A GENERAL THEORY OF DELEGATION, ACCOUNTABILITY AND EMPOWERMENT

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Abstract: Delegation, accountability, and empowerment are parts of a system aimed at high performance. This article presents definitions and purposes of these terms, describes the nature of their interrelationships and impacts on performance, and comments on how advanced program evaluation methods can render delegation and accountability more effective and empowerment less risky.

Résumé: La délégation, la responsabilisation et l'habilitation font partie d'un système qui vise un rendement élevé. Cet article avance des définitions et des objectifs pour ces termes, et il décrit la nature de leur rapport mutuel, ainsi que leurs répercussions sur le rendement. Tout au long de l'article figurent des commentaires sur les manières dont les méthodes avancées d'évaluation des programmes permettent d'accroître l'efficacité de la délégation et la responsabilisation et de diminuer le risque lié à l'habilitation.

A number of authors have described the “New Public Management” as a set of strategies for higher performance drawn largely from business management theory and practice. Two of these strategies are strengthening accountability of government to the public and empowerment (Borins, 1995; Kernaghan, 1993; Savoie, 1995; Thomas, 1996).

Generally, governments around the world have been slow and relatively ineffective in implementing these strategies, for two related reasons. First, government officials in charge of implementation have not understood the terms as well as they might have. Second, governments have launched poorly conceived and undercapitalized reform campaigns in milieux of pervasive and subtle resistance to change.

This article addresses the problem of inadequate understanding by developing a theory that provides both meaning and context for the
terms. It does not, however, address the second problem, of the difficulty in managing change. Interested readers can find good discussions of effective change management strategies for government organizations in Carr and Littman (1993) and Osborne and Plastrik (1997).

The problem of inadequate understanding of accountability and empowerment may be attributed to the underdeveloped literature on the subject. My conclusion from an analysis of a recent set of articles on accountability in public administration (Gagne, 1996; Langford, 1996; Wright, 1996) is that those articles do not employ common definitions of terms. As Wright states, the “definitions of accountability tend to be vague, incomplete or convoluted” (1996, p. 227). More importantly, the literature does not appear to contain an explicit coherent theory of management that provides a clear context for accountability and empowerment. For example, the objective of the Gagne article is to “stimulate reflection and informed discussion” rather than construct a theory or framework for accountability in the public service (1996, p. 213). In commenting on the Gagne article, Wright concludes that “there is a need for a framework that is sufficiently detailed to allow for the diversity of government activities but broad enough to allow for valid generalizations” (1996, p. 234).

The theory in this article is based upon the writing of popular authorities (Drucker, 1974; Peters, 1988) and some less well known authorities on business management (Arbuckle, 1992; Jaques, 1996; Oncken, 1975). I believe that the business management theory herein is consistent with the principles of accountability in government and, more particularly in the Canadian context, with the principles of the Westminster model of responsible government. These are summarized by Gagne as the “complementary notions of ministerial accountability and bureaucratic anonymity” and the “viewpoint that Ministers are elected to decide whereas officials are appointed to administer and advise” (1996, p. 214). In terms of business management theory, the minister is a manager by virtue of having a decision-making role which he or she must accomplish through subordinates in the bureaucracy. Furthermore, anonymity of bureaucracy means that the ministers, and only the ministers, are accountable to the public. One can not simultaneously be answerable to the public and retain anonymity.

The theory in this article also addresses the problem surrounding the view that realizing accountability is more difficult in govern-
ment where there are a multiplicity of foci of accountability. The articles cited above suggest that individual civil servants may be accountable to a variety of entities, including their immediate superiors, higher level superiors, ministers, the government of the day, parliaments and legislatures, and the public. Civil servants may also be held accountable for compliance with rules, procedures, due process, achieving results, or achieving performance targets (Gagné, 1996; Wright, 1996).

There are two central assumptions to the theory developed in this article. The first is that delegation, accountability, and empowerment are parts of a system whose aim is high performance. The second is that within this system accountability and empowerment are instruments for enhancing the scope and effectiveness of the management process of delegation. In addition to these assumptions, the theory is specified by identifying the purposes of each term, by a proposed specific definition for each term, by a description of the interrelationships among the terms, and by a list of prerequisite conditions for effective accountability and empowerment.

The definitions of delegation, accountability, and empowerment in this article have been developed using three criteria: authority, relevance, and simplicity. They are authoritative by virtue of being derived from dictionary definitions and the work of prominent writers on the subject. They are relevant in the sense that they relate to the problems that these management practices were designed to solve. And they are simple because they are broken into irreducible terms in plain language.

In order to illustrate the principles of the theory, the article refers to government organizations and, in some cases, the Ontario government. These references are solely the author's and do not necessarily represent the policies, practices, or opinions of the Government of Ontario or any of its agencies, boards, and commissions.

