FEATURE

ACCOUNTABILITY LEADERSHIP

BY GERALD A. KRAINES, M.D.

What comes to mind when you hear the word "accountability"? If it is something along the lines of "who gets the blame," "being called on the carpet," or "getting set up as the fall guy," then you are like most people. To most of us, accountability has painful connotations.

Why has accountability, which is merely a principle of sound managerial practice, gotten such a bad rap? Senior managers have too often invoked it as a way of getting things done that they themselves don't know how do in our less-than-perfect organizational systems and structures. Sometimes this dubious ploy actually works. After all, when their boss says, "Just get it done!" many people can—through sheer willpower, brute force, and long hours—overcome managerial abdication, systemic dysfunctionality, and structural flaws. But the wear and tear burns people out and suboptimizes the whole.

As a managerial technique, holding people accountable after casually tossing a goal or task to them—without setting the context, securing the necessary resources, and providing the proper structure—is destructive. It generates negative emotions and behaviors and a widespread negative response to the proper and requisite notion of accountability. Nevertheless, accountability leadership is crucial for managers to move forward to more productive ways of doing business.

Rehabilitating Accountability

As a first step in rehabilitating accountability, I give you the following accurate, useful definition of the concept: "Accountability is the obligation of an employee to deliver all elements of the value that he or she is being compensated for delivering, as well as the obligation to deliver on specific output commitments with no surprises."

The essence of *employee accountability* becomes clear by comparing the role of an employee with that of an independent contractor. A contractor is accountable for delivering a measurable, usually quantifiable, product, service, or result. Repair the roof. Install a phone system. Collect past due accounts. In the process, the contractor has the absolute right to be paid as long as you receive the value you requested. He is left on his own to work within his own process to secure resources, generate efficiencies, and produce results.

Employees, on the other hand, are accountable for delivering value consistent with the total requirements of their role while coordinating with other company processes and functions. In turn, they have the right to be compensated at a level consistent with the value they contribute. Employees are (by law!) paid every day, come what may. They also typically receive training, development, and benefits. But in order to follow through with their commitments, they need the appropriate resources, support, and guidance about expectations about their performance.

Fixed vs. Relative Accountabilities

Thus, in an organization, the term "accountability" refers to an employee's obligations, some of which are fixed and some of which are relative. ***Fixed accountabilities*** comprise the employee's obligations to deliver outputs and to use resources and processes precisely as specified by the employer. They are necessary to keep processes in control and can be summarized in two distinct categories:

- *Commitment.* Employees must fulfill the output commitments exactly, in terms of quantity, quality, and time parameters, as defined in their assignments, projects, services, and other deliverables—unless the manager agrees to adjust them. Under no circumstances can the employee surprise her manager at the due date with changes.
- *Adherence.* Employees must simultaneously observe and work within defined resource constraints—that is, the rules and limits established by policies, procedures, contracts, and other managerial guidelines, as well as by law.

Relative accountabilities have to do with the employee's exercise of judgment to maximize value; they include the following four categories:

- *Reach.* Employees are expected to add as much value as they can by signing on for ambitious yet achievable targets, rather than hanging back or committing to "low-ball" goals.
- *Fit for purpose*. Employees must continually strive to ensure the optimal means of producing appropriate outputs that support the purpose for which the outputs were designed in the first place.
- *Stewardship*. Employees must manage company funds and other resources efficiently and seek ways to continually improve and conserve those resources, wherever possible.
- *Teamwork.* Employees must recognize that it is the concerted effort from and between everyone that generates profit in any organization, rather than isolated efforts to maximize personal output. Therefore, an employee must adjust to accommodate other people's work across the organization to maximize the total organizational value—even if her job becomes more difficult.

Many managers do a poor job of defining, explaining, and gaining commitment to fixed accountabilities with their subordinates and holding them to those commitments (see “Management Terminology”). Even more fail to properly explain relative accountabilities and to accurately assess their subordinates’ effectiveness in delivering on them. For that reason, some managers over-budget expenses so they’ll look good next year; some salespeople sell customers more than they need, just so they’ll reach their sales quota this year; some operating personnel pay too much for materials because it’s easier than shopping around—all are failing to fulfill their relative accountabilities. Clearly articulated relative accountabilities are the antidote to the pursuit of narrow goals, waste of resources, and lack of team play that renders so many employees, and their companies, ineffective.

