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106 N. Bronough Street (32301-7723) ♦ P.O. Box 10209 (32302-2209) ♦ Tallahassee, FL ♦ Phone: 850/222-5052 ♦ Fax: 850/222-7476

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**Rx: Accountable Leadership**  
**- A Prescription for an Authentic Reinvention of Government -**  
*Make Government Really Work for the People through Performance*  
*Program Budgeting Management and Evaluation*

By  
Neil S. Crispo Ed.D & Roger Kaufman PhD

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*Dr. Neil Crispo and Dr. Roger Kaufman are Florida TaxWatch Senior Research Fellows. Fellows provide advice, counsel, and quality assurance for TaxWatch's full-time permanent research team. Dr. Crispo is Senior Vice President Emeritus of Florida TaxWatch and a member of the faculty of the Askew School of Public Administration at Florida State University. Dr. Kaufman is Professor Emeritus of Educational Psychology and Learning Systems at Florida State University and is a Distinguished Research Professor at Sonora Institute of Technology (Mexico).*

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**Prologue**

As Americans are confronted with a social, political or natural crisis the adequacy and effectiveness of government's response becomes the focus of the public's concern. Citizens are troubled, but often don't know the right questions to ask and thus they are not able to meaningfully process the data that flows at them from all directions. Under these circumstances citizens expect the demonstration of *authentic leadership* on the part of their governmental officials. In many circumstances, unhappily, substantive leadership is not evidenced and the actions of government focus on image management rather than authentic public information.

Inept response to natural disasters by government, criminal convictions of governmental officials at the local, state, and federal levels, and the, self-indulgence and felonious behavior of several corporate executives often with collaboration of government have brought to the public's concern to a myriad of issues related to leadership. Even those at the head of the United Nations have become suspect of nefarious behavior. Today justifiable distrust of leaders in both the public and private sectors is rampant.

What is real leadership? What sustains it? Answers are being demanded to the "who", "what", "why" and "how" questions relative to effective and deserved leadership. Unfortunately, very few answers have been forthcoming.

The key to the resolution of these leadership issues is accountability based on criteria from a valid scheme of strategic planning. This discussion addresses key concepts and prescriptions associated with the delivering of such accountability, predicated upon strategic planning, that acknowledges the alignment of societal, institutional and organizational dimensions.

## **Leadership**

Potent leaders are those who successfully enter the executive role and accept the full responsibility for their group and commit to increasing the group's capabilities and success. When the full obligations of comprehensive leadership are enumerated it would appear that leadership requires an omniscience and omnipotence akin to the traits of a Divinity. The improbability or more exactly the impossibility of fully attaining these perfect attributes does not absolve those in positions of authority from seeking ways to draw closer to such ideal capability. Such relative accomplishment is seen as attainable by accessing the collective intellectual and experiential resources held by the group being managed. In sensible current management practice, this is termed "continual improvement". This construct mandates that a group leader draw the work force into the decision-making and executive process of the group. This is especially necessary and most attainable if the work force is highly skilled or knowledgeable. It is accessing the capability of what the late great Peter Drucker called the *knowledge worker*. In so doing, the group's status leader should assist the group's members to assess their past, understand their current condition and be ready to shape their collective future. They must lead toward a shared success, shared with their associates, their organization, and the society in which we all live. In short the behavioral implications of transcend relevance to the individual, the organizational, or institutional and is relevant as to impact upon society in general.

Such focus on the societal impact moves behavior to a higher order of purpose that has collective as well as an individual focus. To accomplish this, the group leader must assume an attitude of genuine humility and have the willingness to accept new information—even if it disagrees with valued past positions or personal security and comfort. This must be coupled with a willingness to revise past positions and reach new conclusions and deliver new and valuable contributions to external stakeholders. This is a focus on planning, evaluation and continued efforts to seek improvement based on what worked and what did not. In other words, good leaders are willing to listen, change and be responsive to valid shared sense data that is reliably measured and verified. They are not satisfied with just replicating past practices, responding to personal perceptions, giving into political pressures, benchmarking others (who are also operating under inappropriate paradigms), or adhering to conventional wisdom, euphemistically referred to as *common sense*. In this way, the leader shifts from covering themselves politically to a position that focuses on pragmatic decision-making based on reliable and verifiable data generated by the use of the comprehensive and evaluative resources of the group. This is an intellectual context that is consonant the modern positivistic orientation that has generated products of natural sciences and modern technology.

When government leaders use less exacting approaches or submit to doctrinaire paradigms having predisposed results they are courting failure. What is being recommended here is atypical to the political climate of our governmental and corporate bureaucracies. Currently in most cases these administrative bureaucracies operate in a system where accountability for comprehensive results and value added are not required or are deflected to lesser results and consequences.