Throughout the article, references are made to the role of program evaluation in helping to make delegation and accountability more effective and empowerment less risky. In this context it should be noted that these suggestions represent "best practices" advanced program evaluation roles. They ignore the factors frequently found in many government organizations that prevent the full utilization and limit the effectiveness of advanced program evaluation methods. The "usual suspects" have been documented in the literature.
They include (1) budget systems with built-in disincentives for program managers to conduct summative evaluations; (2) hiring of evaluation practitioners who are intuitive rather than analytical, with consequent poor formulation of goals and outcomes measures; (3) an absence of a customer focus in the organization, leading to complexities generated by "turf wars" among internal stakeholders; (4) an inadequate level of strategic thinking in central agencies leading to an absence of policy frameworks within which comparative program evaluations can be conducted; (5) indifference of political leaders to value-for-money evaluations; and (6) starvation funding levels for the program evaluation function (Bish & McDavid, 1988; Love 1991; Patton, 1986). These impediments are not inherent in government organizations, in the sense that they are within the power of governments to change. Furthermore, in my view, these obstacles have been overcome substantially by the collectivity of the few jurisdictions that have implemented the "New Public Management."

The remainder of this article begins by developing detailed definitions of the terms delegation and accountability and discussing their theoretical implications. Conditions for effective accountability are then described. Next, the detailed definitions of empowerment are developed and conditions for reducing the perceived risks of empowerment are described. The article concludes by summarizing the interrelationships between the three terms and highlighting the role of program evaluation in making delegation and accountability more effective and empowerment less risky.

DELEGATION

Context

As organizations get larger it becomes necessary to divide up the work. Typically, work tasks and processes are divided according to function and level, and more specifically, on three bases:

1. Work is divided between a management group and a worker group.
2. Work is divided into "departments" (in government) or "autonomous business units" (in private companies) on the basis of different customer groups or different logics of production and delivery. The resulting organizational structure is called a bureaucracy. Although the dictionary defi-
nition of bureaucracy is the administration of government through departments and subdivisions managed by sets of officials following an inflexible routine, references to corporate bureaucracies are also common.

3. Within the management group, work is further divided among levels. Each level has a manager who manages the work of several subordinates at the next-lower level. The resulting organizational structure is called a managerial hierarchy. Best states that the role of the managerial hierarchy is to "coordinate, monitor, and plan over multiple phases along the production [value] chain [of an organization's good, service, or program] (1990, pp. 58, 59). I have added the terms in brackets to reflect the fact that some authors use value chain rather than production chain and that governments typically produce program outputs rather than products. Jaques (1996) also uses the term managerial hierarchy.

In a managerial hierarchy, each incumbent plays a dual role of manager and subordinate, except for those at the very top level. This organizational arrangement requires the establishment of appropriate "vertical relationships" between manager and subordinate, called "delegation-accountability relationships." Managerial hierarchies also require the establishment of informal lateral relationships between managers who are at the same level in different divisions.

The delegation-accountability relationship requires the manager to play several roles. First, the manager controls the work of the subordinate. Second, insofar as the manager is held accountable to a manager at the next level for the outputs of subordinates, he or she is expected to play a leadership role. Leadership involves assigning tasks, setting the context for the assigned tasks, and communicating expected results and deadlines for the tasks. However, leadership also involves supporting subordinates by providing resources to enable them to get the job done right and by coaching and mentoring (Drucker, 1974; Jaques, 1996). In summary, the manager in a delegation-accountability relationship plays all three roles of controlling, directing, and supporting the subordinate.

Purpose of Delegation

The purpose of delegation is to increase organizational performance. Delegation is believed to accomplish this goal in a variety of ways. These can be illustrated by reference to a hypothetical government
minister who is accountable to the public through the legislature for the management of his or her ministry. It is useful to imagine that, in the first instance, the minister is responsible for all work as well as results. The problem facing the minister is how to delegate the work to ministry employees without violating his or her obligation to be accountable to the public through the parliament or the legislature.

By delegating work to the deputy and ministry staff, the minister can increase performance of programs by transferring responsibilities for work to individuals who have a wider and deeper set of skills for doing the work than the minister. Furthermore, customer needs can be better met if the minister’s transfer of work to the deputy is, in turn, transferred to employees on the front line who, through experience, know better how to serve the customer than does the minister. In addition, the transfer of work from the highly remunerated deputy to less remunerated staff reduces the overall costs of services. As well, the deputy’s delegation of work may widen the scope of jobs at lower levels, thereby increasing job satisfaction and employee morale, which builds employee commitment to perform for the organization.