QQT/R

Managers’ accountabilities include some that are unique to the managerial role. Chief among them is being clear with their subordinates about what (the quantity and quality of output) they are expected to deliver and how much time they have to deliver it. Managers are also accountable for providing the resources employees need to complete their assignments.

In virtually any environment, when I ask employees how clear their managers are about *what* they are accountable for getting done, most will say, “Not very.” In manufacturing, for instance, a supervisor may specify an increase in quantity but not the acceptable reduction, if any, in quality. Yet statistical process control and just-in-time working require unambiguous clarity about accountabilities and the interaction between quantity, quality, time, and resources.

Many managers assume their subordinates know what they are accountable for, not realizing the tension and anxiety they inadvertently cause by failing to be clear. Typically, a highly responsible subordinate will make her best guess at reading her boss’s mind, hoping to be in the right ballpark. Then, a few months later when she gives him a progress report and he says, “That’s not at all what I wanted,” she ends up feeling frustrated and distrustful.

Management scientist Elliott Jaques has developed a small but powerful tool that can be useful for clarifying fixed accountabilities: QQT/R. The slash in QQT/R does not indicate arithmetic division; it merely separates employees’ output accountabilities (quantity, quality, and timeframe) from their resource constraints (see “QQT/R”). This expression is the simplest way for managers to accurately define assignments that they are delegating to their subordinates.

QQT/R creates unequivocal clarity regarding obligations. The formula puts all four variables on the table so managers and subordinates can examine, discuss, adjust, and commit to each one explicitly. The variables are both independent and interdependent, summing up real-world constraints and possibilities and exposing potential tradeoffs among them.

With the tradeoffs out in the open, managers and their subordinates are positioned for a hard-hitting, objective conversation about the manager’s goals and resources and the employee’s ability to meet those goals given current conditions. When this process is ignored or done haphazardly, employees are saddled with their managers’ unrealistic or unfair expectations, and managers delude themselves with their employees’ acquiescent or deceptive commitments to fulfill those expectations. When managers extract so-called stretch commitments from employees that are obviously unobtainable, or when they fail to provide adequate resources for an effort, employees know what’s happening and feel they’ve been taken. Similarly, when employees won’t commit to challenging goals, they are sabotaging their managers and their company.

QQT/R

QQT/R stands for:

Q=Quantity

Q=Quality

T=Time

R=Resources

A QQT/R refers to the quality, quantity, and timeframe of a deliverable, and the resource constraints surrounding it, to convey real-world constraints and possibilities.

Some managers fear that tools such as QQT/R inhibit initiative and creativity. But QQT/R does just the opposite, because it inspires employees to figure out *how* best to deliver on their commitments—not to decide *what* they are to deliver. The best employees delight in improving processes and conserving resources while hitting their QQT objectives. QQT/R should not be construed as top-down either. It should be the outcome of active, vigorous, two-way discussion between managers and their subordinates.

Other managers initially believe that QQT/R cannot be applied to people in analytical or research positions or other areas of knowledge work. Our clients involved in research, product, technology, and market development, as well as similar functions, don’t only use QQT/R to define results per se. They also use QQT/R to mutually define the processes, steps, and resources that must be developed in order to yield the intended results (see “A Technology QQT/R” on page 4).

QQT/R is not meant to be a straightjacket or a rigid set of rules. Rather, it is a useful tool for managers

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MANAGEMENT TERMINOLOGY

People often have difficulty with the words used to describe accountability relationships within organizations, such as “hierarchy” and “subordinates.” But in a managerial system, some people—managers—are accountable for what their employees—their subordinates—do. That is an accountability hierarchy. People tend to equate the term “hierarchy” with bureaucracy, command and control, and rigidity. That perception has emerged because we so often have to deal with bad hierarchies. A good hierarchy is just the opposite; it creates the conditions in which people know what they are accountable for. They can exercise creative initiative, and they have the authority to be successful.

