment of these relational channels was required by donors. For example, all fieldworkers usually wrote performance evaluation (and assessment) reports informed by comprehensive engagement processes with beneficiaries. One fieldworker explained that in order to assess their ‘performance’ they had held an NGDO staff team retreat, a ‘review and reflection meeting’, and regular local community meetings (see Table 7 above). They held regular formal and informal meetings and discussions with beneficiaries and fed back as much knowledge about funding decisions to beneficiaries as possible. However, an ironic feature of these processes was that while funders often required the development of relational learning channels between fieldworkers and beneficiaries, as we have seen above, the situational knowledge gained through these channels was often not shared with funders. Moreover, while encouraging engagement, the accounting and accountability mechanisms often only required fieldworkers to ‘prove’ that these beneficiary interactions had taken place, irrespective of their outcomes. For example, fieldworkers were often required to share photographic evidence of their interactions with beneficiaries as opposed to the situational knowledge they gained as a result of these interactions:

You only need to provide evidence that the work is going on. You need to produce a report backed with photos as evidence so you only provide the paper evidence of what is going on. (NGDO C – mental health)

### *A limited ability to share situational knowledge*

All of the accounting and accountability reports had to be written in the English language. This proved a further barrier to sharing situational knowledge as language acts as a “structure of thought and shared understandings” (Powell 2006, 522) and translations sometimes fail to provide a clear sense of meaning; although in certain instances consultants tried to make this process simpler by providing interpreters when working with fieldworkers. Moreover, several fieldworkers confessed that they lacked the skills to write critical, contextualised reports which could outline why interventions appeared to be failing. For example, the reporting of failures, if considered at all, was often hindered by their limited ability to clearly document information about the failures, their implications, and the potential learning opportunities they offered. A further limiting factor involved the prevalence of

‘development world jargon’ required in these reports that fieldworkers often found confusing and time consuming to use and fully understand (see also, O’Dwyer and Unerman 2010, 464-465):

We have to put in all sorts of difficult jargon like ‘technical back-stocking’, ‘duty bearers’, ‘rice bowllets’, ‘empowerment’ etc. (NGDO B - agriculture)

***The culture of the knowledge sharing environment embedded in the upward NGDO-funder accounting and accountability processes: Coercive or enabling?***

The nature of the knowledge and the various motives, barriers and opportunities to share different types of knowledge unveiled above were embedded in the overall norms, values and practices surrounding the NGDO-funder accounting and accountability processes. Overall, these norms, values and practices facilitated knowledge sharing environments that tended to exhibit more coercive than enabling characteristics (see Table 8).

**Insert Table 8 about here**

A strongly coercive knowledge sharing culture was apparent in the lack of perceived reciprocity among funders which led to limited “internal and global transparency” (Adler and Borys 1996, 72-73; Ahrens and Chapman 2004, 280) about the implications of knowledge imparted in the accounting and accountability reports. Moreover, the priority funders afforded to *stand-alone* operational knowledge as the basis on which performance was assessed and funding decisions were made offered the impression that situational knowledge shared by fieldworkers was not highly valued. This created uncertainty and even fear among many fieldworkers who withheld this knowledge especially when it related to unintended consequences or ‘funder-defined’ failures. Hence, the fieldworkers’ extensive experience was rarely mobilised in support of objectives centred on enhancing the long term effectiveness of their NGOs’ interventions. Consequently, the less restrictive reporting formats inviting situational knowledge ultimately failed to dispel the widespread impression that the accounting and accountability mechanisms were mainly designed to “produc[e] a foolproof system ... in which the [core] focus [wa]s on policing adherence to preplanned [funder] objectives” (Ahrens and Chapman 2004, 279).

Funders’ emerging efforts to facilitate more enabling knowledge sharing environments were evident in the scope provided in the accounting and accountability reports for sharing situational knowledge relaying problems encountered and lessons learned and the recent provision of some flexibility in the usage of funds within budget allocations. This supported both flexibility and efficiency objectives (Ahrens and Chapman 2004). These

developments “reckon[ed] with the intelligence of [field]workers” (Ahrens and Chapman 2004, 279) and by affording them “more options for action” (Ibid) offered them scope to independently address contingencies in the field (Adler and Borys 1996). The increasing, albeit limited, improvement in communication processes through the use of relational learning channels involving face-to-face funder-NGDO interactions enhanced the opportunities for informally sharing situational knowledge that could contribute towards enhanced NGDO effectiveness. Fieldworkers also recognised the value of operational knowledge despite its perceived limitations and even derived some intrinsic rewards from sharing it within the accounting and accountability reports. This helped create some “local transparency” (Ahrens and Chapman 2004, 296) as fieldworkers sought to use this knowledge to improve their internal processes. Moreover, despite the fieldworkers’ constant concerns about losing funding if certain situational knowledge was shared, there was no history among the NGDOs of ever having had their funds cut, although several had experienced delays in the release of funding due to the lack of timeliness of their reporting (see also Rahaman et al. 2010):

When they freeze money for a month it scarcely gives us a chance to develop things but the following month they will release two months. So, we still get the money. (NGDO D – sponsoring children)

Our analysis also unveiled a tension between the knowledge sharing culture underpinning the accounting and accountability mechanisms and the culture underpinning development work in general. Development work tended to be slow with contextual factors, such as limited beneficiary capacities, often leading to slow decision-making processes. The fieldworkers felt that this contextual reality needed to be recognised more explicitly within the accounting and accountability processes. For example, a fieldworker in the water and sanitation NGDO (E) complained that the periodic reporting requirements of funders rarely accommodated the slow local decision-making processes of beneficiary communities. This caused conflict when funder accountability requirements meant having to work with slow moving local communities while also being required to provide regular upward accounting and accountability reports, thereby reinforcing perceptions of a knowledge sharing environment in which situational knowledge was not valued:

I think NGOs are impaired by constraints from above. There’s the issue of timing [and] there’s the issue of social impact. I mean if you are involved in development, development takes time. But your work is often constrained by these [funder] demands. I think the donors are looking for quick fixes, but I don’t think there is a quick fix; it takes time. So [NGDOs] are doing good work but your voice needs to be heard and somehow I think we are not being heard [by funders] and our voices are getting hoarse. (NGDO B – agriculture)

We had a case just last year where the construction co-ordinator had to go to rehabilitate quite a number of hand-dug wells that we did some years ago...The fact is that the Northern region has the highest illiteracy rate, which also affects our performance. It takes a lot, it needs time

to actually go through the process for community members to understand the process before taking it up. So that's another challenge that we have. But donors normally think that when you go to a community, they would understand and they would do this but it takes a whole lot of time. (NGDO E – water and sanitation)

As the accounting and accountability reports were required frequently, many reports ended up being repetitive and failed to fully reflect the activities undertaken or the problems faced among local communities. The constant time pressure to produce reports meant fieldworkers often provided “nice facts in line with donor expectations” (NGDO C – mental health) rather than spending their limited time writing more analytical reports that, in any event, might be ignored or could cause funding delays. Moreover, as most funders did not fund administration costs, the time spent on writing accounting and accountability reports needed to be kept to a minimum (see also, Rahaman et al. 2010).

Now the funds usually come and you have a certain time within which you need to give reports on output. Yes, we have been given the funds and in six months time they [funders] expect some results. [Regardless] of the fact that you work with [local] institutions that you don't [have] control over, these may be decision-making processes that you cannot easily change – you have to work within them ... By the time you [get] to work with the community and ensure that the decisions are taken for you to be able to move, maybe by that time the community would have lost out and they cannot access the particular funds. So, what do we do? ... So, sometimes when donor funds come with stringent conditions, it is the ultimate beneficiary that suffers. (NGDO C – mental health)

## **7. DISCUSSION AND CONCLUSIONS**

This paper has ascertained and analysed, from the perspective of NGDO fieldworkers, the scope offered by upward accounting and accountability processes in practice to share knowledge in a manner that can contribute towards improving the effectiveness of NGDOs' deployment of aid resources. By mobilising a knowledge sharing theoretical framework to analyse the data, a more nuanced understanding of the role and importance of NGO upward accounting and accountability processes has emerged than is characterised in prior literature – where such an analytical lens has not previously been used. The findings distinguish between operational and situational knowledge held by NGDO fieldworkers. Operational knowledge represents codified, explicit knowledge about project activities and outputs, whilst situational knowledge comprises tacit, contextual knowledge underpinning NGDO performance. Both types of knowledge are significant enablers of development (Ferguson et al. 2010) and analysing the extent to which they are mobilised and shared in the accounting and accountability processes enables us to draw conclusions about how these processes are facilitating the effective utilisation of aid funding. While the existing academic literature on NGO accounting and accountability is primarily derived from conceptual studies (Gray,



Bebbington, and Collision 2006; Lehman 2007; Unerman and O’Dwyer 2006) or from empirical work enrolling the perspectives of senior NGO or government officials not working in the field (Goddard and Assad 2006; but see Dixon et al. 2006), this is one of the few studies that has examined the operation of NGO accounting and accountability processes using the perspectives of the subjects of these mechanisms.

Our analysis illustrates that fieldworkers attached intrinsic and extrinsic value to both operational and situational knowledge. However, while funders encouraged the sharing of situational knowledge in support of operational knowledge within the accounting and accountability processes, fieldworkers often felt unwilling and/or unable to share this knowledge. This meant that knowledge about crucial contextual factors such as where to undertake projects, what type of technology was best suited to local situations, and the conditions affecting performance was rarely shared with funders. This reluctance was influenced by fieldworker perceptions of: a lack of funder reciprocity; funder inflexibility regarding the spending of allocated funding; adverse funding consequences arising from sharing knowledge on unintended consequences; and a mismatch between the time given to prepare reports and the time required to prepare beneficiaries for interventions. In particular, the apprehension about the consequences of sharing situational knowledge about why projects failed and the limited feedback from funders left many fieldworkers unsure as to how sharing situational knowledge would impact upon their organisations and ultimately their employment.

These concerns were exacerbated by the limited development of relational learning channels facilitating face-to-face situational knowledge sharing. Situational knowledge is often created *within* individuals through their interactions and experiences (Blacker 1995; Ipe 2003; Lam 2000). Hence, the possibility of dialogue within relational learning channels is important in making this knowledge explicit. Moreover, as operational knowledge sharing through the regular stewardship reports was often seen to be time-consuming, it tended to ‘crowd out’ situational knowledge sharing (see also, Rahaman et al. 2010). The overall effect of the structural and social barriers identified was a compliance attitude within the accounting and accountability processes rather than their mobilisation as a system for ‘knowing’ about the specific context and unique situations fieldworkers faced. Overall, the fieldworkers felt that the limited level of situational knowledge sharing within the accounting and accountability processes risked proving counterproductive to funder development aims focused on enhancing aid effectiveness.