Delegation will also have the benefit of freeing up the minister and deputy minister’s time to concentrate on “core functions” such as interpreting what is in the public interest, broad policy formulation, strategic and long-range planning, and planning for building the future capability of the government’s human, financial, technical, and other resources. These are core functions in the sense that they reflect the “comparative advantage” of deputy minister skills vis-à-vis the skills of managers and workers. A related hypothesis is that these functions are higher value-added than the noncore functions of performing the work.

None of the foregoing discussion about the purposes of delegation is new. In fact, most of it was derived from Ontario government pamphlets produced in the early 1980s, which were described as a “framework of management principles and proven management processes” (Ontario Management Board of Cabinet, 1981 a, b, c, d; 1982 a, b, c).

A Definition of Delegation

Delegation is the transfer from a principal to an agent of duties and sufficient means to enable the agent to discharge the duties to meet the principal’s expectations.
Principal means delegator and agent means delegatee. Examples of principal-agent pairs are a government ministry program manager and his or her subordinate, or a government ministry and an institution receiving a government grant or transfer payment (e.g., school board, college, university, hospital, community health organization).

Agents are “subordinate” only in the sense that they depend on the principal for their remuneration for work done. Subordination does not mean inferiority, but rather accepting the principal’s control by virtue of accepting the remuneration. Remuneration may include the wages and salaries of employees, government grants, or transfers paid to institutions or persons.

Duties include the duty to perform delegated work responsibilities and the duty to comply with rules and regulations laid down by the principal or the principal’s organization. Examples of rules and regulations include such disparate items as compliance with employment standards, hiring practices, allocations within budgets, confidentiality, and generally accepted accounting principles.

Elements of Delegation

The work transferred to the agent comprises processes and tasks. All services or programs can be described in terms of their component processes. A process is a sequence of tasks that collectively transform inputs/resources into service outputs. The transformation or change in the inputs to outputs adds value for the intended recipient of the output, who is the customer of the principal. Processes may be simple or complex; complex processes involve sequences of linked simple processes.

Tasks are pieces of work to be performed by a clearly designated individual, sometimes referred to as a “task owner.” The task owner’s work can be described from the perspective of transforming inputs into outputs or from the perspective of the characteristics of the output.

Both processes and tasks transform inputs into outputs. The reason for distinguishing between the two is to facilitate thinking about how service outputs can be linked back to individual employees. This linkage is important because accountability involves individuals rather than processes.
Resources include such things as budgets, personnel, building space, equipment, and supplies and supplier inputs. These resources are either inputs into tasks and processes or are used to purchase inputs into tasks and processes.

Authorities are what managers need to organize people and processes in order to produce service outputs and outcomes to meet the principal's expectations. Authorities include the mandates to execute processes to produce and deliver services. They may also include certain managerial practices. For example, minimal authorities for a manager include a veto of appointments of subordinates, authority to decide what types of work will be assigned to subordinates, authority to decide personal effectiveness and merit recognition of subordinates, and authority to remove subordinates from roles (Jaques, 1996).

Theoretical Implications

The principal's expectations are paramount. The word delegate means to entrust authority to act as one's agent or representative. What this implies is that the agent should strive to act as the principal would if the principal were to perform the work himself or herself.

Limits of Delegation

Obviously that which is delegated cannot exceed the minister's mandated set of responsibilities. Moreover, the extent of the delegation may be limited by the capabilities of the deputy and others to whom work would otherwise be delegated.

In practice the delegation of work will be limited by "managerial style." More specifically, it will be limited by the manager's views about the risks of losing control through delegation. Managers in government organizations traditionally have invested a lot of time ensuring quality by controlling the tasks and activities that go into producing the service. In this situation, their generic anxieties about more delegation may stem from fears that work may not get done on time, that the quality of work outputs may be unsatisfactory, or that mistakes will be made that will cost time and money to fix.

Generic Problems with Delegation

Generally it is much more difficult to get work done through agents than it is for the principal to do the work himself or herself. This is
manifested in several generic subproblems. First, principals tend to run out of time in dealing with all the agents to whom they have delegated work. Here there is a need to manage management time (Oncken, 1975). Second, the transfer of work to agents with wider and deeper skill sets creates a situation where principals may not understand the skills of the agents and therefore cannot easily judge the agents’ effectiveness. It is then difficult for principals to control agents’ activities in order to get them to meet the principal’s expectations. Here there is a challenge to find a way to deal with the principal’s inability to judge the skills of his or her agents. Third, there is a potential communications problem. Although the principal knows what is needed, agents may not fully understand what the principal expects. Most humans find it far more difficult to articulate what they are actually doing and what they want than to “just do it” or get it for themselves (Pullen & Bunker, 1995). A central challenge for principals is to communicate their expectations to the agent clearly. In reality, communication is assisted by a process of principal-agent dialogue in which feedback helps the agent to understand the principal’s intent and also provides information that may help the principal to formulate his or her expectations more clearly. The fourth problem is that the agent is unlikely to be committed to the principal’s expectations as much as the principal is. Here the challenge is to find ways to build the agent’s commitment.