A TECHNOLOGY QQT/R

A senior vice president of R&D gives an assignment to her subordinate, a vice president of new technology development: Given that our long-range plan calls for bringing our third-generation products to market by 2010, I need you to develop or acquire new technologies by 2008 that will support the design of these products. You will need to work with the vice president of business development over the next two years to characterize:

- The types of technologies, both the science and applications.
- The centers currently engaged in research about them.
- Other companies that we could license technologies from, acquire, or create a joint venture with.

In addition, you will need to identify the types of skill sets and level of people we will need to recruit, hire, and develop over the next five years in order to have a team capable of converting those core technologies into practical-application vehicles.

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and employees to use in developing clearly articulated, mutually agreed-upon commitments. It is the most efficient means of ensuring that the output delivered to managers is really the output they wanted. Significantly, QQT/R captures some of the managers' accountabilities as well as those of employees by defining the resources the manager commits to deliver.

Yet being clear about the QQT/R does not capture all managerial accountabilities. In addition, managers must provide their subordinates the support and working conditions they need to deliver on their accountabilities. This support may include coaching subordinates to enhance their effectiveness and providing constructive feedback. The bottom line is that a manager is accountable for her subordinate's outputs. She cannot blame her inability to deliver her commitments on her subordinate's failure to meet his targets. You might say the manager's credo for the 21st century must be: *No excuses about your subordinates' QQT/Rs! No surprises about your own!*

Accountability and Authority

Managers must also be accountable for giving subordinates the authority they need in order to deliver on their obligations. Holding employees accountable for achieving a goal that they haven't been given the authority to achieve is what I call "managing for fantasy." Invariably, doing so generates stress, frustration, and resentment in employees. Even when the result is obtained, it is usually at the cost of suboptimizing overall organizational results (see "Managing for Fantasy").

The reverse of this problem—authority without accountability—is also prevalent. For example, an employee may be given authority over processes, people, or other resources but not held accountable for how well he or she manages or what results are achieved. When that happens, the employee eventually becomes self-absorbed and develops a sense of entitlement. In this fantasy culture of undisciplined performance and variable teamworking, one's attitude is always "me first, productivity second."

Accountability vs. Responsibility

Another common mistake is confusing accountability with responsibility. In the purest sense, responsibility is what an individual demands of himself or herself. It has to do with one's conscience, aspirations, and internal standards. Accountability has to do with specific obligations one has to another individual based on mutual commitments each has made to the other. Unfortunately, most organizations use these words interchangeably as a way to make people feel accountable when they don't actually have the necessary authority.

When employees are unclear about or lack the authority they need to deliver on their accountabilities, they fall back on their own sense of personal responsibility. Because most companies have highly responsible employees, those employees take it upon themselves to get the job done, usually at considerable cost to themselves and their coworkers. As a consequence, they always end up suboptimizing overall organizational effectiveness.

For example, a client of ours in the metal fabricating business asked me to talk with their newly promoted assistant superintendent Sam Travers, a 12-year veteran. Since the promotion, Sam had grown irritable and disruptive. His leadership style included yelling, threatening, cursing, and even kicking cans around. After talking with Sam, I found him to be courteous, reasonable, intelligent, and mature. If anything, he was fully aware of his so-called accountabilities—and chief among them was keeping his area's machines operating at 80 percent of capacity, or more. However, the machine operators were subordinate to their shift supervisors, not to Sam, and they feared their supervisors would dock their pay, write them up, suspend them, or fire them if a machine broke from being cranked too high. The supervisors,

MANAGING FOR FANTASY

Marie Flynn*, an editor at an economic consulting firm, was accountable for getting an update on the U.S. economy out to clients by the tenth day of every month. She found this goal difficult, and at times impossible, to accomplish because the economists who wrote the articles for the update rarely finished their pieces on time. Both Marie and the economists were subordinate to the chief economist, Mike Whitfield. When Marie told Mike that she couldn't get the update produced on time unless the economists got their articles to her on schedule, Mike said, "Crack the whip!" Marie asked incredulously, "What whip?" Mike casually replied, "Just tell them if they don't get their articles in on time, you can't get the update out on time." Of course, the editor had told the economists that many times before. Yet Mike would not hold them accountable for having their articles finished on schedule. And Marie, who had no authority over the economists, remained thwarted until the day she resigned.

busy fighting fires elsewhere, told Sam to handle the problem himself. Only by screaming at the operators could Sam get them to work faster. He had no managerial authority over the operators yet he felt responsible for getting those machines running at 80 percent or better.

