# *The Accountability Gap –*

# *The Cost of Weak Management*




***Procurement and Supply Chain Management Made Simple.***

***Foreword – When Accountability Starts to Disappear***

*Accountability rarely disappears in a single decision. It erodes when organisations remove layers, shorten procedures and replace formal reviews with greater autonomy, but fail to preserve the challenge, ownership and follow-through those systems once provided. Simplification can be healthy; unnecessary approvals and bureaucratic appraisal rituals consume time. The danger begins when removing process also removes the moments when managers must explain results, confront shortfalls and decide what happens next.*

*Evidence from the Office for National Statistics (ONS) suggests the United Kingdom (UK) has no simple divide between well-managed and poorly managed sectors. Public bodies and private businesses record broadly similar average management scores, yet conceal wide variation in target-setting, performance monitoring, promotion and handling of underperformance. Accountability is therefore neither a public- nor a private-sector strength by default. Its quality depends on whether organisations convert responsibility into measurable expectations, evidence and managerial action.*

*The British Broadcasting Corporation (BBC) provides a useful example of simplification without abandonment. The organisation applied its earlier flexible annual appraisal inconsistently, and performance was not routinely discussed across the organisation. After redesigning the approach around six-monthly, two-way conversations covering goals, feedback and development, review participation rose from a relatively small proportion to 85%, then 91%. The lesson is clear: reducing ritual can strengthen accountability when meaningful management conversations replace it.*

*The concern, therefore, is not that modern organisations have become too simple, but that some have confused simplicity with the removal of managerial discipline. The Chartered Institute of Personnel and Development (CIPD) supports shifting away from cumbersome annual appraisals towards regular, flexible performance conversations, while retaining objectives, feedback, reviews and accountability. Good management needs less ceremony than many organisations once imposed, but it still requires managers willing to question, support, decide and act.*

### *The Accountability Gap*

*An accountability gap appears when a manager carries nominal responsibility for people, budgets, service, quality or commercial results, yet faces little consequence when those outcomes deteriorate. Responsibility describes the territory; accountability requires an agreed result, evidence, review and corrective action. In the UK, this distinction matters economically because weak management can absorb labour, capital and management time without converting them into the output, service or margin that sustains wages and investment.*

*The ONS offers unusually useful evidence. Its 2023 surveys produced an average structured-management score of 0.56 across public sector organisations and 0.55 across private-sector businesses, on a scale from zero to one. Similar averages should not be mistaken for uniform quality. Public-sector education scored a median of 0.57, while police and fire services reached 0.69, demonstrating that accountability systems differ materially even within the same broad institutional environment.*

*Private-sector variation is equally revealing. The ONS Management and Expectations Survey (MES) found that businesses employing at least 250 people averaged 0.68 for management practices, against 0.51 among those employing 10 to 19. Businesses below the median management score were four times more likely to use little or no analysis in decision-making. Accountability therefore concerns more than hierarchy: it determines whether information becomes decisions, ownership and follow-through.*

*The gap becomes expensive when responsibility exists only on an organisation chart. A sales director may own revenue without being challenged on conversion, a procurement manager may own savings without controlling contract leakage, and an operations manager may own productivity without measuring output per labour hour. Each can remain busy while organisational earning power weakens. The problem is not simply poor individual performance; it is a management architecture that lets outcomes deteriorate without timely intervention.*

*Birmingham City Council provides a sobering public-sector warning. Its Oracle enterprise resource planning system, initially budgeted at £19 million plus a £1 million contingency, went live in April 2022 but failed to operate as intended, disrupting financial controls and reporting. Costs are now forecast at £144.4 million to 2027/28. The lesson is not that every accountability gap ends in crisis, but that unchallenged optimism about a programme allows operational and financial weaknesses to compound unseen.*

### *Simplicity or Abdication?*

*Simplification is valuable when it removes duplication, unnecessary approvals and reports that nobody uses. It becomes abdication when organisations remove the mechanisms that reveal whether commitments were delivered. The CIPD notes that modern performance management is moving away from cumbersome annual appraisal rituals towards regular, flexible conversations. That is simplification with discipline: fewer ceremonial processes, but more timely feedback, clearer objectives and stronger managerial involvement.*

*The danger is confusing fewer forms with fewer controls. Effective control need not be bureaucratic; a short weekly review of exceptions can be stronger than a monthly pack with fifty pages of unexplained data. The ONS found that private-sector management scores for continuous improvement averaged 0.80 in 2023, yet use of Key Performance Indicators (KPIs) scored only 0.42. Organisations may therefore value improvement rhetorically while remaining comparatively weak at measuring whether it occurs.*

*Public-sector evidence makes the same point. In 2023, 71% of local government organisations reported best practice in their use of targets, while 63% of central government organisations reported setting stretch targets that were fairly difficult to achieve. These figures show that structure is not incompatible with public service complexity. The stronger question is whether targets reflect meaningful outcomes, whether managers understand deviations and whether*

*corrective action follows rather than simply recording performance.*

*Toyota Motor Manufacturing (UK) illustrates disciplined simplicity. Its Toyota Production System (TPS) seeks to eliminate waste, overburden and unevenness while standardising work and encouraging continuous improvement. Toyota says its UK operations represent about £2.75 billion in investment and employ around 3,000 workers; its Deeside plant produced 244,847 hybrid and petrol engines in 2025, with an assembly line capable of producing an engine every 44 seconds. Simplicity there means making control visible, not removing it.*

***Management Without Management***

*Management without management occurs when supervisors become calendar, meeting, and workflow coordinators but stop doing the harder managerial work: setting standards, distinguishing strong from weak performance, allocating resources, confronting recurring failure, and deciding what changes next. Employees may still receive instructions, yet nobody closes the loop between expectation and result. The organisation accumulates activity while responsibility becomes diffuse, because everyone participates in the process but nobody is clearly answerable for the outcome.*

*The ONS found that managerial headcount alone does not predict management quality. In 2023, central government had the highest average managerial rate among the sectors examined, at 34% of employees. Yet, health boards recorded a slightly higher overall management-practice score (0.66 vs 0.65), with managers representing only 17% of employees. Construction had a 22% managerial rate but the lowest management score, 0.49. More managers therefore do not automatically produce more management.*

*A manager who repeatedly accepts missed deadlines, unexplained cost overruns or unfulfilled objectives can inadvertently reset the real performance standard. Employees learn from what management tolerates, not merely from what policies state. Strong performers may compensate by taking on additional work, temporarily concealing the shortfall while increasing fatigue and resentment. Financially, that creates a hidden subsidy: productive employees spend part of their capacity supporting work management should have corrected, redesigned or reassigned.*

