RISK BULLETIN

ALLIANZ GLOBAL CORPORATE & SPECIALTY®

MANAGEMENT ACCOUNTABILITY

ALLIANZ RISK CONSULTING


Image: Shutterstock

WHAT IS ACCOUNTABILITY?

What do we mean by accountability? We often hear it used to describe businesses that are "not being held accountable" or individuals "needing to take more accountability" for their actions. Are you accountable? Am I? How is accountability used in the organization and what impact does it have on the day-to-day job managers' need to do?

As a starting point, there is no commonly understood definition of accountability. Effective Managers[1] created a working definition that consists of three main components:

- An obligation. There must be an obligation or duty to do something where someone is held to account.
- An action. An individual is held to account for not just results, but also, actions. More than simply getting something done, accountability involves how it gets done.
- A "specified other". Beyond holding yourself liable, accountability requires a 'specified other' that holds you to account for doing something. In an organization, this is traditionally a manager.

Without accountability, the ability to manage doesn't exist. Great management is holding yourself and those around you accountable to deliver results. Period. You can define this any way that you want; but in the end, managers are accountable to be accountable.

[1] Effective Managers; What is Accountability, by Dwight Mihalicz. Published July 8, 2019

Beyond a manager being accountable to manage their own goals, desires, and aspirations, they must know how to enforce performance accountability in others. That means a great manager knows how to instill the responsibility of being accountable and convey the ultimate rewards and lessons-learned that are associated with its outcomes. The reason most people don't succeed in work or in life is that they are not accountable enough to themselves or to those whom they serve.[2]

BENCHMARKING

Benchmarking is the process through which a company measures its products, services, and practices against its toughest competitors, or those companies recognized as leaders in its industry. Benchmarking is one of a manager's best tools for determining whether the company is performing particular functions and activities efficiently, whether its costs are in line with those of competitors, and whether its internal activities and business processes need improvement. The idea behind benchmarking is to measure internal processes against an external standard. It is a way of learning which companies are best at performing certain activities and functions and then imitating—or better still, improving on—their techniques. Benchmarking basics can be grouped into asking yourself; When, Why, Who, What, and How? Benchmarking is an integral part of the continuous improvement cycle shown below:[3]

For instance, if we require maintenance personnel to follow the company lock out/tag out program when repairing a machine, we should be able to review their procedures to see if they are following the program correctly and effectively. There are a variety of ways to benchmark our efforts if we simply look at the desired behavior and the specific efforts we expect to achieve that behavior. The following are some examples of behaviors, benchmarks and measurements to assist you with your safety program efforts.

Safety Activity	Benchmark	Measurement	Result
Weekly Supervisor Safety Inspection	Conduct weekly inspections of the work area and report and correct deficiencies.	Monthly safety committee inspection audit which identifies hazards or deficiencies not found by the supervisor.	Increased attention by supervisor on weekly safety inspections and property maintenance.
Weekly Employee Tool Box Safety Talks	Supervisors conduct weekly informal safety talks on a variety of topics provided by management.	Employees asked questions pertaining to topics during monthly inspection audit to measure effectiveness of message and presentation.	Increased involvement of supervisor in safety issues and employee safety awareness.
Lock Out/ Tag Out Program	Established policies, machine specific procedures and documented employee training.	Random review of lock out procedures during normal equipment maintenance to improve program effectiveness.	Maintenance personnel following correct procedures and understanding policy requirements.
Accident investigation program	Supervisors conduct an accident investigation to identify the root cause, solutions, and implement the solution.	Review of the accident investigation by the safety director or safety committee, including review of solution implementation.	Much more focused investigation and follow up. More rapid reporting if measurements include timelines.
Personal Protective Equipment Usage	All supervisor's personnel following the company policy on use of PPE.	Lack of use documented during inspection audits during random walk through.	Supervisors will focus on employee use of safety equipment when they are accountable for their personnel.

As you can see above, the supervisor is a key cog in the safety wheel and should be relied upon and held accountable for the process leading to a safe work environment. Where there is accountability, there should also be empowerment for them to take the action necessary to manage their work area. In each of these safety activities, there is a clear measurement that has a direct result in the level of safety performance rather than

[2] Great Management Boils Down To One Major Thing. Forbes. Published Jul 17, 2012

[3] National Academies Press. Measuring Performance and Benchmarking Project Management at the Department of Energy (2005). Chapter: 3 The Benchmarking Process.

the safety result. We know that if an employee follows the proper lock out/tag out procedure, the potential for an amputation or electrocution is minimized. Otherwise, we are relegated to measuring the resulting electrocution or amputation, which is too late.

An effective safety system is no accident. It is also not a program. It is a culture. The way to build a culture is to have high standards and strive to have all of your personnel meet these standards. As with quality, if you don’t have a measurement of your standards, you can only hope for the desired result.

CONCLUSION

Leadership experts in Harvard Business Review warn that when there is no accountability, managers are creating “… a culture of mediocrity and lackluster organizational performance” and that “the aggregate costs of neglecting accountability can be staggering for everyone.” [4]

---

[4] Harvard Business Review. One out of every two managers is terrible at accountability. Nov 8, 2012

Design: Graphic Design Centre

Disclaimer & Copyright © 2020 Allianz Global Corporate & Specialty SE. All rights reserved.

The material contained in this publication is designed to provide general information only. While every effort has been made to ensure that the information provided is accurate, this information is provided without any representation or guarantee or warranty of any kind about its accuracy and completeness and neither Allianz Global Corporate & Specialty SE, Allianz Risk Consulting GmbH, Allianz Risk Consulting LLC, nor any other company of Allianz Group can be held responsible for any errors or omissions. This publication has been made on the sole initiative of Allianz Global Corporate & Specialty SE.

All descriptions of services remain subject to the terms and conditions of the service contract, if any. Any risk management duties as laid down in the risk service and/or consulting contracts and/or insurance contracts, if any, cannot be delegated neither by this document, no in any other type or form.

Some of the information contained herein may be time sensitive. Thus, you should consult the most recent referenced material. Some of the information given in this publication may not apply to your individual circumstances. Information relating to risk services is intended as a general description of certain types of risk and services to qualified customers. Allianz Global Corporate & Specialty SE does not assume any liability of any kind whatsoever, resulting from the use, or reliance upon any information, material or procedure contained in this publication.

Allianz Global Corporate & Specialty SE, Global Communications, Dieselstrasse 8, 85774 Unterfoehring, Germany

Commercial Register: Munich, HRB 208312