An employee who is working hard but not getting the intended results, or who is achieving results only at considerable cost to coworkers, subordinates, or the larger organization, is probably acting responsibly. With such individuals, you must first review their accountabilities and set them in the context of overall company goals. The next crucial step is to ascertain whether the person has both the commensurate authority and the resources to get the job done. Gaps in the accountability-authority equation may be resolved simply or may require rethinking the alignments in your structures and processes.

LEAD People to Accountability

So what is the solution to this accountability crisis? How can we build accountability leadership in our organizations? The four cornerstones of accountability leadership are "LEAD"—leverage, engagement, alignment, and development. LEAD represents a systemic way of thinking and acting that greatly increases a manager's effectiveness. It starts with the concept that managers exist to *leverage* people's potential so that they can achieve more than they could alone. To get this leverage, managers must *engage* their employees' enthusiastic commitment and ensure that they are in *alignment* with the organization and one another. To maintain leverage over the long term, managers must *develop* their people's capabilities to be able to apply their full potential to the work of the organization.

Let's look more closely at each element of the system:

Leverage. In an accountability framework, managers are hired to leverage the creative capabilities of their people to make the total result of their contributions greater than the sum of the parts. A lever is a simple tool that enables someone to lift a heavy object higher than he could on his own. Similarly, leadership, when properly practiced using the levers of engagement, alignment, and development, enables people in a company, department, or team to accomplish something that would not otherwise be possible.

The key for managers to become effective leaders is to understand *what* they are leveraging. They're not leveraging employees' fixed accountabilities—the defined assignments and the rules of engagement surrounding the assignment—but rather their relative accountabilities—the value added by their application of judgment and discretion. In other words, managers must fully leverage the collective mental force of their people in order to elevate the whole organization's ability to deliver value to the customer and, ultimately, to the shareholder.

> **To help employees exercise judgment, the most important leadership practice a manager can deploy is setting context.**

To help their employees exercise their judgment, the most important leadership practice a manager can deploy is setting context. Doing so consists of including your subordinate in your own thinking and in your manager's thinking, and then incorporating your subordinate's thinking into your own. This approach improves upon the quality of a manager's plan and it helps a subordinate to think, plan, and make adjustments intelligently—that is, in a way that best supports the bigger picture.

Engagement. Effective managers engage commitment by understanding what goes into a healthy "psychological contract," a term coined by Harry Levinson in the 1950s to describe how managers understand and create the conditions necessary for people to feel supported and successful. This contract represents an implicit—often unspoken—understanding and agreement on what the company will provide, and what the employee will provide, to make the relationship work. It is not to be confused with an employment contract, a legal device detailing what employers and employees owe each other. Rather, the psychological contract rests upon a foundation of mutual commitment to each other's success.

Negotiating strong, mutual, and reciprocal contracts requires that managers attend to what their employees value, how they define success, and what demonstrates to them that the organization supports their pursuit of success. As a general rule, employees perceive their companies as being committed to their success when they provide:

- A safe, healthy work environment
- Respectful, trustworthy relationships
- Regular opportunities for providing input to the organization, its goals, and one's own assignments
- Valuable, personally meaningful, and challenging work
- The resources and authorities necessary to meet accountabilities
- Assistance in reaching one's full potential within the organization
- Recognition and appreciation of one's contribution
- Fair compensation
- A commitment to organizational success and perpetuation

If an employee—or your entire workforce—fails to demonstrate the level of engagement sought, use the preceding list as a diagnostic checklist. Invariably, at least one and usually more of these elements will be missing. This shortcoming is your clue to remedial actions that you might take.

Finally, it's worth mentioning that context setting and QQT/Rs are part of the psychological contract. Employees prefer clarity, not vagueness. The very process of jointly defining intentions and ambitious and attainable QQT/Rs creates engagement.

