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Understanding Lateral Relations *between* and *within* Organizations

The Role of Accountability and Control

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Abstract

Recent years have witnessed an increased dependency on lateral relations and new organizational forms where activities span across the traditional and legal boundaries of the firm (van der Meer-Kooistra & Scapens, 2008). The aim of this thesis is to extend our understanding of how the increased dependence on lateral relations observed in the modern business world affects work practices and the way in which hierarchical control and lateral coordination is exercised. To accommodate this ambition, an in-depth case study at a multinational corporation has been conducted. The case study focuses on intra- and inter-organizational work practices by observing how the case company conducts research, designs and produces products in collaboration with a supplier. This thesis distinguishes itself from previous research on intra- and inter-organizational control by studying accountabilities in a new framework; an extension from previous frameworks within the accountability domain. By doing so, we have observed rather contradictive results with respect to extant literature in terms of the importance of formal controls. We have also found that less explored accountabilities in the intra- and inter-organizational setting to a large extent influenced the work at the case company. Thus, this thesis manages to make contributions addressed to both the accountability and intra- and inter-organizational control literature.

Keywords: Accountability, Inter-Organizational Control, New Product Development, Lateral Relations, Informal Control

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1 Introduction

Recent years have witnessed various changes in organizational structures (Coad & Cullen, 2006; van der Meer-Kooistra & Scapens, 2008). An increased proportion of tasks are outsourced for the purposes of achieving cost reductions and gaining competitive advantages such as increased competence and a shortened time to market. This trend has led to an increased dependency on lateral relations and new organizational forms where activities span across the traditional and legal boundaries of the firm (Mouritsen et al, 2001; van der Meer-Kooistra & Scapens, 2008). Other researchers have also pointed out that the lateral relations within the companies have gained increased importance. Ezzamel et al. (1995) for instance, found that various levels of management have been stripped out in several UK firms. What the literature describes is a gradual shift from hierarchically structured organizations towards an increased importance of lateral relations. This in turn has implications on how control is exercised within and between organizations (van der Meer-Kooistra & Scapens, 2008).

The aim of this thesis is to extend our understanding of the increased dependence on lateral relations observed in the modern business world. More specifically, we are interested in the interdependencies of the lateral relations within an organization, and the lateral relations between two organizations, along with the hierarchical relations and how all these relationships influence our behavior. By studying the joint product development work between WorldCo and Supplier (WorldCo and Supplier are fictitious names for the case company and one of its suppliers) we seek to study controls from an accountability perspective. In doing so, we hope to better understand what determines people's behavior and what controls really matter. From extant literature we develop a new framework able to contain both intra- and inter-organizational aspects of the collaboration between WorldCo and Supplier. Through this we are able to show how hierarchical controls to a much lesser extent influenced the workers decisions compared to the picture established by previous literature. Instead, workers were mainly guided by lateral accountabilities, both to groups within WorldCo, but also to Supplier. In these situations, informal controls appeared to play an important role. We also see how the concepts of control and accountability may profit from one another, as we draw on and contribute to both fields. These findings, along with the entirety of the study emanates from the following research question:

- *In what way has the increased dependence on lateral relations observed in the modern business world affected the way hierarchical control and lateral coordination is exercised?*

More specifically, we are interested in what drives work practices and how it is affected by an increased dependence on lateral relations. Provided that the existing research on this topic is not dense with regards to our comprehensive perspective on accountabilities in an intra- and inter-organizational setting, we argue that gaining a deeper understanding of one case company is more advantageous compared to studying a greater number of companies with a more shallow focus. This way we presume that we will be able to better understand the interdependence of the different forms of accountabilities inherent in

WorldCo with consideration to its collaboration with Supplier. Hence, we have chosen to perform an embedded single-case study.

The remainder of this thesis is structured as follows. In section 2 the existing literature and the theoretical framework is presented. Section 3 details the methodology surrounding the research design, data collection, and data analysis. Thereafter, in section 4, the empirics and analysis from the case study is presented. Afterwards, in section 5, the findings are discussed and elaborated upon. Finally, in section 6, the conclusions from this study are presented.

2 Theory

In this section, we first provide a review of the literature on accountabilities, followed by a review of the research concerning intra- and inter-organizational control. We then move on to present a depiction of the related critique to these fields and an analysis illuminating new potential areas for further research. Concurrently, we introduce and construct our theoretical framework.

2.1 Previous Research on Accountabilities

2.1.1 Defining Accountabilities

To be accountable is a concept rooted in social practice, but with branches stretching into business practice. One of the more commonly presented references within this business-influenced discourse on accountabilities is Roberts & Scapens (1985). From their study on accountability, it can be understood as a relationship constituted by *"the giving and demanding of reasons for conduct"* (p. 447). It can also be explained as *"the willingness and ability to explain and justify one's acts to self and others"* (Munro & Hatherly, 1993, p.369). This entails a choice of compliance and capacity of the individual to be accountable. Giddens (1984) also sheds some light on the concept of accountability: *"To be 'accountable' for one's activities is both to explicate the reasons for them and to supply the normative grounds whereby they may be 'justified'"* (p.30), where normative justifications may be brought from culture, values and traditions.

In general, you can identify two core components that together constitute accountability: a giving of account and a call for account (Gray & Jenkins, 1993; Goddard, 2005). These resemble the giving and demanding specified by Roberts & Scapens (1985). These two components complement each other (Farneti & Bestebreur, 2004) and represent a relationship between two parties – the accountee and the accountor. The accountor, the one who may be accountable towards an accountee, can either be an individual or an agency. The accountee may also be objectified by an individual or an agency, but can also assume the shape of a virtual collective (Tooley et al., 2010) or something as *"distant"* as corporate culture (Willmott, 1996). The accountee is considered to hold the right to pass judgment on the accountor and, if necessary, also impose formal or informal sanctions (Mulgan, 2000; Bovens, 2005). Gray & Jenkins (1993) describe this relationship as one of stewardship. That is, as the accountor is entrusted with resources and accepts the responsibilities granted by the accountee, the accountor becomes obliged to present and to account for the execution of the stewardship. Central in the concept of accountabilities is that the accountor accepts the demands enforced on her and is willing to present and to account for her conduct in relation to them.

The responsibilities granted by the accountee may take the form of formalized controls, part of a management accounting system, aiming to enforce accountability (Roberts, 2001). These might increase the accountor's ability to account; to explain and justify (Cäker, 2007). For instance, instating a KPI that is measuring the level of education can be both interpreted as a way of providing the accountor the ability to justify the education she wishes to partake in and a way for management to signal their focus on levels of education. However, in this thesis the responsibility granted by the accountee goes beyond the formal controls and might be any type of control. For instance, the accountee can consist of a group of fellow workers that enforce demands in the form of group pressures, norms and values (see also Willmott, 1996; Tooley et al., 2010). Hence, we conclude that the difference between accountability and control (defined in a broad sense, see Hopwood, 1974; Carlsson-Wall et al., 2011) mainly lies within the *giving of account* or the *willingness to explain and justify one's acts*. That is, controls can be separated from work practices (Hopwood, 1974; Carlsson-Wall et al., 2011), while accountabilities are directly related to work practices since they involve the justification and explanation of conduct. A manager can enforce controls, KPIs for instance, on a subordinate. However, the subordinate is not accountable to the manager unless she is willing to explain and justify her conduct in relation to the KPIs. Kraus & Lindholm (2010) also explain this but in further detail. They speak of the necessity of accounting figures as a method of *"creating and ensuring visibility"* (p. 231) (see also Roberts, 1991), but also of its insufficiency in terms of processes of accountability. The accounting numbers need also to be *activated*, i.e. *"used and drawn upon in social interactions"* (Kraus & Lindholm, 2010, p. 231) for the accountor to also assume accountability (Robson, 1992; Munro, 1993; Kraus & Lindholm, 2010). Thus, there is an interplay between visibility and accounting (Roberts, 1991; Munro, 1993), as well as between accountability and social conduct (Munro, 1993). With this in mind, we argue that the notion of accountabilities may be seen as a tool to measure two controls' relative impact; it can determine which control the accountor feels more obligated to justify and explain its conduct in relation to.

2.1.2 Hierarchical and Lateral Accountabilities, and Individualizing and Socializing Forms of Accountability

Cäker (2007, p. 145) describes how accounting *"according to an organizational structure"* is a way of describing hierarchical accountability. What comprises lateral accountabilities can be understood as accountability processes outside the spectrum of the hierarchical accountabilities (Munro & Hatherly, 1993; Willmott, 1996), for instance the accountability formed between people belonging to the same group or the corporate culture. These lateral accountabilities may support and enforce the hierarchical accountabilities, but may also spawn conflicting issues with them alike (Willmott, 1996; Cäker, 2007).

Roberts (1991) elaborates more deeply on the different effects of accountabilities and differentiates between individualizing and socializing forms of accountability. As one enters an organization, there *should* follow a willingness to explain and justify one's conduct in accordance with the obligations of the role one assumes (Cäker, 2007). Roberts (1991, p. 356) describes this as an individualizing form of accountability – *"[…] hierarchical forms of accountability, whilst grounded in social practices, confirm self in a way that emphasizes its solitary and isolated character"*. What Roberts (1991) describes is a sort of conformity with the hierarchical demands and how we seek personal acceptance and recognition through our performance, since this is how we are visible to the hierarchy. We are *"accepted not for one's uniqueness but for approximating most closely to the employer's idealized image of what is required"* (Roberts, 1991, p.358). When applying for a job we seek to present ourselves based on a checklist of requirements needed for the job, and once we have signed the contract we continue to run through a similar checklist in order to keep our job and climb the hierarchical ladder; *"To secure self one must see oneself and what one does in the terms in which one is judged"* (Roberts, 1991, p. 359), and hence we internalize standards and values posited on us. Thus, individualizing forms of accountability may easiest be related to the hierarchy, but they can also originate from elsewhere. That is, they can also emanate from lateral relations.

Just as individualizing forms of accountability most closely relates to the hierarchy, but not in every case, socializing accountability processes most closely relate to lateral accountabilities (Cäker, 2007). This accountability effect is shortly described as creating a sense of interdependence between ourselves and others (Roberts, 2001). In more detail, socializing forms of accountability emanate from the reflexiveness of individuals when trying to attain an understanding of what is going on within the organization, beyond the conditions set through individualizing accountabilities. This involves seeing and recognizing others, their interests and what they are doing. When people interact and talk, most of the talk *"involves the active and open-ended process of making sense of what is going on"* (Roberts, 1991, p. 361-362). Together one attempts to build *"a common interpretation of ones world of work"* (Ibid, p. 362). This also creates loyalties and ties that increase the social experience at work. This social process is commonly shared with whom one happens to work with, whilst having lunch or meeting in the corridor and similar. In other words, with whom we regularly meet face-to-face. It also occurs more easily between people with whom we share a resembling hierarchical status, i.e. where the hierarchy does not become an asymmetrical and intervening instrument. These two factors are the basis for what Roberts (1991) characterizes as socializing forms of accountability.

We have noticed that hierarchical and individualizing accountabilities as well as lateral and socializing accountabilities may be difficult to distinguish from one another and may sometimes be used interchangeably. However, there is one important difference between the two couples. One focuses on who the accountee is, whilst the other emphasizes the demands that are put on the accountor.

2.1.3 Internal and External Aspects on Accountabilities

Roberts (1991) addresses the individual organization in his discourse on accountabilities and Roberts & Scapens (1985) elaborate on systems of accountability within organizational boundaries (see also Ahrens, 1996; Ahrens & Chapman, 2002). Even though the discourse on accountabilities has mainly emphasized the internal organization, if following the definitions provided on lateral accountabilities, these may very well be argued to also reach outside the boundaries of the internal organization. Cäker (2007) presents a case involving lateral accountabilities to a customer, emerging from a relationship where there is a lot of face-to-face contact and a strong willingness to justify one's conduct to the customer, ultimately leading to an overriding effect of lateral accountabilities relative hierarchical accountabilities. A similar form of external lateral accountability is also observed by Kraus & Lindholm (2010) in the first and third period described in their study. For instance, *"The actors expressed accountability towards norms developed within an inter-*

organisational setting such as the need for all actors to modify their behavior and timing to suit one another from time to time" (Kraus & Lindholm, 2010, p. 270). These studies are examples of how lateral accountabilities may not only be held towards internal sub-units or co-workers and intra-organizationally developed norms or values, but also towards an external party and inter-organizationally developed norms or values.

2.1.4 Conclusions from Previous Research

The previous accountability research enables a distinction between hierarchical, vertically based accountabilities and lateral accountabilities. However, emphasis has remained within the internal organization and less attention has been provided to the lateral accountabilities involving customers or suppliers. The result of a literature review by Kraus & Lindholm (2010) on this subject goes in line with this as they argue that previous studies have focused on intra-organizational processes of accountability. However, lateral relations beyond the boundaries of the individual organization have empirically been proven to be an important aspect to consider in relation to the internal dynamics of a company, but in another related field of research. This field involves the intra- and inter-organizational relations and controls, and their interdependencies. In the next part we will elaborate more on the findings from this research area.

2.2 Previous Research on Intra- and Inter-Organizational Control

The business landscape has experienced much change over time as it has become more complex. The level of integration with other companies has increased, blurring the organizational boundaries and bringing new challenges with it. Companies are nowadays more seldom doing everything from the cradle to the grave by themselves. More demands are put on viewing themselves as part of a network, consisting of inter-organizational relationships, or alternatively, external lateral relationships (van der Meer-Koistra & Vosselmann, 2000; Håkansson & Lind, 2004; Kraus & Lind, 2007). One of many conceivable reasons for why it is important to not disregard this is how the inter-organizational relationships may affect the intra-organizational relations and have consequences on the company (Mouritsen et al., 2001; Thrane & Hald, 2006). Mouritsen et al (2001) studied two small innovative high-tech companies, where the first outsourced large parts of its product development, and the second parts of its production process. In order to maintain control, new inter-organizational management controls were introduced. However, the controls did not only work to fill the knowledge gap introduced along with the outsourcing of the different functions. Both cases show how inter-organizational formal controls, such as open book accounting and target cost management / functional analysis, also took part in re-presenting certain aspects of the companies such as technology, organization and strategy, thus changing the identity and core competences of the company.

Thrane & Hald's (2006) study supports and extends the findings of Mouritsen et al. (2001) in that inter-organizational controls may result in intra-organizational effects. They examine the relationships of a large hearing-aid manufacturer and its customers and suppliers. Through the introduction of formal non-financial measurement systems they managed to successfully integrate and align external relations.

However, the implementation of these systems also had unexpected intra-organizational effects. More specifically, they created conflicts of interest between entities on the edges of the firm. For instance, the customer service department sought to optimize customer satisfaction, which conflicted with the purchasing department's ambition to enhance the flow between suppliers and the internal production process. Thus, whilst the organization's edges towards external parties were integrated, it got more fragmented internally.

