

Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On the nature of:

The Accountability Dilemma

"Hold pedophiles accountable," trumpeted Joseph L. Druce. Druce was serving a life sentence for murder when he allegedly also killed John J. Geoghan, the jailed priest who had been convicted of child molestation. Yet Druce said these words without a tinge of irony.

This is not, however, surprising. For the hold-people-accountable phrase has become such a habit of our public conversation that it has lost all nuance. "We should hold that dishonest business executive accountable." "We need to hold that scheming public manager accountable." "It is about time that we held those incompetent legislators accountable." Crusaders of all sorts are constantly demanding that someone else be held accountable for something.

The hold-people-accountable phrase sounds simultaneously both decisive and profound. It is guaranteed to get a lot of heads nodding. After all, the hold-people-accountable phrase is just a polite way of saying that these people should be punished.

Who should do this punishing? The "accountability holders," of course. Who do they get to punish? The "accountability holdees." Who else?

Naturally, no one wants to be an accountability holdee. Everyone wants to be the ac-

countability holder. Even if you are a convicted murderer, you can, apparently, still assert a righteous claim to be the accountability holder.



Once upon a time, the word "accountability" (which has the some lexical ancestry as "accounting") referred to the obligation of public and private officials to explain what they had done. Specifically, we required these officials to account for their use of other people's money—either the stockholders' or the taxpayers' money. And if they failed to follow specific rules that we had estab-

lished, if they used the money in unauthorized or illegal ways, they could be punished.

Then, we added a second type of accountability: accountability for fairness. We wanted all organizations—particularly government agencies—to be fair to everyone. Thus we required officials in both the public and private sectors to account for how they treated people. To prevent undue favoritism, we required them, for example, to follow the rules we established when hiring, promoting, and firing people. Similarly, we required them to follow fairness rules when awarding contracts.

To create accountability for finances and fairness, we established rules. Then we required those obligated to follow these rules to file reports designed to reveal any deviance

from these rules. We assigned others to audit these reports. Then we punished those whom we caught violating the rules.

Yet, accountability for finances and fairness is not enough. We also expect officials in both business and government to be accountable for performance.

In business, being accountable for performance does not create an additional burden. A firm's performance can be measured by traditional financial ratios such as return on equity. Thus, a firm's standard financial reports help to create accountability both for finances and for performance.

For public agencies, however, the traditional financial reports say nothing about its performance. Indeed, a government agency can undergo a perfectly clean audit for both finances and fairness and still be performing poorly.

Moreover, if a public agency is fastidious in following the rules for finances and fairness, its performance may suffer. This is "the accountability dilemma"—the tradeoff between accountability for finances and fairness, and accountability for performance. This tradeoff has two sources.

First, every individual who works for a public agency has only 168 hours in the week—some of which must be devoted to sleeping. Thus, every hour that an agency manager devotes to making sure that the accountability holders can't find some minor violation of the rules for finances and fairness is an hour that he or she cannot devote to improving performance. And all public managers have lots of would-be accountability holders.

Second, the accountability rules for finances and fairness limit the public manager's flexibility. Yet, if an executive is to improve a

public agency's performance, he or she needs flexibility to allocate resources—both money and people. And it is no secret that those who manage public agencies face many more rules and regulations than their peers in business.

A few years ago, for example, the Massachusetts legislature decided that Boston's police commissioner could not reassign police officers without negotiating such changes with the Boston Police Patrolmen's Association. Obviously, this legislation was designed to ensure that the managers within the Boston Police Department treated all of its officers fairly. Yet, this effort to create accountability for fairness severely constrained accountability for performance.

Yet who created this accountability rule? The state legislature, whose members themselves have little accountability for public safety in Boston. Come election time, however, the city's police union can easily turn legislators from across the state into their own accountability holdees.

Being an accountability holder gives you lots of leverage. No wonder everyone wants to be one. No wonder that no one wants to be an accountability holdee. **B**

If an agency follows every rule for finances and fairness, its performance may suffer. This is the "accountability dilemma": the tradeoff of accountability for finances and fairness vs. accountability for performance.

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