



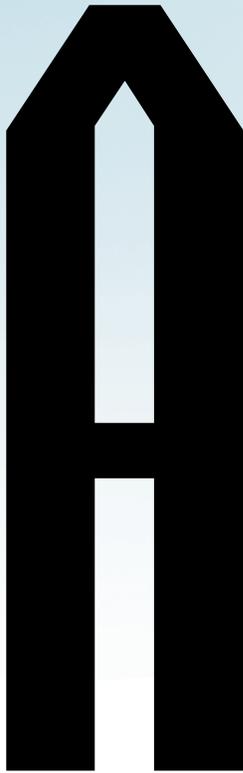
# The New Math of Employee Accountability

Accounting offers a unique framework  
to consider employee accountability.



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Accounting is a system for keeping track of and reporting financial transactions.

Everybody knows that. Accounting can be vastly complex, but at its core, it is a simple concept—a balance statement that reconciles debits and credits. Everybody knows that, too, right?

But what about “accountability” when it comes to performance? Not everyone would define that word the same way. And hardly any of us would associate accountability with financial accounting, even though they’re very similar—not just grammatically, but mathematically.

Mostly, we think of accountability as an assignment of blame. If you’re accountable, you take the blame for what goes wrong and the credit for what goes right. But, really, employee accountability is a system. It’s a way of weighing or reckoning behavior. Specifically, it is about giving a reckoning of the actions taken—and the actions not taken—that led to the final outcome. Just like in accounting, where your balance sheet must

Like a balance sheet reconciles  
reconciles actions

add up correctly, there also has to be a balance in performance accountability.

### The Economy Is No Excuse for Performance

Think of it this way: If a salesperson comes to a manager and says, “I didn’t hit my sales goals, and that is because the recession is so bad and nobody is buying,” that salesperson is giving a reckoning of the circumstances. And the circumstances are something the salesperson doesn’t fully control. That conversation doesn’t end well because we are all hired to make things happen—not report on the circumstances.

All results are a function of actions taken. Period. Many people have cited this equation: **A good story about the circumstances + no result = accountability.** But that doesn’t balance, either. The story doesn’t give any access to better performance in the future. And a narrative about the circumstances puts the focus in the wrong place in the performance equation.



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assets with liabilities to give a picture of performance, someone who is truly being accountable and inaction with results—when they deliver the promised results, as well as when they don't.

Accountability is when the salesperson, or any person hired to deliver an outcome, says: “I didn’t deliver what I promised. These are the things I did that were effective. These are the things I did that were not effective.” The accountable person only talks about his or her actions and lack of actions. Much like how a balance sheet reconciles assets with liabilities to give a picture of performance, the person who is truly being accountable reconciles actions and inaction with results—when he or she delivers the promised results, as well as when he or she does not. **The performance equation becomes: Owing actions and inaction + result = accountability.** That is the right equation, one that a manager can do something with.

In that case, the manager, and more importantly, the employee, both know what went right and what went wrong. The manager can do something with that information, like help the person work to overcome the things that were done that were not effective, and leverage the actions that were effective. In a scenario where the promised outcomes were delivered,

## Establishing Decision Rights

You can't have accountability without ownership and clarity. Employees need to know exactly what they're being held accountable for, and they need to know exactly how their success will be measured.

Clarity and ownership often boil down to decision rights. Unfortunately, most organizations don't take the time to clearly establish a decision-rights process, which often results in finger-pointing, people tripping over each other and decisions floating unnecessarily to the top of the organizational hierarchy. Worse still are bottlenecks, in which decisions are delayed or simply not made at all.

The next time you talk about accountability, ask the following questions:

- What are we counting on you for? How will we measure that?
- What decision rights do you require to deliver what you are promising?
- Who do you need to consult? Who do you need to enroll?
- What decision do you need to be consulted on to deliver what you are promising?

In truly high-performing organizations, each person knows the specific outcomes he or she is being held accountable for, and decisions rights reside at the levels of the organization where they make the biggest difference. Organizations that fail to establish a decision-rights system will likely fail to create a sense of ownership and clarity—and will ultimately be challenged to execute on strategic goals.

reconciling actions and inaction that led to the result also allows for replication of success.

And, after all, isn't that the point of accountability? It's not a method for placing blame and pointing fingers but a means for getting better results. So, next time, make sure the math is accurate, and solve the problem—don't blame it. **IQ**