As Americans are confronted with a social, political or natural crisis the adequacy and effectiveness of government's response becomes the focus of significant and pervasive concern. People want results, not finger-pointing, *scapegoating*, or rhetoric. Fundamentally these circumstances are times when citizens expect the demonstration of *sincere leadership* on the part of their governmental officials, not what we have seen in recent circumstances. In fact the current responses of would-be leaders is best described as dialogues of image management, the assignment of blame, deflections of responsibility, or activities designed to satisfy of special interests rather than the resolution of the underlying problems that promulgated the crises. In short, pseudo-solutions and quick fixes are presented without consideration as to the underlying problems and the real opportunities for their resolution. These pseudo solutions have as their purpose fulfillment of parochial interests that substantively neglect the common good while appealing to one or another special interest group. These special interest solutions are presented to the public in the same manner that products for our commercial consumption are promoted. Thus the political image management fits into the public's conditioned cognitive receptors that are operative in the commercial world. Such social psychological management and perceptual manipulation is not promising to democratic dialogue, or the delivery of responsive and responsible government. In fact such social psychological manipulation shamelessly allows misinformation and perceptual distortion to take the place of real public dialogue.

This management of affairs through response to polls and media based image management rather than consequences-linked policy development is pursued in the operations of both of the major political parties. And the fringe parties as well. The commercial ethos of American culture further sustains such perceptual manipulation is as much as a substantial portion business competition is deflected to the promulgation and maintenance of misleading perceptions and propaganda rather than real product performance. Given such pseudo solutions displace competitive performance in the market place it is not unexpected to also see such operations in government.

### **The Pseudo Solutions**

Rather than take on real leadership, many government leaders recede into less demanding postures, especially in times of crisis. They may call in consultants, special commissions and other specialists who can seemingly relieve them of the decision-making responsibility. From this, it might be concluded that government has become so fraught with false solutions that its credibility has plummeted.

Sociologist Theodore Mills cites four of these pseudo-solutions associated with typical managerial behaviors that lead to organizational dysfunction, failed morale and the waste of material and human resources. These pseudo solutions are commonplace to government today; they are:

- **INTRUSION AND MANIPULATION.** *This substitution for real leadership grows out of the unrealistic desire for total control and for perfect communication. Since among humans neither is possible it leads to the development of a process that focuses on psychological manipulation. Featured in this are collective self-revelation, public confession and other dubious ploys that cause subordinates to look upon their leader as a guru they serve unquestioningly. In this they lose focus as to the reasons for the group's being. Fulfilling the whims and wishes of the status leader becomes their reason of the group's being and existence. In such a setting, administrative staffs and bureaucracies seem to join to serve the leader rather than the public. Image management rather than substance and real achievement are the driving force. Appearance of correctness rather than the right thing is the institution's operative focus. Authoritarian behavior prevails in this mode, and thus it is commonly found in dictatorships and totalitarian regimes.*
- **OBSTRUCTIONISM.** *This pseudo solution uses ever-complex collection, observation and analysis of data to block or delay action. The collection and reporting of information becomes a means to make analysis difficult and the resolution of problems indeterminate. Commitment to a definitive course of action is stalled in this process under the assumption that the right course will reveal itself as time passes. Often this is accompanied by the assumption that things are so complex that they are irresolvable and thus immeasurable. In state government, such a theme is common to legislative and agency staffs especially in response to calls for accountability. A manager operating in this pseudo solution may be one of the busiest in the organization. His staff stays busy as well. The problem is no one ever seems to accomplish anything. Projects go uncompleted, decisions are perpetually delayed, and problems go unsolved. Plenty of memos circulate, endless meetings are held, lengthy administrative tasks are performed, but the organization produces nothing of any value. A plethora of studies, consultants, commissions, and reports abound in the setting of obstructionism. All these products and processes stand in for real outputs and outcomes. Some contend that this approach is sustained by those who are most benefited by the current system. They obstruct any change until they are assured that their advantage or control is maintained.*
- **SIMPLIFICATION AND SUPPRESSION.** *In this alternative to real leadership, those managing an organization cope with complexity by narrowing their responsibility and over simplifying the situations they encounter. Information is suppressed. The desires of those the group or agency is designed to serve are minimized or ignored. Any data challenging this simplified model of*

*reality is either ridiculed or dealt with as a threat. It is not uncommon to see legislative and other governmental staff resort to this pseudo-solution. In education, this approach to academic success is reduced to doing time and having classroom attendance with possible participation in minimal classroom experiences. This is followed by tests that measure only the most rudimentary skills. This is declared as fulfilling the educational mission. In fact, it is a gross form of simplification and suppression that shamelessly deceives the young and cynically deprives the society of the proper contributions of education's mission. This focus on the obvious and simplistic gives the impression of competence. This approach is melded with the quick fix prescriptions, such as smaller class sizes, or testing that is not related to future success in school or in life. Process fixation is the hallmark of this pseudo solution A classic example of such a quick fixes announced in: "more money spent means better government services". Corollary in this pseudo solution is the tendency for leader in both the public and private sectors to announce decisions in terms of how they will look to the media rather than their value to the stakeholders. This leads to an emphasis on perception rather than substance.*

