

How to combat a culture of excuses and promote accountability

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For more than ten years, we have studied accountability problems in organizations – situations in which people are not doing what is needed or expected. Here are four typical examples of how senior executives describe these challenges:

- “Given our competitive pressures, we need our people to perform at a higher level . . . take it up a notch – but they don’t seem to ‘get it.’”
- “Sarbanes Oxley has raised the stakes on compliance – and everyone knows it – but non-compliant behavior continues.”
- “We’ve launched a major new initiative with a solid business case behind it, but key stakeholders are not delivering the support they originally promised.”
- “We’ve just finished our planning and budgeting process, but I have this gut feeling that we will never get close to achieving the results we all said we would achieve.”

In situations like these, leaders have a responsibility to do more than lament; presumably, they earn their pay, in part, by ensuring they have done everything in their power to “take away excuses” and create the conditions for accountability. But too often that is not what happens.

A number of years ago we noticed that while leaders frequently complained about the accountability problems in their organization, those conversations rarely produced meaningful action or improved outcomes. And so, through formal and informal research, we sought to understand why.

One big obstacle, we concluded, is a bias that social scientists call fundamental attribution error, which Wikipedia (www.wikipedia.com) describes as:

. . . the tendency for people to over-emphasize dispositional or personality-based, explanations for behaviors observed in others while under-emphasizing the role and power of situational influences on the same behavior. In other words, people tend to have a default assumption that what a person does is based more on what ‘kind’ of person he is, rather than the social and environmental forces at work on that person. This default assumption leads to people sometimes making erroneous explanations for behavior. This general bias to over-emphasizing dispositional explanations for behavior at the expense of situational explanations is much less likely to occur when people evaluate their own behavior[1].

This bias shows up in much of the existing business literature and conventional wisdom around accountability, which focuses almost exclusively on individual responsibility and character. Under-emphasized or ignored is the way that informal company practices and habits contribute to the widespread problem that employees are not doing what leadership needs and expects them to do.

Our data indicate the need for a balanced view. Personal responsibility is critically important. But leaders who assume that accountability problems emerge primarily from character flaws

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and the “kind of people” in their employ – do a disservice to themselves and their organizations. For one reason, character flaws are hard to manage – in one’s self, let alone in one’s employees. And so working from a perspective that character flaws are the problem greatly constrains a leader’s options for responding to accountability problems.

The attribution bias makes it easier for leaders to shirk their own responsibility for promoting accountability. To understand why we make this claim, let’s revisit the last line of the description of fundamental attribution error:

This general bias to over-emphasize dispositional explanations for behavior at the expense of situational explanations is much less likely to occur when people evaluate their own behavior.

In other words, when we attempt to account for our own problems, we tend to flip the bias in reverse. That is, we discount the extent to which our own character or disposition may have contributed to or perpetuated the problem – preferring to “blame” the situational and environmental influences involved. The result is leaders complaining about lack of accountability and excusing themselves in the same breath:

We have accountability problems in our company – and it’s hurting our financial performance. But it’s no reflection on the strength of my leadership [the kind of person I am]. We’re in a tight labor market [an environmental factor I can’t control] and we’re doing the best we can with the people we’ve got [another environmental factor over which I have limited influence]. In fact, we’ve communicated to them repeatedly what’s at stake, but they just don’t get it [yet another environmental factor over which I apparently have limited influence because of the kind of people working here].

Thus the paradox that attribution bias permits: chalking up an organization’s accountability deficits to employees’ character flaws or the “kind of people” they are (rather than identifying and managing situational influences) equips leaders with an excuse for not taking responsibility for ensuring accountability in the organization. In other words, one reason why so many leadership conversations about accountability problems produce little action is that during the conversation the leaders find a way to rationalize why they are not really accountable for solving the problem.

So what is the alternative?