*Thames Water demonstrates the consequences when challenge weakens at senior levels. In May 2025, the Water Services Regulation Authority (Ofwat) imposed penalties totalling £122.7 million: £104.5 million for failings in operating sewage treatment works and networks, and £18.2 million for dividend breaches. Ofwat found that dividends of £37.5 million paid in October 2023 and £131.3 million in March 2024 did not reflect the company's performance for customers and the environment.*

*The public sector faces a different commercial model but the same managerial principle. Latest ONS estimates show that total public-service productivity, despite improving in 2025, remained 2.5% below its 2019 level. The Office for Budget Responsibility (OBR) estimates that raising public-sector productivity by 5% would be equivalent to around £20 billion in additional funding, illustrating the economic value attached to managerial effectiveness even where profit is not the measure of success.*

*Management is therefore an active economic function, not a status conferred by job title. It requires deciding what success means, observing reality, comparing performance with expectation and acting while correction remains affordable. An organisation can automate reporting, flatten hierarchies and empower teams without abandoning that cycle. When managers merely pass information upwards and instructions downwards, they become transmission points. Effective managers add value by interpreting, challenging, prioritising and ensuring that agreed actions actually happen.*

***Accountability Is Not Micromanagement***

*Accountability and autonomy are not opposites. Autonomy determines how much discretion*

*an employee has over method; accountability establishes the result, boundaries and evidence by which performance will be judged. Mature management can therefore specify safety, cost, quality, customer and delivery requirements while allowing capable employees considerable freedom in execution. Micromanagement begins when managers control unnecessary detail. Accountability begins when people understand the outcome, authority, resources, timescale and consequences attached to their role.*

*Toyota provides a useful example. TPS combines standardised work with involvement in continuous improvement (kaizen) and the principle of stopping problems rather than passing defects forward. That model does not depend on managers approving every movement; it depends on visible standards and rapid problem escalation. Toyota explicitly links its system to quality, cost reduction, employee satisfaction and long-term prosperity, showing how autonomy can operate within a disciplined performance framework rather than outside it.*

*Rolls-Royce offers a contemporary UK commercial comparison. Its transformation programme assigned seven workstreams to senior executives and later described performance improvements as supported by rigorous performance management and clear lines of accountability. Underlying operating profit rose from £652 million in 2022 to £1.6 billion in 2023 and £3.462 billion in 2025. Growth, market recovery and pricing also contributed, so the figures cannot prove causation, but they demonstrate accountability operating alongside delegated execution.*

***The Decline of Performance Discipline***

*Performance discipline weakens gradually. Objectives become broad, review meetings are postponed, appraisals become retrospective paperwork, and managers avoid recording concerns because documentation feels confrontational. The CIPD argues that performance management should be continuous, with regular feedback and objectives that evolve alongside organisational priorities. Removing an annual appraisal can therefore be sensible; removing regular performance conversations is not. The distinction is whether an alternative mechanism still identifies variance, supports improvement and records what has been agreed.*

*ONS evidence suggests accountability mechanisms are improving, though unevenly. In the 2023 private-sector survey, the employment-practices component rose from 0.52 in 2020 to 0.64, reflecting more businesses taking action on underperformance and linking promotion to performance and ability. Better employment practice therefore involves both development and differentiation, rather than treating every level of contribution as equivalent. By contrast, measurement remains the weakest category so that improvement intentions can outpace demonstrable results.*

*The public sector shows similar variation. ONS analysis found education organisations recorded the lowest scores for how managers were promoted (0.44) and how non-managers were promoted (0.46). Education also recorded relatively low scores for addressing underperformance: 0.56 for managers and 0.65 for non-managers. These figures do not show that individual schools manage poorly, but they show why headline sector averages can conceal important weaknesses in promotion, consequence and follow-through.*

*Legal discipline matters as much as managerial discipline. The Advisory, Conciliation and Arbitration Service (Acas) states that organisations should first understand capability concerns and support employees through measures such as coaching, training and objectives. If informal steps fail, a performance improvement plan (PIP) can specify required improvements, timescales and support. Dismissal for capability should be a last resort and must follow a fair procedure, with evidence showing both poor performance and attempts to help improvement.*

*Managers who avoid such processes do not necessarily create a kinder workplace. They can leave expectations ambiguous, deny struggling employees the opportunity to improve and impose additional work on colleagues who deliver. Conversely, excessively punitive systems invite fear, gaming and defensive behaviour. Performance discipline is strongest when it is proportionate: clear objectives, regular evidence, support where capability is lacking,*

*challenge where behaviour is unacceptable and documented decisions employees can understand, question and, where appropriate, appeal.*

***What Does a Manager Actually Manage?***

*A manager manages a system of commitments, not merely a group of people. Those commitments normally include output, labour utilisation, cost, quality, safety, customer service, cash, risk and improvement. In procurement, they also include sourcing outcomes, contract performance and supplier resilience; in sales, profitable revenue and conversion; in operations, throughput and waste. Good management therefore connects human performance with economic performance rather than treating people management and business performance as separate disciplines.*

*Howden Joinery Group shows how it can assign commitments to bounded units. Its trade kitchen business is organised around local depots, making each depot a visible unit of performance. In 2025, its 891 UK depots generated £2.333 billion in revenue, up 3.8% (2.6% on a same-depot basis), while group profit before tax rose 5.1% to £344.9 million. A new pricing and margin tool now helps depots optimise prices, linking local decisions to margin.*

*Public-service managers face broader outcome definitions because value is not simply profit. A hospital manager may need to balance clinical quality, waiting times, staffing, cost and patient safety; a council manager may balance timeliness, statutory duties, citizen outcomes and budget control. ONS data show healthcare productivity rose 1.0% in 2025 but remained 5.8% below 2019. That gap illustrates why additional resources alone cannot substitute for attention to how effectively resources become services.*

*Managers must also manage constraints they do not control. Demand volatility, regulation, supplier failure, labour shortages and legacy systems can weaken performance, so accountability cannot mean blaming managers for every adverse result. It should mean distinguishing controllable from uncontrollable causes, escalating barriers and acting on what managers can change. A credible system asks not simply, "Did the target move?" but "What caused the movement, what was within your authority and what did you do?"*

***The Link Between Management and Productivity***

*The statistical relationship between management and productivity is substantial. Earlier ONS analysis linked structured management practices to labour productivity measured as gross value added (GVA) per worker. A 0.1 increase in the management score was associated with 9.6% higher productivity after accounting for characteristics including size, ownership, age, employee skills, industry and location. Moving from the 25th-percentile management score to the median was associated with approximately 19% higher productivity.*