Other researchers have found the opposite effect, i.e. that intra-organizational controls may have inter-organizational effects (Håkansson & Lind, 2004; Seal et al., 2004; Coad & Cullen, 2006; Cuganesan & Lee, 2006). Håkansson & Lind (2004) examined the customer-supplier relationship between two Swedish companies in the telecom industry and found that intra-organizational performance measures indirectly forced interaction and communication with the customer without having any formalized information systems put in place to facilitate such interaction. They thus show how internal accounting techniques can both support a relationship formation without having to implement collective accounting methods like open book accounting or target costing, but also how it can change the relationship. In addition, Håkansson & Lind (2004) both studied and stressed the importance of analyzing the individual sub-units within each of the two companies. By doing so, they also managed to observe similar effects intra-organizationally, i.e. how the internal accounting measures formed and changed intra-organizational relationships, partly in the wake of the inter-organizational relationship. Kraus & Lind (2007, p. 293) further emphasize the need to *"conceptualise companies in terms of multiple interest groups within the companies and between the companies in inter-organisational relationships"*. They argue that different interest groups can be presumed to possess different perspectives and act according to different rationalities (see also Hopper & Powell, 1985). By presupposing this, there can be no *"unity of (inter-) organisational goals"* (Kraus & Lind, 2007, p. 293), but companies contain differing interest groups all with *"divergent and often mutually inconsistent goals and interest"* (Ibid, p. 293). The lesson learned here is that intra-organizational accounting practices can have effects on both intra- and inter-organizational relations, or alternatively, within and between organizations.

In contrast to the interdependencies observed by Håkansson & Lind (2004), a study conducted by Seal et al. (2004) displays how internally developed controls subsequently are applied to the focal firm's inter-organizational relationships. From internal ad hoc studies on cost reduction a team evolved that first operated within the organization, but which afterwards attempted to enhance the practices of the suppliers within its supply chain. In relation to this, the internal relationships between accountants and engineers proved to have an impact on the controls of the supplier relations. Similarly, Coad & Cullen's (2006) study investigates how search routines based on process mapping and activities management practices were initially successfully employed to reduce costs at a small producer and reseller of customized school wear. The positive internal implementation of the project gave the managers the confidence to explore the same technique with its suppliers. Coad & Cullen (2006) thus show how intra-organizational work practices may have spillover effects on the inter-organizational dimension. Subsequently, information collected from the inter-organizational cost management practices caused the school wear producer to rethink its production strategies. Based on this, Coad & Cullen (2006) argue that the cost management practices they observe *within* and *between* the organizations cannot be this distinct, but the boundary between them is too blurry and can rather be characterized by an interplay between the intra- and inter-organizational dimensions. This argument resembles the findings of Cuganesan (2006). Whilst studying a steel manufacturing company, he observed that the dynamic of intra- and inter-organizational control is not simply uni-directional, but how both mutually constitute each other. He found that intra-organizational controls co-evolved with inter-organizational controls. Thus, rather than having one simply determining the other, the intra- and inter-organizational relationships are dependent on each other.

In a study of a public sector relationship between two organizations active within elderly care, Carlsson-Wall et al. (2011)[1] takes on a more holistic perspective, as accentuated by Cuganesan (2006) and support his work through some of their findings[2]. They study intra- and inter-organizational controls and work practices in an integrated analysis, by drawing on Hopwood's (1976) framework comprised of administrative, social and self controls. Empirically, they display the co-existence of managerially enforced administrative controls, and social and personal pressures, as well as how these different control forms may compete with one another. More specifically, in their study they describe how intra- and inter-organizational social and self controls impacted on intra- and inter-organizational work practices; informal hierarchies developed through inter-organizational social controls bypassed the formal hierarchies of both organizations. What differentiates them from Cuganesan (2006) and a lot of previous research on intra- and inter-organizational control is that they also show the effects that may be posed by informal controls. That is, they take on a perspective that is not solely dedicated to controls like performance measurement (Håkansson & Lind, 2004), open book accounting and target cost management / functional analysis (Mouritsen et al., 2001) or other forms of cost management (Coad & Cullen, 2006).

The studies on intra- and inter-organizational control have mainly studied formal controls when trying to depict the effects these different relations might have on each other. This is a general theme within the intra- and inter-organizational control literature, which is also apparent in many other studies apart from the ones already discussed. More specifically, a lot of the research has focused on different outcome controls and behavior controls (Kraus & Lind, 2007), often in broad inter-company relationships (see e.g. Carr & Ng, 1995; van der Meer- Koistra & Vosselman, 2000; Dekker, 2004). For instance, Carr & Ng (1995) study how the implementation of a cost management tool in Nissan affected the cost consciousness of both Nissan and its suppliers. Similarly, Cooper & Slagmulder's (2004) study observes a joint cost reduction project. Other studies on formal inter-organizational controls have focused on

[1] It may be noted that Carlsson-Wall et al. (2011) use the same empirical material upon which the study of Kraus & Lindholm (2010) is based on.

[2] Support is specifically found in reference to the co-evolvement of intra- and inter-organizational administrative controls in their study (Carlsson-Wall et al., 2011).

information exchange systems (Frances & Garnsey, 1996), outcome controls in combination with behavior controls (Dekker, 2004)[3], and a mixture of financial and non-financial measures (van der Meer-Koistra & Vosselman, 2000).

Carlsson-Wall et al. (2011) supports this view and conclude in their paper that existing literature relating to the private sector has primarily emphasized intra- and inter-organizational administrative controls, i.e. formal and managerially enforced controls. Following their framework based on Hopwood's (1976) earlier studies, much less research has been dedicated to the study of social and self controls, which assume a more informal nature. However, their findings highlight the importance of such controls and the influence and impact they might have on intra- and inter-organizational work practices and relations. That is, by not having been extensively studied, these non-administrative controls have not been denied their existence, but there has simply not been enough emphasis put on them (Carlsson-Wall et al. 2011). Van der Meer-Koistra & Scapens (2008) makes a similar argument and brings forward the necessity to study lateral relations between and within organizations through a broader concept than the one traditionally used.

2.2.1 Conclusions from Previous Research

The conclusions that follow from this literature, with respect to the aims of this thesis, are foremost the interdependencies that do exist between intra- and inter-organizational aspects. That is, one should not fail to recognize the inter-connectedness of firms and what impact this might have on a company and its controls and work practices. Previous research has also heavily emphasized formal controls, and a lesser focus has been granted the informal forms of control. There is however novel empirical evidence supporting that these also construct a concept worth considering when studying the inter-organizational relationships (Carlsson-Wall et al., 2011). What this literature review also entails is a predominance of studies investigating the relationships between organizations on a general level, or between a pair of interest groups from each side of the relationship. There is a lesser focus on settings involving a multitude of interest groups, something which, for instance, often characterizes new product development projects, like the case of this study.

2.3 Theoretical Framework

The accountability and intra- and inter-organizational control literatures are two fields that we see may complement one another. However, there appears to exist a communication gap between the two. By bridging this gap, we believe their individual gaps may be filled. This is what motivates our study and the framework with which we wish to conduct it. More specifically, the accountability literature has previously not covered the inter-organizational aspect, which has been proven to have intra-organizational effects in research on intra- and inter-organizational control (Mouritsen et al., 2001; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006; Carlsson-Wall et al., 2011). That is, it has not sufficiently investigated the lateral accountabilities spanning over organizational boundaries, except for a few studies

[3] Dekker (2004) also looks at social controls, i.e. informal controls in an inter-organizational setting.

like Cäker, (2007) and Kraus & Lindholm (2010), even though related research clearly advocates such a perspective. Failing to recognize this might thus result in misinterpreted accountability inter-dependencies along with a framework that is, depending on the scope, not comprised of collectively exhaustive constituents. Furthermore, the previous studies investigating lateral accountabilities crossing organizational boundaries are shallow in their numbers, which encourages more studies on the topic (Cäker, 2007; Kraus & Lindholm, 2010). In addition, these studies have neither considered the multitude of interest groups that are often inherent within organizations (see Håkansson & Lind, 2004; Kraus & Lind, 2007)[4]. Kraus & Lindholm (2010) is thereto accommodating within the public sector in a setting that is divergent also compared to other studies within its sector. Hence, we see an even greater need for a study focusing on the private sector and that is simultaneously incorporating both inter-organizational relations and the relations of multiple intra-organizational interest groups.

We have previously pointed out how the intra- and inter-organizational control research is heavily characterized by a focus on formal controls (Carlsson-Wall et al., 2011). Even though Carlsson-Wall et al. (2011) emphasize, and also study, non-administrative controls, the extant literature on informal controls in an intra- and inter-organizational setting is slim[5]. This is an aspect which is well facilitated by the accountability literature in its consideration of lateral accountabilities and socializing forms of accountability. Thus, we also see an opportunity to contribute to this field of research by providing novel insights into the importance of informal controls in intra- and inter-organizational relations. These observations motivate our study and are also what lie in the foreground of the development of our theoretical framework.

To bridge the two literatures and fill their respective hiatuses, we develop a framework encompassing a comprehensive and all-embracing grasp of the accountabilities formed within a company (WorldCo), but in relation to an inter-organizational relationship with a supplier (Supplier) embodied in a specific set of projects. We observe how the company conducts research, designs and produces products in collaboration with the supplier. Granted that new product development is a process that typically involves a multitude of interest groups (see Dougherty, 1992), this collaboration is particularly suitable for the aims of this study – to review lateral relations within and between organizations through the concept of accountabilities.

Our framework is largely founded on existing ones and is mostly influenced by Cäker (2007) and Kraus & Lindholm (2010). However, we have not observed the precise like of it within the extant literature, but it may be regarded as a development naturally following from that research. More specifically, our case company is analyzed through a trisected accountability framework with additional consideration to the literature on intra- and inter-organizational control. Furthermore, the framework looks at towards whom

[4] However, Kraus & Lindholm (2010) do involve two sets of interest groups within each organization, and Cäker (2007) two interest groups within the focal firm, but these merely comprise management and workers. That is, only enough to showcase hierarchical accountabilities within the organization, not the internal lateral accountabilities.
[5] Like Kraus & Lindholm (2010), Carlsson-Wall et al. (2011) is also conducting their study in a public sector setting.

the accountor is accountable. Its first constituent is the *hierarchical accountabilities* that are residing within the organizational structure in a vertical manner. This form of accountability can also be found in Cäker's (2007) study, and is elaborated upon by Roberts (1991). Lateral accountabilities represent accountabilities which are just that – lateral, in contrast to the vertically based hierarchical accountabilities. Previous literature has mostly considered accountabilities as something exclusive to the internal organization (see e.g. Roberts, 1991). Based on this we define a second constituent in the form of *internal lateral accountabilities*. This one is used to investigate the interplay between different internal units, or interest groups, and how these may relate and co-exist with hierarchical accountabilities. It may be noted that the accountability domain is not too unfamiliar with these kinds of frameworks. However, the accountability research recognizing the external, inter-organizational aspects is much more novel. That is why we also add a third form of accountability – *external lateral accountabilities*. By studying the existence of external lateral accountabilities we seek to add to the nowadays non-extensive research. However, more importantly, we see an opportunity to add further to the accountability research by performing a study simultaneously involving all three forms. By applying this trisected framework we argue that we more comprehensively will be able to observe the co-existence and inter-connectedness of these different forms of accountabilities and in more detail identify their possibly varying importance through our private sector, project-oriented case study.

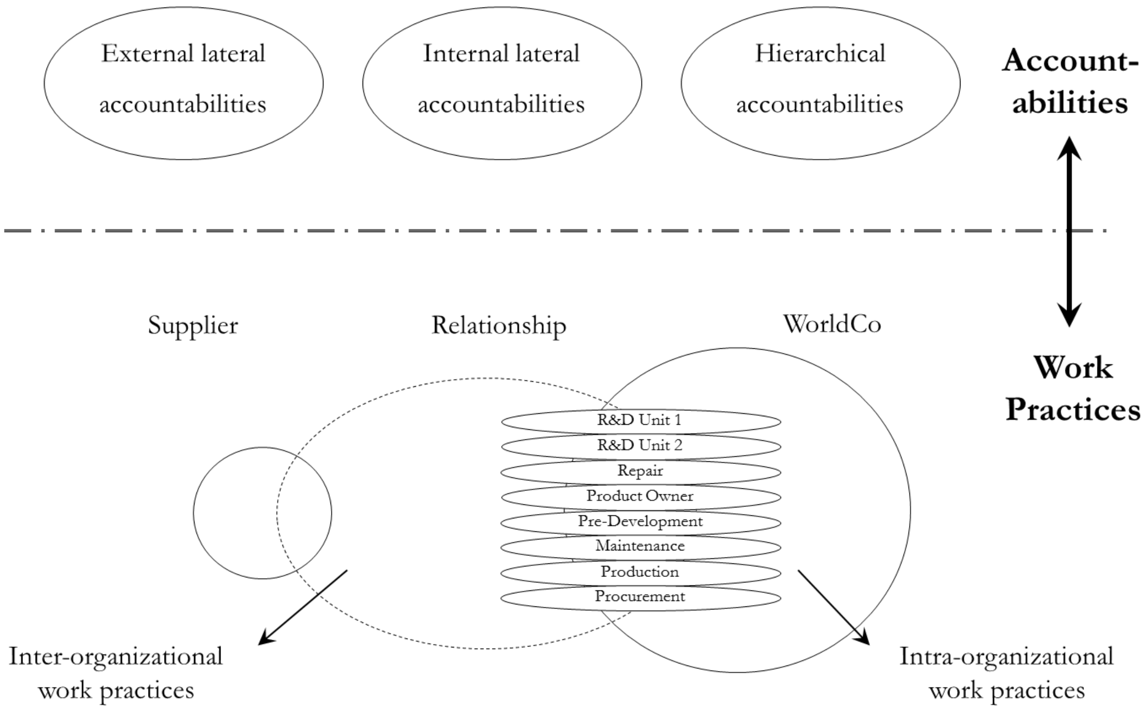

Figure 1. Theoretical framework. *The figure illustrates the sub-units, or interest groups, within WorldCo that are related to the new product development projects with Supplier. The accountabilities are directly related to the work practices since they involve the justification and explanation of conduct.*

3 Method

In this section we first describe and discuss the research method and approach applied when conducting the case study. This is followed by a description of the data collection process. Subsequently, we provide a narrative for the analysis of the collected data. Finally, we discuss the validity and reliability of each part of our method.

3.1 Research Design

3.1.1 Research Approach

In order to facilitate the needs posed by the formulation of our research question, we deem it appropriate to resort to an abductive approach, as described by Dubois & Gadde (2002). A deductive approach develops current theory in order to test them and arrive at a fact-based conclusion. Conversely, the inductive approach goes the other way around starting with data or observations from which a theory is systematically derived. From this aspect, the abductive approach bares more resemblance towards the latter one as it focuses on engendering new concepts and developing existing theoretical models, rather than confirming the same (Dubois & Gadde, 2002).

We adopt this approach jointly with a method described by Dubois & Gadde (2002) as *systematic combining*. This makes it distinct from both inductive and deductive approaches as it constantly involves both theory and empirical evidence. Theory and empirical observations, including the analysis of them, are considered in their interrelatedness, by persistently moving from the one to the other and expanding the understanding of both. This non-linear process, referred to as matching, may redirect the study to somewhat differing directions creating an evolving framework. This evolving framework is however restricted by theoretical boundaries within which we may move freely. By adopting this approach we employ an iterative process where our chances of both capturing unanticipated empirical findings and theoretical insights are enhanced (Dubois & Gadde, 2002). Dubois & Araujo (2007, p. 178) further point out that "*The boundary of the study may be relatively malleable throughout the investigation and won't be fixed until the analysis is completed and written up*".