Senior leaders in organizations that successfully manage accountability take primary responsibility for the process. In its simplest form, managing accountability involves three steps:

1. The process starts with the assumption that organizations tend to run the way they are designed. So when leaders encounter an accountability problem (that is, employees are not doing what is needed or expected), they should first assess the situational factors in the organization that are promoting or hindering accountability.
2. Based on that assessment, leaders should take action to design and manage some elements of the organization differently – by “taking away excuses” (removing or redesigning factors that hinder accountability) while promoting a culture of accountability (creating conditions that will make accountability more likely).
3. Only after completing steps 1 and 2 – having performed the necessary actions to promote a culture of accountability and “take away excuses” – do they attribute any remaining traces of the accountability problem to “the kind of people” who still are not

doing what is needed and expected. And then they do whatever they deem appropriate to solve that problem.

What follows is a leaders' guide to how to perform the first two steps – by laying out a diagnostic model they can use to assess accountability problems, “take away excuses,” and promote a culture of accountability.

The four factors that characterize a culture of accountability

Promoting a culture of accountability is a leadership-driven process that involves thoughtfully managing the variables that determine whether people will do the things leaders expect them to do. What are those variables? In partnership with a large North American insurance company, we developed a predictive accountability model that we validated there and in dozens of organizations since. The model asserts that most people in organizations will be accountable – that is, they will do what is needed and expected – to the extent to which four factors are present:

1. Expectations are clear to employees.
2. Employees perceive that those expectations are credible and reasonable.
3. Employees anticipate that positive consequences will follow performance.
4. Employees anticipate that negative consequences will follow poor performance.

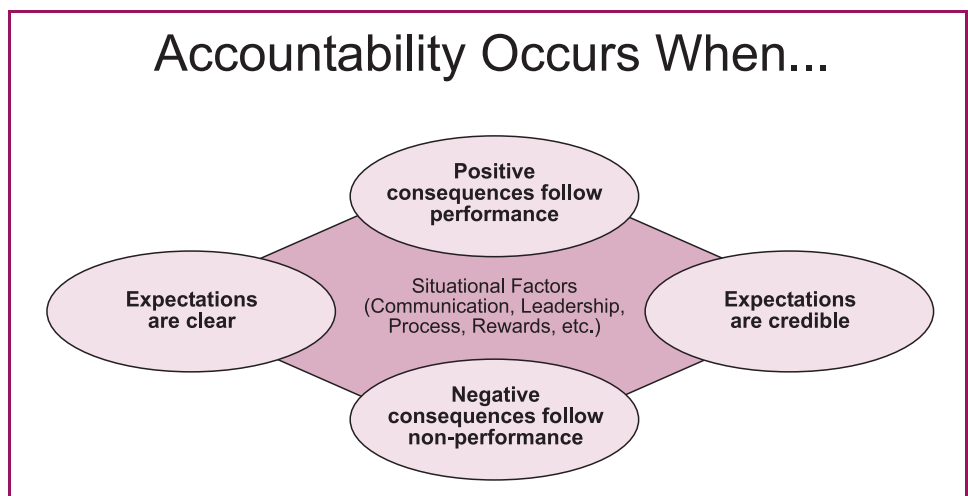
The model is almost embarrassingly simple but highly predictive. Our research has shown time and again that when these four factors are in place, accountability problems are few and far between. When these factors are not in place, employees (no matter what “kind of people” they are) frequently do not do what their leaders expect and need (Exhibit 1).

Are expectations clear?

In organizations that successfully manage accountability, employees:

- *Are clear about the activities they are supposed to perform (or not perform).* They have job descriptions and training that match what they do. They have supervisors that encourage questions and provide needed resources. And, in regard to accountability for legal compliance, they have ready access to policies and procedures written in plain English (or whatever language they speak).
- *Understand how their performance is evaluated.* They know what matters and what they need to do to get the evaluation they would like to receive. Additionally, they receive from

Exhibit 1 Accountability occurs when . . .



their manager relevant, candid, and constructive performance feedback on an ongoing basis – not just at formal review time.