*Association is not proof that better management caused every percentage-point difference, and responsible analysis must preserve that distinction. However, the ONS quality assessment notes a considerable body of research linking management practices to productivity, profitability, resilience and survival, with evidence that part of the relationship is causal. Particularly strong associations have been found around continuous improvement and employment management, including performance reviews, training, promotion and the handling of underperformance.*

*The productivity spread is striking. ONS analysis found businesses in the highest management-score decile had average productivity almost three times that of businesses in the lowest decile. In 2023, services averaged a management score of 0.56, compared with 0.52 for production, while information and communication reached 0.64 and transportation and storage only 0.46. Such variation suggests management capability is an economic asset whose quality differs meaningfully between sectors.*

*Management quality also appears connected with the capacity to adopt new technology. The 2023 MES found 17% of businesses with at least ten employees had tested or adopted some form of artificial intelligence, rising to 37% among businesses in the top management-score*

*decile but falling to 3% in the bottom decile. Technology therefore does not automatically replace management; organisations with stronger management systems may be better positioned to select, implement and exploit it.*

*The public sector presents comparable evidence with necessary caution. The ONS Public Sector Management Practices Survey (PSMPS) pilot found that organisations with higher management scores were more likely to adopt technology and view automation as a way to deliver work differently. Only 19% of surveyed public organisations reported no barriers to improving management, compared with 32% of private-sector businesses. The ONS cautions that the pilot had low response rates in some public-service sectors.*

*Productivity improvements ultimately expand economic choice. A business generating more GVA from the same labour can strengthen margins, invest, withstand shocks or create greater capacity for remuneration; a public body producing more quality-adjusted output from existing resources can free up capacity for other services. Management is not the only productivity determinant—capital, technology, skills and market conditions matter profoundly—but managers influence how those inputs are combined. Accountability is therefore one mechanism that turns resources into results.*

### *Activity Is Not Productivity*

*Activity measures effort consumed; productivity measures value or output created from that effort. Meetings held, emails answered, purchase orders processed, calls made, and hours worked may describe workload, but none alone proves that performance improved. A procurement function can process more transactions while savings leak through unmanaged contracts; a sales team can make more calls while profitable conversion falls. Managers therefore need measures that connect activity to outcomes, quality, cost and resource consumption.*

*Public-service statistics illustrate the distinction precisely. In 2025, ONS estimates show total public-service output rose 1.7% while inputs increased 0.7%, producing a 0.9% productivity gain after rounding; healthcare productivity rose 1.0%. More work was delivered, but the economically important question is how output changed relative to resources. Without that denominator, higher activity can mean higher expenditure, headcount or working hours. Activity statistics alone would have shown only that public services had become busier.*

*The accountability gap closes when managers stop rewarding busyness and ask what changed because the work was done. Useful questions focus on units produced, defects avoided, customers retained, contracts improved, cash released, waiting time reduced, revenue won and service outcomes achieved. Productivity should never become a licence to overload employees or sacrifice quality; measured properly, it identifies where to remove waste, improve capability and create more value from every pound and hour entrusted to it.*

### *The Productivity Chain*

*The productivity chain begins with management choices. Managers set priorities, allocate resources and define standards; accountability determines whether those commitments are reviewed; individual performance converts them into work; output turns work into goods or services; sales convert customer demand into revenue; margin measures how much value survives the cost of delivery; and profitability and cash generation determine the resources available for investment, resilience and reward. A break anywhere in that sequence weakens organisational earning power.*

*International research reinforces the point. Reviewing the first eighteen years of the World Management Survey, which included more than 20,000 interviews across more than 35 countries, researchers at the London School of Economics (LSE) estimated that management accounted for between a quarter and one-third of total factor productivity gaps across and within countries. Related work found that managerial differences explained around half of the faster productivity growth in the United States relative to Europe after the mid-1990s.*

*The productivity differences between organisations are economically significant. ONS analysis published in 2025 found that workers in businesses at the ninetieth percentile of labour productivity produced 3.5 times as much output as workers at the median in 2023, compared with a pre-2008 average ratio of 2.9. Management is not the only explanation, but differences of that magnitude determine how much revenue, margin and ultimately reward each employee can economically support.*

*Next plc demonstrates how disciplined growth can compound through the chain. In the year to January 2026, total group sales rose 10.8% to £7.00 billion and full-price sales grew 10.9% on a comparable 52-week basis. Profit before tax increased faster, by 14.5% to £1.16 billion on the same basis, or £1.19 billion including the fifty-third week. When sales growth translates into proportionately higher profit, margin control and cost discipline amplify revenue value.*

*Tesco provides another illustration of the chain. In 2025/26, group sales reached £66.6 billion and adjusted operating profit £3.152 billion. Its Save to Invest programme delivered approximately £535 million during the year, helping offset operating-cost inflation and customer investment. Tesco also generated £1.957 billion of free cash flow. This example shows why managers must connect operational savings and productivity improvements to customer value, profitable revenue, cash generation and reinvestment, rather than celebrate isolated efficiencies.*

***The Cost of Tolerated Underperformance***

*Tolerated underperformance carries costs that rarely appear under a single accounting code. Work may require checking, correction or reallocation; deadlines slip; customers wait; managers spend additional time recovering performance; and stronger employees absorb unfinished tasks. Opportunity cost can be even higher, because capacity used to repair avoidable failures cannot simultaneously generate sales, savings or service improvements. When weak performance persists for months, the organisation effectively pays repeatedly for the same unresolved management problem.*

*The Senior Civil Service (SCS) performance framework makes that explicit. Its 2026 guidance states that continuing poor performance can disrupt workflow, increase colleagues' workloads, reduce morale and undermine value for money. A member rated Partially Met for two consecutive quarters must receive a performance development plan, with at least monthly reviews. If performance remains below standard after a reasonable improvement period, normally no longer than three months, employers are expected to implement formal poor-performance measures.*

*Speed, however, cannot replace fairness. Acas distinguishes capability from misconduct and says employers should first understand performance problems, provide appropriate resources, training or support and use dismissal only as a last resort. Employers also have duties under the Equality Act 2010, including reasonable adjustments for disabled employees where required. A well-managed capability process therefore protects both organisational performance and employees by replacing vague dissatisfaction with evidence, support, timescales and review.*

*Unresolved performance problems frequently surface as workplace conflict, and Acas research quantifies the consequences. Its 2021 study estimated that conflict costs UK employers £28.5 billion annually, about £1,028 per employee. Around 9.7 million employees experienced conflict, an estimated 485,800 resigned each year as a result, and 874,000 took sickness absence costing about £2.2 billion. The researchers found that early, informal resolution is far less costly, reinforcing the economic case for prompt management intervention.*

***The High Performer's Productivity Tax***

*The high performer's productivity tax arises when reliable employees become the organisation's unofficial contingency plan. They inherit overdue tasks, correct mistakes, train*