3.1.2 Empirical Method

3.1.2.1 Qualitative Approach

In order to align our research method with the empirical demands associated with our research topic, we have chosen to adopt a qualitative research approach based on an embedded single-case study. As we seek to add to the conversation of a topic discussing a socially-oriented phenomenon linked to the fields of intra- and inter-organizational control and accountability research, a qualitative approach provides the appropriate conditions for understanding the views, motivations, perceptions, and behavior of the involved individuals subsequently creating the phenomenon. The qualitative approach does also hold exploratory properties. Hence, it suits well as a research approach for fields lacking precedent studies. Furthermore, structured or quantitative studies do naturally require some sort of research-based take-off point, which can often be facilitated by a preliminary qualitative study (Hakim, 2000). Considering the character of the proposed research question, we also fear that a statistical design would only provide interpretations incapable of capturing the integral character of our observations (Dubois & Araujo, 2007).

3.1.2.2 Case Study Research Method

The most distinctive reason for applying a case study research method is to understand complex social phenomena. Another important property of the case study is its inclination to allow for the retention of the holistic and meaningful characteristics of real-life events (Yin, 2009). In accordance with a qualitative research approach, it is also advantageous when studying new fields of research (Eisenhardt, 1989; Dubois & Gadde, 2002).

There is however characteristics that might speak against a case study as a research method. Yin (2009) argues that it provides a poor basis for scientific generalization; that it is too situation-specific. Since case studies revolve around phenomena existing in specific contexts particular to each case, it is important to distinguish them from one another to properly understand the phenomenon and construct a descriptive theory. However, the line between the phenomenon and the context is often blurry, portraying the difficulty and generally argued weakness of case studies. Still, this "weakness" may also be seen as a strength. The interaction between the phenomenon and the context where it is observed can plausibly best be understood through an in-depth case study (Dubois & Gadde, 2002). It is also necessary to study the phenomenon in its context to understand the dynamics that are involved in its setting (Halinen & Törnroos, 2005). Hartley (2004, p. 323) even argues that the case study "*is particularly suited to research questions which require detailed understanding of social or organizational processes because of the rich data collected in context*", which positively applies to our case and rather motivates the suggested research method. Yin (2009) relates this "issue" of generalization to *external validity*. He motivates the use of case studies by pointing out their non-reliance on *statistical generalization*. There is rather a desire "*to generalize a particular set of results to some broader theory*", which relates to *analytical generalization* (p. 43). Thus, it is important to clearly define the domain to which the findings may be generalized (Yin, 2009). This, in turn, makes the case selection imperative (Dubois & Araujo, 2007; Yin, 2009).

What further speaks for the appropriateness of a case study methodology in our specific case is the nature of our research question. Its quest for explaining a phenomenon by asking *how*, in combination with *why*, is generally favored by case studies. This does however also open up for other possible research methods, but these are regarded as unfit for two reasons. First, this study aims at describing a set of contemporary events. By revolving around a present-day case we can benefit from making use of a wide array of sources including documentation, and cultural and physical artifacts to gather evidence. Second, by just taking on a role as researchers without any control over the behavioral events nor any operational bonds to the case company, we fulfill the last criterion of the case study, as well as extend our array of evidence sources by also being able to make use depth interviews (Yin, 2009). This does not only improve our possibilities of collecting relevant data, but also of coming across more active data. By not entirely relying on a dedicated search for information, the possibility of e.g. a passive interview approach may lead to new discoveries and ways of linking empirical evidence with theory that supposedly only are attainable through mediums like direct observations and interviews. This becomes especially important in less explored fields of research (Dubois & Gadde, 2002).

3.1.2.3 Embedded Single-Case Study

The underlying rationale behind a single-case design is somewhat multifaceted. The characteristics of our research case foremost relate to a *unique* case, rather than to a *representative* or *typical* one. This assertion is based on the early observation of the particular complexity of the case company's organizational structure, and the uniqueness in the specific supplier relationship central to the study. The identified company is also a multinational company (MNC) active in an advanced technological industry operating in a business-to-business market that has experienced increasing competitiveness. These factors presumably contribute to the uniqueness of the case. The uniqueness itself does in turn speak against a multiple-case study and rather advocates an in-depth single-case study, since involving multiple cases in such an academic endeavor would either require time and resources beyond the range of this study, or imply a shallower study based on fewer information sources, but with added breadth. Additionally, as we are bestowed access to an MNC with a complex organizational structure, part of the rationale is also founded in the *revelatory* characteristics of this case study, i.e. the opportunity to study a phenomenon previously not observable in depth (Yin, 2009).

We have chosen to embed multiple units in the analysis of the case. As the research area is lacking precedent studies and the case company is signified by a complex organizational structure, we find it advantageous to include multiple units and levels within the organization. That is, we focus our efforts both towards different sub-units involved in the central supplier relationship, as well as the all-embracing organizational climate. This may be a difficult act to balance, but when carried out properly it provides us with a more extensive analysis with the opportunity of gaining deeper insights, without exchanging our depth for a breadth focus (Yin, 2009). The embedded single-case design also fits well with our purpose of involving multiple sub-units in the analysis to understand their differences and similarities, and how they are interconnected in a shared context (Dubois & Gadde, 2002). A multiple-case study would however not result in the same gains as this would add to the breadth of the study at the expense of the more relevant depth. That is, one may be trading identifying other contingent causal powers for discovering how these powers actually operate (Easton, 1995).

3.1.3 Case Selection

Dubois & Araujo (2007, p. 179) state that "c*ase selection is the most important methodological decision*" when conducting a case study. The selection process can be compared to *purposeful sampling* (or selecting), as described by Patton (1980). WorldCo has been selected due to its suitability in providing insight into the phenomenon which the research question relates to. In order to properly understand the phenomenon proper access has been of major concern. Since one of the authors previously has been in contact with

WorldCo, it was advantageous to grasp the opportunities and benefits of an already established relationship. With the previously acquired knowledge about the organization we were able to more efficiently select suitable interviewees and gain their trust. This positively relates to the revelatory properties of the case study (Yin, 2009).

WorldCo is an MNC operating all over the world. Ghauri (2004) argues that research problems in MNCs tend to be much richer compared to small and medium enterprises (SMEs), given that proper access is possible and it is easy to identify the most appropriate informants. Roth & Kostova (2003) illuminate the use of MNCs in expanding on existing theories, as with an abductive approach. They argue that the use of MNCs with such a research approach is promoted by their heterogeneity and complexity. From an intra-organizational aspect, WorldCo exhibits both these characteristics, but there are also possibilities of similar characteristics in relation to the individual variability among employees. That is, we are interested in studying the organizational structure, including the management control and accounting systems, as well as in gaining the views of employees pertaining to different units with an interface to Supplier. These characteristics provide us with more opportunities of identifying additional explanatory factors and powers associated to the phenomenon. This also stands in parity with an embedded single-case study design (Dubois & Gadde, 2002; Yin, 2009).

Concerning the relationship with Supplier, and our ambition to study the interconnectedness and accountability relations between the units with an interface towards Supplier and their respective relationships towards Supplier, both access and the fit of the supplier relationship are imperative to the case study. Again, access was one of the reasons for choosing WorldCo. We were fitted with computers and access that helped us in gaining the trust of the participants and thus aspirate as much as possible from the interviews. Regarding the fit, the relationship with Supplier has been ongoing for several years and it is a well-established relationship, even if this is a new way of working with a supplier for WorldCo. There has not existed a structured way of working this way and this closely with a supplier, which stands in contrast to the customer side of WorldCo's operations. This side is far more elaborate and developed. However, this makes the case more interesting as the struggles and challenges, which usually may characterize all new endeavors that you may undertake, become more evident and may enrich the data collection. Yet, it is sometimes important to distinguish these rarer occasions from what may be referred to as normal business.

Within the case there is also a necessity to delimit the interviewees. WorldCo is a large MNC with thousands of employees and numerous people that are related to the collaboration with Supplier, i.e. our scope within the study and the company. Hence, we have restricted our sample. However, how this is done is important in order to acquire as much relevant and rich information as possible. In order to do so we have employed a sampling method that can be related to some of Goetz & LeCompte's (1984) criteria-related sampling methods[6]. Initially we based the sample on people that we were recommended from one of our main contacts at WorldCo, who is experienced with the inter-organizational collaboration and has worked at WorldCo for a long time. From that selection of people we asked for other people who might fit our scope and be able to provide interesting insights on the subject. At that time, when we asked the interviewees for recommendations, they had gained a picture of what we wanted to uncover and thus were informed about the objectives of the study. Thus, from this aspect we also borrowed some from Patton's (1980) objective-related sampling strategy, aiming at discover, understand and gain as much insights as possible on our subject. This also connects to our research approach and efforts to add to a research area lacking research in the aspects which we are interested in exploring. More specifically, we seek to find suitable candidates that provide a mix of variation between the organizational belongingness and role, and who are critical to the study, i.e. people that are well-informed in the relationship and that have extensive experience working with Supplier.

3.2 Data Collection

Our analysis primarily draws on interviews conducted between early March and early April during the spring of 2014. In total, 25 interviews were conducted, whereof four were held with multiple people at the same time. One of these interviews was together with two close-working colleagues. Four were interviews which focused on the contextual aspects of the study. These were held with our main contacts at WorldCo and during these there was also room for feedback on the study and its current status, along with discussions on certain aspects of the bearing of the thesis and its findings. Three of these were held with two persons and one with three. In total we have met 22 interviewees during those 25 occasions. The interviews ranged from between thirty minutes to two hours and were on average 1 hour and 23 minutes long. They were all carried out at the company premises, although two were held via phone meetings. All interviews except the ones that focused on the more contextual aspects were recorded and subsequently transcribed into written form.

Yin (2009) elaborates around a few commonly required skills of an investigator, consequently also of an interviewer. Throughout the research process we have considered these in different ways to improve our research. First, Yin (2009) stresses the importance of *asking good questions*. Some might argue that this is an obvious requirement, but it is none the less important. We have approached this by in the interview process constantly allow the questions to evolve depending on what previous interviews have encompassed. The initial interviews were carried out in purpose of gaining a comprehensive view of the relationship between WorldCo and Supplier. This includes the different organizational interfaces that are set up within WorldCo towards Suppler and how the overall internal organization related to the supplier relationship is shaped out. Subsequent interviews have engaged employees from a multitude of functions and sub-units involved with the projects, including maintenance, procurement, R&D, product

[6] Merriam (1994) distinguishes between Goetz & LeCompte's (1984) criteria-related sampling methods and Patton's (1980) objective-related sampling methods as two different groups of strategies for nonprobability sampling.

management, and production. These interviews focused on developing notions learned from previous interviews. Great emphasis was also put on gaining additional perspectives and each individual's take on and experience of the supplier relationship, and the internal controls and accounting systems in order to better understand the phenomenon and the complex organizational structure of WorldCo (Dubois & Gadde, 2002; Dubois & Araujo, 2007). For this reason the interviews were conducted in a semi-structured setup, allowing both a certain level of guidance for the interview and an openness also enabling the acquirement of active data (Dubois & Gadde, 2002). That is, general questions concerning organizational role and main responsibilities, followed by pre-specified topics that were to be covered. However, during the process of the data collection we moved more and more away from the question structure that heavily guided the initial interviews in order to focus on certain areas where we had not reached a sufficient level of saturation. Thus, the initial interviews may be classified as what Yin (2009) describes as *focused interviews*, whilst the latter rather resemble *in-depth interviews*. In this latter phase, the interview may also be compared with what Alvesson (2003) relates to as reflexive interviewing. That is, we aimed at developing a dialogue where the interviewee was allowed to explore their concerns by following their line of reasoning instead of a predetermined questionnaire.

Another skill involves *having a firm grasp of the issues being studied*. Prior to the data collection process a rigorous review of related literature was conducted. Again, a rather straight-forward advice and thing to do, but to further increase our chances of not missing out on any important observations we both have attended the interviews possessing individual roles. Eisenhardt (1989) argues that this allows different perspectives and divergent views of evidence to come forward. In line with one of Eisenhardt's (1989) suggestions, one took on the role as the interviewer, thus obtaining a perspective of personal interaction with the interviewee, and the other as a note taker with a more observing and distant perspective towards the interview. Furthermore, one must be able to interpret the information as it is collected, which is probably the most difficult and imperative task with case study interviews. This involves both an ability to link theory and empirical evidence, but also to interpret the data correctly, which brings us to the next skill.

A third skill is referred to as *avoiding bias* and not striving to validate preconceived notions, but remain objective without the ambition to fit data that does not fit in the specific context. This might be especially problematic and vital when conducting a case study, but it is important to embrace contrary findings even if they are just that, contrary (Yin, 2009). Patton (2002) describes this as adopting a stance of empathic neutrality. These problems might however have lesser implications with an inductive approach, but we also believe that an abductive approach that focuses on engendering new concepts and expanding on existing theory, is less prone to generate bias due to a preconceived position of the findings.

"*Triangulation is one of the defining features of a case study*" (Ghauri, 2004, p. 115). Case studies almost naturally involve multiple sources of information (Yin, 2009). Yin (2009) mentions six different sources of information, whereas we have made use of documentation, archival records, interviews, and physical artifacts, but at varying extents. The study foremost relies on the data that has been collected during the interviews. Apart from the interviews we have also used some organizational charts, prior internal studies and other documents and archival records belonging to the internal organization. Some direct observations also serve as part of the data collection. This has allowed us to both gain a deeper understanding of the phenomenon, but also to triangulate certain observations and assure their validity and ensure our research quality (Yin, 2009). Patton (2002) refers to this as *data triangulation* and Yin (2009) argues that this mitigates the problems associated with *construct validity*. By having both attend every but one interview we also manage to achieve some level of *investigator triangulation*, i.e. emerging discrepancies between the authors' perceptions of the interviews are continuously discussed (Patton, 2002).

3.3 Data Analysis

In the beginning of the previous subchapter we described how the major parts of the data collection involved interviews conducted with the employees at WorldCo. The transliterations thus comprise the backbone of the analysis that is conducted in relation to the three dimensions of accountability. Hence, what has been the most central reason behind this categorization is our general analytical strategy. Following one of Yin's (2009) suggestions our strategy has been to rely on the theoretical propositions that have led to our case study.

The subsequent analysis has in practice resembled a method described by Lincoln & Guba (1985), regarding its very basic form. More specifically, we have mostly relied on the transliterations of the interviews, embodying our basic case study data base[7]. We have individually read these through, considering all collected data, and highlighted the parts which we have been able to link to our theoretical framework. Subsequently we had to compare our individual analyses of the empirical material and acquire a collective consensus regarding the theoretical linkages. This was partly a complicated process in that we interpreted the data differently. This can be tracked back to our different stances in relation to the interviews and that process, but also to more general differences in terms of how the data was interpreted, along with the organizational complexity of the case company. However, this both allowed us and forced us to debone the data in greater detail to determine what actually fitted to the framework and how it fitted, i.e. what kind of accountability did the data give evidence of. Distinguishing examples of hierarchical accountabilities did generally not pose as a major problem in the analysis, but they were the ones most easily connected to the theoretical framework. However, relating data to the internal lateral accountabilities showed to be a more complex task due to the organizational complexity and since they were sometimes difficult to properly disentangle and not misinterpret as hierarchical accountabilities. Also, by the very nature of lateral accountabilities, they might also be held towards more abstract accountees, e.g. the corporate culture or the "greater good of the company". Similar problems also faced the classification of external lateral accountabilities. However, in these instances it was important to carefully ensure that accountabilities were held *towards* the external supplier, and that the accountor was not simply

[7] Consulting computer-assisted analytical tools were considered, but deemed unnecessary in conducting the analysis.

accountable *for* Supplier. This was also a general complexity that tinctured the analysis, but it got more evident in relation to this aspect of the analysis. In order to make the correct assessments, a number of actions were taken. First, the analysis process can be described as an on-going one that has been agoing throughout the entire data collection. That is, you are continuously trying to make sense of the data somehow as you collect it, which involves follow-up questions to assure the interpretations. Second, the major part of the analysis was conducted before some of the interviews had not yet been held. This allowed us to triangulate some assertions with these last interviewees. Third, observations and findings have also been discussed with our two main contacts within WorldCo during discussion-like interviews both during the collaboration, but most importantly at the most final meeting together with them.