ACCOUNTABILITY

Context

The problem of the possible lack of agent commitment provides the context for accountability.

Purpose of Accountability

The purpose of accountability is to build the agent’s commitment to serve the goals of the principal. An important byproduct of that commitment is the principal’s trust and confidence in the agent.

Definition of Accountability

Accountability is a condition in which the agent is likely obliged to report measurable gaps between the principal’s expectations and the results of the discharge of the agent’s delegated duties, to ex-
plain the gaps satisfactorily, and to make amends in the event of an unsatisfactory explanation. This composite definition comprises the following elements:

1. Results are measured and compared with the principal's expected results, and gaps between the two are reported. Either the principal or the agent can measure the results — at the discretion of the principal. In other words, the principal decides whether or not to delegate the function of measurement.
2. The agent explains how he or she managed the delegated duties to achieve actual results.
3. The agent explains any gaps by attributing them to external factors that impinged upon his or her management of the work processes.
4. The agent is liable to make good or recompense the principal in the event that the principal is not satisfied with the agent's explanation of the gaps.

Accountability Reporting Requirements

The program evaluator's standard measurable elements (inputs/resources, individual tasks, processes, program outputs, program effects, intermediate outcomes, and ultimate outcomes) represent a substantial part of the framework for accountability reporting (Mayne, 1997; Treasury Board of Canada: Comptroller General, 1981). These elements are presented and defined in Figure 1. They can be positioned as a hierarchy of elements beginning with inputs/resources and ending with ultimate outcomes. Alternatively, they may be viewed as sequential phases in the production chain beginning with inputs/resources and ending with ultimate outcomes. This latter perspective is discussed later in the section on empowerment.

From Figure 1 "transformational"-type performance measures can be readily calculated. These include efficiency (= outputs over costs) and cost effectiveness (= outcomes measures over costs). In the case of processes and tasks, efficiency measures of elapsed time from the beginning to the end of the process may also be called for. When outcomes are translated into monetary values, cost-benefit performance measures can be calculated.

Accountability reporting also requires "goal achievement" performance measures. Goal achievement measures are based on standard
and target levels of outcomes, outputs, or resources. Standard measures refer to the minimum level that is deemed to constitute success in terms of meeting the principal’s expectations. Targets may be set below or above the standard, depending on the ambition and capabilities of the principal and agent and also on whether the targets are short, intermediate, or long term. Goal achievement performance measures indicate the degree of frequency with which the predetermined standards and targets are met for all customers or events in a repeatable process. For a single event, they represent the degree to which the standard or target is met.

The components for both transformational and goal achievement performance measures are depicted in the matrix in Figure 2. Reporting requirements can pertain to any or all elements in the matrix, depending on the principal’s expectations and interests.

Principals may expect agents to report not only on results and performance measures, but also on indicators of compliance with rules and procedures. These might be in response to the principal’s questions, such as “Were resources spent only on authorized projects?”

In summary, the possible types of accountability requirements include results, activities, resources, authorities, rules and procedures, and performance. These should parallel the elements of the delegation arrangement. Figure 3 depicts these relationships, thus providing an overview of the potential reportable items in the delegation-accountability relationship.
Figure 2
Components of Performance Measures

<table>
<thead>
<tr>
<th>Resource transformation element</th>
<th>Goal Achievement Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcomes measures</td>
<td>Actual</td>
</tr>
<tr>
<td>Nonmonetary</td>
<td>Standard</td>
</tr>
<tr>
<td>Monetary</td>
<td>Target</td>
</tr>
<tr>
<td>Outputs</td>
<td></td>
</tr>
<tr>
<td>Costs (of resources)</td>
<td></td>
</tr>
</tbody>
</table>

Theoretical Implications

Inherent in the definition of *accountability* is the assumption that the principal’s expectations must be measurable. “Account for” implies measurement as well as explanation. Without measures there is, by definition, no accountability.

In the absence of measures of the principal’s expectations, the principal may use implicit *de facto* measures to assess an agent. These may relate to answers to questions such as “How do you get ahead around here?” and “How do you stay out of trouble?” (Joiner, 1997). The measures may be made up or based on the principal’s “anecdotal,” “representative,” or “comprehensive” information about the agent’s results and performance. They may be subjective or objective. But the agent will never know them. In these circumstances it may be advantageous for the agent to get control over his or her destiny by negotiating formal reporting requirements with the principal.