*colleagues, cover poorly planned absences and rescue commitments because managers know they will deliver. Their nominal job has not changed, but their effective workload has. The immediate output may still look acceptable, masking the management failure, while the strongest employees sacrifice capacity that could otherwise support innovation, development, sales growth or continuous improvement.*

*Government guidance acknowledges this transfer directly. The 2026 SCS framework warns that poor performers can increase colleagues' workloads, cause resentment and lower morale. That matters because underperformance is therefore not confined to the individual producing less. It can reduce the productivity of people around them. A manager who avoids intervention may appear to preserve harmony while actually redistributing work from an unresolved performance problem towards employees whose reliability makes them easier to burden.*

*Workload data shows why that redistribution deserves attention. The CIPD's Working Lives Scotland 2025 research found 32% of employees described their normal workload as too much or far too much. This figure rose to 39% among senior and other managers, compared with 30% among employees without management responsibility. One fifth of people managers also said they lacked necessary management training, while 21% said they lacked sufficient time to manage staff.*

*The wider health cost is substantial, although it cannot be attributed solely to tolerated underperformance. Health and Safety Executive statistics show 964,000 workers in Great Britain experienced work-related stress, depression or anxiety in 2024/25, including 409,000 new cases. These conditions caused 22.1 million lost working days. Public administration and defence, health and social work, and education recorded above-average prevalence, reinforcing the economic importance of workload design, management quality and timely intervention.*

*Manager quality also changes how work is experienced. CIPD analysis of UK Working Lives data found that 50% of employees with managers rated in the bottom quartile said work negatively affected their mental health, compared with 14% among employees with top-quartile managers. The finding does not prove the manager caused the difference, but it strongly challenges the assumption that letting capable employees absorb problems is a harmless way to keep delivery moving.*

*The productivity tax becomes damaging when exceptional employees receive neither recognition nor relief. Short-term delivery can disguise declining discretionary effort, stalled development and eventual turnover risk. The strongest employee may conclude that competence attracts extra work while weak performance attracts accommodation. Effective accountability reverses that incentive: managers address recurring shortfalls, redistribute work transparently, recognise additional contribution and ensure that high performance creates opportunity rather than an indefinitely expanding obligation to compensate for others.*

***When Everyone Becomes 'Good Enough'***

*When everyone becomes "good enough", performance management loses its signalling function. Exceptional contribution, competent delivery and persistent shortfall begin to receive similar feedback, progression and recognition. The immediate atmosphere may feel less confrontational, but employees quickly learn what the organisation truly values. If additional effort produces no meaningful distinction, while weak delivery attracts little consequence, the rational response is often to reduce discretionary effort to the minimum level management has shown it will accept.*

*Effective organisations do differentiate. The ONS improvement in employment practices noted earlier was driven partly by more organisations acting on underperformance and basing promotions on performance and ability. The SCS framework similarly distinguishes Exceeded, High Performing, Achieved and Partially Met outcomes, while explicitly stating that its expected distribution is not a forced ranking to which individual ratings must be fitted.*

*Differentiation is therefore a deliberate management judgement, not an accidental by-product of reporting.*

*Differentiation must therefore be evidence-based, not competitive theatre. CIPD reviews warn that forced rankings and highly competitive reward systems can backfire when employees perceive them as unfair. Fairness depends on credible objectives, comparable standards, transparent moderation and recognition proportionate to contribution. Managers should distinguish real performance differences, not manufacture them to meet a quota. The objective is to make excellence visible, adequacy clear, and underperformance actionable, without turning colleagues into competitors.*

***The Manager Who Avoids Difficult Conversations***

*Managers often avoid difficult conversations because immediate harmony feels safer than challenge. Yet avoidance rarely removes the issue; it shifts the cost to missed deadlines, inconsistent standards, resentment and repeated workarounds. The employee has no clear opportunity to understand or correct the problem, while colleagues see standards being breached without consequence. What appears compassionate in the moment can therefore become unfair to the individual, the team and customers who depend upon reliable performance.*

*The CIPD's 2026 discussion of courageous conversations describes the pattern clearly: performance concerns go unaddressed, poor behaviour is worked around, and tension is smoothed over rather than named. Left unresolved, those issues can erode culture and performance. Effective challenge is not aggression. It requires managers to identify the specific issue, explain its impact, listen to context, distinguish capability from conduct and agree what improvement looks like, by when, with appropriate support where necessary.*

*The Civil Service has moved towards greater clarity. Its 2026 SCS framework requires performance conversations at least quarterly and says below-standard performance should be raised immediately. Where routine management and support fail, the formal poor-performance procedure contains written-warning, review and appeal stages; government guidance says that, where performance has been properly managed, a case resulting in dismissal should normally take no longer than six months. The emphasis is promptness combined with procedural fairness.*

*The BBC's experience shows why conversation quality matters even where formal processes exist. Its former appraisal approach was highly flexible, but application varied, and everyday performance discussions were inconsistent. Working with the CIPD, the broadcaster used evidence to redesign its approach around more meaningful conversations. That is a lesson for managers who equate form completion with management: a signed appraisal cannot substitute for timely feedback delivered while an employee can still act on it.*

*Legally, managers also need to know when challenge requires adjustment rather than escalation. Acas advises employers to investigate causes of capability problems, provide adequate resources and appropriate training, and consider reasonable adjustments where disability is relevant. Dismissal should remain a last resort and follow a fair procedure. The difficult conversation is not a prelude to punishment; when handled properly, it makes expectations, evidence, support and accountability explicit enough for improvement to occur.*

***Accountability and Sales Performance***

*Sales accountability begins by separating activity from commercial progress. Calls, meetings, demonstrations and proposals are inputs; conversion, customer retention, revenue quality, gross margin and cash are outcomes. A manager who celebrates pipeline volume without examining win rates, discounts, cancellations or profitability can create impressive activity while value deteriorates. Effective sales management therefore follows the funnel, challenges stalled opportunities, tests forecast realism and ensures incentives reward profitable customer relationships rather than revenue acquired at uneconomic cost.*

*Marks & Spencer provides an example of disciplined profitable growth. In 2024/25, group sales increased 6.1% to £13.914 billion, while operating profit before adjusting items rose 17.4% to £984.5 million. Management reported that new and renewed stores had traded ahead of plan for three consecutive years and stressed improving delivery efficiency and capacity utilisation before adding capacity. Management therefore assessed revenue growth alongside returns, productivity and operating margin rather than treating it as sufficient evidence.*