Our analysis develops our understanding of how the concepts of coercion and enabling (Adler and Borys 1996; Ahrens and Chapman 2004; Rahaman et al. 2010) translate to the NGO accounting and accountability context. The fieldworker perceptions initially point to the prevalence of coercive knowledge sharing environments within NGDO-funder accounting and accountability processes which focus on gathering, storing and manipulating operational knowledge. However, while coercive knowledge sharing environments prevailed, we also uncovered evidence of emerging funder efforts to encourage more balanced (enabling) environments through the provision of (limited) fieldworker flexibility in allocating funding, increasing face-to-face interaction between funder representatives and fieldworkers, and the continuing scope for making situational knowledge explicit within the formal reporting frameworks. This encouraged the mobilisation of local fieldworker knowledge and experience in support of objectives aimed at maximising funding effectiveness and revealed certain funders' increased receptiveness to knowledge that was practice-based culturally embedded and context dependent (Ferguson et al. 2010). While prior work perceives enabling accounting and accountability processes as simultaneously supporting efficiency and flexibility objectives (Ahrens and Chapman, 2004, 298; Rahaman et al. 2010; Thompson and Walsham 2004), our analysis indicates that funders are beginning to recognise how these processes may also support objectives focused on effectiveness.

The paper complements, extends and challenges prior research examining the operation of NGO accounting and accountability processes in the field. For example, prior work continually emphasizes the lack of attention given by NGOs to developing deeper accountability relations with beneficiaries through building positive and mutual relationships within marginalized communities (Everett and Friesen 2009; O'Dwyer and Unerman 2010, 2007). However, our analysis suggests that fieldworkers are affording considerable attention to developing these relationships and that, consistent with long standing trends promoting participatory approaches to development, this form of engagement is often encouraged by funders (see Ferguson et al. 2010; O'Dwyer and Unerman 2010). Nevertheless, within the funder-NGDO upward accounting and accountability processes comparable mutual learning characteristics rarely exist and little emphasis is placed on the relational work required to ensure that situational knowledge is shared by fieldworkers (see, Benjamin 2008, 978). This finding lends some support to a growing concern that support for 'participation' and an openness to creating learning environments may sometimes be co-opted as legitimising instruments by funders. It has been claimed that this gives the impression of an openness to enrolling situational knowledge in development decision-making while actual development practice remains largely 'top-down' in its approach effectively adopting a host of exogenous accounting and accountability practices which privilege objective, universal (operational)

knowledge divorced of context (Ebrahim 2003; Rahaman et al. 2010; O'Dwyer and Unerman 2010). This risks reducing “knowledge ... to a static entity that can be shifted around to do the job of development” (McFarlane 2006, 289, cited in Ferguson et al. 2010, 1800) in which funders' espoused theory of knowledge sharing differs significantly from their theories in use.

Our analysis reveals the continuing tensions between global control and local flexibility within NGO accounting and accountability processes (Rahaman et al. 2010; O'Dwyer and Unerman 2010). The lack of flexibility afforded to many fieldworkers in allocating funding is consistent with Rahaman et al.'s (2010) findings within accounting among social alliances fighting against AIDS. However, our analysis is distinctive in that it illustrates that not only is the restrictive focus of the accounting and accountability processes perceived as sustaining ineffective practices, it actually deters the sharing of situational knowledge that could reorient funders' focus towards more effective practices. Moreover, while Rahaman et al. (2010) suggest that World Bank support for AIDS health prevention and treatment activities may have *deliberately* diverted fieldworkers from adopting certain health practices, our evidence indicates that some funders are beginning to facilitate more (albeit limited) flexibility in funding allocations.

Our findings accord with prior work claiming that the time and resources NGOs must devote to preparing accounting and accountability reports can divert attention away from providing essential services (Rahaman et al. 2010; O'Dwyer and Unerman 2008). However, despite this, and in contrast to Rahaman et al.'s (2010) findings, the fieldworkers in this study attached explicit value and purpose to these reporting mechanisms. For example, contrary to the difficulties these mechanisms caused for many of the NGOs in Rahaman et al.'s (2010) study, the fieldworkers acknowledged the usefulness of the operational knowledge they compiled and shared as it often forced them to reflect on and even helped them to improve their operations, despite perceived time constraints. These more nuanced perceptions also challenge prior research suggesting that operational knowledge required within upward accounting and accountability processes rarely leads to its use by NGO fieldworkers as part of efforts to improve their performance (see Edwards 2002; Ebrahim 2005; O'Dwyer and Unerman 2007). Moreover, even in the face of the perceived restrictions imposed by the accounting and accountability processes, the fieldworkers also used situational knowledge gathered to try to improve their work on-the-ground. This apparent, albeit limited, capacity for agency on the part of the fieldworkers in the face of funder inflexibility is largely unaddressed in prior studies of NGO accounting and accountability.

While Rahaman et al. (2010) propose that funders should enrol simple financial accounting mechanisms to achieve financial control in order to reduce the complexity and therefore the time required to complete accounts, our findings caution against this recommendation. Our interviewees relayed few problems with the complexity of the operational knowledge they were required to share; knowledge which does not appear to have been much more complex than that required of NGOs in Rahaman et al.'s (2010) study. More fundamentally, however, our analysis suggests that creating conditions encouraging the sharing of situational knowledge in support of operational knowledge within NGO-funder accounting and accountability processes is more likely to lead to more effective aid outcomes than simplifying operational knowledge requirements.

What are the broader, practical implications of our analysis for NGO accounting and accountability processes? Prior research has shown that NGO fieldworkers in developing countries perceive themselves to be much less powerful than their international funders (Aryeetey 1998; Porter 2003; Townsend et al. 2004). Conversely, by possessing key situational knowledge about projects, and more importantly why projects succeed within particular contexts, they appear to possess a powerful resource with which to combat some of these perceived inequities. Through effectively discussing some of the 'real' issues they encounter within the accounting and accountability processes, they may be able to open up discourses necessary for improving development outcomes. The challenge for funders, however, is to find a way of motivating fieldworkers to contribute to such discussions through creating more enabling knowledge sharing environments within the NGO-funder accounting and accountability processes (see also, Rahaman et al. 2010, 1123). Funders need to indicate how they intend to use situational knowledge constructively and thereby dampen fieldworkers' concerns that sharing this form of knowledge will necessarily lead to punishment in the form of reduced funding. Funders also need to consider placing greater trust in fieldworker's intelligence in order to capture the lessons fieldworkers are learning from their on-the-ground experiences (Adler and Borys 1996; Ahrens and Chapman 2004). Moreover, funders should ensure that they have sufficient expertise within their own organisations and devote sufficient resources to evaluating this knowledge. Recent evidence, however, is mixed with regard to whether funders are open in practice, as opposed to in principle, to this more enabling form of accounting and accountability (see, O'Dwyer and Unerman 2010).