- **SELF-DELUSION.** *Going through the motions and bearing symbols of authority in titles and leadership's trappings are the hallmarks of this false leadership pattern. The self-delusional manager often bears some of the same characteristics as the obstructionist. Like the obstructionist, a manager lost in self-delusion does very little to relate one activity to another and shuns all substantive evaluations. Especially evaluations based on measurable value added to the organization and our shared society. Program changes and projects may flow from this manager's desk. But no attempt is made to integrate them into a noticeable result or to demonstrate one project's significance from another. Critical thinking is absent, inasmuch as observations are made but correlation and associations are ignored. Evaluation outside of measurement by inputs is ignored. Usually organizations run by leaders in such a mode are held to public criticism and can appear comical if not ridiculous. Unfortunately, when they appear in government or education the public tends to accept their shortcoming because the leaders are titled. Indeed, some status leaders in such groups are disposed to upgrade their titles to enhance social distance and to assure enhanced deference and greater financial rewards and job perks. In our universities, for example, it seems as if "title inflation" has become the order of the day.*

Much of what is purported as leadership in the world today in fact is a manifestation of one or a combination of these aforementioned pseudo solutions. Default to the pseudo solutions is so pervasive that there has been the development of myriad paradigms purported to explain and foster the successful actualization of the traits of a leader. The most promising analysis has moved beyond a focus on the behavior or traits of status

leaders. Instead leadership is addressed as a social psychologically oriented group function. This perspective is the fundamental paradigm of this assessment.

### **Strategic Planning and Accountability**

As we engage in the political process, especially in the election of political leaders, it is important that citizens be mindful as to what elements constitute real leadership. Real leadership begins with the announcement of a strategic plan, a prescription to actualize that plan, followed by assessment that is accountable and a program for continued improvement. This is not the usual tactical or operational plan that is mislabeled strategic. With awareness generated by a real strategic plan the public can consciously seek leadership from those they elect and hold these elected officials accountable. Given such awareness citizens can judge the contending candidates stated positions and past performance. The performance of the civil service can also be judged in the same context.

But most importantly citizens can be made aware of the aspiring leaders commitment to a strategic plan clearly based on adding measurable value to residents and citizens. A functional, ethical and rational strategic plan for public service is based on an ideal vision that provides rigorous criteria for the identification and selection of the useful ways and means to add measurable value to all the community's stakeholders. Without such a plan and accountability the product of government are easily deflected to parochial interests.

All too often those in positions of governmental leadership make little or no attempt to authentically provide an *ideal vision* as to what kind of world, state or society we should, together, create for tomorrow's child. There is, it seems, reluctance to actually lead and a fear to address innovation and meaningful change. But most of all there is a fear of accountability for results and consequences. There is a fear that if they specify the criteria for success than they might not be able to deliver it. Consequently, they simply tell us the processes that they want to use without linking these processes to actual results. In this process we are encouraged to confuse means, the "*hows*" with the "*ends*", which if valid are condition or kind of world we wish to create for tomorrow's child. Failing to focus on ends causes us to continue to pursue logical but non-responsive solutions in search of problems. It is a squandering of resources and effort that allows hidden agenda to prevail.

Can we agree on the kind of world for tomorrow's child? In spite of conventional wisdom that such consensus is impossible or improbable; the answer is "yes." In Kaufman's research to obtain almost worldwide definition of an Ideal Vision great agreement was found. Shortened it noted a melding of outcomes as per self or individual actualization and community cooperation and development that features accountability.

When the public fail to ask leaders to link everything that is used, developed, and delivered to *the Ideal Vision—the kind of world we want to create for tomorrow's child*—they end up with pseudo solutions. These pseudo solutions are devised by both elected official and government's bureaucracy because they're easier, safer, less

challenging, and facilitate fulfillment of hidden and sometimes illicit agendas. In this, reality is over-simplified so that government leaders include only issues they can deal with easily, ignore matters that are difficult to address or appear to deal with matters the polls indicate as generating good political capital. These all lead to destructive outcomes and subsequently squander both the people's resources and opportunity.

Other leaders thwart the will of the people by employing devices of obstruction so the status quo can be maintained and the aims of favored or parochial interests are sustained. Leadership might try to emerge from the right and left, but both sides seem to chase the popular quick fixes rather than to add value to our shared worlds. A question remains as to the extent to which decisions are made on how it will play in the morning's media rather on adding value for our shared world.

The object of this discourse is to propose for citizen taxpayers' means to identify useful leadership. Then to foster real leadership in government that is based on pursuit ideal-yet-practical institutional effectiveness through a structure of incentive-based rewards that encourage relevant goal setting, improved performance and actually add measurable value for all stakeholders. If the current and future leaders in government and the civil service are able to make these changes, they will have truly reinvented government in an unfeigned context of civic accountability.