Unsophisticated principals may assume that the agent’s actions and decisions are the sole cause of all results. Satisfactory explanations depend on the agent’s ability to attribute gaps to external factors rather than factors under the agent’s control. The measurement of this attribution is a core function of program evaluators. Without such program evaluation there are large risks to the agent.

If the principal’s expectations are not met he or she has a right and an obligation to request the agent to explain the gaps. In the earlier example of the hypothetical minister, that minister is positioned as the principal who retains accountability for the results of the work delegated to the agent through the deputy. The customers of the service look to the minister when there are complaints or problems.
### Figure 3

**Elements of Delegation and Accountability**

<table>
<thead>
<tr>
<th>Elements of the Production Value Chain</th>
<th>Delegation Elements</th>
<th>Accountability Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESULTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcomes</td>
<td>Targets or standards</td>
<td>Report measurable results: outcomes, outputs, or both</td>
</tr>
<tr>
<td>Intermediate outcomes</td>
<td>Targets or standards</td>
<td></td>
</tr>
<tr>
<td>Outputs</td>
<td>Targets or standards</td>
<td></td>
</tr>
<tr>
<td>Intermediate outputs</td>
<td>Targets or standards</td>
<td></td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Authority of agent to coordinate/implement processes</td>
<td>Explain how processes and tasks achieved</td>
</tr>
<tr>
<td>Processes</td>
<td></td>
<td>• performance</td>
</tr>
<tr>
<td>Tasks</td>
<td></td>
<td>• results</td>
</tr>
<tr>
<td><strong>RESOURCES</strong></td>
<td>Provision of resources to agent to manage</td>
<td>Describe stewardship of resources</td>
</tr>
<tr>
<td>Budgets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AUTHORITIES</strong></td>
<td>Authorities granted to agent</td>
<td>Explain which authorities were used</td>
</tr>
<tr>
<td><strong>PROCEDURES &amp; RULES</strong></td>
<td>Delineate rules &amp; procedures with which agent must comply</td>
<td>Report on rule/procedure compliance variances</td>
</tr>
<tr>
<td><strong>PERFORMANCE</strong></td>
<td>Expected performance</td>
<td>Report and explain gaps between</td>
</tr>
<tr>
<td>Goal achievement</td>
<td>Target or standard</td>
<td>• actuals vs. standards</td>
</tr>
<tr>
<td>Standards</td>
<td>Target or standard</td>
<td>• actuals vs. targets</td>
</tr>
<tr>
<td>Targets</td>
<td>Target or standard</td>
<td>Report on efficiency, cost effectiveness, cost benefit</td>
</tr>
<tr>
<td>Transformation</td>
<td>Target or standard</td>
<td>Explain variances with benchmark performance levels</td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output/cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost effectiveness</td>
<td></td>
<td></td>
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<tr>
<td>Cost benefit</td>
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</tbody>
</table>

with service outputs. Customers may complain to the agent, but only the minister is mandated to be accountable to the customer. In reality, the minister may have delegated to the agent the task of providing explanations to the customer. However, by definition the minister remains accountable to the customer for the explanations made by the agent. This implies that the minister cannot escape being ac-
countable to the public by blaming events on the agent. It further implies that blaming the agent is, in effect, an admission that the minister is unable to manage the agent's results (outputs or outcomes) successfully. This implication highlights the minister's core role as a manager.

Another implication is that accountability cannot be divided between policy and management because the minister is accountable for the outputs (or outcomes) of the agent. The outcomes are a result of the combined effects of policy, program design, administration, and customer service. Although the minister can delegate any of these component instruments, he or she remains accountable for all of them.

Conditions for Effective Accountability

Five prerequisite conditions for effective accountability can be listed.

1. **A clear identification of the principal and the agent.** The identity of the agent should be established at the beginning of the year or of the project. The agent may be an individual manager, a team or work group leader, or an institution. In all of these cases the identities of the agent and the principal need to be made explicit to both parties. The simple test is to be able to answer with names the questions “Who do we look to if there is a complaint or if things go wrong?” or “Who do we recognize if expectations are exceeded?”

2. **Principal-agent mutually negotiated agreements.** Mutual agreements need to be negotiated carefully between the principal and the agent. The rationale for the negotiation process leading up to the mutual agreement is that it creates more understanding between the parties, produces more realistic expectations (i.e., credibility), and builds in more agent commitment. This process and its rationale are at the heart of the performance appraisal system. For alignment with the organization's mission, performance appraisal systems should be integrated with the organization's business appraisal plans.