Once this part of the analysis had been conducted, it remained to sort out which observations were of more interest and that could add to the thesis. By evaluating all thus far identified quotations and forming themes and sections based on similarity, we managed to form a structure for the case study presentation and its respective parts. As the major themes of the thesis became more evident, the observations were further streamlined to fit the structure and be contributive. Interestingly, no major rivaling explanations or observations were found that needed to be addressed. Some did however emerge, but proved to be of lesser relevance as they were evaluated in relation to the central findings.

3.4 Research Quality

3.4.1 The Implications of the Research Design on Research Quality

The implications of the research design concerning research quality mainly relate to external validity and generalizability. That is, the research design, in our case the single-case study, determines to what extent the results will be generalizable in settings different from the one of this study. Many argue that simply studying a single case will offer a poor basis for generalizability (Yin, 2009). However, this argument rests upon statistical generalizability and quantitative research designs, whilst if redefining generalizability to the conditions of qualitative research, many argue that the results of a single-case study may very well be generalizable. This analytical form of generalizability aims at generalizing specific results to some broader theory (Merriam, 1994; Yin, 2009). To make these results generalizable we have thus strived to provide an as appropriate description of the context as possible to enable readers to determine what results may be extracted and applied to their case (Lincoln & Guba, 1985). With "appropriate description" we mean two things. First, it implies parsimony and not trying to describe everything that can possibly be described. This relates both to the description of the case and its context, and the theory-building. Concerning the case, we are however somewhat limited by it being anonymized per request of the case company. This may have implications on our ability to describe the context, but those are deemed to have only a minor influence due to the aims and findings of this thesis. Furthermore, this was essential in order to conduct the study and acquire necessary information. Second, it implies *logical coherence*. That is, the adequacy of the research process and the empirical grounding of the theory need to appear clearly and be well described such that the reader can evaluate these factors, along with the results, on its own accord. Hence, we have continuously consulted our theory base throughout the study and carried out the data collection, along with the subsequent data analysis, as systematically as possible. The latter also applies to the presentation of the data collection and data analysis (Dubois & Gadde, 2002). By applying these tactics we have tried to increase the external validity of the study and make it easier for the reader to determine when and how the findings of this study may be applicable to other situations (Merriam, 1994).

Finally, our choice of case company does have a positive effect on the external validity, according to Roth & Kostova (2003). They argue that MNCs are more generalizable compared to similar domestic companies. Apart from operating in multiple countries, MNCs are also naturally more complex. Roth & Kostova (2003) even stretch their argument as far as to claim that MNCs might be considered the general case, whilst domestic companies rather represent different special cases. However, it should also be noted that there might be implications limiting the generalizability of our findings that are innate to our focus on a collaboration encircling a specific set of projects.

3.4.2 Judging the Research Quality of the Data Collection

Regarding the research quality related to the data collection, there are two tests that help us ensure its quality. The first test, construct validity, relates to one of the main critiques raised against case study research – the "subjective" judgments used when collecting data and the difficulties of developing a sufficiently operational set of measures[8] for the concepts being studied (Yin, 2009). That is, we need to ensure that what we measure and the results that we subsequently arrive at actually capture reality (Merriam, 1994). We argue that there may be two aspects to this reality that become relevant in our case study of WorldCo. First off, the features of the management control and accounting system related to the relationship with Supplier that represent concrete truths about the organizational setup. Second, qualitative research relies on the mental constructions of reality made by humans (Lincoln & Guba, 1985). To ensure the validity of our research we need to render and reconstruct these multiple constructions in an accurate way to truly reproduce how our informants perceive themselves and their experiences (Taylor & Bogdan, 1984).

In this thesis, we work with these matters by triangulating evidence[9]. Concerning the more concrete findings we work with data triangulation using multiple sources of evidence to verify them (Patton, 2002). In cases where we receive information through interviews that cannot be verified by another information source, we seek verification from other informants, either through following it up in a subsequent interview or by having key informants review the findings. We also let the same key informants review drafts along with the final report to mitigate the possibility of misconceptions (Yin, 2009). Regarding the second "aspect of reality", we have previously mentioned that interviews are attended by both researchers providing different observatory views of the interview. This sort of investigator triangulation reduces the

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[8] When speaking about measures in this fashion we are not restricted to purely quantitative ones, but we rather emphasize that a concept may be identified through different observations, with these observations acting as measures to capture these concepts.

[9] Merriam (1994) argues that triangulation may also strengthen the reliability of a case study.

chances of conceiving evidence wrongly (Patton, 2002). In addition, we let the informants control that we conceive their descriptions correctly, by having them review our descriptions and interpretations to ensure that the findings are trustworthy (Merriam, 1994). For ethical reasons and in an effort to increase their trust, they have also been given the opportunity to remove parts that they deem unfitting. This has also helped us reach an appropriate level of anonymity. As already touched upon, this is deemed to only have had minor implications on our ability to describe the context. The implications related to the data collection and analysis are also considered as minor since this rarely provides any substantial, additional insight into the presented data and when subsequently analyzed through our theoretical framework.

By establishing a chain of evidence throughout the study, the findings become easier to apprehend by the reader. It helps the reader to see the relevance in the findings by connecting them clearly to the research questions and having relevant observations brought forward in the empirics and the analysis. This way, we may show how the final conclusions of the study have been derived. However, the main feature of a chain of evidence is that it enhances the *reliability* of the study, which is the second test that helps ensure the quality of the data collection. That is, not only should there be a visible line within the report, but also throughout the evidence. Hence, we have also established a database where our observations have been stored and coded. The database provides a link between the research question and the conclusions, visible through the empirical part of this study. However, this is not enough to enable a case study to be repeated. The methods and procedures also need to be available. This has in general been a major concern for case studies, which historically have been lacking documenting (Yin, 2009). To deal with this issue, we have strived to make this section as explicit as possible. However, working with exploratory case studies relying on semi-structured interviews as one of the main information sources makes this more complicated. As has been described, we conduct the interviews in a somewhat standardized manner, but there is also a lot of room for exploring subjects that are emerging during an interview. This, along with the human nature and the features of a systematic approach, make it more difficult to replicate a case study relying on such interviews.

3.4.3 Judging the Research Quality of the Data Analysis

Our ambition of studying accountabilities in the presented setting implies that internal validity, as Yin (2009) describes it, becomes non-applicable in the sense that it relates to exploratory or causal studies. For instance, we are not comparing an empirical pattern with a predicted one. However, there are a few important aspects that need to be brought up concerning the quality of the analysis. As described above we have thoroughly gone through all our evidence and subsequently analyzed it individually as a first step of the analytical process. Also, the analysis process may be described as an ongoing one where data has been considered throughout the collection process and findings have continuously been corroborated during subsequent interviews. This is an attempt to assure that our interpretations are correct and circumstantially considered. In addition, we have discussed these interpretations and findings together with our key contacts within WorldCo to confirm and validate them. We believe that this has been a good addition in validating our findings considering that they hold managerial positions and have extensive experience from WorldCo as well as the specific relationship with Supplier.

The study is focused around a relationship, which implies two involved parties. WorldCo is however the focal company and whose interior we wish to dissect, but Supplier is important, in some aspects more than others. This could be considered a problem; that we are only providing one side of the relationship. However, our interests pertain to WorldCo and their internal affairs and structures in relation to the relationship. Thus, additional perspectives provided by Supplier would have been less relevant given that the research focus revolves around accountabilities and whether and how one feels accountable to someone or something. That is, the accountor is the most relevant person from this perspective which is why we are also able to make a distinction between internal and external lateral accountabilities without directly involving Supplier in the data collection process.

4 Case Study: New Product Development at WorldCo with Supplier

This section encases an initial background to the case embodied by the collaboration between WorldCo and Supplier, with WorldCo as the focal case company. Subsequently, we present the results of the data collection and analysis process with regards to hierarchical accountabilities, internal lateral accountabilities and external lateral accountabilities.

4.1 Background

WorldCo is a large MNC with operations in both developed and developing countries all over the world. The industry in which it operates is highly competitive and has experienced an increasingly perceptible price pressure during recent years as more cost-focused competitors have entered the market. Like many other industries, the fierce competition has led to an increased consolidation of the market. One part of its strategy to maintain its market leader position, involves an extended collaboration with Supplier. Supplier is only one twentieth the size of WorldCo in matters of headcount and turnover. However, despite its size, Supplier is also regarded as a market leader within its specific industry. The close cooperation between WorldCo and Supplier mainly encompasses new product development where the products of the two companies have been integrated into one single unit instead of having them separated. Historically, WorldCo has bought products from Supplier and sold them together with its own products, foremost to other companies. This more transactional aspect of the relationship still exists, but it nowadays does so alongside the co-developed product as WorldCo markets both the integrated product and separate components from both companies' product portfolios. However, the case study will focus on the development and work around the integrated product.

4.2 Hierarchical Accountabilities

> *"You are speaking of line managers, but my line manager is not directly related to Supplier. At WorldCo my line manager puts me in a project which he does not care too much about. It is other project managers like Project Manager 1 that care about my daily work." (Project Manager 2)*

The organizational structure at WorldCo is not engaging line managers to the same extent as the project managers. It is mostly within the projects where the employees do their work and where their performance is evaluated. Hence, the line managers have little *direct* insight into how the daily work of their subordinates proceeds, but they still receive information through other various channels. The communication, and especially reporting, is scarce up and down the line structure (Project Manager 2). Many neither have any KPIs nor budgets to report on towards their hierarchical managers. The one forum for communication which everybody shares is a personal performance conversation with their superiors. However, this is often mostly dedicated to personal development (Project Manager 3):

> *"Those [the personal performance conversations] are about eventual courses that I would like to take and personal objectives where he [his line manager] generally says that I should set [a timeframe] for all products in time. However, that objective is given to all project managers. Otherwise, I do not have any other specific objectives. […]*

But what I mean is that he does not have any visual side role to my part and no immediate demands on me concerning my work. However, he is definitely updated and knows what is going on." (Project Manager 3)

Even if the line managers do not have any major insight into their subordinates' performance, there are occasionally some things that are reported and they often manage to stay updated and retrieve some knowledge about the status of at least certain aspects of the work (Project Manager 3).

"At the same time, in the unlikely event where I do not keep a budget and exceed it, and come begging for more money, a signal will go to him [his line manager]: 'Now Project Manager 4 actually needs this and that much money. What for?' So he [his line manager] also gets feedback if I would exceed my budget. He takes part, he gets to hear it indirectly. Subsequently he is opt in the decisions concerning the redistribution of money." (Project Manager 4)

In this case Project Manager 4 speaks of the budget that he receives concerning the project. It is thus not funding that originates from his line manager, but rather other parts of the organization. However, his line manager still keeps track of how he is handling his budget, even if it is indirectly from the ones he answers to within the project (Project Manager 4). There are also other paths to take for the line managers to receive information concerning their subordinates' performance, but most of them appear to be informal and the information is most commonly received via someone else (Project Manager 2):

"There are different ways where he [his line manager] may go. They can figure out how we are performing through different feedback channels. My manager for instance could ask Project Manager 5 about how I am doing. That is one channel, but there are many other channels." (Project Manager 2)

In the case that poor performance would become evident, the line manager might thus receive that information. Nonetheless, it is most commonly and above all the other sub-units who are the ones reacting the strongest. They are usually the ones to do it first as well. Again, the line managers are more often than not communicated the information through someone else, for instance the other sub-units, i.e. when things get escalated higher up within the organization (Project Manager 2). Furthermore, when the Project Manager 6 answered whether his line manager took any part in how he worked operatively, he replied:

"No, not too much. However, when there arrives escalation questions and they tumble in from other managers, then there might be questions to him [his line manager]." (Project Manager 6)

The employees at WorldCo explain their relationship to their line managers as something residing in the periphery of their daily operations. It is rather more common that the line managers at first receive information about their subordinates' work and performance through escalations coming from another direction. It is thus not too apparent who then is controlling their work and what they actually do. When asked about this, Designer 1 replied:

"No idea. I can say that in the beginning I was mostly surprised by us succeeding in carrying out anything at all. However, I believe it is these persons sitting here that make it work by supervising the things they are involved with. They need neither be line managers, project managers nor experts, but they can also be another kind of person, just someone who is sitting in the web and pulling a bit in a direction that makes it work. There sure are those who pull in the wrong direction, making it not work at all. Nevertheless, what makes these persons do what they do is not very easy to understand." (Designer 1)

Designer 1 speaks of a group of people at WorldCo who are assuming an informal managing role that is less dependent on the formal role. However, he expresses an uncertainty surrounding what is actually influencing these informal leaders. Later on, we will cover factors that seem to provide bearing to these persons, along with the rest of the organization – factors that impose a governing effect on the organization and steer people's behavior to create alignment within the company, ultimately leading to WorldCo succeeding in carrying out their operations. But first, we will analyze what conclusions we are able to draw from this sub-section.

4.2.1 Analysis: Hierarchical Accountabilities

One of the more striking findings that relate to the hierarchical accountabilities is their absence. There is no formal performance measurement system (PMS) put in place to evaluate the performance of the employees within the hierarchy, and the concept of KPIs is barely apparent as many of the employees, independent of departmental belongingness or hierarchical degree, do not report a single KPI to their line manager. That is, there are barely any hierarchically based demands for accountability. This stands in stark contrast to extant intra- and inter-organizational literature, which commonly illuminates the significance of such formal controls, as well as prescribes the use of them (see e.g. Mouritsen et al, 2001; Håkansson & Lind, 2004; Seal et al, 2004; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006).

In addition to the lack of KPIs, there often neither exist any other forms of formal reporting that is aimed at providing line managers with insights into their subordinates' daily operations and related performance. However, there are still channels through which the line managers can receive information about performance within the projects to which they send their subordinates. These channels incarnate through informal communication, but also formally via escalations, both internally and externally. In the event of something being brought forward to a line manager, typically he or she will subsequently act upon this information and bring up eventual issues with whom they pertained.

The hierarchical accountabilities at WorldCo display some similarities to the findings of Cäker's (2007) study, as they seem to be overruled by lateral ones. Cäker (2007) describes two cases where in the first one, the management accounting system enforced by senior management, is overruled by lateral, socially based accountabilities. In the second case, lateral accountabilities, even though being partly aligned with hierarchical accountability, disturb manageability by giving rise to an unbalance due to the workers only feeling accountable to the accounting measures that are supported by lateral demands. What Cäker's

(2007) two cases signify is how management attempts to enforce hierarchical accountabilities through the management accounting system, but fails to do so because of the lateral accountabilities' relative strength overruling the hierarchical accountability.