### **The Results and Consequences Barometer**

Persons in the work force, whether in the private or public sectors, should be rewarded with appropriate and related incentives including money, status, recognition, occupational and home security and appropriately increased responsibility when they perform well, particularly when they meet needs and not just satisfying wants. To affect this authentic performance evaluation—the comparison of results with objectives—is necessary. But too often evaluation of performance is based merely on the number of processes completed (e.g. learners taking a test, health clients seen, time on the job, etc.), the realization of transitory products (e.g. reduced class sizes, waiting times at agencies, etc.) or short-term benefits (i.e. tax cuts or tax increases) that predicated upon long-term future consequences and expenses.

This process generates long-term deleterious consequences such as mounting debt for future generations. In this pattern successful organizational outputs and social outcomes are ignored as criteria of performance. Such behavior is one of the reasons why this country's performance barometer has been falling both in government and private business for decades. Analysis suggests that this failure is due to a pervasive defect in organizational leadership in both the private and public sectors, with this a failure of genuine strategic planning where the driving purposes are adding measurable value to our shared world. One of the realities behind this phenomenon, especially in government, is the lack of sensible accountability for results and consequences. There is no assignment of appropriate sanctions when performance neither falls short nor is there to action to render reward when useful results have been delivered. In fact in some cases there is a

concerted effort to foster deception as illustrated in the spate of corporate debacles such as Enron and WorldCom fiascos we have recently experienced.

Measurable and justifiable objectives are not usually seen in either public or private sector organizations. Rather there are many fuzzy statements of purpose, which are targeted toward activities and processes, not upon measurable results or consequences. Also lacking is an incentive structure that encourages higher and contributing achievement. Basic rewards such as salary increases or recognitions are not tied to substantive performance. Labor unions have classically asked us to reward longevity, not value added. Corporate leaders have conspired with auditing accounting firms to give presentation of profit where no such profit exists at the cost of the public, stockholder and work force. This fraudulent activity subverts the normative and ethical base of the free market economy and fosters the inequitable distribution of wealth.

In these perverse circumstances advancement is usually afforded to those who take no risk and those who choose to do only the obvious or very little at all and thus avoid career ending mistakes. Among some bureaucrats and functionaries in both government and the private sector, the absence of noticeable mistakes is the criteria of success, not the accomplishment of useful ends. In fact, if getting the job done requires any significant risk to the players, they would find ways not to act. Choosing not to decide and act is a decision. The basis for such behavior is a product of the current organizations' leadership and part of the corporate culture of both public and private sectors.

### **Choosing the Correct Objectives**

In "Mega Planning and Practical Strategic Planning, the challenge involved in defining organizational or group purpose is illustrated. The following are the accepted methods of finding a group's purpose:

- Defining gaps between current results and consequences and required results and consequences, *these gaps in results are termed "needs"*
- Prioritize the needs on the basis of the costs to meet the needs as compared to the costs to ignore them;
- Selecting a new destination or mapping out a new future for the group based on gaps between current and desired results and payoffs, including societal ones;
- Deleting current and future dysfunctional elements that impede operations, again based on gaps in results and consequences
- Revise as required based on performance data.

The observations concur with the findings of sociologist T. M. Mills, He found that groups operate at different levels of purpose. These levels of are cumulative and progressive with the resolution of specific critical issues by members of the group. Mills identified five orders of group purpose underlying the formation and operation of groups. They are:

- *1st order Immediate Gratification*
- *2nd order Sustaining Conditions Permitting Gratification*
- *3rd order Pursuit of a Collective Goal*
- *4th order Self Determination*
- *5th order Growth.*

Advancement to a higher level of group purpose is accomplished through addition of role systems that add interactive networks to a group. The addition of these roles systems enhances the role options of people in the groups and thus increases the group's capability to function. With this addition of role systems and roles, a group can move from a self-centered orientation to a generative system that integrates motivation and activity thus allowing progress to a higher level of purpose adding value to communities and the greater society.

The following critical issues must be cumulatively resolved to progress a group to a higher order of purpose. Fulfilling these critical issues is predicated upon the resolution of elements that answer the herein noted questions associated with each of the issues:

Commitment issue facilitates access to 1<sup>st</sup> order of purpose by answering the following:

- *To what extent are member prepared to give to others and to the group more than they receive in immediate return?*
- *In turn, to what extent is the group prepared to likewise for individual members?*
- *To what extent are group members willing to commit to add value to all internal and external partners?*

Authority issue allows the move to a 2<sup>nd</sup> order of purpose responding to the following:

- *What provision is there for both negotiating and revision of norms?*
- *Who sets the rules? Are the rules based on internal and external value added?*
- *Who and how can they be revised?*
- *What provision is there for changing incentives from resources and means to results and consequences?*

Intimacy issue opens the move to a 3<sup>rd</sup> order of purpose responding to the following:

- *What provision is there for re-channeling emotional feelings of group members toward the pursuit of a collective goal while leaving optional a wide variety of interpersonal relations?*
- *Is the group so oriented that it does not let likes and dislikes to get in the way of the groups valid objectives?*

