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# Adjusting your grip

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In this article we discuss the importance of consistent and transparent accountability arrangements in successful healthcare organizations and the potential benefits of 'earned autonomy' as a model for promoting performance and innovation.

**Thought Leadership**

*'When everyone from the top to the bottom follows through on promises, doesn't blame others for mistakes, and supports others in achieving goals, it creates a healthy and positive work culture. As a result, this breeds trust and enhances productivity*'.

Why Accountability Is Vital To Your Company. John Hall. 2019—*Why Accountability Is Vital To Your Company (Forbes.com)*

### Exactly what is accountability?

Accountability is a word that is often used but frequently misunderstood. Through our work with over 500 healthcare organizations and boards we have seen many instances where boards, CEOs and C-suites see accountability as primarily a 'stick' rather than a 'carrot', and staff and front-line managers associate the term with blame and punitive action from leadership in response to sub-optimal performance.

In our view accountability should be seen as a force for good in relation to both individual well-being and organizational success. Accountability is at its heart, taking ownership of opportunities and challenges. This means understanding those opportunities and challenges, developing plans and actions to address them and delivering those plans and actions. The key part of the word is 'account', for without a mechanism of accounting for the progress and success or otherwise of these plans and actions to staff, leaders, the board and/or stakeholders, there can be no true accountability. In this way, accountability manifests itself behaviorally as individuals or teams explaining their thinking and actions (and sometimes inaction) to others, and in particular, whether they believe they will achieve their intended goals.

### Building a pervasive culture of accountability at all levels

On an organizational level, accountability does not happen by any happy accident. Developing a consistent and resilient culture of accountability in practice at all levels of your organization requires intent, purpose and a structured approach from leadership. As Natalie Baumgartner wrote in her Forbes article, 'It's Not Enough to Show Up', "*Culture goes awry when it is not intentional, clear and aligned across every aspect of an organization. Companies that do not take the time to foster an aligned, purposeful culture will have a workforce that simply "shows up to the job*."

Building a culture of accountability, therefore, in our experience, requires a plan. Through our work in the health sector we have found that to be effective, this plan needs to focus on the following areas:

#### 1. Leaders must both 'talk the talk' and 'walk the walk'

Leadership has to hold itself to the same standards of accountability as the rest of the organization. If leadership commits to doing something, it needs to do it. If these actions are successful, celebrate them, but if they are not, be open about failure and underperformance and start a conversation about how you can do better next time. This is a vital aspect of accountability that serves to build trust in leadership.

#### 2. Establishing meaningful goals at all levels in alignment with your strategy is key

Make what you are trying to achieve meaningful to staff at the front-line. Translate your organizational goals into goals for your clinical divisions, then go ahead and translate the divisional goals into tailored goals for each clinical department. Finally, translate these down to goals at team level. Do this using an open and collaborative approach, so that everyone can sign up to these goals and agree that they are realistic and achievable.

### 3. Measure, report and communicate often and transparently

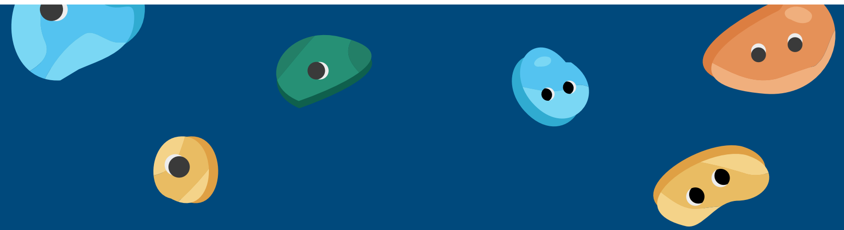
Communicate goals to everyone who is required to contribute in some way to their achievement. Measure progress towards delivery of goals and report this in open, structured forums at least quarterly. Build a rhythm to this activity and focus in on those same core goals repeatedly across the business cycle. A regular rhythm of accountability meetings for teams, divisions and organizations builds a consistency of focus and a collective sense of ownership of the actions required to achieve them.