More specifically, increased attention could be afforded to enhancing fieldworkers' involvement in the development and revision of key elements of the accounting and accountability processes, such as the performance metrics adopted. Fieldworker know-how

could be enrolled, where possible, in a step by step process facilitating experimentation in the development of operational knowledge requirements while also encouraging the establishment of relational channels where situational knowledge can be shared (see, Wouters and Wilderom 2008; Wouters and Roijmans 2011). Fieldworkers also need to be explicitly encouraged to react independently to contingencies on-the-ground (see Adler and Borys 1996). Such initiatives will, however, only succeed if funders attend to the aforementioned concerns about how knowledge shared in the accounting and accountability processes is used by them. Not only must funders consider clearly and formally communicating to fieldworkers the importance of situational knowledge, they should consider communicating the status and implications of any situational knowledge shared (see also, Adler and Borys 1996; Wouters and Wilderom 2008). This form of mutual accountability through which funders account to fieldworkers for the use to which the knowledge shared in accounting and accountability reports is put could go some way towards removing the fears associated with reporting 'failure' or hiding unintended consequences (see also, Ebrahim 2005). While we do not seek to uncritically reify situational knowledge, its perceived importance in support of operational knowledge appears, from the perceptions gained in this study, to be crucial to improving the effectiveness of development interventions. We also accept that we cannot presume that fieldworkers are always or fully capable of making this knowledge explicit; hence, funders need to allocate funds to assist NGOs in recruiting and training fieldworkers who have the ability to work in more flexible accounting and accountability 'regimes' (Everett and Friesen 2009; Rahaman et al. 2010).

This study has deliberately concentrated on the perceptions of fieldworkers working at the grassroots level in order to understand how the field works from the perspective of these on-the-ground informants (see also, Neu 2012). However there are several levels of workers involved in NGO accounting and accountability processes. Future research work that sheds further light on how upward accountability reports are actually used by the receivers of reports is of utmost importance for developing a more complete understanding of NGO accounting and accountability and the knowledge sharing that this can facilitate.

## References

- Adler, P.S. and B. Borys. 1996. Two types of bureaucracy: Enabling and coercive. *Administrative Science Quarterly* 41 (1): 61-89.
- Ahrens, T., and C. Chapman. 2004. Accounting for flexibility and efficiency: A field study of management control systems in a restaurant chain. *Contemporary Accounting Research* 21 (2): 271-301.
- Anderson-Gough, F., C. Grey and K. Robson. 2005. Helping them to Forget...: The organizational embedding of gender relations in two large audit firms. *Accounting, Organizations and Society* 30 (5): 469-90
- Argote, L., B. McEvily, and R. Reagans. 2003. Managing Knowledge in Organizations: An Integrative Framework and Review of Emerging Themes. *Management Science* 49: 571-82.
- Aryeetey, E. 1998. Consultative Processes in Community Development in Northern Ghana. *Community Development Journal*, 33 (4): 301-13.
- Awio, G., D. Northcott, and S. Lawrence. 2011. Social capital and accountability in grass-roots NGOs: The case of the Ugandan community-led HIV/AIDS initiative. *Accounting, Auditing and Accountability Journal* 24 (1): 63-92.
- Blackler, F. 1995. Knowledge, Knowledge Work and Organizations: An Overview and Interpretations. *Organization Studies* 16: 1021-1046.
- Botchway, K. 2001. Paradox of Empowerment: Reflections on a Case Study from Northern Ghana. *World Development*, 29: 135-53.
- Busco, C., E. Giovanni and A. Riccaboni. 2007. Globalisation and the International Convergence of Management Accounting. In *Issues in Management Accounting*. (eds) T. Hopper, Northcott, D., and R. Scapens, London: FT Prentice Hall.
- Cabrera, A., and E.F. Cabrera. 2002. Knowledge-Sharing Dilemmas. *Organization Studies* 23: 687-710.
- Canadian International Development Agency (2011). *CIDA'S Aid Effectiveness Action Plan 2009-2012*. Available at: [http://www.acdicida.gc.ca/inet/images.nsf/vluimages/about\\_cida/\\$file/aideffectiveness\\_action\\_plan\\_2009-12-e.pdf](http://www.acdicida.gc.ca/inet/images.nsf/vluimages/about_cida/$file/aideffectiveness_action_plan_2009-12-e.pdf). Retrieved December 4, 2011.
- Chapman, C., and L. Kihn. 2009. Information system integration, enabling control and performance. *Accounting, Organizations and Society* 34 (2): 151-69.
- Chen, S., and M. Ravallion. 2008. The developing world is poorer than we thought, but no less successful in the fight against poverty. *Policy Research Working Paper Series*. Washington, DC: The World Bank.
- Chenhall, R.H., M. Hall, and D. Smith. 2010. Social capital and management control systems: a case study of a non-government organization. *Accounting, Organizations and Society* 35 (8): 737-56.
- Cooper, D.J., and W. Morgan. 2008. Case study research in accounting. *Accounting Horizons* 22 (2): 159-78.