Work issue is also requisite for a the move to a 3<sup>rd</sup> order of purpose responding to the following:

- *How clear and viable are the linkages between the attainment of the group's goals and the distribution of rewards for goal achievement? Are the value added criteria accepted and used consistently by all?*
- *Does the system reward those who take chances in achieving the group's goals more than those who take no risks?*

Integrity issues resolution allows access to the 4<sup>th</sup> order of purpose; in this the following questions are answered:

- *Are the relations and values of the members of the group such that the group can retain its capabilities while becoming conscious of itself?*
- *To what extent can the group hold together while fundamentally altering it goals?*
- *To what extent are the members of the group willing to focus on societal value added before*

*selecting means and resources?*

*Interchange is the final issue which when resolved allows a group to progress to 5<sup>th</sup> and most generative order of group purpose. This comes with the affirmative answer to the following question:*

- *Are the relations with other groups, and the values shared by them, such that they can benefit through the exchange of personnel, goods, techniques, ideas, customs, beliefs and values without the loss the capacity for self-determination and collective identity?*

In addition there is the overall critical issue of Organizational Climate. What are the appropriate norms of an organization –“how we do things around here”—that focus on adding societal value rather than seeking safety, security, and sinecure for those in the organization?

Providing the correct answers to these questions opens the doors for enhanced human interaction and communication in any group. Though many industrial organizations and businesses have sought to effect such corrections in their operations such commitment is only beginning to be apparent in government. And, as long as governmental leaders pursue the pseudo - solutions rather than real leadership, it is doubtful whether any good will come from their activities.

### **The Executive System**

Being in charge and being in the executive role is not one and the same thing. The executive role refers to an orientation and performance of certain functions, not to a status or position such as CEO, commander, agency heads chairperson, governor or president. The participation of subordinates in the executive system is not a usurpation of the super-ordinate executive's role or the relinquishment of his or her leadership. When subordinates in an organization accept participation in an executive system, they are in fact accepting a sharing role and indeed a shared responsibility. Thus all members in an agency or organization can:

- Assume total responsibility for the group—what it uses, does, produces, delivers, and the societal value added for that,
- Develop a self-consciousness and identity that is inclusive of the group, and
- Participate in the determination of the group's process of becoming, which is another way of saying being a party in shaping the group's current and future operations and successes.
- Accept responsibility for adding value for all stakeholders, internal and external.
- Assure alignment of everything the group uses, does, produces, and delivers so as to add measurable value to all internal and external stakeholders.

### **The Right Approach**

Current research and assessments of government planning, practice and evaluation, note that most government managers seem to lack a common operational understanding of how to identify or prioritize the needs—gaps in results—as per the citizens they are to

serve or the institutions they are to sustain. In business, this translates to the perceived needs of the largest target market. Those in government have no comparable measure. The failure in government happens because managers neglect to address the gap in results between "what is" and "what should be" in terms of results. They lose sight by confusing what the customer wants with what the customer requires and what the customer can really use and impose arbitrarily on the customer their biases. Whereas the ethical and practical way is to actively involve the public in defining the shared future. That, by the way, is called Democracy. The processes to effect this starts with identification of needs (gaps in results).

Such needs assessments precede system analysis. Needs assessment defines and prioritizes the gaps in results; system analysis indicates the ways to close the gap between where we are and where we wish to be based on meeting the needs. Mission analysis identifies the functions necessary to bring about the desired changes. This is followed by needs analysis, which identifies the origins of the needs and the ways to meet them.

Ultimately, this process becomes a system approach for operational management where needs are empirically identified and prioritized and the associated social functions are in clear focus. This is followed by the selection of solutions from optional alternatives, wherein means are implemented and results evaluated. In this way, the system may be revised and continual improvement sought to eliminate or reduce the needs. When a more integrated, systematic approach is used, in needs assessments and planning, the result is increased efficiency, productivity and positive outcomes. Moreover it provides the ability to quantify what investors/citizens obtain for their money. This approach is both practical and ethical.

In depicting this process, a two-level model that illustrates "what is" and "what should be" in which three types of results are noted: Products, Outputs and Outcomes. In focusing on the "what is" and "what should be", Kaufman (1998, 2000, 2006) intimates the basic responsibilities of organizational leadership. Moreover, his approach points to the collective responsibility of all those in an organizational matrix to participate in the executive processes and thus function in a leadership role.

The three types of results identified by Kaufman (1998, 2000, and 2006) occur through two types of organizational means: Inputs and Processes. "*Inputs*", "*Processes*", "*Products*" and "*Outputs*" are all internal phenomena to an organization. "*Outcomes*" represent the effect an institution's activities have on society. A young man who graduates from the University of Florida with a degree in broadcasting would illustrate a typical Output. A related social Outcome would be if that same young man got (and keeps) a job with CBS, reports on things that result in value added for citizens, and thus authenticates his educational experience as being socially relevant. An Input to this would be money spent by the student and the state to obtain Products, namely courses required to complete the prescribed program for the Output --the degree.