*Tesco similarly demonstrates why customer measures and sales economics belong together. In 2024/25, its UK market share reached 28.3%, online sales grew 10.2%, Delivery Saver subscribers reached 770,000 and Finest sales reached £2.5 billion, up 15%. The retailer also reported its highest Net Promoter Score in five years and approximately £510 million in Save to Invest savings, showing how customer satisfaction, product mix, productivity and sales growth can reinforce one another.*

*Sales managers should therefore be accountable for both revenue quality and quantity. Appropriate measures can include conversion by stage, sales cycle length, retention, gross margin, discount leakage, forecast accuracy, customer acquisition cost and overdue receivables, selected according to the business model. No single KPI should dominate. The task is to identify why performance moved, intervene early and prevent a headline sales target from concealing value destruction elsewhere in the commercial equation.*

***Accountability and Procurement Performance***

*Procurement accountability begins after the requisition, not at the negotiation table. Purchase price matters, but so do specification, demand, payment terms, implementation, supplier performance, contract leakage, quality, risk and whole-life cost. A buyer can report a negotiated saving while the organisation spends more overall because volumes increase, users buy outside contract, or service failures create downstream cost. Management must distinguish price variance from realised financial value and track whether negotiated benefits reach the accounts.*

*The scale of public procurement makes that discipline economically significant. Government guidance states that public bodies spend approximately £385 billion each year through procurement. The Procurement Act 2023 came into force on 24 February 2025, introducing a simpler regime across England, Wales and Northern Ireland, while devolved Scottish procurement remains governed separately. Its objectives include better value, transparency and stronger action on poorly performing suppliers, placing post-award management closer to the centre of procurement accountability.*

*For most public contracts valued above £5 million, section 52 of the Procurement Act requires contracting authorities to set at least three KPIs unless performance cannot appropriately be assessed that way or a statutory exception applies. Since 1 January 2026, section 71 has required authorities to assess performance against those KPIs at least every twelve months and on termination, and to publish contract performance notices, which must also record specified breaches and poor performance.*

*The Government Commercial Agency (GCA) demonstrates the scale of aggregated commercial discipline. Its 2025/26 report states that it facilitated £41.6 billion of customer spend and generated £5.2 billion of aggregated commercial benefits. Direct spend on common goods and services reached £34.4 billion, while spend-related commercial benefits represented 11.06% of aggregate spend. Those figures show why procurement performance should be managed as an economic value stream, not simply as compliant processing of competitions and purchase orders.*

*Contract management capability is equally important. In 2024/25, the former Crown Commercial Service invested £4 million over three years in its Contract Management Pioneer Programme with local government partners; 75 councils participated, and more than 400 learners received intensive training. That investment recognised a persistent truth: value negotiated during sourcing can disappear during delivery unless managers monitor*

*obligations, challenge deterioration, control changes and use contractual remedies proportionately when suppliers fail to deliver what was purchased.*

*Private-sector procurement follows the same economics without the statutory framework. Tesco reported approximately £535 million of Save to Invest savings in 2025/26, with better buying contributing within Booker alongside operational productivity measures. Savings matter because they can support investment in customers, profit, and cash. Procurement managers should therefore be accountable for realised savings, credibly evidenced cost avoidance, contract compliance, supplier performance, working-capital effects, and risk reduction, not simply the number of sourcing events completed.*

***Accountability Across the Supply Chain***

*Supply-chain accountability joins commercial decisions to physical reality. Inventory, forecast accuracy, service levels, waste, supplier quality, transport, downtime and working capital are interdependent: excessive stock protects availability but traps cash and risks obsolescence; insufficient stock releases cash but can lose sales or interrupt care. Managers therefore need balanced measures such as forecast error, inventory turns, on-time delivery, fill rate, defects, waste, expedites and cash tied up in stock, rather than optimising one measure in isolation.*

*National Health Service (NHS) Supply Chain provides a measurable public-sector example. By April 2026, its Inventory Management System (IMS) programme had gone live across 19 trusts and 83 locations, with pilot trusts reporting £15.3 million of savings. NHS Supply Chain also reported about 700 clinical hours saved per trust, while one trust reduced stock-related cancelled operations from several per month to only one in seven months. Better inventory accountability therefore released both money and clinical capacity.*

*J Sainsbury plc shows the private-sector equivalent. In 2025/26, all its food products ran on a machine-learning forecasting platform, food availability reached its highest level since its Food First strategy began, and waste fell. Changes to third-party warehousing and transport delivered nearly £30 million in productivity savings, while working-capital management helped retail free cash flow rise 8.1% to £574 million. Supply-chain accountability therefore shapes availability, customer experience, cost and cash simultaneously.*

***The Hidden Cost of Management Failure***

*Management failure rarely arrives with its own ledger code. Its costs spread across rework, duplicated checks, delayed decisions, avoidable overtime, customer recovery, excess inventory, abandoned opportunities and management time spent fixing problems that should have been prevented. Because these losses appear across departments, organisations can underestimate them. A weak decision costing £50,000 in one budget may also consume labour, capacity and commercial opportunity elsewhere, multiplying its real economic effect.*

*The Post Office Horizon scandal demonstrates how management and governance failure can create costs far beyond the original operational problem. By February 2026, the government had paid approximately £1.475 billion to more than 11,500 claimants, while it estimated total spending and future commitments for Horizon victims at £2.3 billion. Those sums represent redress for profound personal injustice, but they also demonstrate the extraordinary financial consequences of failing to challenge unreliable information and institutional assumptions.*

*The secondary costs are equally revealing. By 31 December 2025, legal costs for administering Horizon redress schemes, plus legal fees and professional services paid to claimants, totalled £164.9 million. In January 2026, the Department for Business and Trade (DBT) also had 90 staff working on Horizon and Capture redress, with an estimated annual wage cost of £6.8 million. Failure therefore creates entirely new workloads that productive management must subsequently fund.*

*Private organisations experience the same economics every day. A specification error creates rework; poor demand planning creates obsolete stock; weak supervision creates overtime; delayed performance intervention shifts work to stronger employees; inadequate contract*

*management allows price leakage; and slow decisions surrender revenue to competitors. None requires corporate collapse to matter. Repeated across hundreds of transactions, such modest failures can consume the margin that would otherwise finance investment, resilience, bonuses and pay progression.*

*The managerial task is therefore to expose hidden costs before they become accepted overhead. Measures should distinguish failure demand from productive demand, first-time quality from rework, planned labour from recovery labour and negotiated savings from savings actually realised. Good management does not assume every variance is avoidable, but it requires causes, ownership and corrective action. Once organisations measure the cost of recurring failure, accountability becomes an economic control rather than merely a behavioural expectation.*