These mutual agreements need to specify several important matters. First, the principal needs to describe his or her expectations specifically. Then, the principal and agent need to agree on the nature of the outcome measures that will indicate progress toward meeting those expectations. Without advanced program evaluation expertise in this step, there is a risk that the outcomes measures will not be true indicators of progress.
It is also important to establish agreed-upon target levels of outcomes measures up front. These should be challenging, because the tendency to innovate in order to improve performance is much greater with challenging goals. At the same time, the targets should not be overwhelming. It may also be important to set targets somewhere above the achievements of competing suppliers or comparable jurisdictions, where these can be identified.

The agent and principal should also agree up front that resources and authorities granted to the agent are sufficient to enable the agent to achieve the principal's expected results. Without this there is no realism, and hence no genuine agent commitment to the accountability process. Instead, a practice of incomplete and misleading reporting tends to set in, leading to reduced trust.

The principal and agent should also identify up front the criteria for satisfactory explanations. These criteria will determine how gaps are to be attributed to external factors (i.e., beyond the agent's control) and to the agent's actions and decisions. Program evaluators can play a critical role in assisting with the measurement of such attribution.

Finally, the nature and magnitude of liability in the event of unsatisfactory explanations of performance needs to be specified up front.

3. Required regular reporting on results. The definition of accountability incorporates only a likelihood that the agent will be called to report, explain, and make amends. The call for reports and explanations is made at the discretion of the principal. However, if the principal does not utilize this discretion very frequently, the risks of noncompliance will be too low to influence the agent's behavior or efforts. In this event accountability will be lost. Therefore, it is necessary to establish a reporting process whereby there is, from time to time, a formal report on gaps between targets and actual results and an explanation of how the agent's decisions and actions relate to the gaps.

In a perfect world, where principals always hire agents whose interests are identical to those of the principal and whose interests always change with the principal's expectations, it might not be necessary to have regular reporting; the agent's self-motivation would be sufficient. However, even in such a perfect world, where interests are
congruent, the principal-agent dialogue about gaps is an important means of continuous improvement. Under these circumstances both the management practice of motivation through positive reinforcement and that of accountability are necessary for high performance. One instrument alone is unlikely to be as effective as both.

4. Established sanctions for unsatisfactory explanations. There is little point in reporting and explaining gaps if no sanctions for unsatisfactory explanations result. The absence of sanctions sends an implicit message that the principal does not really care about the agent's commitment. Consequently, there is little risk to the agent in lowering the commitment.

In practice, there are three types of sanctions for unsatisfactory explanations. One is to find blame and impose penalties for failure. The other is to insist that the agent work constructively with the principal to improve the situation and close the gap. A third option combines the first two.

Ideas for improvement will flow from the process of having the agent explain actions and decisions and external factors that caused the gaps. Among other things, the diagnosis and analysis may reveal that emphasizing some factors under the control of the agent will have significant influence on some of the external factors contributing to the gap.

5. Independent periodic reviews. An independent review (e.g., audit) should be established to ensure that the accountability framework is working to the satisfaction of the principal and agent. Specifically, this audit should ensure that the following are satisfactory:

- the nature of the results measures
- the explanations of the gaps
- the adequacy of delegated authorities and resources in enabling the agent to achieve expectations
- the nature and magnitude of the sanctions for unsatisfactory explanations and the rewards for exceeding targets

If any of the above are unsatisfactory, corrective action should be taken. Such action may include a renegotiation of a new framework, retraining or education of either party, or a career change for the agent.
All five conditions for effective accountability must be operational. Missing any one of them could seriously undermine the process. These conditions can be made operational by (1) conducting periodic program evaluations whose results are included in appraisals of the program manager's performance, and (2) continuously and rigorously applying the performance appraisal process. These are not new prescriptions. Consultants made these recommendations to the Ontario government more than 10 years ago (Price Waterhouse & Canada Consulting Group, 1985, p. 83).

EMPOWERMENT

Context

It was suggested earlier that a manager's perceived need to control subordinates was a factor that limits the degree of delegation and hence organizational performance.

Purpose of Empowerment

The purposes of employee empowerment are to expand the scope of delegation and augment the flow to senior management of ideas for redesigning and streamlining work systems. Both these purposes are expected to lead to higher performance.

Definition of Empowerment

Empowerment means: (1) giving workers more control over their work in exchange for their taking responsibility for meeting the manager's expectations, and (2) worker participation in contributing and implementing ideas for improving work systems. This definition is a synthesis of definitions by Peters (1988, pp. 285, 287), Gore (1993), and the Ontario Ministry of Municipal Affairs (1993, p. 9).