Alignment. Employees are aligned when they understand the relationship between their activities and goals and those of their organization, managers, and coworkers—and then act on that understanding. Alignment enables employees to best use

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their judgment to craft, with others, the day-to-day, often minute-to-minute, adjustments that will best support management's thinking in light of changing conditions.

Alignment ensures that employees are not only accountable for accomplishing their own individual missions—the QQT/Rs—but that they deliver their accountabilities in such a way that ensures they fit into, and support, the whole. With that framework, employees can be expected to chart and continually adjust a course to reach optimal solutions—together. So by setting context, a manager brightens the light on the areas where employees should focus and dims it on areas where they do not need to do so.

To be most useful, context must be translated into a fully articulated decision-making framework within which subordinates can make optimal tradeoffs. This framework guides subordinates when they must make decisions involving key dimensions such as revenue, costs, profits, quality, quantity, timeliness, customer satisfaction, or an objective such as winning a new market. Within such a framework, employees not only understand the context in terms of their manager's thinking and intentions, but they also understand the umbrella of alternative logic within which they must operate.

Development. Employee development, as a continual, career-long process, represents the surest path to a workforce that functions with enthusiastic commitment at its full potential. If there truly is a talent gap and companies cannot find and retain enough high performers, then senior executives need to start taking employee development seriously. This means understanding what development entails, creating a talent-pool development system, and holding each manager accountable for effectively developing her own employees—both in role and in careers.

To fully develop an employee's potential, you need to have a good idea of what that potential is. The purest handle you can get on an employee's potential involves assessing his ability to handle complexity. This point is quite important, because position levels in organizations are closely related to the complexity of the tasks and the kind of judgment involved in the work of those positions.

Broadly, the tasks of employee development fall into two areas: developing subordinates in their current positions (through coaching) and developing subordinates to improve their fit for higher-level positions in the future (through mentoring). In other words, managers must be accountable for coaching their immediate subordinates and for mentoring their subordinates' subordinates.

What It Takes to LEAD

The system that I have labeled LEAD lacks the iron-fist approach of the old command-and-control style of management, as well as its paternalism and its limited view of employee potential. LEAD also eschews the passive approach associated with employee empowerment, self-directed work groups, and similar laissez-faire reactions to command and control.

Instead, LEAD begins with a clear mandate for managers to leverage their people to their highest levels of achievement, as individuals and as a group. LEAD recognizes that managers will draw forth employees' best efforts not by the unilateral issuing of orders, but by enthusiastically engaging their employees' commitment in their work. Furthermore, LEAD aligns those efforts when managers construct with their subordinates a powerful context—conveying management's thinking and intentions—as well as practical decision-making frameworks. And finally, LEAD looks to the long-term value of the individual and the organization by holding managers accountable for effectively developing their employees to their fullest potential.

To implement LEAD, you need a clear view of your managerial role, the flexibility to adopt new viewpoints, and the patience and intelligence to learn new skills. You also need the energy and commitment to work with yourself and your people, to try and fail and try again until the system becomes part of your everyday managerial-leadership practice. In addition, you need the courage to establish LEAD as an accountability for every manager and to assess each manager's value—and right to remain a manager—against this standard. Implementing accountability leadership does require hard work, but I fervently believe that business leaders and managers who undertake accountability leadership can use LEAD to their competitive advantage. ◘

**To protect client confidentiality, I've used pseudonyms in examples drawn from the practice of The Levinson Institute.*

This article was excerpted and adapted from the book *Accountability Leadership: How to Strengthen Productivity Through Sound Managerial Leadership* by Gerald A. Kraines (Career Press, 2001).

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FIRST STEPS

If you are a manager, there are some straightforward leadership practices, based on the LEAD system, that you can initiate in your own company ***today*** with only a little investment in study and practice.

- Establish open and honest two-way communication.
- Set context.
- Define accountabilities clearly and delegate the commensurate authority.
- Assess subordinate effectiveness.
- Give matter-of-fact feedback to subordinates.
- Call to account subordinates when they fail to meet commitments, when they fail to adhere to limits, or when they fail to deliver value.
- Develop, recognize, and reward employees when they do add value.