- *Understand how their work fits into the big picture.* Research[2] has shown that employees who perceive they share their leaders' interpretations of strategy are more satisfied and committed. The problem in many organizations is that employees find it difficult to "connect the dots" between their day-to-day activities and the esoteric vision and values messages from senior leadership. Additionally, many organizations fail to equip managers and supervisors at all levels with the information they need to help their direct reports interpret organizational strategy and their role in supporting it.

Are those expectations credible and reasonable?

In organizations that successfully manage accountability, employees:

- *Understand the rationale for the things they are supposed to do.* In addition to the "what," most employees like to know the "why." The parental adage "because I said so" does not promote anything approaching genuine commitment. Employees are often confused and frustrated by what they see as the gap between leadership's stated priorities and the work they are asked to do. They get frustrated when they are not asked to help solve a problem in their local work area – especially when what they have been told to do is not the most efficient or effective way to make the problem go away.
- *Have the capacity to do what's required.* Not surprisingly, the employees we interview frequently tell us that they do not have the time or resources to accomplish everything that is expected of them. Even those who take great pride in the "heroics" they have been able to perform with constrained capacity express concerns about "burnout" and their ability to sustain their pace.
- *Have the capability to do what is required.* Employees often complain that they have been "thrown into the fire" without the technical or professional training to do what is asked of them, or into a managerial role without any leadership training – based on the assumption that they can learn on the job.
- *Receive credible guidance when a choice they make will support one organizational value at the expense of another.* In our research, employees frequently express the belief they cannot simultaneously meet their leaders' expectations for quality and productivity. In call centers, for example, service representatives often find it difficult, without targeted intervention and support, to minimize "talk times" while delivering service that will maximize customer satisfaction scores. Similarly, in our Accountability for Compliance research, employees tell us that acting in compliance often contradicts corporate values such as quality, speed, and cost management, thus placing them in jeopardy (see the sidebar for a specific example).



Do positive consequences follow performance?

In organizations that successfully manage accountability, leaders:

- *Treat their top performers differently than they treat their average performers.* Across organizations, we find employees are highly conscious of whether leaders treat top performers differently than average performers. In organizations where the gap is perceived to be small or non-existent, the ranks of top performers tend to be thinner, and consist mostly of "self-motivators."
- *Manage the work "experience" of their top performers.* In *The New Experience Economy*, B. Joseph Pine and James Gilmore[3] explain how companies that deliver a carefully choreographed experience to consumers will produce stronger emotional engagement, loyalty, and "customer evangelism" than will companies that merely offer a product or service. The effect is even greater when the experience "transforms" the recipient. These principles are no less valid when applied to employees – and support the case for using interesting developmental experiences as a reward for high performers.

- *Make choices about how to reward and recognize based on how they want the recipients to feel.* Many leaders are not accustomed to talking about “feelings” – especially within the context of ROI. But “emotion” is an important and necessary criterion in these discussions. Indeed, the power of any reward or recognition to motivate is only as strong as the emotions it elicits. For example, because of the emotions it elicits, a \$5,000 bonus will produce a stronger motivating influence on the recipient if she did not expect it and if she knows that most of her peers received a bonus half that size. If she expects that amount (or more) and learns that some of her peers received \$7,500, the motivating power of that same \$5,000 disappears. When leaders recognize that emotional response has a stronger correlation with motivation value than any objective or non-contextualized measure, they can make more rational and strategic decisions about the positive consequences they administer.
- *Understand that rewards and recognition send “louder” messages than formal communications.* Employees draw inferences about what leaders really value based on who they promote and recognize – and why. If they perceive gaps between leadership rhetoric and actions, they will tend to discount the former. Accordingly, leaders can expect employees to take seriously and put forth discretionary effort in support of the organizational strategy only if rewards and recognition are linked explicitly to the delivery of that strategy.
- *Minimize or eliminate negative consequences for their top performers.* In a majority of the organizations we have studied, employees report there are sometimes or often negative consequences for high performance. For example, this perverse phenomenon frequently occurs in organizations where performance management is poor and, as a result, leaders “reward” their top performers by giving them more work to do – to compensate for management’s failure to replace or coax more productivity from their low performers.