- Cummings, J. 2003. *Knowledge sharing: A review of the literature*. Washington D.C.: The World Bank Operations Development Department.
- Denzin, N. K., and Y. S. Lincoln. 2000. Introduction: The discipline and practice of qualitative research. In Denzin, N. K. and Y. S. Lincoln (Eds). *Handbook of Qualitative Research*. Thousand Oaks, CA: Sage.
- Dixon, R., J. Ritchie, and J. Siwale. 2006. Microfinance: Accountability from the grassroots. *Accounting, Auditing and Accountability Journal* 19 (3): 415–27.
- Doz, Y. 2011. Qualitative Research for International Business. *Journal of International Business Studies*. 42: 582-590.
- Ebrahim, A. 2003. Making Sense of Accountability: Conceptual Perspectives for Northern and Southern Non-profits. *Non-profit Management and Leadership* 14 (2): 191-212.
- Ebrahim, A. 2005. Accountability Myopia: Losing Sight of Organisational Learning. *Non-profit and voluntary sector quarterly* 34: 56-87.
- Ebrahim, A., and V. K. Rangan. 2011. Performance measurement in the social sector: A contingency framework. Working paper. Boston, MA: Social Enterprise Initiative, Harvard Business School.
- Edwards, M. 2002. Organizational Learning in Non-Governmental Organizations: What Have We Learned? In A. Fowler (ed.) *The Earthscan Reader on NGO Management*. London: Earthscan.
- Edwards, M. and Fowler, A. (eds.). 2002. *NGO Management*, London: Earthscan.
- Emsley, D. and F. Kidon. 2007. The relationship between trust and control in international joint ventures: Evidence from the airline industry. *Contemporary Accounting Research* 24 (3): 829-58.
- Ezzamel, M., K. Robson, P. Stapleton, and C. McLean. 2007. Discourse and Institutional Change: ‘Giving Accounts’ and Accountability. *Management Accounting Research* 18 (2): 150-171.
- Ferguson, J.E., M.H. Huysman, and M. Soekijad. 2010. Knowledge management in practice: Pitfalls and potentials for development. *World Development* 38 (12): 1797-1810.
- Everett, J, and C. Friesen. 2009. Humanitarian accountability in the *Theatre de l’Absurde*. *Critical Perspectives on Accounting* 21 (6): 468-485.
- Foss, N.J., K. Husted, and S. Michailova. 2010. Governing knowledge sharing in organisations: Levels of analysis, governance mechanisms, and research directions. *Journal of Management Studies* 47 (3): 455-482.
- Fourth High Level Forum on Aid Effectiveness 2011. *Busan Partnership for Effective Development Co-operation*. Available at: [http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME\\_DOCUMENT\\_-\\_FINAL\\_EN.pdf](http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME_DOCUMENT_-_FINAL_EN.pdf). Retrieved: December 4th 2011
- Free, C. 2007. Supply-chain accounting practices in the UK retail sector: Enabling or coercing collaboration? *Contemporary Accounting Research* 24 (3): 897–933.
- Gendron, Y. 2009. Discussion of “The Audit Committee Oversight Process”. *Contemporary Accounting Research* 26 (1): 123-34.

- Gibbert, M., and W. Ruigrok. 2010. The “what” and “how” of case study rigour: Three strategies based on published work. *Organizational Research Methods* 13 (4): 710-737.
- Goddard, A., and M.J. Assad. 2006. Accounting and Navigating Legitimacy in Tanzanian NGOs. *Accounting, Auditing and Accountability Journal*, 19: 377- 404.
- Gray, R., Bebbington, J., and D. Collison. 2006. NGOs, Civil Society and accountability: Making the people accountable to capital. *Accounting, Auditing and Accountability Journal*, 19 (3): 319-48.
- Grover, V. and T.H. Davenport. 2001. General Perspectives on Knowledge Management: Fostering a Research Agenda. *Journal of Management Information Systems*, 18: 5-21.
- Ghana Statistical Services. 2011. see: <http://www.statsghana.gov.gh/>. Accessed January 27<sup>th</sup> 2012.
- Hardy, C., N. Phillips, N. and T. Lawrence. 2003. Resources, Knowledge and Influence: The Organizational Effects of Interorganisational Collaboration. *Journal of Management Studies* 40: 322-47.
- Huberman, A. M., and M. B. Miles. 1994. Data management and analysis methods. In N.K. Denzin, and Y.S. Lincoln (eds.), *Handbook of Qualitative Research*. Thousand Oaks, California: Sage.
- Hong, D., E. Suh, and C. Koo. 2011. Developing strategies for overcoming barriers to knowledge sharing based on conversational knowledge management: A case study of a financial company. *Expert Systems with Applications* 38: 14417-14427.
- Inkpin, A.C. and A. Dinur. 1998. Knowledge management processes and international joint ventures. *Organization Science* 9 (4): 454-68.
- Ipe, M. 2003. Knowledge Sharing in Organizations: A Conceptual Framework. *Human Resource Development Review* 2: 337-59.
- Kitzinger, J. 2004. The Methodology of Focus Groups: The Importance of Interaction between Research Participants. In: C. Seale (ed.) *Social Research Methods: A Reader*. London and New York: Routledge.
- Korea Development Institute and World Bank Institute 2011. *Using knowledge exchange for capacity development: What works in global practice?* Washington, D.C.: The World Bank.
- KPMG 2010. *A closer look: Attaining accountability in the development sector*. USA and Canada: KPMG International Development Services.
- Lam, A. 1997. Embedded Firms, Embedded Knowledge: Problems of Collaboration and Knowledge Transfer in Global Cooperative Ventures. *Organization Studies*, 18: 973-96.
- Lam, A. 2000. Tacit Knowledge, Organizational Learning and Societal Institutions: An Integrated Framework. *Organization Studies* 21: 487-513.
- Lam, A., and J.P. Lambermont-Ford. 2010. Knowledge sharing in organizational contexts: a motivation-based perspective. *Journal of Knowledge Management* 14 (1): 51-66.
- Lewis, D. and S. Madon. 2004. Information Systems and Nongovernmental Development Organizations: Advocacy, Organisational Learning and Accountability. *The Information Society*, 20: 1-10.