***Productivity Creates the Capacity to Pay***

*Productivity creates capacity to pay because it increases the value generated from each unit of labour, capital or time. If an employee produces £70,000 of value annually and better technology, skills or management raise that figure to £75,000 without equivalent cost growth, the organisation has additional economic capacity. Management can use that capacity for wages, investment, lower prices, debt reduction or profit. Without additional value, sustained increases in any one claim require sacrifice elsewhere.*

*The Bank of England makes the relationship explicit in its inflation analysis. In February 2026, it estimated that wage growth of around 3.25% could be consistent with the 2% inflation target under assumptions including long-run labour-productivity growth of about 1%. Labour costs account for roughly two-fifths of consumer prices, so productivity growth lets wages rise faster without necessarily creating equivalent pressure on unit labour costs, margins or prices.*

*The same logic appears directly in public-sector pay policy. Civil Service Pay Remit Guidance for 2026/27 sets a maximum Increase in Remuneration Cost of 3.5% for in-scope departments, while allowing exceptional pay-flexibility cases where savings and productivity improvements support higher awards. Such proposals are expected to be cost neutral over the medium term, demonstrating that government itself links sustainable additional remuneration to measurable improvements in organisational efficiency and delivery.*

*Productivity does not require employees to work faster. It can arise from better equipment, improved workflow, stronger procurement, fewer defects, higher skills, automation, better forecasting or management decisions that remove wasted effort. That distinction matters ethically and commercially. Sustainable pay growth should come from creating more value from work, not from permanently intensifying workloads. The objective is greater output or quality per resource consumed, allowing employees and organisations to become economically stronger together.*

***The Capacity to Pay Is Not the Decision to Pay***

*Creating additional value does not determine automatically who receives it. A productivity improvement may increase operating profit, but management can choose to reinvest the cash, strengthen the balance sheet, lower customer prices, increase dividends, fund acquisitions, improve pensions or raise employee remuneration. Each may be legitimate depending upon circumstances. The key distinction is that productivity creates a larger pool of economic value; governance determines how the company allocates that pool among competing claims.*

*John Lewis Partnership illustrates the distinction particularly clearly. In 2024/25, it reported £97 million profit before tax, £255 million in recurring productivity savings, and £532 million in operating cash generation. Yet it paid no Partnership Bonus, instead increasing Partner pay by £114 million and investing further in transformation. Employee ownership therefore did not make bonus distribution automatic; leadership still judged that long-term sustainability and base pay should take priority over immediate profit sharing.*

*One year later, the allocation changed. For the 53 weeks ended January 2026, John Lewis*

*Partnership reported sales of £13.4 billion, profit before tax, bonus and exceptional items of £134 million and operating cash flow of £595 million. It increased pay investment by £108 million and restored a 2% Partnership Bonus. The example demonstrates that improved performance creates options, while boards and executives still decide when and how employees participate financially.*

*Company law reinforces that broader judgement. Section 172 of the Companies Act 2006 requires a director to act in good faith in the way they consider most likely to promote the company's success for members as a whole, while considering factors including employees, long-term consequences, suppliers, customers, community impacts, and business conduct. It does not require distributing every productivity gain immediately as wages, bonuses or dividends to any single stakeholder group.*

*That discretion creates responsibility. Management can retain value for compelling reasons, but repeated productivity gains alongside stagnant employee rewards may weaken trust, retention and discretionary effort. Conversely, distributing too much when cash or investment is inadequate can damage future employment. The decision to pay should therefore connect affordability, market competitiveness, contribution, inflation, skills scarcity and long-term strategy. Fairness is not about distributing everything; it requires credibly explaining how and why value is shared.*

*The practical lesson is that employees should not be promised a mechanical pound-for-pound share of every efficiency. Some savings protect jobs, offset inflation or finance technology that creates tomorrow's productivity. However, organisations seeking stronger accountability should make the value-sharing philosophy visible. Employees are more likely to accept demanding performance expectations when they can see a credible relationship between improved organisational outcomes, career progression, recognition and the possibility of materially improved reward over time.*

***Can Employees Share the Productivity Dividend?***

*Employees can share the productivity dividend through several mechanisms, each carrying different incentives and risks. Base-pay progression provides ongoing reward but permanently raises fixed costs; annual bonuses reward short-term results without embedding future expense; gainsharing distributes a defined proportion of verified operational improvement; profit sharing links reward to overall financial performance; and employee share ownership exposes employees to longer-term enterprise value. Effective schemes should use measures employees can understand and influence.*

*The UK tax system already supports broad employee participation. In the tax year ending 2025, 20,650 companies operated tax-advantaged Employee Share Schemes, while employees received an estimated £790 million of Income Tax relief and £440 million of National Insurance contributions relief. Share Incentive Plans can give employees up to £3,600 in free shares annually, giving organisations a regulated way to link workforce reward to ownership and long-term value creation.*

*Rolls-Royce has used that approach alongside stronger operating performance. In 2024, it awarded 150 free shares to employees globally, and its 2025 annual report said 97% of its worldwide workforce was eligible for its new matched-share plan, with average participation of 66%. Employee ownership does not replace competitive wages, but it allows employees to participate directly in enterprise value and gives them a tangible stake in the performance improvements their work helps create.*

***Why Higher Pay Cannot Be Separated from Productivity***

*Higher pay can rise temporarily without productivity growth, particularly through labour shortages, collective bargaining, statutory wage increases or employers accepting lower margins. The difficulty is sustaining real pay growth across an economy. If wages repeatedly rise faster than the value produced per worker, organisations eventually face higher prices,*

*lower profitability, reduced investment, fewer jobs or business failure. Productivity expands what we can sustainably pay without requiring those adjustments indefinitely.*

*The cost of weak productivity growth is visible in pay. The Resolution Foundation estimated in 2023 that, had wages continued growing at their pre-2008 pace, average annual earnings would have been around £11,000 higher, a lost-wages gap of 37%. Weak growth in output per worker is widely regarded as a central explanation. When productivity stalls, the sustainable room for real-pay growth contracts, regardless of what individual employers or negotiators prefer.*

*Recent earnings data demonstrate why nominal pay alone is insufficient. The ONS reported median weekly earnings of £766.60 for full-time employees in April 2025, 5.3% higher than a year earlier, but only 1.1% higher after adjusting for inflation using the Consumer Prices Index including owner-occupiers' housing costs. Median annual earnings were £39,039. Employees ultimately experience purchasing power, so wage growth that merely compensates for inflation does not deliver the same improvement as productivity-supported real growth.*

*The UK's long productivity slowdown therefore matters directly to living standards. Revised ONS analysis published in 2026 estimated that output per hour grew by about 2.1% annually between 1997 and 2007, but only 0.7% between 2009 and 2019. In the first quarter of 2026, output per hour rose by only 0.4% from the previous year, showing how limited recent productivity growth constrains sustainable economic gains.*