Do negative consequences follow non-performance?

In organizations that successfully manage accountability, leaders:

- *Withhold negative consequences until they have assessed the clarity and credibility of expectations.* The capability to administer negative consequences needs to exist in any organization – and employees need to know it is there. But negative consequences administered to employees who do not have clear expectations, the capacity and capability to deliver on those expectations, and continuous and candid performance feedback, rarely produce the intended effect.
- *Treat low performers differently than they treat average performers.* Across organizations, we find that employees are highly conscious of whether leaders create different consequences for low performers – and they tend to feel highly resentful of what they perceive as tolerance for “dead weight.” This finding sometimes surprises leaders, because they have been operating from the assumption that employees at large would be disturbed by any significant use of negative consequences. We have never found this to be the case.
- *Are consistent; they administer negative consequences predictably.* Employees are not opposed to negative consequences for non-performers. But they do want them applied fairly and consistently. Paraphrasing no less an authority than the TV psychologist Dr Phil,

“In our research, employees frequently express the belief they cannot simultaneously meet their leaders’ expectations for quality and productivity.”

“In organizations with accountability problems, poorly performing employees have less work to do because they have “trained” their supervisor not to count on them.”

“we train our employees how to behave.” Inconsistent application of negative consequences sends confusing messages and undermines the “training.”

- *Carefully manage the communication around “public hangings.”* Intentionally or unintentionally, consequences send symbolic messages. Sometimes, a “public hanging” is appropriate and necessary; for example, firing someone for a significant and willful compliance breach. At the same time, leaders need to anticipate and account for unintended consequences. For example, they may need to develop and execute a communication strategy that ensures that the buzz created by the “public hanging” does not push discussion about the challenges employees associate with compliance further underground.
- *Minimize or eliminate positive consequences for poor performers.* In organizations with accountability problems, poorly performing employees have less work to do because they have “trained” their supervisor not to count on them. Less common, but no less infuriating to others, is the poor performer who gets promoted into another organization by his manager in order to get rid of him.
- *Follow through.* In some organizations, we have observed that leaders seem to enjoy talking about “wringing necks,” but do not actually do much of it. While a demonstration of bravado may serve as a means of catharsis for frustrated executives, it is by no means an effective solution. In fact, it has an effect similar to threatening children with “time out” over and over without actually administering the consequence. It becomes a “ritual” or “something that we do” that does not have literal meaning and does not motivate a change in behavior.

Application of the culture of accountability model

Managing accountability is a process for which leaders have responsibility. Toward that end, our experience has shown the culture of accountability model to be a highly reliable tool capable of diagnosing a wide variety of accountability problems. Not surprisingly, it works equally well when applied to large-scale issues (elevating performance across the workforce, ensuring Sarbanes Oxley (SOX) compliance, enhancing the effectiveness of IT governance) and small-scale problems (getting the right stakeholders to attend a particular meeting or helping a group of new supervisors become highly effective performance managers).

Though this article primarily addresses the diagnoses and remedy of existing accountability problems, the model works just as well – and perhaps better – as a tool for prevention. At the outset of any new strategy or business initiative, it provides a means for due diligence, a framework for asking: Is it reasonable for us to expect that people are going to do the things we need them to do? And if the answer is “no” or “we’re not sure,” leaders have an opportunity to make changes and prevent accountability problems before they occur.

Case: Accountability for high performance

A senior executive at a *Fortune 500* company described the company’s familial and collegial culture as its greatest strength . . . and its greatest weakness. So when he and his team decided they needed to re-energize the workforce in response to heightened competitive pressures, they suspected they would need to “change how we hold people accountable.”