## **The Political\Bureaucratic Coalition Has Missed the Point**

Even a poorly informed citizen can surmise that rigorous and results-referenced needs assessment, system planning, system analysis and measurement of the societal impact of efforts are not currently guiding government's practices or assessments. It is not because these ways are unpublicized or not accredited as valuable. They are ignored because they are neither expedient for the purposes of politics nor are they normatively standard in the practice of governments' bureaucracies. Often, they are not understood or not "let in" because it causes conflict with current norms. Another reason for not using these proper alternatives is fear. One doesn't know how to do it or is not willing to risk a change in their status quo. Excuses to avoid this accountable alternative become elaborate and if at first unsuccessful, shrill and often *ad hominem*.

The priorities of the political/bureaucratic coalition would not always meld with the social needs identified in Kaufman's (1998, 2000, and 2006) paradigm and they would never court real accountability. As Chubb and Moe pointed out in their book *Politics, Markets & America's Schools*, this alliance seeks to perpetuate political and institutional advantages for those favored by the existing system with scant concern for the needs of society. The conventional approach caters to the wants of the society, not the documented needs. It confuses means with ends, how with what.

Society can greatly benefit by a continuation application of this type of suggested system thinking, planning, and analysis and resulting dialogue. As an increasing number of citizens become aware of the deficiencies inherent in a system built on patronage and lack of accountability, one thing will become clear: neither the run-of-the-mill politicians nor the bureaucrats have lived up to the attribution of "public service" to a level sufficient to engender public trust in government.

Accepting accountability means recognizing the real public needs (not wants) and generating collective executive responsibility throughout government that can restore faith and hope among the electorate by programs that actually add measurable value. Such an accomplishment would mark the emergence of authentic leadership -- not one of the pseudo-solutions.

## **An Action Plan for State Government**

For over a decade systems—not system-- planning have been recognized as fundamental to the establishment of efficient and effective organizational operations. The actualization of this concern has been the development of Performance Program Budget Management Evaluation Systems (PPBMES), which have been articulated in various paradigms and rubrics.

Fundamental to this approach is that goals and results must be articulated in a comprehensive plan and a strategic action guide. Identifying objectives should have

impact from those charged with the agency's activities. Generating executive responsibility throughout the work force best develops not only performance objectives and standards with but also means and operational processes. People work better with rules, regulations and goals with which they feel they were involved in making, revising and achieving.

Inherent to the adoption of PPBMES is the development of appropriate, valid and reliable evaluation criteria and steps that measure an organization's products and outcomes. These subsystems of evaluation should be established concurrently with the specification of the organizations goals and objectives and not generated as an afterthought. In short, plans without results and impact related evaluations are window dressing. Missing and easily added, is a system focus on adding measurable value to all residents of the state.

### **Applying PPBMES to Florida's Government**

In applying the paradigms proposed in this discourse as a model it is suggested that process, organizational "needs" as defined in the State Comprehensive Plan and the Agency Functional Plan must be precisely and rigorously defined as gaps in results that are linked to societal value added objectives and that these objectives be given priority and be funded competitively in terms of their relative cost to benefit. Similarly program continuance, increased support and the relative intra-departmental distribution of resources are based on result achievements. Group and individual evaluation is measured by the pursuit and accomplishment of outputs that are germane to the prescribed organizational results. The responsibility for the accomplishment of these results is a key to both collective and individual evaluation. In the latter, it applies to both super ordinate and subordinate personnel.

Failure to attain the expected results will subject the organization to tighter control and monitoring and even the reallocation of funding and human resources to other areas. Currently, the PPBMES does not clearly distinguish among or align three levels of results and consequences. Being the case, what they do is to accelerate processes without every targeting or making evaluation of the return on investment. This is easily fixed if there is the will to do so.

Implementation of PPBMES plus (adding societal value added) would require constitutional and statutory adjustments and revisions. The Appropriations Act could include mixed line items and PPBMES entries. For the latter, "lump sum" funding would be assigned to major projects. Constitutional change would have to be made to allow the partial veto of PPBMES lump sum appropriations in terms of both substance and dollars assigned to the project.

Adopting a system of Performance Program Budgeting Management and Evaluation lets managers manage, while holding them more directly accountable for their actions, yet giving them the discretion required to innovate and improve productivity. Public managers should be given responsibility for effective performance and productivity -- the "bottom line" of government; adding value to Floridians. Doing so would create a base

for doing a real strategic plan for Florida, not fragmented agency tactical plans that are called strategic but are not. This plan should be strategic—focused primarily on adding value to Florida and Floridians—and not enumeration of tactical processes. It should first target societal results before deriving each agency’s mission. In this process the costs for changing the way we plan and budget as compared to the future cost of not so doing would be revealed and evaluated.