*Management cannot control national productivity alone, but every organisation contributes to it. Better procurement, technology adoption, training, asset utilisation, product design, scheduling and performance management can increase value produced per hour without requiring unsustainable workloads. Therefore, consider higher wages alongside investment and management capability, rather than treating them solely as a negotiation over an existing pot. The durable route to better earnings is to enlarge the pot and then distribute it responsibly.*

***Accountability Must Start at the Top***

*Accountability must start at the top because senior leaders design the system within which everyone else performs. Directors approve strategy, capital allocation, risk appetite, senior appointments and executive reward; they cannot credibly demand rigorous delivery below them while treating their own missed objectives as contextual or unavoidable. In companies, accountability is also legal. Section 174 of the Companies Act 2006 requires directors to exercise reasonable care, skill and diligence in carrying out their functions.*

*Section 172 adds the broader duty, discussed earlier, to promote the company's success for members as a whole. For financial years beginning on or after 1 January 2025, Provision 37 of the UK Corporate Governance Code 2024 expects directors' remuneration arrangements to include malus and clawback provisions, while Provision 38 requires annual reports to describe them and disclose whether they were used. Executive reward can therefore be withheld or recovered when results prove unsustainable.*

*Public-sector leadership carries equivalent stewardship obligations through a different framework. HM Treasury's Managing Public Money requires Accounting Officers to secure regularity, propriety, value for money and feasibility, while departmental governance arrangements are expected to scrutinise performance, efficiency, capability and risk. DBT's 2026 system statement, for example, holds its Principal Accounting Officer accountable to Parliament for properly stewarding resources across the department and its 19 public bodies.*

*Top-level accountability becomes meaningful when consequences, evidence and learning are symmetrical. Senior leaders should publish measurable objectives, interrogate failed assumptions, distinguish genuine external shocks from controllable management failures and ensure executive reward reflects sustainable outcomes rather than favourable short-term metrics. Boards should also ask whether management systems encourage challenge before problems become expensive. An organisation that disciplines junior failure while rationalising*

*senior failure creates precisely the accountability gap that weakens performance, trust and earning power.*

***Measure What Management Controls***

*Management should be measured against outcomes it can materially influence, not against every number appearing on a dashboard. A balanced set of KPIs should normally cover productivity, revenue, margin, cost, service, quality, people performance and improvement. The purpose is not to create more reporting. It is to make responsibility visible, identify deterioration early and distinguish genuinely uncontrollable external events from decisions, behaviours and processes management can reasonably change.*

*Government major projects show how transparent measurement exposes delivery risk. The National Infrastructure and Service Transformation Authority (NISTA) reported in July 2026 that the 2025/26 Government Major Projects Portfolio contained 189 projects with a combined whole-life cost of £924.2 billion. At the end of March 2026, only 15% were rated green, while 58% were amber and 18% red. Departments retain accountability for their own projects, so published ratings encourage timely intervention.*

*A useful KPI answers three questions: what outcome matters, who owns it and what response follows when performance moves outside tolerance. Productivity might be output per paid hour; sales management might use profitable conversion and retention; procurement might track realised savings and contract compliance; operations could combine service, defects and waste. Measures should be few enough to manage, stable enough to reveal trends and balanced enough that improving one does not damage another.*

*Royal Mail demonstrates the consequences when measured performance repeatedly misses its standard. Its regulated targets require 93% of First Class mail to arrive within one working day and 98.5% of Second Class within three. In 2024/25, it achieved only 77% and 92.5%, respectively. The Office of Communications (Ofcom) imposed a £21 million fine in October 2025, after penalties of £5.6 million in 2023 and £10.5 million in 2024, finding the corrective action insufficient and ineffective.*

*Measurement must also reach governance. Under Provision 29 of the UK Corporate Governance Code 2024, applying to financial years beginning on or after 1 January 2026, boards must monitor the risk management and internal control framework and declare the effectiveness of material controls as at the balance sheet date. This captures the principle managers should follow at every level: do not just report results; test whether the controls intended to produce reliable results actually work.*

***Restoring Management Accountability***

*Restoring accountability does not require rebuilding a bureaucracy of forms and approvals. It requires a predictable management cycle: agree on a small number of outcomes, assign one accountable owner, set measures and tolerances, review progress regularly, record significant decisions and intervene when performance diverges. One-to-one meetings should connect current workload, objectives, obstacles, development and wellbeing. Performance reviews then become summaries of an ongoing conversation rather than annual attempts to reconstruct twelve months from memory.*

*The 2026 SCS framework offers a practical public-sector model. Objectives must cover what is delivered and how it is delivered, and performance conversations must occur at least quarterly; monthly check-ins are good practice. Managers must tackle performance dips as they arise, record feedback, review development needs and revise objectives when priorities change. Responsibility therefore runs continuously from setting expectations through evidence, discussion, correction and final assessment.*

*Restoration must remain legally and procedurally fair. Employment tribunals can increase compensation by up to 25% where an employer unreasonably fails to follow the Acas Code of Practice on Disciplinary and Grievance Procedures, which covers poor performance as well*

*as misconduct. From 1 January 2027, the Employment Rights Act 2025 reduces the unfair dismissal qualifying period from two years to six months and removes the compensatory award cap. Shortcuts therefore carry growing legal risk.*

*Improvement should also involve employees. The ONS found that 89% of surveyed businesses took some action to improve management quality in 2023; among them, 64% consulted employees, 43% used formal online training, and 42% used formal in-person training. Restoring accountability therefore is not simply managers imposing controls from above. The strongest approach builds managerial capability, invites operational insight, and makes responsibility reciprocal: employees deliver on commitments while managers remove barriers, provide resources, and act on evidence.*

***Rewarding Contribution Without Creating Fear***

*Accountability becomes destructive when employees interpret every adverse result as a threat. Fear encourages concealment, defensive target-setting and reluctance to report emerging problems, precisely when managers need accurate information most. Constructive accountability separates error, capability gaps, negligence and external disruption rather than treating them alike. Employees should know that raising a problem early is valued, while repeatedly ignoring agreed standards is not. The objective is reliable performance through clarity and learning, not compliance through anxiety.*

*Targets should therefore reflect what employees can reasonably influence. A warehouse operative should not be penalised for supplier delays outside their control, nor should a salesperson receive full credit for unprofitable revenue created by excessive discounting. Balanced measures reduce gaming by combining quantity with quality, cost, customer impact and behaviour. Managers then use judgement to explain exceptional circumstances, rather than letting rigid numbers or personal preference determine careers and rewards.*