At WorldCo, the employees explain that it is not the KPIs that encourage a certain behavior, but rather the lateral accountabilities. Hence, in the cases where hierarchical accountabilities manifested in the KPIs were apparent, and in line with lateral accountabilities, it was still the lateral accountabilities that were in possession of the central power. This became even more apparent in those cases where the hierarchically delegated KPIs were in conflict with internal lateral accountabilities. During these circumstances the internal lateral accountabilities had a propensity to overrule the hierarchical ones, just as in Cäker's (2007) study. However, there is an important difference between his findings and what has been observed in this study. In the case of WorldCo, any management accounting system hardly even exists and it is not obvious whether the line managers even want the subordinates to account for hierarchical demands. Instead, the line mangers seem to rely on lateral accountabilities much more extensively. This is showcased by the escalation system that mainly involves the line mangers in the case of an issue that cannot be resolved. Nonetheless, it is most commonly and above all the other sub-units who are the ones reacting the strongest in the case of poor performance. They are usually the ones to do it first as well and if they do not react, the line manager is likely to not do it either.

What this analysis signifies is that communication and integration, both intra- and inter-organizationally, is not driven by KPIs or formal controls as often suggested in the literature. It is seldom towards hierarchical demands that one chooses to account. Rather one chooses to explain and justify one's conduct laterally. Hence, next we will see that the communication is mostly managed through lateral accountabilities that are, as shown above, successively enforced by hierarchical accountabilities.

4.3 Internal Lateral Accountabilities

4.3.1 A Network of Communication and Reporting Channels

"Who do I interact with? I interact with hundreds of people due to this relationship." (Procurement Manager 1)

WorldCo is a big and complex organization. However, the complexity is both the problem and the solution to ensuring that the organization's different units and levels are aligned with one another, but also able to perform and make progress (Designer 1). WorldCo has employed structures that in themselves are communication channels that span throughout multiple parts of the organization. Here WorldCo has the projects form another layer of organizational structuring encapsulating multiple sub-units, and in order to produce the product and make everything work it is imperative that you communicate and coordinate with a lot of other sub-units (Project Manager 1). In addition, Project Manager 6 also speaks of the need of having a well-functioning network between the involved sub-units in relation to the project:

"[…] everyone is very active and I think that we have a very good network. I think it is very good. We have the momentum if we want to make changes. We also have transparency between us. We know if something is missing so that we can fix it." (Project Manager 6)

One formally structured way of creating communication and reporting pathways between sub-units is described by Project Manager 4. He receives his budgets from two different sub-units, none of which actually is containing his line manager:

"It is organized this way. WorldCo is divided in such a way that we have projects and it is the projects that make certain that you keep the costs." (Project Manager 4)

Upon creating these organizational communications and reporting pathways a great deal of thought is also put into it. When WorldCo had to settle on how to internally organize the new and old generations of the with Supplier jointly developed product, the discussions involved and engaged a wide array of sub-units. The discussions kept on going for months in order for every involved party to raise their concerns (Project Manager 3).

In some instances of both the collaboration, but also strictly internally within WorldCo, there are no existing standardized processes to follow when carrying out one's assigned tasks. Procurement Manager 1 receives a lot of requests and has extensive communication with maintenance, usually when they are in need of spare parts from Supplier in order to repair the integrated products that already have been delivered to the customers. As part of her role in the procurement unit, she is responsible for arranging prices with Supplier. The way in which she operates in relation to the collaboration is not the usual way of working with similar issues, according to standard procedures. That is, due to there being no standardized processes, different sub-units are in this case forced to interact with one another and form new ways of interacting in order to solve arising issues.

In the maintenance and procurement example the involved parties knew who they could turn to. However, especially for people working within R&D and other units where technical queries may frequently arise, you might not possess the required knowledge or competency to solve an issue by yourself, but need to find someone who can help. In these situations the organizational complexity and severity makes it less obvious how to recognize where you might need to turn and who might be able to be of assistance in solving your query. In relation to these cases, Production Manager 1 speaks of the need to establish networks in your work environment to be able to solve your work tasks. Within his work description he naturally needs to cooperate with others since he cannot possibly possess all the competencies required to answer up to everything he is asked to do. Hence, he stresses the need of this network, but also the personal struggles that may be related to establishing such a network of informal connections:

"I do hear that it sounds kind of fluffy myself. It is actually about a pretty big network that you build up over time, so that you know different people's function and what their responsibilities are. It is something of a foundation of everything. If we were to exchange me for some stand-in, then that person can get help from other surrounding functions […]. If we were to exchange a lot of those surrounding functions maybe here in this house or within a project straight off, then it would become very messy and everything would need to be established from scratch." (Production Manager 1)

In addition to the struggles that may surround this, Designer 1 explains that *"You understand what little you need to understand in order to be able to move forward."* The organization is difficult to organize due to the complexity of their technique and its development which plays the integral part of WorldCo and its operations. Still, the company is continuously making reorganizations in an effort to improve its structure, but not even upper management seems to be able to grasp it fully. There are numerous organizational charts that may be consulted, but these seldom help with the understandability. They may however prove useful in trying to figure out and establish networks of informal connections, that were stressed previously, which Designer 1 argues is what keeps everything together:

"You try to organize as well as you can and reorganize whenever you realize that it scuffs. However, I still do not believe that there are that many who really have a *clue about how everything actually works. It could be possible that they [upper management] have better insights than I do, but I cannot find that much that indicates that. I think that practically there are extremely many personal relations on different levels that keep everything floating, which is tricky to straighten out and understand. Just look at these organizational charts. They do provide some sort of image of it all, but they do not explain why we do as we do or why it works or not. That is, you can dig up who you are supposed to talk to, so to speak. Somehow these charts are perhaps rather made to outline what kinds of people that exist, than the hierarchy being visible in the picture tells that much about how you manage." (Designer 1)*

On a related note, Project Manager 4 explains that it is more or less impossible to map out his own network. When asked whether it is possible to explain it in a chart he replied: "*No. I just say good luck to that."* However, you need maybe not try to map everything out, because it means sorting out three different organizations within WorldCo – the line hierarchy, the projects, and the expert organization. Still, you do often need a composite of information that may pertain to all three organizations.

"[…] it will be up to me to try to solve it somehow; to find the right people. Because it is not like you can just go to someone and that person knows who you should talk to. Instead you have to talk to a lot people in order to find who you should talk to, and that is something of a trade within WorldCo – to know who to talk to." (Designer 1)

Furthermore, Designer 1 continues to explain how he, who does not clearly belong to any of those three different organizations, works in between them trying to keep aspects of all three together in order to create some kind of map over the capabilities and potential they possess in order to figure out the possibilities. The same goes for determining what also needs to be done.

"Many of us who do not clearly belong to one or the other [the line organization, a project, or the expert organization], we spend quite a lot of time trying to move between these to try to weave together a picture about what is possible to do and what you need to do." (Designer 1)

4.3.2 Dual and Shared Responsibilities

"I do think there is an advantage in keeping maintenance and ongoing development together, because if you were to move maintenance and the problems existing there to another corner, then you will never have any synergy with the ongoing projects. This means that they will never become aware of what there is to do, what problems there are, if you in an ongoing project discover something that we in maintenance might not immediately hear of. That is why we, or half of me is part of maintenance and half of me is part of product development, so that I may know how everything is connected." (Project Manager 4)

When a project has reached the end of the development process, the product is handed over to the maintenance unit. That is, once a product and different variants from it has been developed the responsibility is transferred from R&D to maintenance. Project Manager 4 who is the person responsible for the development phase is also responsible for upholding the product in the maintenance phase. As he mentions above, the advantage of this is that the two phases, and parts of the organization, stay in sync with one another and communication between the two is created. In a similar fashion the development of new products within the collaboration with Supplier, along with the old and already developed products are kept together through having one person – Project Manager 1 – responsible for both (Design Manager).

Project Manager 6 speaks of how the integrated product is different from the more general products displayed in WorldCo's product portfolio, not only regarding its specifications, but also how it has affected the organizational structuring and processes. The collaboration has resulted in the development of major networks, as already described above, but part of this may be related to shared responsibilities as in the case of Project Manager 4. However, with the difference being that in this phase the product is never really fully handed over to the production unit, but part of it remains in one of the development phases since the development is neither really fully completed. This results in both production and R&D having a stake in the product simultaneously.

Another example is provided by Designer 1 who is partaking in two otherwise separated projects. His purpose is to keep them together in relation to technical requirements originating from a shared platform to ensure that certain features remain shared and they do not stray too far from each other.

The complexity and interrelatedness of the responsibilities placed upon certain roles within the organizational structure may be further illustrated by the Research Manager who describes his responsibilities in relation to the hierarchical line organization, the projects, and expert organization:

"Now you have arrived at an interesting question. Since I am both a line function and have a technological responsibility, then yes, I do govern every project, but I also govern the wholeness." (Research Manager)

Thus, the Research Manager can relate his role to all three dimensions and links them together through his responsibilities. This adds to the complexity, but simultaneously ensures that everything is better aligned and that the different disjunctions communicate.

4.3.3 Step-Wise Product Development

"Then Project Manager 5 hands it over to me and I test that the whole system satisfies the requirements that are set. To begin with, all sub-units go to Project Manager 5 with all the different parts, Project Manager 5 integrates them and make sure they work together, and then I come along to make sure it works in the system. […] Now we have been speaking about how it works formally, but today I also help with Project Manager 5's phase in practice. I cannot wait, but want to start testing immediately." (Project Manager 2)

The product development within WorldCo consists of a wide array of sets of steps that in turn may be divided further into more steps. For each one there is someone who is held responsible and assumes answerability for that particular step. In this example, Project Manager 2 tests the product in a system-wide sense, whilst Project Manager 5 tests the compiled product on a stand-alone basis. Project Manager 5 is thus responsible for delivering the product in a good enough state to the next one in line, i.e. his colleague Project Manager 2. However, there is often more to this formal setup. Informally their positions merge as Project Manager 2 is in fact helping his colleague, taking part in the previous step of the process. He expresses an urge of wanting to receive the test subject and perform his own tests. Hence, he takes a step back in the process to assist his co-worker (Project Manager 2). This does also imply a level of communication between the involved parties which often stretches further than just to the one being next in line within the development process:

"All instances and departments that we are dependent on for input or dependent on having them perform a certain task are we in contact with constantly." (Project Manager 3)

Another way in which two different sub-units are connected to each other via the product development cycle, apart from the obvious hand-over, is the exchange of resources. In the case of the organizations of the Research Manager and the Design Manager, the majority of the Research Manager's resources available in his budget go into the Design Manager's organization in order to acquire resources in form of necessary competencies and labor forces. The Research Manager describes how this diminishes the problems related to handing over projects and products, since the ones actually receiving them in the subsequent stage are the same as the ones who are handing them over. That is, this simplifies the process of introducing new technology to a product when moving it through the product development cycle and the different sub-units. Also, much like the previous examples there are communication channels tying the different stages together and even though the Research Manager is ultimately the one held responsible for the earlier stage, he may invite the Design Manager to discussions and take his recommendations into consideration. However, he makes it clear that he is still the one being held responsible and thus has the ultimate decision power, but at the same time, the Research Manager's work may be considered more successful if it is actually followed up by the Design Manager and brought forward in the development process. That is, the Research Manager should still be inclined to receive opinions from the Design Manager, just as the Research Manager is encouraged to give his opinions since he is subsequently responsible for the product.

4.3.4 The Funding

Much like the reporting channels more often than not are directed to a multitude of parts of the organization, and the responsibilities may pertain to two different sub-units, so may also the funding originate from multiple sources. Often the budgets (i.e. the funding) are not linked to one's hierarchical line manager. Thus, whenever there is an issue with the budget, if you for instance realize that the funding you have received proves insufficient in order to complete a project, you naturally turn to those sub-units from whom you have received your funding. This further implies that the funder is the constituent sub-unit who requests a certain project to be undertaken (Project Manager 4). It is subsequently up to the receiver to compile the necessary resources to fulfill the assignment by turning to other sub-units withholding the competencies and human resources. At this point the ones from the line organization who are concerned by the project will have to get behind it to ensure the feasibility of the relevant project being viable (Project Manager 3).

4.3.5 Projects Override the Line Organization

> *"[…] in that case, I as a procurement representative probably must be ready to perhaps give up or down-prioritize that ambition [to cut costs] for other KPIs in this operation. For instance, I do not measure what through-put we might have in our R&D with Supplier. If our R&D organization would be of the understanding that we would need to get more out or finance their R&D more, then maybe that is more important than cutting the costs. At this point you must look cross-functionally to see if the KPIs are in balance." (Procurement Manager 2)*

Being responsible for the affiliation with Supplier from a procurement perspective implies assuming the answerability for the commercial relationship. This involves responsibility for both general contract formation as well as more specific contracts in terms of costs and forms of cooperation. Hence, one of the KPIs that constitute the performance evaluation within procurement involves cost savings that can be made in the joint development and production with Supplier. This is an objective that is attached to the line organization, but what Procurement Manager 2 is describing is how this may be superseded by other objectives in favor of the project. That is, there are situations where the project is superseded by the line organization in terms of priority. Production Manager 1 provides another example somewhat similar to the this one. Again, the demands from project-related functions are prioritized and overrule hierarchically formed objectives:

"The situation today is such that we have employed task forces since a few weeks back. This means that no matter what demands I want to put, and no matter what priority I want to set that affects the quality, I am superseded by the task force function. […] I have received the explanation that this has been discussed a few levels up, but right now the task force needs to be put first." (Production Manager 1)

Both examples showcase how the project is given priority and there is a need to stand back in relation to your personal, hierarchically based objectives, in favor of the project's well-being on a more all-embracing level. However, this is not the only way in which the project has a leading impact and where the employees feel a stronger affinity towards the project than the line organization. This was for instance showcased amongst people working within product verification and testing:

"When we started working with Supplier the zones of responsibility [internally within WorldCo] were pretty clear […]. But now when we have been working a few years, we are entering each other's zones because we want to be more flexible and learn more." (Project Manager 2)

What Project Manager 2 is describing is how it is the project which decides how you structure your work and how you interact with others. Furthermore, in the case which he depicts there used to be distinguished zones of responsibility that related to the employee's part of the line organization, but as time went by these became more intertwined. His colleague continues explaining this advantage of working in close proximity to the project rather than the line organization:

"We cover for each other on occasion as well. If I was to bring in a colleague from my line organization and throw in as a replacement for me, that would be more troublesome than bringing in Project Manager 2 instead, if I would be gone for a day for instance. Project Manager 2 knows what we are talking about and what products that are the most important, and has learnt a lot about my job throughout the years." (Project Manager 5)

4.3.6 The Driving Motivators

"Sitting down and drinking coffee all day is not particularly fun. We who are involved in the Supplier project are pretty motivated." (Project Manager 5)

There are no bonuses or other forms of variable pay related to the compensation of everyone below a certain level within the organizational hierarchy, a level which is situated far up in upper management and even then the bonus system is of such character that it is difficult to single-handedly affect one's bonus because of its high-level granularity (Research Manager). Project Manager 5 and Project Manager 2 both point out that neither one of them have any variable pay as part of their incentive system, but they rather express a sincere interest for their work tasks and raise the opportunity to work with the project, along with the tasks they are assigned to, as reasons to perform:

"I do not believe that the motivation is tied to the salary, but rather what interests you. You enjoy working in such a collaboration and you enjoy these kinds of projects and products. You have a personal motivation driving you.

[…] I can say that it is very interesting, as well as very demanding. We like working very hard, almost like workaholics at times. We sometimes see each other online in the middle of the night since there is so much to do. You really want to secure quality and lead time, and support [all the sites]" (Project Manager 2)

"It is different from all other projects. Working within WorldCo is often the same thing [everywhere], but when we started the collaboration with Supplier a lot of new challenges arose which is fun. When I talk to my manager I often say that it is very stimulating to work with another partner who has got a different process and is completely different in its way of thinking. They are not accustomed to doing the kind of products that we are doing, so that is very interesting." (Project Manager 5)

Procurement Manager 1 also mentions that the collaboration with Supplier is very different from other projects and it is filled with challenges. Even though these challenges might not always be easily overcome, people still feel a sense of responsibility that drives them into trying to make the best of it. She explains that even though the ways of working might be very different from what is customary, *"We must do it this way. There is no other way to do it, but sure, it is completely different. You just do what you have got to do"* (Procurement Manager 1).