- Lehman, G. 2007. The accountability of NGOs in civil society and its public spheres *Critical Perspectives on Accounting* 18 (6): 645-69.
- Locke, K. 1996. A Funny Thing Happened! The Management of Consumer Emotions in Service Encounters. *Organization Science* 7: 40-59.
- McFarlane, C. 2006. Knowledge, Learning and Development: A Post-Rationalist Approach. *Progress in Development Studies* 6: 287-305.
- Milliken, F. J., E.W. Morrison, and P.F Hewlin, 2003. An Exploratory Study of Employee Silence: Issues That Employees Don't Communicate Upward and Why. *Journal of Management Studies* 40: 1453-1476.
- Morgan, D. L., Krueger, R. A., Scannell, A. U. and J.A. King. 1998. *Planning Focus Groups*, Thousand Oaks, California: Sage Publications.
- Mouritsen, J., H.T. Larsen, and N. D. Bukh. 2001. Intellectual Capital and the 'Capable' Firm: Narrating, Visualising and Numbering for Managing Knowledge. *Accounting, Organizations and Society*, 26: 735-62.
- Neu, D. 2012. Accounting and Undocumented work. *Contemporary Accounting Research* Forthcoming.
- Nonanki, I. 1994. A dynamic theory of organizational knowledge creation. *Organization Science* 5 (1): 14-37.
- Nonanka, I. and G. Krogh. 2009. Tacit Knowledge and Knowledge Conversion: Controversy and Advancement in Organizational Knowledge Creation Theory. *Organization Science* 20: 635-52.
- Nonanka, I. and H. Takeuchi. 1995. *The Knowledge Creating Company*, New York: Oxford University Press.
- O'Dwyer, B. and J. Unerman. 2007. From Functional to Social Accountability: Transforming the Accountability Relationship between Funders and Non-Governmental Development Organisations. *Accounting, Auditing and Accountability Journal* 20 (3): 446-71.
- O'Dwyer, B. and J. Unerman. 2008. The Paradox of Greater NGO Accountability: A Case Study of Amnesty Ireland. *Accounting, Organizations and Society* 33: 801-24.
- O'Dwyer, B. and J. Unerman. 2010. Enhancing the role of accountability in promoting the rights of beneficiaries of development NGOs. *Accounting & Business Research* 40 (5), 451-71.
- OECD. 2009. *OECD.StatExtracts Development ODA by Donor, DAC Countries* [Online]. Paris: Organisation for Economic Co-operation and Development. Available at: <http://stats.oecd.org/Index.aspx?DatasetCode=TABLE1> Retrieved: December 20<sup>th</sup>, 2011.
- OECD 2011. *The Development Co-operation Report 2011*. Available at: [http://www.oecd.org/document/10/0,3746,en\\_2649\\_33721\\_44774218\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/10/0,3746,en_2649_33721_44774218_1_1_1_1,00.html). Retrieved: December 20<sup>th</sup>, 2011.
- Patton, M. Q. 2002. *Qualitative evaluation and research methods*. Beverly Hills, California: Sage.
- Polanyi, M., 1966. *The Tacit Dimension*, New York: Doubleday & Company Inc.

- Porter, G. 2003. NGOs and Poverty Reduction in a Globalizing World: Perspectives from Ghana. *Progress in Development Studies* 3: 131-45.
- Powell, M. 2006. Whose Knowledge? Whose Reality? An Overview of Knowledge Used in the Development Sector. *Development in Practice* 16: 518-32.
- Prasad, A., and Prasad, P. 2002. The coming of age of interpretive organizational research. *Organizational Research Methods* 5 (4): 4-11.
- Pratt, M.G. 2009. For the Lack of a Boilerplate: Tips on Writing up (and Reviewing) Qualitative Research. *Academy of Management Journal* 52: 856-62.
- Rahaman, A., D. Neu, and J. Everett. 2010. Accounting and social purpose alliances: Confronting the HIV/AIDs Pandemic in Africa, *Contemporary Accounting Research* 27 (4): 1093-1129.
- Raven, B. H. 1993. The Bases of Power: Origins and Recent Developments. *Journal of Social Issues*, 49: 227-51.
- Riege, A. 2005. Three Dozen Knowledge-Sharing Barriers Managers Must Consider. *Journal of Knowledge Management* 9: 18-35.
- Roberts, H. 2003. Management Accounting and the Knowledge Production Process. In: Bhimani, A. (ed.) *Management Accounting in the Digital Economy*. Oxford: Oxford University Press.
- Roberts, H. 2007. Knowledge Resources and Management Accounting. In: Hopper, T., Northcott, D. and Scapens R. (eds.) *Issues in Management Accounting*. London: FT Prentice Hall.
- Roberts, J. 2006. Limits to Communities of Practice. *Journal of Management Studies*, 43: 623-39.
- Robson, K, F., F. Anderson-Gough and C. Grey. 2001. Tests of Time: Organizational Time-Reckoning and the Making of Accountants in Two Multi-National Accounting Firms. *Accounting, Organizations And Society* 26: 99-122.
- Ryan, G. W., and H. R. Bernard. 2003. Data management and analysis methods. In N.K. Denzin, and Y.S. Lincoln, *Collecting and Interpreting Qualitative Materials*. Thousand Oaks, California: Sage.
- Silverman, D. 2010. *Doing qualitative research*. London: Sage.
- Stake, R. E. 2005. Qualitative case studies. In N. K. Denzin and Y.S. Lincoln (Eds), *Handbook of Qualitative research*, (3rd ed.), 443–66. Thousand Oaks, CA: Sage.
- Townsend, J. G., Porter, G. and E. Mawdsley. 2004. Creating Spaces of Resistance: Development NGOs and Their Clients in Ghana, India and Mexico. *Antipodes*, 871-89.
- The Paris Declaration on Aid Effectiveness and the ACCRA Agenda for Action. 2011. Available at:  
[http://www.oecd.org/document/18/0,3746,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html).  
 Retrieved: February 3<sup>rd</sup> 2012.
- Thomas-Hunt, M., T. Ogden, and M. Neale. 2003. Who's Really Sharing? Effects of Social and Expert Status on Knowledge Exchange within Groups. *Management Science* 49: 464-77.