Elements of Empowerment

Additional control of workers over their tasks, processes, and outputs must be accompanied by worker commitment to achieving the manager's expectations. The hallmark of empowered workers is their sense of responsibility for meeting the manager's expectations.
The second aspect of empowerment of worker involvement in work system design may be phased in. In stage 1, workers are given the opportunity to contribute ideas about how to do the job better (Peters, 1988, p. 287). In stage 2, managers assign to workers responsibility for suggesting ideas for work system improvement. In stage 3, workers not only make suggestions for improved work system design but also participate in the implementation of those ideas which management accepts.

Theoretical Implications

There are two dimensions to measuring degree of empowerment. First, empowerment is greater the higher the level in the production value chain used to define expectations of workers. For example, a worker who is expected to produce outcomes or outputs is working at a higher level of empowerment than a worker who is expected to perform tasks or simple processes. Figure 4 shows the levels of decision making for different types of decisions. Second, the level of empowerment is greater the higher the “degree of freedom” the worker has to make decisions about sequencing, coordination, and choosing from alternatives. In this context, five degrees of freedom are defined (Oncken, 1975):

1. Wait until told (what to do)
2. Ask what to do
3. Recommend, then take resulting action
4. Act, then advise at once
5. Act on own and report routinely (to manager only)

Worker involvement in implementing work system design constitutes a sharing of one of the traditional five generic objectives of management, “organize work systems for productivity and motivation.” The other four objectives are “meet operational performance targets,” “align all activities with the mission or vision,” “build future capacity,” and “innovate new and slough off obsolete activities” (Drucker, 1974).

The expected benefits of management-worker involvement in work system design are based on the following hypotheses:

- More minds plus worker expertise can lead to better design and operation of work systems.
Figure 4
Type and Level of Decision Making

**Sequencing**
- decisions to move from one task to another  
- decisions to move from one process to another

**Coordinating**
- coordinating resources to complete a task
- coordinating tasks to complete a process
- coordinating processes to produce program outputs
- coordinating outputs of different programs to increase outcomes

**Choosing from Alternatives**
- choosing from alternative ways to complete a task
- choosing from alternative processes to produce program outputs
- choosing from alternative programs to increase outcomes

- Two different approaches lead to innovations that neither group would have thought of alone (synergy).
- Worker involvement leads to greater worker commitment to implementing the work system redesign, thereby lowering costs and/or improving quality.

To the extent that managers retain the prerogative to reject worker's ideas, they have the responsibility to communicate their reasons for such rejection and report those reasons to their superiors and the workers who made the proposals.

**Ways to Reduce Perceived Risks of Empowerment**

As was noted earlier, generic anxieties of managers about empowerment are based on the perceived risks that work will not get done on time, that quality of work outputs may be unsatisfactory, or that mistakes will be made that will cost time and money to fix.

Managers' fears are likely based on their observations of the current behavior of their subordinates. In this context, it may not be understood that the observed behavior is partly a result of managers' interventions. These interventions send implicit messages to subordinates that product quality is the manager's job, not the subordinate's job. As a consequence, subordinates develop an attitude of "why bother, the manager will catch it."

An underlying hypothesis of empowerment is that many staff will rise to the challenge of producing results if given the chance. Man-
Managers should appreciate that staff attitudes or values will change only when there is a clear, explicit, mutual, up-front agreement that staff, not the manager, are expected to meet managerial expectations for service quality. As discussed earlier, such agreements are at the heart of effective accountability. Effective accountability mechanisms are therefore one method of reducing the manager’s perceived risk from empowerment.

Another key strategy for reducing the perceived risks of empowerment is adequate proper education and training for empowerment. Managers can benefit from formal training in human resource management concepts such as how to really delegate, how to coach staff to be empowered, how to read staff to know when they are ready to embrace empowerment, how to follow up and check that staff are genuinely committed to assuming their responsibilities, and how to hire empowered or “mutually empowered” people. Figure 5 describes the differences between empowerment and mutual empowerment. This training is important because not all staff will want to be empowered and those who do want empowerment will “grow into it” at different rates.

Staff can also be trained about the meaning, nature, and implications of empowerment. This will help them to know themselves and when they are really ready to work in an empowered mode. A simple example of such training would show staff how to plan in order to give managers early warnings about the possibility of a missed deadline.

Managers can also reduce perceived risk through measurement techniques to “objectify” risk. These involve measuring the probability of error, the costs of damage created from the error, and the resulting expected value of the cost of the damage. This enables managers to take “calculated risks” rather than operate on “gut feel.” Here the underlying hypothesis is that decisions based on gut feel tend to exaggerate low-probability risks and risks where the cost is not material. Another measurement approach is to simulate testing of service provision under pilot projects featuring empowered conditions for feedback and corrective action to make improvements. Here managers can look for ways to test the decision-making ability of staff and even create artificial circumstances that are similar to real business problems of the organizational unit. Program evaluators can assist managers with these measurement techniques.
Figure 5
On Empowerment, Disempowerment and Mutual Empowerment

Disempowered People. "Disempowered people are the products of control-obedience cultures that teach people to be helpless and not to trust themselves. For these people, the world is not a friendly place and their task is to protect themselves or find a safe haven. Safety is part of the deal in an obedience-control culture but it brings with it the feelings of powerlessness, being a victim, being dominated, being oppressed and seeing no way out ... Typically, disempowered people expect others to 'tell them what to do and they expect others to approve of what they have done'."