### 4. Encourage honesty, openness and reflection through an approach founded on the principle of providing support

Do not criticize poor performance or browbeat teams who are off track in relation to their stated plan in accountability meetings. This will often lead to obfuscation, hiding of true performance and/or demoralization. Instead, always start from the position of working collectively to identify the underlying cause of any gaps or deficits, and agree what support can be provided to overcome these.

### 5. Celebrate success!

Take the time, both as leaders and as an organization, to celebrate successes and recognize those who have collectively enabled this. For people to truly care about the achievement of the goals of their organization, they need to have a personal stake in them. Seeing that their hard work will be recognized when these goals are achieved is key to fostering this sense of ownership. Be clear what the positive consequences of success are for you teams, departments and divisions. In accountability meetings make a point of recognizing what has been achieved, even when some aspects of performance or delivery require improvement.



### Deloitte Point of View – KPIs are a blunt instrument when used in isolation

There is nothing inherently wrong with key performance indicators (KPIs). In fact, they are a vital part of the accountability process and are great for providing clear, specific and measurable targets. However, they are, in our experience, frequently relied upon as 'the whole picture' in terms of accountability when this could not be further from the truth. Any team, department or organization should be held to account for the successful delivery of its strategy or plan. This will include KPIs, milestones, objectives and initiatives. In our experience, to be truly effective, accountability meetings between leadership and departments should place equal focus on three things:

1. A balanced scorecard of KPIs across the key areas of Quality, Performance, Finance and Workforce; and,
2. A clear and concise review of progress towards delivery of annual plan goals and milestones.
3. Be psychologically safe. That is, be overwhelmingly supportive in nature.

**Thought Leadership**

*"A performance-driven culture often exacerbates people's fears by creating a zero-sum game in which people are either succeeding or failing and "winners" quickly get weeded out from "losers." Results also matter in growth cultures, but in addition to rewarding success, they also treat failures and shortcomings as critical opportunities for learning and improving, individually and collectively."*

Create a Growth Culture, Not a Performance-Obsessed One by Tony Schwartz March 2018 ,07, Harvard Business Review—*Create a Growth Culture, Not a Performance-Obsessed One (hbr.org)*

# Earned autonomy as a means of fostering greater accountability

Earned autonomy is a principle that is used in many industries, not least in healthcare, as a means of providing clarity in relation to accountabilities whilst at the same time encouraging empowerment, innovation, pride in work and successful delivery.

**So what is it?**

Earned autonomy can be best described as an approach where the highest performing teams, departments, divisions or organizations are subject to less central control and are afforded increased operating freedoms in response to the confidence leadership have in their continued success.

This approach can be used at any level of a system or organization, but to apply it practically requires a documented accountability framework which clearly defines and sets out:

- The confidence rating which will be used to describe autonomy levels;
- The thresholds which will trigger differing levels of autonomy;
- The response / action that will be activated in response to performance trigger; and ultimately,
- The level of autonomy and freedoms afforded at each threshold.

All of this should sit within a clear, performance review cycle at which each department is subject to a formal performance review (accountability meeting) with leadership at regular intervals throughout the year.

**Deloitte Point of View – Performance review cycles and collective leadership**

We have often experienced instances where organizations delegate the accountability process to a single executive or C-suite member. Often this will involve an executive (typically the chief operating officer) meeting alone with a division or department on a monthly basis to review their performance. In our view this approach brings with it two main problems:

**First,** this tends to end up prioritizing and focusing the organization on operational performance (process and activity) as being the primary measure of success and results in undesirable behaviors that adapt to the message this sends out (often unconsciously deprioritizing hugely important areas like quality and safety).

**Second,** this approach disempowers the wider C-suite as a team and creates a disconnect between them and the delivery of the plans and activities that enable the achievement of the organization's strategic goals.

Holding your divisions to account for delivery and performance has greater impact and can be a more powerful cultural force if seen as a collective role of the whole C-suite and one that they actively engage in as a team.