Box 1. Two unreliable options

The “hope method.” When we ask executives how they plan to address the accountability challenges in their organization, they often say, “Well, people just need to . . . [fill in the blanks with the thing they’re supposed to do].” Unfortunately, “people just need to . . .” is not an accountability strategy. It means, “I have nothing left in my playbook, so I’m hoping the situation fixes itself,” which, of course, rarely happens. Thus, as Machiavelli wrote, “He who neglects what is done for what ought to be done, sooner effects his ruin than his preservation.”

Another option is the “public hanging,” for example, firing someone summarily for a significant and willful compliance breach. Common sense tells us that when employees are behaving badly (that is, they are not doing what they should), we need to punish them – and make examples of them to others. Sometimes doing this with maximum drama is appropriate. But doing it routinely on the expectation that accountability will occur when leadership metes out justice is unrealistic and counterproductive. Our research indicates that willful noncompliance applies to only a fraction of the accountability problems in most organizations.

Our audit identified challenges across all four factors of the Culture of Accountability model:

- *Expectations clear?* Employees told us they were inundated with information about the company’s mission, goals, and initiatives and, as a result, lacked clarity about what was really important – what they should be focusing on. Additionally, they perceived that pay raises and promotions were not based on consistent, objective criteria.
- *Expectations credible and reasonable?* Employees told us that leadership’s admonition to start “thinking outside the box” lacked credibility. Said one: “If you actually come up with an ‘outside the box’ idea, you need ten people to approve it.”
- *Do positive consequences follow performance?* Employees perceived no differentiation between “good performance” and “great performance.” Like the children of Lake Wobegon, almost everyone appeared to be above average, according to their performance ratings. Additionally, employees told us, “Those who are most accountable end up with the most work.” Said one: “Sometimes we drain top performers while skaters stand off to the side.”
- *Do negative consequences follow non-performance?* The absence of negative consequences for poor performance in the firm’s familial culture had created considerable resentment. “Management wants to be everyone’s friend, but you have to set expectations and hold people accountable,” said one employee. Said another: “You can’t get rid of someone here, especially if they have ‘friends.’” Almost everyone we interviewed believed that terminating someone required more effort than most managers could muster.

The senior leader and his team responded with a comprehensive and aggressive strategy to make the organization more accountable that required an intensive, year-long initiative to execute. For starters, they launched a new performance rating system (on which bonuses and compensation would be based) with a highly interactive communication plan. Each week, over a six-week period, employees read on the intranet site a new case study that described a hypothetical employee, his or her performance objectives, and how he or she had performed against them. After indicating what performance rating they would give as that person’s performance manager, employees were able to compare their response with the response provided by each member of the senior leadership team, with an accompanying rationale.

Other efforts involved reassessment of HR policies and procedures, and new ways for employees to provide and be rewarded for good ideas.

Perhaps the most important intervention was mandatory performance-management training for everyone with direct reports, in which they learned skills for delivering negative feedback constructively (even in a familial culture!). Participants practiced those skills in videotaped role-plays that they watched during a one-on-one session with a



coach who helped them develop a specific development plan for improving their skills as performance managers.

The results: surveys revealed statistically significant increases in employees' understanding of and alignment with strategy as well as their ratings of leadership credibility. At the same time, the workforce as a whole produced more output with higher levels of quality.

Notes

1. http://en.wikipedia.org/wiki/Fundamental_Attribution_Error
2. Contractor, N.S., Eisenberg, E.M. and Monge, P.R. (1994), "Antecedents and outcomes of interpretive diversity in organizations", paper submitted for presentation at the 44th Annual Convention of the International Communication Association.
3. Pine, J.B. and Gilmore, J.H., *The Experience Economy: Work Is Theatre And Every Business A Stage*, Harvard Business School Press, 1999.

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