- Thompson, M. and G. Walsham. 2004. Placing knowledge management in context. *Journal of Management Studies* 41 (5): 725-47.
- Unerman, J., and B. O'Dwyer. 2006. On James Bond and the Importance of NGO Accountability. *Accounting, Auditing and Accountability Journal*, 19 (3): 349-76.
- United Nations (2011). *The Millenium Development Goals Report*. New York: United Nations.
- Wang, S., and R.A. Noe. 2010. Knowledge Sharing: A Review and Directions for Future Research. *Human Resource Management Review* 20: 115-131.
- Wouters, M., and D. Roijmans. 2011. Using prototypes to induce experimentation and knowledge integration in the development of enabling accounting information. *Contemporary Accounting Research* 28 (2): 708-36.
- Wouters, M., and C. Wilderom. 2008. Developing performance measurement systems as enabling formalization:A longitudinal study of a logistics department. *Accounting, Organizations and Society* 33 (4): 488-515.

**Table 1: The factors influencing knowledge sharing**

<b>Factor</b>	<b>Underlying component parts</b>
<b>Nature of knowledge</b>	<ul style="list-style-type: none"><li>• Tacit knowledge</li><li>• Explicit knowledge</li><li>• The value attributed to knowledge</li></ul>
<b>Motivations to share knowledge</b>	<ul style="list-style-type: none"><li>• <i>Internal factors:</i> knowledge as power; reciprocity (the mutual give-and-take of knowledge)</li><li>• <i>External factors:</i> sender's relationship with the recipient of knowledge; rewards for sharing knowledge</li></ul>
<b>Opportunities to share knowledge</b>	<ul style="list-style-type: none"><li>• The existence of 'purposive learning channels'</li><li>• The existence of 'relational learning channels'</li></ul>
<b>Culture of environment</b>	<ul style="list-style-type: none"><li>• Norms, values and practices that facilitate knowledge sharing</li><li>• Coercive or enabling accounting and accountability processes</li></ul>

**Source:** Adapted from Ipe (2003, 343-353)

**Table 2: Knowledge sharing factors within coercive and enabling NGDO-funder accounting and accountability processes**

Factor	The nature of NGDO-funder accounting and accountability processes:	
	Coercive	Enabling
Nature of knowledge	Explicit knowledge	Explicit knowledge Tacit knowledge
Motivations to share knowledge	<i>Driven by coercion:</i> limited reciprocity high power inequalities predominance of explicit, monetary rewards weak social ties low levels of mutual trust rigid reporting demands fear of punishment	<i>Driven by co-operation:</i> medium to high reciprocity low to medium power inequality combination of explicit, monetary rewards and intrinsic rewards strong social ties high levels of mutual trust openness to learning and change tolerance of mistakes
Opportunities to share knowledge	Prevalence of purposive learning channels	Relational learning channels operating in support of purposive learning channels

**Table 3: Non-Governmental Development Organisations (NGDOs) participating in the study**

NGDO code	Type of NGDO	Core activities	Number of fieldworkers interviewed
NGDO A	Local small independent	Micro credit	3
NGDO B	INGDO (local branch)	Agriculture	1
NGDO C	INGDO (local branch)	Mental health	3
NGDO D	INGDO (local branch)	Child sponsorship	4
NGDO E	Partner of local INGDO	Water and sanitation	3
NGDO F	INGDO (local branch)	Child literacy education	4
NGDO G	Local small independent	Muslim education	3
NGDO H	INGDO (local branch)	Support for disabled	3
NGDO I	Local small independent	Poverty reduction	4
NGDO J	Partner of local INGDO	Agriculture	1
NGDO K	Local small independent	Micro credit	1