**FILLING THE RX: Performance Program Budgeting and Management: How the System Would Work**

1. Beginning with each division, bureau, office and section, all organizations, including government agencies, should develop a comprehensive, prioritized list of goals and objectives. Within those goals a prioritized list of functions and related programs would be enumerated. These goals and objectives will be based on a *new and relevant Florida Strategic Plan*, which would be based on an assessment of the gaps between current and desired levels of survival, self-sufficiency, and quality of life factors (Mega) for all Floridians.
2. Each agency would establish service level objectives with measurable performance indicators as well as employee roles and responsibilities for each function. Instead of reporting as objectives how many cases an office planned to handle, it would concentrate its objectives on how many successful outcomes it can document and list the individuals responsible for the outcome expected. Each objective will be aligned with the Florida Strategic Plan.
3. If a service level objective is met or exceeded with fewer resources than budgeted, one-third of the savings should be given to the appropriate division or bureau to be awarded as flexible funds to be used at the discretion of management, in conformity to the goals and objectives of the division/ bureau. Another third of the savings can be used to purchase technological improvements and capital items to increase productivity or be carried forward to finance new priority programs or functions. The remainder would be returned to the General Fund or appropriate trust fund. (Some saved funds could be allocated as one-time bonuses to key instrumental staff. Such could be based on the same kind of review provided by Florida TaxWatch's Davis Awards revised to include Mega criteria.)
4. If there are no carryover savings, new programs must still be funded as possible within existing resources. Agencies would be required to recommend low priority functions and programs that can be pared or eliminated before receiving additional funds and positions.
5. The base of each unit's budget would be re-examined each year in terms of how efficiently the money is being spent and how operating units can be rearranged to comport with current or changed priorities based on objectives.

6. A formal system of program evaluation and associated continual improvement would be systematically applied to measuring performance in terms of effectiveness criteria. The focus of this evaluation would center on social outcomes and related outputs relevant to the agencies operations. This system of evaluation would include a segment that would also address issues of efficiency following the establishment of a minimum foundation of effectiveness criteria and their measures.

7. If goals and service level objectives are not met without adequate justification -- or if a unit goes over budget -- the responsible managers are identified and corrective or remedial action is taken. If required the managers are mentored, and that failing helped to find new appropriate work opportunities.

8. Agencies would file annual reports to document their progress in meeting performance standards and the contribution each employee is making in carrying out prioritized functions. They would identify what is on track and what must be revised for continual improvement.

9. State agency managers at all levels should be given more discretion in their use of resources and more responsiveness in dealing with employees. At the same time, they should be held more strictly accountable for their performance. Performance Budgeting and Management gives agency managers a tangible incentive to increase their performance. It provides bases to relate rewards to performance results, organizational results, and societal outcomes.

Many previously employed budget systems have fallen short. This is because their focus is internal -- on programs, positions, activities, and planning. They lack a critical connection to management for improved performance with recognizable rewards and incentives. Moreover, in many instances there has been neither the leadership nor insight to look at the overall system and relate the agency's part in the overall picture nor the vision or skills to anticipate the future, let alone taking Drucker's advice that "if you can't predict the future, create it." They all avoid measurable criteria for the kind of world we want to create for tomorrow's child.

The doctrinaire presumption of elected officials and the myopic attitude of some state agency leaders have caused them to communicate poorly to government staff in terms of what is expected of them in the organization. All too often this poor communication conveys the messages

- "Don't make waves,"
- "Keep a low profile" and, by all means,
- "Don't make mistakes."

Since the best way not to make mistakes is to do nothing of significance and to avoid recognizing problems. This sets a tone operations based upon obstructionism that fosters

processes of simplification and suppression and the measure founded upon self-delusion.

### **If They Do a Good Job, Reward Them!**

A fundamental paradox of the state incentive structure is that if you save money this year you are likely to lose it the next year. This is a disincentive for government employees to improve operations and results in wasteful spending practices such as filling unrequited positions and "fourth quarter dumping on questionable travel and equipment. Incentives for performance help reduce waste by reallocating resources to more productive pursuits. An effective incentive system should include:

- Bonuses. Allow agencies to award discretionary bonuses for truly outstanding performance, as soon as possible after it occurs. Written criteria for bonuses should be established and initiated on a small but meaningful basis. Bonus money should come from productivity savings or a budgeted "bonus fund" Based on value added within the organization as well as outside of it.
- Collective or group-targeted rewards and other incentives. Research indicates that such reward systems have the highest level of incentive for productivity enhancement.
- Merit Increases. Award merit increases on employees' anniversaries. This will separate merit raises from across-the-board hikes outstanding employees would get two raises a year and a clearer connection be established between meritorious service and the merit raise.
- Other Rewards. Give state employees a percentage of contractor and vendor overcharges to the state that they identify, with independent verification.

### **Curtail Title Proliferation and Changes**

One way to curtail both bureaucratic expansion and the diffusion of responsibility is to set a limit on executive title changes and stick to it. For instance, when a president of a college upgrades her/his title to that of a chancellor, the result is more vice presidents, a provost (or more) more administrative costs, higher salaries and more employees. Such a move even increases the social distance between the newly anointed chancellor and the public. It also increases the inevitable social and operational insulation in the administrative system and leads to an accompanying diffusion of responsibility.