Somewhat similar to Procurement Manager 1, the Research Manager explains that it is for the best of WorldCo that he keeps his budget and achieves his KPIs. It is a matter of the well-being and success of the whole company:

"It is what I am governed through. One of my objectives is to keep the budget. Hence, I keep the budget. […] It is not to make him [his line manager] satisfied, but it is about the whole company." (Research Manager)

Some people, especially those assuming roles as communication channels or nodes within networks, become subject to multiple stakeholders approaching them with varying queries and requests. It is common that priority in such a case is provided to the one who is *"shouting the loudest"* (Procurement Manager 1). Product Manager 1 explains that if he for instance was to miss on a series of deliveries to one of the major customer, he would have the key account managers all over him. However, the assigned answerability was towards the line manager. He was the one who delivered the KPI related to the deliveries. However, the key account manager responsible for that specific customer would be the one holding it against him the most, since he would still be the one most concerned with this issue. That is, it is rather the key account manager who would approach him and request that he meets the objectives. At such a situation they would also force issues relating to these deliveries to be heavily escalated within the organization when the priorities usually are different from the ones they try to force through.

One of those people who work as a node within the network relating to Supplier is Procurement Manager 1. She is responsible for the procurement aspects of the joint development projects and, by being that, often has her name pop up when there is something that relates to Supplier or the projects. As there is a fairly distinct connection between the procurement and production units, queries from one to the other, and especially to procurement, is fairly common. Project Manager 6, representing production, explains that he has got a good relation with Procurement Manager 1 and *"if there are any questions she tries to deliver answers, and I do the same"* (Project Manager 6). In a somewhat similar fashion, you might get caught in between two different units wanting two different things out of you – things that are completely contrasting. Project Manager 7 explains how she receives contradicting directives from two different units both wanting her to use her facilities to complete their respective tasks – one wishing her to conduct tests, one to improve the testing procedures. The problem is that her facilities do not allow her to do both simultaneously, but she is bound to focus on only one at a time. She thus needs to communicate with both and have them align themselves to form and provide her with one harmonized directive.

Project Manager 1 describes how it at times might be challenging to align people and get them to commit to what task is at hand when you are not their hierarchical line manager; when you do not have the immediate authority enforced through a formalized structure. However, he explains that it is important to get everyone to buy in, maybe not wholeheartedly, but they need to commit to the cause to at least some extent and that involves a commitment from his side to always take the time to allow discussions where everyone may partake to make use of the competencies that prevail inside the organization. This is not necessarily problematic, but it might be challenging. However, he always bides his time to ensure this commitment and explains that this is part of the culture and what everybody does:

> *"So I don't find it problematic. It is challenging at times, because you need to get people aligned and bought in to issues, or events, or plans. Right? And that takes time and effort. Once you get that buy-in and you come up with an agreed-to plan, then you can execute it very well. That's a bit of WorldCo's culture. Well no, that's not a bit, that is the WorldCo company and its culture. It's that they take their time to get everybody bought in from the grass roots and everybody gets involved and inputs into the plan. And then once they get the plan, then they go and it goes well. I don't find it problematic and when you're working in a high-tech R&D environment with lots of bright people, you want to leverage their ideas and get their initiative into their plan anyway, because otherwise you're not making good use of those skills." (Project Manager 1)*

4.3.7 Analysis: Internal Lateral Accountabilities

In this part we have established the central role undertaken by internal lateral accountabilities in relation to organizational coordination and integration. Part of this role is manifested through the many essential and detailed processes established within WorldCo. These processes simply aim at providing a structure around how to deal with things and in which order everything should be addressed. Constant development and integration constitute characteristics to these processes. Instead of having upper management being in complete charge of mapping up and setting these processes, everyone who is affected by them is also given the opportunity to shape them. These are signs of how allowance is provided for socializing forms of accountability as this bestows the opportunity for contact on terms where hierarchical differences are less obvious (see Roberts, 1991).

More specifically, in a similar vein as Roberts (1991) describes socializing accountabilities, the processes create a sense of interdependence between the employees. They involve structures that in themselves are communication channels that span throughout multiple parts of the organization that involve seeing and recognizing others, their interests and what they are doing. This description is also very similar to how the project charts are used. The charts are said to outline what kinds of people that exist and what they do, rather than the hierarchy they present is used to tell you about how to manage. To a great extent, the processes and charts are made up in order to bring people together, to make sure that not a step in the development is missed out, but also to give guidance on whom to talk to. This encourages communication within the project, which in turn creates loyalties and ties that increase the social experience at work. The magnitude of these ties dedicate priority to the project and push back one's personal, hierarchically based objectives, in favor of the project's well-being on a more all-embracing level.

Naturally, processes are not established to comprehensively cover all work practices. At WorldCo it is apparent that much of the assigned tasks are not part of standardized processes, but there is also room left for being agile and coping with the ceaseless industrial development often characterized by high-technology industries and their actors. The initiation of the closer collaboration with Supplier poses as one example of this, in which one chose to lay standardized processes aside in order to capture this emerging opportunity. Standardization is thus not installed as an absolute mean, but rather to provide a framework which may facilitate the work. However, in instances where standardized processes pose as obstacles, they may be disregarded. Hence, the accountability towards the standardized processes is overruled by the accountability towards the greater good of WorldCo. It is not uncommon that explanations and justifications of conduct are in line with *"I did it for the benefit of WorldCo"*.

Even though processes are shown to be one mean of integration, they are not everything. The challenge of integration at WorldCo lies in creating consensus, shared values and norms, something which has been shown to be spread throughout WorldCo via a multitude of internal constructs: a network of communication and reporting channels, dual and shared responsibilities, step-wise product development, the funding system, a mentality and organizing where projects override the line organization, and different driving motivators creating integration. Undeniably some of these attributes are part of standardized procedures. However, they all contribute in deploying organization-wide consensus, values and norms throughout the various segments and departments at WorldCo and enhance the lateral accountabilities towards other subunits and the well-being and prosperity of WorldCo.

Finally, consensus has not just been an important objective intra-organizationally, but also in the relationships with Supplier. In the adjacent section we will look more into its importance in integrating and coordinating, along with other aspects of the inter-organizational relationship and external lateral accountabilities.

4.4 External Lateral Accountabilities

"Interestingly, part of what happens here with Supplier, […] they can also say that 'We don't have enough resources to do all of these projects' and that will trickle into WorldCo. And again, a priority might need to be made, but based on Supplier's resources, not our resources. […] We provided some mechanical engineering for parts of the actual product that typically Supplier had done in the past. There was a collaborative effort with Supplier, but effectively we were using some of our mechanical design resources to solve a little bit of their procurement problem. We've put, from time to time, the people from the manufacturing site […] to assist them with processes. We've had technical experts stay with Supplier to help solve technical issues; so, actually go and reside at their site." (Project Manager 8)

In the course of the collaboration with Supplier there has been times when Supplier has displayed a need for support due to a lack of resources. During such times WorldCo has chosen to aid them by sending various assets and competencies to assist them with problems that relate to the collaboration, including engineers, manufacturing personnel and technical experts (Project Manager 8). By doing so, WorldCo is also offering another view on the issues, *"not only letting Supplier solve the problems themselves"* (Project Manager 4). Project Manager 4 argues that *"it was a good decision, since it has provided new fuel to the debate; new ideas about improvements"*.

Apart from sending Supplier resources WorldCo has adapted themselves to their resource capabilities and tried to clarify and simplify the priorities in the collaboration, all in an effort to help Supplier with its resource problems:

"Sometimes we have even deleted some products from the list to make it easier for Supplier and show them what is important; make sure that there is no waste when Supplier is overladen." (Project Manager 5)

In order to fully understand why WorldCo feels responsible to solve the capacity issues at Supplier, we have to go back to the initiation of the joint development that deepened the collaboration and the emphasis on trust and mutual understanding.

4.4.1 Raising the Engagement Level with Supplier

"Well, I have worked and cooperated with Supplier for twenty years in different ways, so that [the mutual respect], on a technical level, also existed there before. So that was not something that emerged, but something you could make use of later when agreeing on this new way of working. […] There existed some writings on this and a bit about what would happen if they went bankrupt. Such things that is important to think about. However, mostly it was actually about the relation; the relation and a common opinion, and that both had respect for each other. You need to know that this is founded on many years of good cooperation between WorldCo and Supplier, especially within the technical areas. So the technicians on both sides had respect. That I think is central. Management cannot just simply say that 'Now you will cooperate with these guys'. Instead we were agreed on that we thought

they were the best in the world in their field and they thought we were the best in the world in our field. That was a pretty good foundation." (Product Manager 2)

WorldCo and Supplier were working together before this joint development project was mounted and during the years personal ties had been formed between people from the higher levels of management of both companies. From what they had experienced previously about one another and each one's products and quality, they both could see the potential of working more closely together to develop a new product by bringing their competencies and technologies together (Product Manager 2). It was also through these personal ties with which the closer collaboration started. The foundation, or the stage, was set informally through discussions among upper management. Not too much weight was put on forming comprehensive contracts, but rather to ensure that both parties shared the same opinions about a great deal of what the collaboration would look like. Only what was considered necessary was put into writing and that did for instance not include documents on *ways of working* (Product Manager 1).

"So, in essence, the groundwork for the cooperation was set very informally. At that stage you essentially agreed on that none of the parties would milk the other one." (Product Manager 1)

"The contract text that surrounds the cooperation is very legally oriented. There is a lot around rights and obligations, around guarantee commitments and such. A lot of legal language, very scant operationally, which makes it a lot about best practices somehow – 'this is how we have done it before.'" (Procurement Manager 1)

Procurement Manager 1 expresses an advantage in also formally agreeing on operational matters. For instance, she refers to an outsourcing contract which covered ways of working and similar to a much larger extent than the one written with Supplier. Usually a collaboration is defined through a general purchasing agreement which covers terms and conditions. This is then usually supplemented by a number of appendices, depending on the size of the business. For something in line with the size of the business transactions with Supplier, about eighty appendices are common. However, in relation to the joint development project with Supplier there is only one supplementary appendix, whose guidelines only add very little to the general contract (Procurement Manager 1). The underlying reason to this is described as a difficulty of finding a suitable "legal text" fit for the relation. Instead they relied more on informal methods like trust and respect. In turn, this has led to a comprehensive meeting structure where both parties often meet and agree on the major decisions. To describe the magnitude of this meeting structure one may consider the fact that there are 45 different kinds of meetings held in parallel on varying temporal bases.

"A guy at Supplier once put together a matrix chart over all the meetings existing between Supplier and WorldCo, and there are 45 of them. It is not like we think, that there are these three governance meetings and our executive steering meeting, which is four. It is rather a huge map: project meetings for each project, platform meetings for uniting, and operative steering groups for production and material planning." (Procurement Manager 1)

In addition to the different meetings mentioned above, there are also workshops:

> *"On the project level we have continuous workshops between Supplier and WorldCo. Previously it was every three weeks. Sometimes it has been every sixth week. We have also been slicing this in different ways, since we have chosen to have general workshops a bit less often but we have specific workshops in between that are focused on different topics. […] When you are face-to-face with Supplier, that is when you take the big decisions. That is when you can interpret one another and really get things up to the table and make strategic decisions and so on. (Project Manager 3)*

The workshops have enabled both parties to better express themselves and served as a forum where it simultaneously is simpler to understand one another; where you get *"a better feeling and understanding"* of the other party (Project Manager 4). Furthermore, Supplier and WorldCo has been taking turns in hosting these workshops, letting both visit each other's premises.

Subsequently, what happens once you get a personal relationship, one that is enhanced by frequent face-to-face meetings and collaborative problem solving, is that you may develop a sense of answerability towards the supplier that is at a much higher level compared to before the relationship evolved and new personal relationships with more depth were established. As described above, you gain a deepened understanding of the supplier and the problems that they are facing as you meet with them. Once you have gained that insight, it is hard to ignore it and WorldCo feels responsible to help Supplier with its resource and capability issues, just as Project Manager 8 mentioned in the introductory quotation. Interestingly, part of Supplier's resource problems emanates from its wish to manage the final assembly of the jointly developed product, along with testing the quality. Next we will describe how this situation appears.

4.4.2 The Intra- and Inter-Organizational Setup with Supplier

Early on when the supply chain for the integrated product was being set up, queries arose within WorldCo concerning its structure. People within the production function at WorldCo raised concerns regarding its effectiveness, arguing that it was both expensive and exhibited too many handovers. Many others also understood that it was too complicated. This was one of the reasons for why the production function at WorldCo wanted to move part of the supply chain away from Supplier and into WorldCo. A second reason involved control over production and the risks associated with having to rely on someone else's decisions and capabilities (Production Manager 2).

By infusing more of the supply chain into the operations of WorldCo one would naturally become less dependent on Supplier and its capacity, thus being able to regulate the capacity for this stage by oneself. However, this change never became realized and the supply chain remained the same as the original setup. Part of the explanation is found in how much WorldCo valued the relationship with Supplier. It was imperative to tend to the collaboration since this is something that neither could succeed with separately. Furthermore, Supplier running this part of the supply chain was something that they declared as very important for them and this issue was clearly something that could jeopardize the entire collaboration (Production Manager 2). The Design Manager explains this further:

> *"This is very important to Supplier. […] I think it was very important to Supplier to fill its factories; they have a social responsibility which is not comparable to WorldCo. […] There are a lot of other values within Supplier that govern, so I think that when they entered the collaboration with WorldCo it was extremely important to Supplier to get the final assembly. Subsequently one has also said that it is difficult, so WorldCo cannot do this. It is a very specific kind of production, measuring and testing in building these products." (Design Manager)*

Basically, what was driving Supplier's agenda was its willingness to supply employability to its local communities, where they were located. However, this was also something that was described as requiring certain competencies that WorldCo did not possess, and thus would be unable to handle this part of the supply chain. Not everyone was convinced that this was actually the case, but rather emphasized that WorldCo was mostly tending to the relation when letting Supplier handle this part:

> *"It was very important because they really wanted to have it, but also because they claimed that it required very specific competencies and I believe that they convinced the ones involved in the project from the start. However, maybe our production organization is not convinced that this is the case." (Design Manager)*

Apart from having a say in the supply chain, there are also other ways in which WorldCo has involved Supplier in forming this relationship. They have shown more committal towards Supplier than to its suppliers in general and also involved them a lot in setting up the governance structure. It lies in the interest of both to make sure that this collaboration works, which is why they have a much larger possibility to affect and why they make a lot of joint decisions together (Procurement Manager 2).

> *"Normally we do not set up the governance structure in collaboration with a supplier, but we decide on how we want to meet them. Like, 'Now we are having a steering group meeting and then you should be here'. In this case it is actually about governing a collaboration. In an R&D collaboration, for instance, we have to enter it on pretty equal terms. We have to understand that it lies in the interest of both to make sure that we have a governance structure that works. We are considerably more transparent with information, about how much to share and so on, at these meetings. So, absolutely is there a difference." (Procurement Manager 2)*

A certain committal is also seen in the way WorldCo has taken other requests from Supplier into consideration – requests regarding their organizational structure. WorldCo is a much larger and more complex organization than Supplier. This has meant, amongst other things, that WorldCo involves more people for matters where Supplier has fewer; where maybe a responsibility held by one person at Supplier is shared by a multitude of people at WorldCo. This has in turn made the communication more complicated, and especially so for Supplier who has to put up with the more massive networks located within WorldCo (Design Manager). WorldCo has therefore made structural adaptions to ease the burden that their larger organization has on Supplier.

