

Accountability Versus Performance?

Accountability has always been a central concern of both the study and the practice of public management. The concept has also been elusive and controversial. Critics have seldom been hard pressed to find fault with existing accountability arrangements and procedures. When something has gone seriously wrong within government, the tendency has been to adopt wider definitions of accountability and to add new layers of accountability requirements. An ironic consequence of the expansion of the meaning of accountability has been to create even greater confusion about who is accountable for what in government.

As I have argued elsewhere, my own preference is to restrict the use of the term accountability to situations where an authoritative relationship exists.¹ Accountability should be seen as a formal relationship governed by a process and shaped in practice by the surrounding environment and culture. The formal relationship involves a person or body assigning or negotiating with others the performance of certain responsibilities, ideally based on agreed-upon expectations and standards. Persons and bodies assigned responsibilities are obliged to answer for their performance, and it is usually assumed that they are subject to penalties for non-performance and rewards for successful performance. For accountability to be fairly enforced requires that the responsible persons or bodies be given the capacity to deliver results through some combination of authority, resources, control over events and, in general, a supportive environment. The authoritative party in the relationship also has an obligation to ensure that there has been compliance with directions and expectations. Accountability breakdowns can occur, not only because individuals and organisations fail to perform, but also because the authorising bodies lack the will and/or capacity to provide clear direction for and/or careful scrutiny of performance.

Focusing responsibility and accountability with government has become more difficult because activities and programs are increasingly interdependent and collaborative in nature. The traditional, individualistic interpretation of accountability does not fit with the growing reality of a horizontal and collective approach to problem solving. The rise of 'joined up' government (a phrase popularised by the Labour Government in the U.K.) is one of the factors pushing governments away from 'procedural' (compliance) accountability and towards 'performance' (results) accountability. In theory at least, the collection, analysis and publication of performance information will enable legislatures and the public to hold both ministers and public servants more accountable.

A number of countries — most notably New Zealand — have used the distinction between **outputs** and **outcomes** to delineate the respective responsibilities and accountabilities of ministers and public servants. Under legislation passed by

the New Zealand Parliament in the late 1980s, a new public sector management model was created that made senior public servants more directly and personally accountable for the performance of their departments.² Ministers remained responsible for outcomes through the setting of policy goals and the allocation of resources. However, the department heads (in New Zealand, *Chief Executives*) were made accountable for the outputs (programs, services, activities, financial management, contractual arrangements, etc.). Appointed by the Cabinet on the recommendation of the State Services Commissioner for five-year terms, the Chief Executives (CEs) were also subject to annual performance appraisals and eligible for performance-based pay increases. Part of the personal contract for CEs involves the purchase by the minister of policy advice, service delivery and regulation from the department. To guide ministers and departments in their performance efforts, the Cabinet issues an annual document called Strategic Results Areas (SRAs). SRAs were part of the accountabilities set down in the performance agreements of CEs. Internal accountability of CEs to their individual ministers is achieved through the use of plans, budgets, financial reports and a series of Key Results Areas (KRAs). External accountability to Parliament is based on the tabling of plans, budgets, estimates and annual reports. Ministers appear before parliamentary committees to answer for outcomes, the financial framework and the overall operation of the department. But the CE appears on his or her own behalf to answer for the efficiency and effectiveness of the outputs of the department.

Debate continues to rage over the desirability and workability of the New Zealand model of public management. Its defenders make a series of arguments in defence of separating policy from management and making the most senior manager contractually accountable to the government and the minister:

- it clarifies the policy leadership role of ministers;
- it discourages ministers from ‘meddling’ in administrative matters for partisan reasons;
- it recognises that the daily running of departments is in the hands of permanent officials and they should be held accountable for the efficiency and effectiveness of the department; and,
- it recognises that the management challenges are not the same in each department and individual contracts provide a fairer basis for appraising the performance of the department head.

Critics of the N.Z. model — especially as it has worked in practice over the past decade — raise the following concerns:

- just as it is difficult to separate policy from management, similarly the separation of the respective responsibilities of ministers and department heads is equally problematic;

- success requires that they work as partners;
- by their formal nature contracts signify a lack of trust and confidence in a relationship which demands candour and mutual support;
- contracts can lead to inflexibility and over-emphasis on particular tasks that are easily identified and measured;
- holding department heads personally accountable for efficiency and sound financial management narrowly defined might be appropriate, but it would be inappropriate and unfair to hold them accountable for the effectiveness of policies and programs when ministers choose to adopt ambitious goals and fail to provide adequate resources; and,
- when something goes seriously wrong, ministers will be tempted to place the blame on senior public servants and they may counter that their department was not given the tools to do the job.

This last scenario of 'blame avoidance' is not far fetched. Under the traditional understanding of complete ministerial responsibility for all departmental activities, it is possible (and increasingly frequent) for ministers to shift blame for unwanted events to public servants. But the formal separation of responsibilities and the use of contracts will make this more of a possibility.

There are pressures on all organisations to learn faster and to manage their knowledge better. The adoption of performance measurement systems reflects this requirement. A more decentralised and flexible public service which is searching for valid and reliable performance results must strive for policy creativity and administrative innovation. However, our current understanding and approach to accountability gets in the way of policy and organisational learning. Nearly all the emphasis in terms of the practice of accountability is about preventing 'screw-ups' and pointing the finger of blame when something goes wrong. There needs to be a shift away from accountability as 'blaming' and towards an emphasis on accountability as 'learning'. Not every change made within government will be a success. Some unforeseen and unpreventable errors will occur. This needs to be better understood and more accepted. What is required is mainly a cultural shift.

Ministers cannot demand innovation and also insist on error-free government. Public servants should not be made the scapegoats for problems that arise more from poor policy design and/or inadequate resources than from managerial shortcomings. In short, 'remedial accountability', meaning the acceptance of responsibility to fix problems and to prevent their recurrence, needs to be relied upon more. And, 'punitive accountability', meaning the automatic insistence on ministerial resignations and/or the 'public hanging' of public servants, needs to be relied upon less. Achieving this cultural shift in our understanding of accountability will be difficult because of the strong adversarialism in Parliament, the sensational media coverage of political events and the public's insistence

that someone should pay a significant price when untoward events occur in government.

ENDNOTES

¹ Paul G. Thomas. 'Introduction to the Section on Accountability' in B. Guy Peters and Jon Pierre (eds). *Handbook of Public Administration*. London: Sage, 2003. pp. 549-56.

² Jonathon Boston, John Martin, June Pallot and Paul Walks, *Public Management: The New Zealand Model*. New York: Oxford, 1996.