

Book Review

Being Accountable: Voluntary Organisations, Government Departments and Contracted Social Services in New Zealand

By Jo Cribb, Institute of Policy Studies, Wellington, 2006.

In this very interesting research study, Jo Cribb reports that adult New Zealanders spend more time in unpaid work than they do in paid endeavours; that 1 in 6 New Zealanders undertake voluntary work; and that interestingly Maori and Pacific Islanders in particular do much volunteer work. Moreover, the Government contributes something over a billion dollars a year to help voluntary organizations.

Yet not a great deal is known about this hugely important sector. “Being Accountable” rectifies this in part by addressing the questions of to whom, for what and why do board members and managers of voluntary organizations think themselves accountable and explores the implications of these issues for the government agencies which contract with them.

The book briefly reviews the literature, both overseas and in NZ; outlines the thinking underpinning the present contracting arrangements in NZ, including agency and contracting theory; sketches the Government’s approach to the sector; and outlines the research programme undertaken, concentrating on four case studies and drawing on the replies of 34 survey respondents.

Jo Cribb does not shirk from the difficulties involved in conducting research in a field which is typically not well documented but does a professional job in justifying the research approach she has employed. However, some readers may feel it is difficult to assess the true validity of the results given the limitations of the research methodology and the inherent shortage of data on the sector.

That said, there is much that rings true to someone such as myself who has had an extensive and lengthy involvement in the sector, with both the largest and some of the smallest organisations.

The book’s distinction between “hard” and “soft” accountability may be stretched at times, but it is perhaps a useful way to draw the elements of the research together. The author argues that in NZ the present arrangements

between the Government and voluntary organizations have ended up concentrating heavily on formal, legalistic contracts which seek accountability for specific outputs and entail sanctions for non-performance measured against explicit performance standards, and with much external monitoring and control.

It is claimed that this risks missing the point of the way in which voluntary organisations operate, and fails to appreciate that the people running these organizations see their accountabilities as being to their clients first and very much foremost, then to the staff and the governing body, and only thirdly to the Government despite its importance as a funding vehicle.

Moreover, if the sector is to overcome some of the frustrations of official interventions, which range disconcertingly from less availability of volunteers (they get frustrated by bureaucracy) to less willingness or indeed ability to utilize them (onerous compliance requirements, including health and safety ones) to a frightening burden of form filling and endless consultation with officials, then more emphasis on “soft” accountability may be required.

This seemingly more relaxed form of accountability is typical of the relationships many of these organisations have with their clients, which involve care and understanding of and responsiveness to complex and changing client needs and is not easily encompassed in a formal contract. It is based on trust.

Despite the great complications faced by many clients of voluntary organisations, and the pressing demands of their immediate caregivers, the research found conclusively and with startling clarity that the relationship with Government was “the most difficult and obstructive” of all the accountability relationships and was very much “a hindrance rather than an aid”. Even more worrying, contracting and funding agreements with government agencies were seen to be “driving down standards of care”. This was attributed to poorly designed programmes, irrelevant measures, and a piecemeal approach to service provision.

Beyond this, the research found that government officials frequently regarded themselves as the experts and respondents were made to feel inferior; they perceived that officials expected them to defraud the system or produce poor quality work; that the main form of communication was monitoring reports and that these concentrated on measures that were often irrelevant to service quality or organizational performance; and that officials generally took a “take it or leave it” approach rather than genuinely negotiating arrangements which would be in the best interests of the clients.

Prima facie this is a curious situation, to say nothing of being deeply disturbing. As the author suggests, one should probably be able to assume that voluntary organisations would have similar goals to the government agencies with which they contract.

With these thoughts in mind, the book explores whether stewardship theory may have something to offer. This is based on the idea that relationships should be built on trust, that trust is a two way phenomenon, that co-operative behaviours should prevail over self-serving behaviours, and that individuals will exhibit collective pro-organisational behaviours rather than simply wishing to maximize their own self interest, and that rewards can be intrinsic rather than extrinsic. Agents are accorded more discretion and are trusted to perform in a way that is aligned with that of the principal. All of this leads to a concept of “soft” accountability.

Having advanced the case, Jo acknowledges that the reality is much more complicated, that the theory is untested, and that some of the claims seem too good to be true. Moreover, government agencies must ensure good use is made of taxpayers’ money. There is no easy solution.

The author concludes by advocating some relaxation of the hard accountability arrangements and exploring instead the possibility of relationships built more on shared goals and mutual trust; on officials learning more about the organisations they contract with; that there should be more attention paid to good governance and fewer fantasies about total control; and that there needs to be a change in the official mindset away from assuming the worst to expecting the best of voluntary organisations.

This study is a professional, carefully considered and well researched one. It is required reading for all who are concerned with the role and progress of voluntary organisations, a vigorous and hugely important part of New Zealand society. Its indictment of government agencies and their officials is a judgement not reached without much analysis and numerous interviews with senior players in the voluntary sector.

The book explicitly acknowledges that officials must ensure accountability for the use of large amounts of the public's money and the challenges involved in this. However, it is clear that this has now become so bureaucratic and control oriented that it is sadly too often obstructive rather than helpful to relationships and progress within the world of voluntary organisations. One very much hopes this is not a result the Government would desire and hence one would anticipate that officials and their ministers will reflect on how to make these relationships more positive and productive. This would be a great outcome from the work underlying this book.

It is also a lesson for government and officials' relationships with other sectors of the economy, including importantly the business world where the analogies are, perhaps unsurprisingly, remarkably close.

For example, in the period since 2000, overall factor productivity (both capital and labour, based on the Department of Statistics measures) annual growth has been 1.1 per cent; in contrast to the period characterized by some as that of the "failed policies of the past" when the comparable growth rate was 2.1 per cent (1988-2000). From 1992 to 2000, after the Employment Contracts Act, the figure was an even more favourable 2.5 per cent.

Few New Zealanders seem to be aware of the severity of this slowdown. Moreover, an important contributor to this disconcerting situation has undoubtedly been the extensive and pervasive re-regulation of the business world. A recent independent study published by two of New Zealand's most senior economists, one at Victoria University and the other at the ANZ National Bank, confirmed this. Again, the need to build a better understanding about business among officials and ministers is a prerequisite to addressing this dilemma.

The increasingly centralized and bureaucratic control of New Zealand society, and the need for leaders in sectors as diverse as those of private sector business and voluntary organisations to spend so much of their time negotiating with officials and being accountable to them, despite the latter's remoteness from the clients of the sectors they oversee, is one of the major changes which have occurred in New Zealand over recent years.

If as a society we are to achieve improved standards of service for disadvantaged people cared for by voluntary welfare organisations and higher economic growth rates more generally, then clearly the culture being created by these trends needs to be addressed by all the parties involved. In my view, some of Jo Cribb's lessons for the voluntary sector apply also to a number of other important sectors of our society. This makes the research underlying this text even more important than it is simply as a standalone study.

It would be fascinating to see the Institute of Policy Studies encourage a similar study of the business world's relationships with the Government and its officials in the light of the wide array of new regulatory interventions which we have seen in the past six years.

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