If it had not been for the effort of trying to keep one single point of contact (SPOC) from R&D towards Supplier, the old and new generations of the integrated product would not have been kept within the same R&D program, but would rather have been separated. This would have made the number of contacts larger for Supplier, but it would also have made the programs leaner and more distinct (Project Manager 3). A similar example of how Supplier has come with requests regarding their contacts at WorldCo relates to another aspect of their organization. Not only is WorldCo larger but they also exhibit a habit of shifting positions to a larger extent than Supplier, making the communication ever more complicated. Most usually keep the same position for one year and then swap to something similar, but yet different. Hence, Supplier once requested a set of project managers to remain at their positions within the collaboration which WorldCo adhered to (Project Manager 5):

> *"It was a request that came from Supplier. It was actually Supplier who demanded it and said 'We want Project Manager 5 and Project Manager 2. We are accustomed to working with them and they know how we work.' So Supplier really wanted to keep us and they were very anxious because we change project managers very often. One time we replaced a few and that they reacted on. Supplier always has the same. They do not have as much resources as we do. However, at WorldCo you are used to rotating a bit and change to new projects and so on. Now we have been sitting many years in this project and that is fairly uncommon." (Project Manager 5)*

As has been illustrated above, much effort and time is spent to understand and adapt to each other's processes. However, to this date, seven years after the initiation of the joint development project, both parties still hold insufficient understandability for the other one's processes. There is also a lack of mutual contact points. At present, weekly meetings are held with the sole purpose of discussing processes and how to integrate them (Project Manager 1). In relation to this, if both parties for example had ensured they shared a common understanding of what a prototype implied when engaging in the joint development, there would have emerged far less misunderstandings. Not until after two years was this discrepancy resolved (Project Manager 3). The lack of a common platform for the collaboration has also had intra-organizational effects within WorldCo. Several of the interviewees described how the internal stakeholders were more apparent and visible in relation to the product development of the integrated product compared to other strictly internally oriented product development projects.

> *"What I think is the thing about the integrated product is that there are a lot of people involved. Far more people than in any other purchasing agreement. […] there are a lot more interfaces internally within WorldCo. […] If I for instance check my mailbox, then I sort my e-mails on each supplier. I strongly believe that there are a hundred names, if I sort per person, that are related to the Supplier-agreement. However, if I look at any of my other suppliers, there is maybe twenty at a maximum." (Procurement Manager 1)*

This view is also shared by Project Manager 6 who describes how everyone involved in the collaboration with Supplier are, comparably, very active and visible. Next, we will also see how there is a commitment to this collaboration and the integrated product.

4.4.3 Priority to the Integrated Product

> *"There [at the workshop] you put down a strategy until the next workshop for what you will do and how. On the next workshop you are supposed to report to show that there is progress. So it is almost like a KPI. You stand at the front and present so you always feel the pressure to make it in time." (Project Manager 5)*

> *"It also works as a way of setting interim targets. A workshop usually generates a lot of action points. These are brought up in the weekly core team meetings to see that everyone is doing what they are supposed to do." (Project Manager 2)*

The workshops are held together with Supplier and set the agenda for what each party is supposed to have accomplished until the next one is held. At that point there are follow-ups to review the targets which are set in collaboration with Supplier, including the ones concerning WorldCo's employees. There is however nothing on this which has been put in ink and no contracts that stipulate that the targets should be met or what the consequences of not meeting them might be. Rather, there is an expressed willingness to simply uphold one's side of what is agreed upon and to prove that one possesses the competence to succeed. These are factors that together benefit the collaboration and the integrated product. This may be regarded as at least part of the essence of the collaboration. There exists an ambition that drives both parties to discussions where one values the other's skills and competencies in favor of the integrated product. There are thus many situations where Supplier has revealed its perspective on certain matters which WorldCo has had to make way for. A specific design change was described as subsequently also having effects on the budgets at WorldCo:

> *"One time Supplier did affect WorldCo's budget heavily. One had to rethink it from the start, basically. We were down a path that we thought was the solution, but it was not good enough. The product management was on Supplier's side and said that they made a very good point, and that we had to rethink internally at WorldCo. It is custom within WorldCo [to focus on a specific part of our own product] and that is a very good example of how you have to consider the whole product from the start." (Project Manager 3)*

Another example was brought up by Designer 1. He described a situation in which the discussions were more colored by Supplier and where WorldCo had to yield to rather high costs compared to what was required by Supplier. The part produced by WorldCo that was going into the integrated product was supposed to also fit into other product systems. However, the considerable design changes forced WorldCo to develop two significantly different platforms – one for the integrated product, and one for the other products. Usually WorldCo intends to make use of one platform, from which different variants and products may emanate. However, the collaboration with Supplier forced them to develop a whole new platform that would fit to the requirements put by Supplier, which in turn were based on Supplier's building practices for their products:

"Exactly. There you might say that they did not have any actual influence on how we bring forth our products, but since it was supposed to be the same base it had a pretty big impact. Also, some of the fundamental concepts and solutions that we had decided upon earlier on concerning the layout got overthrown since there emerged a major focus on size. There they [Supplier] pushed very hard to decrease the size, and the weight […]. […] to them it is not too interesting to consider design considerations that are a disadvantage to our other solutions. To them the most important is to make this [the integrated product] as optimal as possible." (Designer 1)

Designer 1 describes how Supplier has been determining the size of the jointly developed product by rigorously promoting their desires to the overall design, and has barely been considering the consequences this might have on WorldCo and its other products. More specifically, this involved making the products narrower, along with reducing the weight. The Design Manager further explains these particular consequences and describes them as having an effect on the most essential part of their product, hence forcing the need for a new and different platform:

"This product that is part of the integrated product, it is based on a product that already existed; a platform. However, we had to redo a great deal due to someone putting some measures on the integrated product that resulted in a rather expensive redesign […]. I think it was Supplier that had a way of building for their products, which was this wide, and then the product was adjusted according to Supplier's way of building. […] That we had to redo certain parts there was no fuss about, but since it got narrower we had to redo the very heart of it. That is pretty expensive, complex and involves a lot of testing and so on." (Design Manager)

Subsequently the integrated products have become slightly wider and WorldCo has been able to from one and the same platform produce products that can be used both in the jointly developed product and in their other solutions where Supplier is not involved. However, this is rather due to WorldCo having created a whole new platform based on the measures supplied by Supplier, which in turn are based on their way of building. That is, the integrated product still determines the other solutions, but in another way (Design Manager).

"Amongst other things, you can say that the available breadth to make our product is set for all other products from the integrated product. For another solution it would maybe have been better to have that product a bit shorter, but that is determined by the way of building the integrated product. On the other hand, Supplier's product is slightly broader than the first generation of the jointly developed product now. Then there is the weight on the product… There is a lot in our product that is affected by it being supposed to fit in the integrated product." (Design Manager)

Designer 1 elaborates on how the atmosphere around the forums where these decisions have been made is experienced. He explains how the people who attend the joint meetings have different agendas depending on whether they are representing WorldCo or Supplier. Naturally they may not share the same agendas, as they are from two different companies. Nonetheless, what Designer 1 describes is how the representatives from Supplier tend to a larger extent tend to the specific interests of Supplier, whilst the ones from WorldCo rather have the main objective of seeking solutions to problems; there is an *"unbalanced weight in the sense that we do not have the assignment from WorldCo to tend to WorldCo's interests"* (Designer 1). The employees of WorldCo rather work as *"co-workers in the greatest sense"* (Designer 1). One example of how this may have turned out is the weight which was touched upon in relation to the size changes. In this example Supplier apparently pushed WorldCo to diminish the weight of their component, which in the end weighed roughly 35 percent less than older versions. However, Supplier's product weight remained about the same.

The Design Manager continues on this note and explains that instead of having WorldCo play on their relative size to assume the major decision power they rather try to promote joint problem solving. However, just as Designer 1 brought up, the people at Supplier might enforce a heavier focus on their objectives, which might be explained by them having people attend these workshops in both the role of technicians and managers:

> *"We are dependent on their competence and they are dependent on our competence, so I believe that when we end up in these workshops between technicians, then it is not so much about who is big brother and little brother, but then it is about technicians solving problems together on rather fair terms. Usually Supplier, as a smaller company, does have a different structure. They have pretty high managers who are also very involved technically. A lot of the times it is rather like they have a minor advantage since they have rather high managers attend these workshops, whilst we have engineers without a managing position or similar. So, I do not think that it is the case that we walk over Supplier in this constellation where we work in these workshops." (Design Manager)*

4.4.4 Analysis: External Lateral Accountabilities

The collaboration between WorldCo and Supplier has largely been founded on trust and consensus, rather than administrative inter-organizational controls and contracts. This has subsequently appeared as a general pattern of the collaboration. The case study demonstrates several situations in which the potency of external lateral accountabilities to Supplier is displayed and these accountabilities may collide with and occasionally override hierarchical and internal lateral accountabilities.

Instead of having upper management being in complete charge of the collaboration, a great deal of the work is determined by the workers themselves. A lot of emphasis is put on meeting Supplier face-to-face and it is in such discussions where the major decisions regarding strategic questions are made. The face-to-face interaction has enabled both parties to better express themselves and served as a forum where it is easier to understand and interpret one another. As with the internal lateral accountabilities, these are signs of how socializing forms of accountability are provided and generate a prosperous environment through face-to-face contact on terms where hierarchical differences are less obvious (see Roberts, 1991). In line with what Roberts (1991) suggests, this has led to the creation of personal ties and increased awareness and recognition of Supplier, its interests and what they are doing. In the absence of formal hierarchical controls, the lateral accountabilities to Supplier gain even more power over guiding behavior.

The case also shows how WorldCo, per Supplier's request, in various forms adjust its internal organization in order to reduce the number of interfaces towards Supplier. This is for instance showcased in how they directly affected which individuals were involved in the project from WorldCo's side, for instance Project Manager 2 and Project Manager 5. However, Supplier has also had a more overall influence on how WorldCo organize its product development. In several instances, WorldCo deviates from its usual processes to make allowances for Supplier's requests. Also, the governance structure that was outlined cooperatively differs from conventional ones. However, one perchance more explicit example of how accountabilities towards Supplier overrule internal lateral accountabilities, in relation to organizing and processes, is the location of the final assembly of the integrated product. Even though internal sub-units have raised their concerns with the setup, the final assembly is still conducted by Supplier. Underlying reasons are described as a mean of facilitating Supplier's wishes to fill its factory and uphold its social responsibility as an employer, along with them arguing that the necessary competence to conduct the assembly is not possessed by WorldCo. Regardlessly whether WorldCo would be able to assemble the product or not, no detailed investigation was conducted, but rather Supplier requested to manage the assembly and received WorldCo's consent without further due.

In times when Supplier has had to confront capacity issues, WorldCo has also stepped in and directly supported Supplier by contributing with resources. WorldCo has also gone through great lengths in modifying their components to fit the integrated product. Many of the major modifications have been made to fit the way in which Supplier constructs its components. This has subsequently had major effects on other parts of WorldCo's product portfolio – effects that are far from always positive and that also reach beyond the collaboration with Supplier. What this shows is how WorldCo has chosen to perform a certain set of actions to facilitate the collaboration with Supplier. These actions are explained and justified to Supplier and has developed through interacting with Supplier in a way that resembles Roberts' (1991) socializing forms of accountability.

Even if both parties have a long way left to go in aligning their processes, a large part of the track is already beaten down and further progress in integrating is granted priority. However, by aligning one's processes to fit with Supplier, WorldCo is also becoming more restricted in cooperating with only a limited number of other external parties since internal process cannot be adjusted and standardized in accordance with every other company. As soon as a change is conducted with regards to the internal processes in order to become aligned with one external organization, it has implications on how well the same processes align with other external organizations. Alternatively, there will be a set of individual sub-practices for every external relationship, but then one can question how "standardized" the practices are. Basically, there is a need to recognize the network effects of what changes one chooses to implement (see Kraus & Lind, 2007).

5 Discussion

In this case study, the scope in relation to the work practice level was such that it resided within WorldCo, but since the focus was on an inter-organizational relationship with Supplier, inter-organizational work practices also characterized the work. This enabled us to both study intra- and inter-organizational work practices by observing how WorldCo conducts research, designs and produces products in collaboration with Supplier. We distinguish ourselves from previous research in the intra- and inter-organizational domain by studying the notion of accountabilities in a new framework; an extension from previous frameworks within the accountability field. By doing so, we have observed rather contradictive results with respect to previous research in terms of the importance of formal controls. But we have also found that less explored accountabilities in the intra- and inter-organizational setting to a large extent influenced the work at WorldCo. Hence, this thesis contributes to the literature on accountabilities, as well as the literature on intra- and inter-organizational control. Next, we will discuss these contributions in greater detail. When doing this, we distinguish between the contributions to the two fields of research. However, both fields will probably find the contributions of the other interesting as well, since the respective sets of contributions in many ways are applicable to both fields.

5.1 Contributions to the Accountability Domain

5.1.1 The Framework

By reviewing the literature within the research domain of intra- and inter-organizational control, we conclude that the modern business world is increasingly dependent on lateral relations and new organizational forms where activities span across the traditional and legal boundaries of the firm (see e.g. Mouritsen et al, 2001; Håkansson & Lind, 2004; Seal et al, 2004; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006; van der Meer-Koistra & Scapens, 2008). However, the researchers studying accountabilities have not captured this change in the business world to a similar extent (Kraus & Lindholm, 2010). The concept of accountabilities can be practical in gaining insights of what controls that are actually activated and, hence, we do not find the lack of studies on accountability within an inter-organizational setting motivated. Instead of taking a starting point in the controls in order to observe their subsequent effects on work practices, ultimately attaining insights about how to control, the framework capitalizes on the concept of accountabilities by seeking to observe accountabilities and how employees explain and justify their behavior and their work practices. In doing so, we are able to directly differentiate what is important in promoting certain behavior and what drives to give account, i.e. what controls are, in actuality, affecting work practices. If two controls stand in conflict with each other, we find the concept of accountabilities more likely to provide an answer concerning which control overrules the other, compared to just observing the controls. Also, when two controls are in line with each other, the concept of accountabilities is more likely to answer which one of them is the driving and most influential control.

The few studies on accountabilities that have been performed in such an inter-organizational setting do not emphasize the complex internal lateral relationships that characterize the work performed in projects and new product development in high-tech industries (see Cäker, 2007; Kraus & Lindholm, 2010). The scarcity of studies on accountability residing in an intra- and inter-organizational environment thus provides us with a motivation to develop the existing theoretical frameworks. That is, our framework is largely founded on existing ones and may be regarded as a development naturally following from that research. However, we have not observed the precise like of it within the extant literature, especially not with regards to the distinction between internal lateral accountabilities and external lateral accountabilities. In addition to these two forms of accountability, hierarchical accountability makes up the third constituent form of our trisected framework on accountabilities.