*Acas warns that performance-related pay should be decided fairly and objectively. Employers must avoid less favourable treatment connected with protected characteristics, while perceived unfairness can reduce motivation, damage working relationships and increase employees' likelihood of leaving. Bonuses and commission can motivate when measures are credible, but poorly designed incentives can reward the wrong behaviour. Accountability is strengthened when employees understand the formula, evidence, moderation process and route for challenging an apparent error.*

*CIPD guidance similarly describes performance management as a continuous, two-way process that combines objectives, feedback, development, recognition and accountability. That balance matters because an employee who misses a target through an addressable skills gap needs coaching, while an employee delivering exceptional results needs recognition and opportunity. Managers should therefore ask not only whether an outcome was achieved, but what enabled or prevented it, what support is appropriate and what consequence is proportionate.*

*Timpson offers a contrasting model of trust-based accountability. Under its Upside Down Management approach, customer-facing colleagues have authority to do whatever they can to amaze customers, governed by two simple rules: act the part and put money in the till. The company recognises strong performance with extra days off, scratch cards, and long-service rewards, while managers are expected to provide training, tools, and mentoring. Freedom is matched with clear commercial expectations rather than fear.*

*Recognition also need not be purely financial. Development opportunities, broader responsibility, progression, flexibility and visible acknowledgement can reinforce contribution when applied consistently, but they should not disguise uncompetitive pay. Strong performers should see that additional contribution creates opportunity rather than merely attracting additional workload. Equally, employees needing improvement should receive support without public labelling or humiliation. Fair accountability differentiates performance while preserving dignity, procedural consistency and the possibility of recovery.*

### *The Accountability Dividend*

*The accountability dividend is the value created when clearer ownership, better information and intervention let resources produce more. It can show up as higher throughput, fewer defects, faster decisions, lower working capital, stronger service or improved margins. Unlike a one-off cost reduction, better management can compound because the organisation learns to identify and correct recurring losses. Targets alone do not guarantee the dividend; it comes when measurement consistently drives better decisions and execution.*

*Rolls-Royce illustrates the potential scale. By the end of 2025, its transformation programme delivered £0.6 billion in efficiency savings against a £0.5 billion target and £1.2 billion in gross third-party procurement savings against £1.0 billion. Underlying operating margin rose from 13.8% to 17.3%, and management upgraded its 2028 ambitions to £4.9–£5.2 billion of operating profit. Market recovery and pricing also contributed, so accountability should be seen as an enabler, not the sole cause.*

*Public services offer an equally important dividend. Government figures published in September 2025 showed that acute hospital trust productivity rose 2.7% between April 2024 and March 2025, exceeding the 2% annual target later set in the 10 Year Health Plan, while agency spending fell by almost £1 billion. Better management can therefore create capacity even when profitability is not the objective, freeing resources for more treatment, shorter waits, and better services.*

### *Who Ultimately Pays for Weak Management?*

*Weak management rarely limits its costs to the responsible manager. Shareholders lose returns and enterprise value; customers face poorer quality, delays, or higher prices; employees face insecurity, heavier workloads, and constrained rewards; suppliers absorb disruption and unpaid debt; and taxpayers may finance recovery when public services are involved. High performers can pay twice: first by compensating operationally for weaker colleagues, and later through reduced bonuses, investment or progression when aggregate organisational performance falls short.*

*ISG shows how widely losses can spread. When the construction contractor entered administration on 20 September 2024, it made around 2,200 workers redundant. Its final accounts showed it owed more than £700 million to its supply chain, while administrators said no funds were expected to be available for unsecured creditors. ISG held 23 live public-sector contracts worth an estimated £1.16 billion in total, including Ministry of Justice prison work, leaving public clients to re-procure unfinished projects.*

*Tenants and service users can also inherit management failure. Two-year-old Awaab Ishak died in December 2020 after prolonged exposure to mould in a Rochdale Boroughwide Housing home. The Regulator of Social Housing later found breaches of its Home Standard and Tenant Involvement and Empowerment Standard, downgraded the landlord's governance to the non-compliant G3 grade and noted that other homes went unchecked for nearly two years. The first phase of Awaab's Law took effect on 27 October 2025.*

*Employees bear a less visible cost when weak management becomes normal. Reliable people absorb urgent work, customer complaints and quality recovery, while opportunities for training, innovation or progression are postponed because capacity is consumed maintaining basic delivery. If margins deteriorate, pay budgets and bonuses may tighten regardless of who caused the problem. The strongest performers can therefore subsidise poor management operationally and financially, even when their own individual contribution remains consistently high.*

*The ultimate cost falls on those with the least protection from failure. Investors can diversify, customers can sometimes switch providers, and senior executives may leave, while employees, small suppliers and service users may have fewer alternatives. Accountability should therefore be viewed as stewardship of other people's money, time and trust. A manager*

*who tolerates recurring failure is not merely accepting lower performance; that manager is implicitly deciding who else will absorb its consequences.*

***Conclusion – Better Management Creates More to Share***

*Better management does not mean more meetings, more forms or more surveillance. It means clearer expectations, fewer ambiguous responsibilities, faster intervention, better evidence and managers willing to distinguish excellent, adequate and unacceptable performance fairly. Accountability works when employees understand what they own, and managers accept equal responsibility for providing resources, removing barriers and making decisions. The result should be greater organisational capability, not a culture in which people fear every short-term variance.*

*The economic prize is substantial. ONS evidence consistently associates stronger structured-management practices with higher productivity and resilience, while international research attributes between a quarter and one-third of productivity gaps to management quality. Public services that recover lost productivity can free up billions of pounds of capacity without raising taxes. At the same time, better-managed private organisations can convert the same resources into higher revenue, margin, and cash. Management quality is therefore a controllable source of economic improvement.*

*That capacity cannot guarantee higher wages. Boards and management must still decide how to divide additional value among pay, investment, customers, shareholders, debt reduction and resilience. Nor should every productivity gain be extracted from employees through greater work intensity. Sustainable improvement comes from better skills, technology, processes, procurement, decision-making and management. The central proposition is narrower but powerful: without stronger productivity, the economic room for sustained real-pay growth becomes much harder to create.*

*The accountability gap therefore matters beyond performance appraisal. When managers manage well, organisations can create more value, waste less capacity, serve customers better and build stronger financial foundations that employees may benefit from. When weak performance is tolerated, and managerial responsibility becomes optional, there is less value to distribute. Better management cannot determine every outcome or promise every employee higher pay, but it can create something indispensable: more value to share.*

*Additional articles can be found at Procurement and Supply Chain Management Made Simple. This site looks at procurement and supply chain management issues to assist organisations and people in increasing the quality, efficiency, and effectiveness of their product and service supply to the customers' delight.* *© Procurement and Supply Chain Management Made Simple. All rights reserved.*

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