What are the results of this administrative expansion? Customers -- in this case, students and their families -- may not receive the best education or, worse yet, may find obtaining the required or appropriate level of education difficult if not impossible. But who is to be held accountable for these dissatisfied customers? To whom do the customers complain? With all of the insulation built into the system, the customer may as well bite

the bullet and suffer an institution or group that is functioning at a low order of purpose. Specifically, the educational institutions they provide gratification to the perceived needs/wants of the bureaucrats and don't fulfill their mission to the public. Sometimes, in the political environment, the bureaucracy assures the safeguarding of its self-interest by taking care of the political or economic needs of selected political constituencies. Service to politically correct constituencies by government today is not motivated by norms of social justice but basic political opportunism and expediency fostered in a large part by money and monopolistic based political prowess.

This phenomenon may be seen throughout the business world as well as in government bureaucracies. Using this rationale, it is easy to understand why the toaster fails to toast, the car "built on a Monday" is likely a lemon, the freezer leaks and the fabric loses its shape. Each may have its origin in a similar hierarchy of incompetence and self-service.

This syndrome has allowed the proliferation of administrators and other middle managers in government, the expansion of the education bureaucracy, the non-functional stratification of the corporate organization and the endowment of those in authority with more money, more status, less accountability, more social distance and a survival system based on political accommodation and adaptation rather than institutional productivity. The market place may serve as a corrective force in the private sector that is unless it has government aiding in its inefficiency by allowing monopoly and collusion to subvert the competitive process.

Unfortunately, absent market forces no such competitive correction exists in government. In this type of system, government responds more readily to the demands of special interests rather than to the public that actually pays for the system operation. Those left unnerved, lose faith in government and the fabric of society becomes weaker. This fuels dysfunction in the family, community and our fundamental social institutions. The heightens fear relative to public safety that prevails among citizens today has been brought on by this social decay fostered by the lack of leadership and social responsibility in both government and the private sector. This failure has been most evident when government and the private sector that has worked in consort with each other for the selfish purposes of those who managed the respective systems both public and private.

### **The Politician Must Make a Long-Term Commitment**

It is essential that the governor, the legislature, agency heads, unit managers and employees have a shared commitment to the Performance Program Budgeting and Management Evaluation Systems and a related new-era Florida Strategic Plan. This commitment should not rely on the political party in charge at the time but should be joint civic venture to foster the viability of an accountable democracy.

If it is to be effective, outstanding state employees from the top down must reap the rewards of better performance. For this to happen, the system will have to be formally adopted by our top leaders and incorporated into the framework of normal agency functions. Better performance must be an ongoing effort—with goals raised every year.

With an incentive based system -- and real incentives -- we can help ensure taxpayers a better return on their investment. Performance Budgeting and Management will not correct all of government's problems. It is merely a system by which our government leaders may apply a number of sound, common sense principles of management and human relations that can foster remediation, facilitate adaptation and pave the way for growth.

The state's budget has more impact on the day-to-day quality of life of Floridians than any other single document. Integrating the budget with performance-based management and incentives to innovate and improve productivity can help build a better Florida.

To help state government perform better, it will be necessary for us to change the focus of our budgeting system from merely controlling inputs to directing outputs and performance to fulfill the attainments of the social outcomes we as a society desire. The components and techniques are really not new; just largely avoided. But their synthesis and application to promote better management and performance in state government is new. Implementing this system will require a departure from "business as usual." It will mandate real leadership. It will demand courage to depart from the usual perceived realms of safety, given encouragement by the realization that actually not appropriately changing is the riskiest approach.

The key to improving the budget process is providing incentives to make state agencies truly evaluate and prioritize among competing functions and programs, then work to perform these priority functions better and more efficiently. Managers then can concentrate resources on the most important goals and be held accountable, recognized and rewarded for their performance.

By requiring agency managers and staff to focus on societal-linked priorities, holding them accountable for performance and giving them discretion and incentives, will generate positive responses among them. The goal and challenge is to foster behavior that leads to ever-increasing public service, performance and productivity that add value to all stakeholders. Fostering collective responsibility in the decision making process at all levels of government and moving to a more generative level of operations that focuses on accountability with regard to social outcomes is the underlying criteria for a free democratic society.

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## *About Florida TaxWatch*

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Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 25 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government.

Florida TaxWatch's research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit to taxpayers.

This diligence has yielded impressive results: since 1979, policy makers and government employees have implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion--approximately \$1,067 in added value for every Florida family.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It is the only statewide organization devoted entirely to Florida taxing and spending issues. Its research and recommendations are reported on regularly by the statewide news media.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees--simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue its diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer, who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and that government agencies are more responsive and productive in the use of your hard-earned tax dollars.

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