By applying this nuanced framework on a case study in an intra- and inter-organizational project-oriented new product development setting, we have been able to present empirical and theoretical advancements within the research domain of accountability. Empirically, the study displays the inter-connectedness and interplay between hierarchical, internal lateral and external lateral accountabilities. Theoretically, the study shows that this nuanced framework acknowledging all three dimensions, could very well be argued superior compared to a narrower one. However, to our knowledge, the inter-connectedness between all three dimensions has not been studied before as previous research has focused on only two dimensions at a time. To not acknowledge all three dimensions is a somewhat problematic approach as it dismisses the inter-connectedness of these three dimensions of accountabilities and disregards the effects posed by a comprehensive structure of accountabilities. Failing to do so might result in an incomprehensive and wrongful image of the specific accountability itself.[10]

5.1.2 Accountabilities towards a Supplier

The study is conducted in a setting where accountabilities have not been studied before. It gave us the opportunity to provide novel empirical insights of the existence and importance of accountabilities residing outside the boundaries of the organization. The study demonstrates several situations in which the potency of external lateral accountabilities to Supplier is displayed and how these accountabilities may collide with and occasionally override hierarchical and internal lateral accountabilities.

We have empirically presented how WorldCo, per Supplier's request, in various forms has adjusted its internal organization in order to reduce the number of interfaces towards Supplier. Another, perhaps even more denotative example of how accountabilities towards Supplier overrule internal lateral accountabilities, in relation to processes and organizing, is the responsibility of the final assembly of the integrated product. Even though internal sub-units have been against the setup, the final assembly is still conducted by Supplier. Underlying reasons are described as a mean of facilitating Supplier's desires to fill its factory and uphold its social responsibility as an employer, along with them arguing that the necessary competence to conduct the assembly is not possessed by WorldCo. Regardlessly whether WorldCo would

[10] Chenhall (2003) also argues in a similar vein, but with regards to MCSs.

be able to assemble the product or not, no exhaustive investigation was performed, but rather Supplier requested to manage the assembly and received WorldCo's consent without further due. In times when Supplier has confronted capacity issues, WorldCo has also stepped in and directly supported Supplier by providing them with resources. WorldCo has also gone through great lengths in modifying their components to fit the integrated product. Many of the major modifications have been made to fit the way in which Supplier constructs its components.

The notion that companies may be accountable to customers has been displayed previously by Cäker (2007). However, Cäker (2007) acknowledges that customer focus is imperative in current management literature. Granted that several management techniques and customer-related measures in the accounting system originate in the objective of accommodating customers' needs (Cäker 2007), it is perhaps not surprising that a company would be accountable to its customers. Maringe (2012) even states that *"the essence of any business is to anticipate and satisfy customer needs, that customers are the raison d'être of any business and that it is exclusively their view that matters. Customers do business with institutions because they are seeking solutions to their own problems, and their satisfaction with what the business provides in the business exchange is paramount"* (p. 67). This study has empirically demonstrated how the opposite relationship may prevail. That is, how a buyer may adjust itself to the needs of the seller. Also, in many instances the buyer-seller relationship is far more multifaceted than this quote suggests. Considering that WorldCo is roughly twenty times larger than Supplier, it is even more remarkable to observe such a balance of power with respect to extant research. That these effects have not been acknowledged before in the accountability literature has probably to do with the scarcity of studies within the accountability domain performed in an inter-organizational setting. However, the importance of external lateral accountabilities in this study gives reason to believe that the lack of studies on accountability within an inter-organizational setting is not motivated and that external lateral accountabilities should not be neglected.

5.2 Contributions to the Intra- and Inter-organizational control Domain

5.2.1 The Importance of Informal Controls

We study intra- and inter-organizational work practices in a project setting. By doing so, we draw upon the notion of accountability to complement the existing intra- and inter-organizational control literature's strong focus on formal controls and scarce attention to projects that involve a multitude of internal sub-units in the inter-organizational work practices. Through this study we would wish to highlight the possible importance of informal controls in such situations.

One of our more striking findings that relate to the hierarchical controls is their absence. There was no PMS put in place to evaluate the performance of the employees within the hierarchy. Also, the concept of KPIs was barely observable as many of the employees, independent of departmental belongingness or hierarchical degree, did not report a single KPI to their line manager. Nor did any formal inter-organizational controls hold any strong guiding power. This stands in stark contrast to extant literature, which commonly illuminates the significance of such control systems and often prescribes the use them (see e.g. Mouritsen et al, 2001; Håkansson & Lind, 2004; Seal et al, 2004; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006).

Some did however report a few selected KPIs to their line managers. Yet, these were often in line with their lateral controls and were rather put in place to enforce these and support the lateral relations. Furthermore, the way in which the Design Manager puts it, it is not the KPI that encourages a certain behavior, but rather the lateral controls. Hence, in the cases where these hierarchical controls manifested in the KPIs were apparent and in line with lateral controls, it was still the lateral controls that was holding the central power. This became even more apparent in those cases where the hierarchically delegated KPIs were in conflict with internal lateral controls. During these circumstances the internal lateral controls had a propensity to overrule the hierarchical ones.

In addition to the lack of KPIs there often neither existed any other forms of formal reporting on a regular basis that aimed at providing line managers with insights into their subordinates' daily operations and related performance. However, there would still emerge channels through which the line managers would receive information about performance within the projects to which they sent their subordinates. These channels would incarnate through informal communication, but also formally via escalations, both internally and externally. In the event of something being brought forward to a line manager, typically he or she would subsequently act upon this information and bring up eventual issues with whom they pertained.

What these two paragraphs above signify is that communication and integration, both intra- and inter-organizationally, is not driven by hierarchical formal inter-organizational controls or PMSs as often suggested in the literature (e.g. see Mouritsen et al, 2001; Håkansson & Lind, 2004; Seal et al, 2004; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006). The communication is rather managed through lateral, often informal, controls that are successively enforced by hierarchical ones.

Part of the lateral controls is manifested through the many essential and detailed processes established within WorldCo. These processes simply aim at providing a structure around how to deal with things and in which order everything should be addressed (see *Standardized processes* in Kanter, 2008). Constant development and integration constitute characteristics to these processes and everyone who is affected by them is also given the opportunity to shape them. The processes originate from established ways of working between workers at a similar hierarchical level. They are the equivalent to the infrastructure in cities: they allow people to stop wasting energy on basic activities and instead focus on higher-order concerns. They constitute a platform from which creative people can build upon.[11]

Much of the assigned tasks are however not part of standardized processes. Room is also left for being agile and coping with the ceaseless industrial development often characterized by high-technology

[11] This phenomenon was also captured by Kanter (2008).

industries and their actors. The initiation of the closer collaboration with Supplier is one example of how standardized processes can be lain aside when needed to, and only pose as a guiding framework rather than strict rules. This example also shows how the accountability towards the standardized processes is sometimes overruled by accountability to the greater good of WorldCo. This is often justified with explanations like *"I did it for the benefit of WorldCo"*.

Through this thesis we also show how different internal constructs, in addition to standardized processes, may promote integration. Constructs like a network of communication and reporting channels, dual and shared responsibilities, step-wise product development, a funding system, a mentality and organizing where projects override the line organization, and different driving motivators creating integration. Undeniably some of these attributes are part of standardized procedures or formal systems. However, they all contribute in deploying organization-wide consensus, values and norms throughout the various segments and departments at WorldCo.

Furthermore, in those instances where standardized processes have been set aside there has been an increased reliance on achieving consensus, values and norms. During these circumstances there have usually been a lot of discussions and interaction foregoing each decision. One example is the initiation of the joint development with Supplier. It was through personal ties with which the closer collaboration started. The foundation was set informally through discussions and emphasis was not put on forming comprehensive contracts, but rather to ensure that both parties shared the same opinions about a great deal of what the collaboration would look like. Only what was considered necessary from a legal point of view was put into writing.

Even though shared values and norms are still imperative in the collaboration between WorldCo and Supplier, some stability has been achieved through standardizing ways of working and building up a common infrastructure so one can spend less energy on basic activities and instead focus on being creative. The difference between the intra-organizational controls employed within WorldCo and the inter-organizational controls employed in the collaboration between WorldCo and Supplier is rather small, and similar to Cuganesan's (2006) study, they co-evolved over time. There is a heavy reliance on making work practices standardized and when situations occur were one cannot rely on standardized processes, controls like values, norms and consensus become increasingly important. To summarize this section, the work practices were to a large extent driven by informal lateral controls such as established ways of working, values and norms, which have previously not been as extensively covered as formal controls in the research domain of control in inter- and intra-organizational relationships. Hence, we see a need for a broader conceptualization of control (van der Meer-Kooistra and Scapens, 2008; Carlsson-Wall et al, 2011).

5.2.2 Limitations of Informal Controls

We have already explained how Supplier has had a major influence on the processes at WorldCo. However, there is another aspect to this, apart from what has been discussed above – what happens when a company that is largely governed by standardized processes, shared values and norms initiates a close collaboration with another organization? The case of WorldCo and Supplier illustrates that it can take time and occasionally be rather problematic. Both companies think of the collaboration as strategically important and explicitly enunciate their willingness to cooperate. However, if speaking in metaphors, they are basically driving on opposite sides of the road; WorldCo on one side and Supplier on the other. To this date, seven years after the initiation of the joint development project, both parties still hold insufficient understandability of the other one's processes. At present, weekly meetings are held between the two companies with the sole purpose of discussing processes and how to integrate them. In relation to this, if both parties for example had ensured they shared a common understanding of what a prototype implied when engaging in the joint development, there would have emerged far less misunderstandings. Not until after two years was this discrepancy resolved.

The lack of a common platform for the collaboration has also had intra-organizational effects within WorldCo. Several of the interviewees described how the internal stakeholders were more apparent and visible in relation to the product development of the integrated product compared to other strictly internally oriented product development projects. Even if both parties have a long way to go in aligning their processes, a large part of the track is already beaten down and further progress in integrating is granted priority. However, by aligning one's processes to fit with Supplier, WorldCo is also becoming more restricted in cooperating with only a limited number of other external parties since internal process cannot be adjusted and standardized in accordance with every other company. As soon as a change is conducted with regards to the internal processes in order to become aligned with one external organization, it has implications on how well the same processes align with another external organization, or alternatively, there will be a set of individual sub-practices for every external relationship but then one can question how "standardized" the practices are. Basically, there is a need to recognize the network effects of what changes one chooses to implement (Kraus & Lind, 2007).

6 Conclusions

The aim of this thesis was to extend our understanding of how the increased dependence on lateral relations observed in the modern business world affects work practices and the way in which hierarchical control and lateral coordination is exercised. To accommodate this ambition, an in-depth case study at WorldCo, a multinational corporation, has been conducted. The analysis is based on the intra- and inter-organizational work practices observed at WorldCo and how it conducts research, designs and produces products in collaboration with a supplier. This thesis distinguishes itself from previous research on intra- and inter-organizational control by studying accountabilities in a new framework; an extension from previous frameworks within the accountability domain. By doing so, this thesis manages to make contributions that address both the accountability and intra- and inter-organizational control literature.

The first contribution regards our framework. Empirically, the study shows the inter-connectedness and interplay between hierarchical, internal lateral and external lateral accountabilities. Theoretically, the study shows that a framework which is acknowledging the inter-connectedness between all three dimensions, could very well be argued superior compared to a narrower one. To not acknowledge all three dimensions is a somewhat problematic approach as it dismisses the inter-connectedness of these dimensions of accountabilities and disregards the effects posed by a comprehensive structure of accountabilities. Failing to do so might result in an incomprehensive and wrongful image of the specific accountability itself.

The second contribution of this thesis is the novel empirical insights of the existence and importance of accountabilities residing outside the boundaries of the organization that the case study describes. The empirics demonstrate several situations in which the potency of external lateral accountabilities to Supplier is displayed and how these accountabilities may collide with, and occasionally, override hierarchical and internal lateral accountabilities. If a company like WorldCo, who is roughly twenty times the size of Supplier, may be accountable to Supplier, it is not bold to assume that this can also be the case for other companies as well (see also Cäker, 2007; Kraus & Lindholm, 2010).

Our third contribution relates to the importance of informal controls. The case study suggests that communication and integration, both intra- and inter-organizationally, is not driven by hierarchical formal inter-organizational controls or PMSs as often suggested in the literature (e.g. see Mouritsen et al, 2001; Håkansson & Lind, 2004; Seal et al, 2004; Coad & Cullen, 2006; Cuganesan, 2006; Thrane & Hald, 2006). The communication is rather managed through lateral, mostly informal, controls that are successively enforced by hierarchical ones.

Related to the third contribution, the fourth one regards what happens when a company that is largely governed by standardized processes, shared values and norms initiates a close collaboration with another organization. The case of WorldCo and Supplier illustrates that it can take time and occasionally be rather problematic. At present, weekly meetings are held between the two companies with the sole purpose of discussing processes and how to integrate them. The lack of a common platform for the collaboration has also had intra-organizational effects within WorldCo as internal processes have been adjusted in order to fit Supplier's processes. However, by aligning its processes with Supplier's, WorldCo is also becoming more restricted in cooperating with other external parties, since internal process cannot be adjusted and standardized in accordance with every other organization. That is, there is a need to recognize the network effects of what changes one chooses to implement (see also Kraus & Lind, 2007).

This thesis has strengthened our initial premonition that both the research field related to control in intra- and inter-organizational relationships and the accountability literature could gain from drawing on each other. There is a need for collective action between the different fields and this thesis is one of the first contributions to this cause. Hence, we encourage other researchers to take on a similar perspective to enrich and further validate these findings.

Single-case studies are often deemed to embody a poor basis for generalization and the findings might thus be somewhat limited from this aspect. Additionally, the study is anonymized per request of the case company. This may have implications on providing a context for the case. This is also commented on in the method section of this thesis. However, our standpoint is such that the latter only has minor repercussions on the applicability of the findings. The former could however comprise more influential implications regarding the findings. Yet, this is the very nature of case study research, but in order to attain a comprehensive understanding, a single-case study was deemed the most suitable method. What is more important concerning this aspect is that the scope of the study houses a set of projects. We have argued how this is somewhat unique, but it should be noted that it might simultaneously have implications on the generalizability. For instance, the specific setting might possess characteristics that in some aspects may differentiate it from studies that encompass monolithic companies.

7 References

7.1 Interviews

Design Manager	Physical	2014-04-11
Designer 1	Physical	2014-03-20
Designer 2	Physical	2014-03-31
Procurement Manager 1	Physical	2014-03-06
Procurement Manager 2	Physical	2014-04-11
Product Manager 1	Physical	2014-03-24
Product Manager 2	Physical	2014-04-11
Production Manager 1	Physical	2014-03-11
Production Manager 2	Physical	2014-04-11
Production Manager 3	Physical	2014-03-12
Project Manager 1	Phone	2014-03-20
Project Manager 2	Physical	2014-03-05
Project Manager 3	Physical	2014-03-05
Project Manager 4	Physical	2014-03-04
Project Manager 5	Physical	2014-03-05
Project Manager 6	Physical	2014-03-11
Project Manager 7	Physical	2014-03-11
Project Manager 8	Phone	2014-03-28
Project Manager 9	Physical	2014-03-06
Research Manager	Physical	2014-04-02

Orientation Interviews and Discussions

Procurement Manager 2	2014-01-22
Procurement Manager 3	2014-01-22
Procurement Manager 4	2014-01-22
Procurement Manager 2	2014-02-07
Procurement Manager 4	2014-03-07
Procurement Manager 2	2014-03-10
Procurement Manager 2	2014-04-01
Procurement Manager 4	2014-04-01
Procurement Manager 2	2014-05-05
Procurement Manager 4	2014-05-05

7.2 Literature

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