**Table 4: Case analysis summary: Knowledge sharing within the NGDO-funder accounting and accountability processes**

Type of knowledge/ Knowledge sharing factor	Operational Knowledge	Situational Knowledge
<b>Nature of knowledge:</b>	<p>Explicit knowledge</p> <p>General, context independent, standardised knowledge</p> <p>Focused on: project <i>activities</i> and quantified measures of <i>output</i></p>	<p>Tacit knowledge</p> <p>Embedded in the personal experiences, intuition and know-how of NGDO fieldworkers</p> <p>Context dependent</p>
<b>Perceptions of value of knowledge:</b>	<p>Operational knowledge is valued by fieldworkers:</p> <ol style="list-style-type: none"> <li>1. Standardises a common understanding of programmes</li> <li>2. Forces fieldworkers to be more focused in funding allocations</li> <li>3. Encourages more comprehensive project reviews</li> </ol>	<p>Situational knowledge is valued by fieldworkers:</p> <ol style="list-style-type: none"> <li>1. Funders request sharing of situational knowledge in accounting and accountability reports</li> <li>2. Contextualises operational knowledge and highlights beneficiary ‘capacities’</li> <li>3. Enhances fieldworker sensitivity to beneficiary needs</li> <li>4. Focuses fieldworker efforts on medium to long term <i>impacts</i></li> </ol>
<b>Motivation for sharing or not sharing knowledge:</b>	<p>Motives to share operational knowledge:</p> <ol style="list-style-type: none"> <li>1. Intrinsic rewards: Enhances fieldworkers’ personal reputations; facilitates fieldworker demonstration of competence and trustworthiness</li> <li>2. Extrinsic rewards: (Coercive) requirement for future funding; no penalties imposed</li> </ol>	<p>Barriers to sharing situational knowledge: Combination of internal and external factors:</p> <ol style="list-style-type: none"> <li>1. Low levels of reciprocity</li> <li>2. <i>Perceived</i> funder inflexibility and myopia/ short term focus</li> <li>3. <i>Perceived</i> funder resistance to learning and change</li> <li>4. Fear of penalties/punishment through withdrawal of funding</li> </ol>
<b>Opportunities for knowledge sharing through accounting and accountability processes:</b>	<p><u>Purposive learning channels:</u></p> <ol style="list-style-type: none"> <li>1. Stewardship reports (annual and interim reports)</li> <li>2. Performance evaluation (and assessment) reports</li> </ol>	<p><u>Purposive learning channels:</u></p> <p>Provide some scope to <i>formally</i> share situational knowledge</p> <p><u>Relational learning channels:</u></p> <p>Largely underdeveloped between funders and fieldworkers:</p> <ol style="list-style-type: none"> <li>1. Few informal opportunities for knowledge sharing</li> <li>2. Limited development of social ties</li> <li>3. Language barriers inhibiting the sharing of knowledge attained</li> <li>4. Lack of effective, critical writing skills to share knowledge attained</li> </ol> <p>But <i>some</i> positive developments:</p> <ol style="list-style-type: none"> <li>1. Fieldworker/ consultant joint reviews</li> <li>2. Fieldworker/ consultant meetings to share common concerns</li> </ol>

**Table 5: Stewardship reports and Performance evaluation (and assessment) reports**

Accountability mechanism	Financial information	Narrative	Quantitative performance indicators	Written or oral	Frequency	Key stakeholder focus
<b>Stewardship reports:</b>						
Annual reports	Yes	Yes	Yes	Written	Once	Range of stakeholders
Interim reports (see Table 6)	Yes	Yes	Yes	Written	Monthly, quarterly, and half yearly	Funders
<b>Performance evaluations (and assessments):</b>						
Assessment Reports	Yes	Yes	Yes	Written	Continuous	Funders
Evaluation Reports	Yes	Yes	Yes	Written	At the end of a project	Funders
Final Project Report (see Table 7)	Yes	Yes	Yes	Written	At the end of a project	Funders

**Table 6: Example of commentary in an Interim Report**


Instructions for completing the form: <i>Please keep as brief as possible. Provide key information that may have a bearing on NGO work</i>	
Sub-Heading	Commentary
Activity	Capacity building workshop: Assertiveness Training
Objective	To build the capacity of 100 women in a selected community
Target Group	Women's groups
Challenges	Late disbursement of funds
Outputs	Number of women trained
Indicators	Photographic evidence of workshop



**Table 7: A Final Project Evaluation Report Exemplar**

<b>Headings in report</b>	<b>Example of content included</b>
<b>Introduction</b>	How report was developed; staff retreat, partnership review and reflection; team members; length of project
<b>Political, economic and social changes</b>	Ghana named as a member of the Highly Indebted Poor Countries
<b>Progress against project aims and objectives</b>	Aims identified; tables provided summarising NGO interventions; each objective defined and progress analysed. learning highlighted for each objective
<b>Financial Summaries</b>	Expenditures by activities
<b>Administration and management</b>	Details about the NGDO
<b>The future of the programme</b>	Plans for the future; direction of new work
<b>Challenges</b>	Resource constraints; limited capacity of partners; poor road networks

**Table 8: Culture of the knowledge sharing environment in the upward accounting and accountability processes: A coercive-enabling continuum**

Culture of knowledge sharing environment	<div style="display: flex; justify-content: space-between;"> <span>Highly coercive</span> <span>Highly enabling</span> </div> 				
<p><b>Examples of issues contributing to the knowledge sharing environment:</b></p>	<p>Fieldworker fear of consequences of reporting situational knowledge</p> <p>Funder resistance to reporting unintended consequences and perceived 'failures'</p> <p>Fieldworker fear of consequences of misreporting or not attaining required outputs and/or outcomes</p>	<p>Priority given to measurable and standardised outputs determined by funders</p> <p>Predominance of purposive learning channels</p> <p>Culture of resource dependency among many NGOs</p> <p>Low levels of mutual trust</p> <p>Low levels of reciprocity</p> <p>Little mutual accountability</p> <p>Limited opportunities for co-operation between fieldworkers and funders</p> <p>Limited funder flexibility regarding fieldworker usage of funds – use of local initiative not encouraged</p> <p>Substance of funder openness to learning and change deemed questionable</p> <p>Restricted resources and time afforded to fieldworkers to compile situational knowledge –limited time for reflection and learning</p>	<p>Lack of resources for administration functions involving knowledge gathering and formal dissemination in reports</p> <p>Weak social ties due to underdeveloped relational learning channels</p> <p>Language and skills barriers limiting sharing of situational knowledge</p>	<p>Funder encouragement of formal sharing of situational knowledge in reports</p> <p>Provision of interpreters by consultants operating on behalf of funders</p> <p>Trends towards greater informal and formal interactions among fieldworkers and funder representatives</p> <p>No evidence of withdrawal of funding (only delays) – fieldworker fears over funding cuts often misguided</p> <p>Fieldworkers using their own initiative by using situational knowledge acquired to improve their internal operations</p>	<p>Relational learning channels beginning to emerge among fieldworkers and funders</p> <p>Increasing flexibility allowed within budget allocations</p>