Over the years we have had the great privilege of working with hundreds of healthcare organizations, often being afforded the opportunity to observe their accountability arrangements up close. This has enabled us to draw learning and insight as to what works well and, more specifically, which elements you can carry forward into your own healthcare organizations to enable success. The best accountability meetings we have experienced during our work with hundreds of healthcare organizations are characterized by the following:

A. Have a clear, consistent agenda that covers quality and safety, finance, operational performance and workforce goals and KPIs. Progress towards the achievement of strategic objectives is discussed less frequently, say on a quarterly basis;

B. Are led by the department or division being held to account (i.e. it is their opportunity to present their progress, achievements and challenges to leadership); and

C. Are attended by a range of C-suite members, which may change dependent upon availability, but would typically include; a clinical executive, the CFO, a workforce and organizational development executive and the chief operating officer or equivalent. A number of organizations also occasionally have the CEO attend accountability meetings, which can add significant value.

To help make the concept of earned autonomy come to life as a practical approach to accountability we have detailed a high-level example of an accountability framework (calibrated at departmental level) in Figure 1 as an annex to this article.

**Conclusion: The central importance of accountability in organizational culture**

Significant research and thought leadership have been published over the last decade on the importance of an organization's culture as the key enabler of its success. Much of this thought leadership tends to focus on the value of creating cultures that foster openness, trust, well-being and continuous learning. We absolutely agree that these aspects of culture are essential for organizational effectiveness and health, but would argue that they are only half the answer. Creating a culture of accountability and hardwiring this at the level of the team, division and organization is an equally important component of what makes for a successful healthcare organization.

**Figure 1: High-level example of a divisional accountability framework**

| Confidence rating | Performance threshold criteria | Level of autonomy | Level of management support or intervention | Performance review frequency |
|---|---|---|---|---|
| **High** | • On track to deliver all aspects and milestones of annual plan<br>• No areas of non-compliance with regulatory standards<br>• Rated green against all quality and safety domain KPIs<br>• Less than 5% workforce vacancy<br>• Less than 10% employee turnover<br>• At surplus or break-even budgetary position | 1. Freedom to invest up to 5% of next year's budget in service improvement initiatives this year<br>2. Freedom to recruit up to staff Band 7 without prior executive sign-off<br>3. Freedom to develop next year's annual departmental plan without direct corporate support | No support beyond that requested by the department or identified through quarterly performance review meetings. | Quarterly<br><br>• Standard performance dashboard only |
| **Moderate** | • On track to deliver some aspects of annual plan or with recovery plan in place for where the leadership do not have confidence<br>• No areas of non-compliance with regulatory standards that pose a direct quality or safety concern<br>• Rated at least amber against all quality and safety domain KPIs<br>• Less than 10% workforce vacancy<br>• Less than 15% employee turnover<br>• Within 5% of planned budgetary position | • Freedom to recruit up to staff Band 5 without prior executive sign-off<br>• Freedom to develop next year's annual plan but with draft presented to executive for discussion in September | If the department meets any of the threshold criteria for moderate confidence it must present a recovery plan at the next scheduled performance review meeting. If leadership have confidence in this recovery plan, then the division will remain at moderate autonomy until performance improves. | Monthly<br><br>• Standard performance dashboard<br>• Recovery plan for areas of underperformance |
| **Low** | • Not on track to deliver key aspects of annual plan or where there is limited confidence in recovery plans<br>• Areas of non-compliance with regulatory standards that pose a direct quality or safety concern<br>• Rated red on one or more quality and safety domain KPIs<br>• Greater than 10% workforce vacancy<br>• Greater than 15% employee turnover<br>• More than 5% off plan from planned budgetary position | • No additional freedoms beyond standard organizational policy | If the department meets any of the threshold criteria for moderate confidence, it must attend a turnaround planning session with the executive within one week.<br><br>An executive coach will be assigned to the department to support the development and delivery of a documented turnaround plan.<br><br>In addition to performance review meetings the department will meet with the executive coach weekly to discuss progress of the turnaround plan. | Bi-weekly<br><br>• Enhanced performance dashboard<br>• Turnaround plan |

# References

The principle of earned autonomy is that the highest performing organizations are subject to less central control and allowed increased operating freedoms.

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**Acknowledgment**
We would like to thank Sarah Bou Habib, Nour Al Bardawil and Tamara Al Bashir for their contributions to this thought leadership piece.

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