Empowered People. "Empowered people are the product of cultures built on initiative and freedom to act. They see themselves as the centre of a world in which everything is a problem to be solved or an opportunity to be captured. They are convinced that they can go it alone. They have rigid boundaries around themselves and lack meaningful connections with others. Their strong needs are to be autonomous, to fully express themselves, to be creative and to make a significant difference. Their expectations are to be left alone, to be rewarded for what they achieve, to advance continuously, and to work hard and win."

Mutually Empowered People. "Mutually empowering people are highly interdependent and seek to establish or enhance partnerships and mutually satisfying connections. They value and demonstrate equality, compassion and intimacy ... People who are mutually empowered expect to create success with others for mutual benefit and they expect success to be shared. They expect that the people be good resources to each other and that they use each other as helpful resources."

Summary. Being disempowered is a passive way of living life, being empowered is an active way of living life and being mutually empowered is an interactive way of living our life.

Source. Arbuckle, 1992, pp. 63, 64.

Finally, managers can limit their risks by specifying the nature, tolerable frequency, and magnitude of acceptable risks in empowered situations with staff.

CONCLUSION

Delegation is the transfer from a principal to an agent of duties and sufficient means to enable the agent to discharge the duties to meet the principal’s expectations. It has the potential to improve performance but presents a challenge of getting the agent’s commitment to meet the principal’s expectations. That challenge can be met with effective accountability.

Accountability is a condition in which the agent is likely obliged to report measurable gaps between the principal’s expectations and the results of the discharge of the agent’s delegated duties, to ex-
plain the gaps satisfactorily, and to make amends in the event of an unsatisfactory explanation.

The program evaluator's standard measurable elements (e.g., resources, tasks, processes, outputs, and outcomes) satisfy a substantial part of the needs of accountability reporting. When augmented by standard and target levels of outcomes, outputs, and resources, these elements provide virtually all of the components of performance measures needed for accountability reports.

This article described five prerequisites for effective accountability:

1. a clearly identified principal and agent;
2. principal-agent negotiated agreements on measures of expectations, adequacy of resources and authorities, targets, criteria for satisfactory explanations, and liabilities in the event of unsatisfactory explanations;
3. regular reporting on results and gaps;
4. established sanctions for unsatisfactory explanations of gaps; and
5. independent periodic reviews of the accountability arrangement.

Program evaluators can assist the mutual-negotiations process in the second item by developing the measures of outcomes and of costs required to meet the principal's expectations and by describing the logic (i.e., hypotheses) that link work to program effects and link program effects to intermediate and ultimate outcomes and targets that constitute the principal's expectations. Furthermore, program evaluators can play a critical role in determining the extent to which gaps are attributed to the actions of the agent versus factors beyond the agent's control. These are the basis for assessing whether performance gaps can be satisfactorily explained.

Empowerment expands the scope of delegation, thereby increasing the potential for higher performance. The first aspect of empowerment means giving workers more control over their work in exchange for their taking responsibility for meeting the manager's expectations. A second aspect of empowerment means that workers are involved in contributing ideas for improving work systems and implementing those ideas. Empowerment can be measured in terms of degrees of freedom that agents have in making decisions about sequencing, coordinating, and choosing alternatives. These are:
(1) wait until told (what to do), (2) ask what to do, (3) recommend, then take resulting action, (4) act, then advise at once, and (5) act on own and report routinely (to manager only).

Managers typically are unwilling to empower their staffs because they believe there are risks that work will not get done on time, the quality of work outputs will be unsatisfactory, or mistakes will be made that will cost time and money to fix. These perceived risks can be reduced in a number of ways, including effective accountability mechanisms and proper education and training of workers and managers in empowerment and related human resource management skills. One important way in which managers can reduce perceived risk is to use certain measurement techniques to objectify risk. These include:

- measurements of the probability, costs, and expected values of errors that enable managers to take calculated risks in some instances rather than rely solely on gut feel; and
- simulated testing of service provision in pilot projects featuring empowered conditions for feedback and corrective action for larger experiments.

Program evaluators can play an important role in assisting managers with these risk-management measurement techniques.

REFERENCES


