Results-Based Management 101

November 25, 2010

Mark Schacter
Murray Kronick, FCMC
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<tr>
<th>Time</th>
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Questioning the fundamentals

- what is a *result*?
  - what is *results-based management*?
  - what does it mean to be a *results-based manager*?
  - what is *performance measurement*?
  - what is *results-oriented performance information*?
Why do it?

• helps you make a case to the public that you are making a difference

• helps you track the extent to which “outputs” (what you deliver) are contributing to “outcomes” (positive changes for Canadians)

• provides information needed to make program adjustments

• sends a message to staff about why their work matters
3 key questions

• what is it that we want to make better?
  • identify the outcomes

• how do we expect to make things better?
  • describe the logic of what you are doing

• are we moving in the right direction?
  • describe what evidence of good performance would look like
For example: Mark’s performance

**input**
- Mark’s knowledge of and experience with performance measurement
- Mark’s teaching and communications skills
- Mark’s financial resources

**activity**
- meetings with the client
- development of agenda

**output**
- delivery of a workshop session on performance measurement

**outcome**
- participants have a better understanding of performance measurement
- participants apply knowledge of performance measurement to their work

Keeping busy
Making a difference
Logic Model

- **Inputs**
  - Explains how you expect to get from where you are now to where you want to be

- **Activities**
  - Basis for developing performance measures

- **Outputs**
  - Basis for developing risk assessment

- **Outcomes**
  - Basis for developing an evaluation framework
Logic Model – *anti-smoking ads on TV*

**Inputs**
- $\$\$; people

**Activities**
- do research
- decide on intervention
- hire ad agency
- test advertisements
- buy time from TV networks

**Outputs**
- ads appear on TV

**Outcomes**
- target audience sees ads
- target audience attitudes affected
- target audience attempts to modify behaviour
- percentage of smokers in target audience drops
- incidence of smoking related diseases drops

**Risk**
- immediate
- intermediate
- ultimate
Measurement Challenges

1. Multiple high-level outcomes
2. Measurability
3. Time Lag
4. Attribution
5. Perverse Incentives
Challenge # 1. Multiple high-level outcomes

- economic vs. social
- quality vs. quantity

- what does “success” look like when you must balance competing outcomes?
Challenge # 2. Measurability

- “not everything that counts can be counted”
- when outcomes are about “capacity”, “networks”, “confidence”, “good relationships”, the measures are not obvious
Challenge # 3. Time Lag

- problem: the pace of progress is out of synch with the pace of performance reporting
  - today’s outputs do not yield instant outcomes
Challenge # 4. Attribution

• who deserves the credit? (or the blame?)

• social/political/economic outcomes have multiple causes
Challenge # 5. Perverse Incentives

• “what gets measured gets done”

• bad measures motivate bad behaviour
  – even “good” measures may cause problems
Measuring “Soft” Outcomes

• Reduce the qualitative idea to quantitative terms
  
  • Direct approach
    – measure the idea itself
  
  • Proxy (indirect) approach
    – measure something that has a logical relationship to the idea
Summary of Key Points

• What’s the story?
  – what do you want to accomplish?
  – what are the outcomes, and how do they follow from your outputs?

• What part of the story is a reflection of your performance?
  – over what outcomes do you have a reasonable degree of control?

• What elements of your performance can be reduced to quantification in a meaningful way?
  – when does evaluation make sense, as opposed to performance measurement?

• What’s essential?
  – “more” is not necessarily “better”

• What could go wrong?
  – bad measures motivate bad behavior
What is Evaluation?

• detailed assessment of some or all key aspects of a program or project

• often, an attempt to determine if the program
  – was implemented as planned
  – was the best possible response to a given problem
  – produced the observed social or economic changes (or would the changes have happened anyway?)
Monitoring vs. Evaluation

- **Performance Measurement ("Monitoring")**
  - observation and description of program implementation
  - (more or less) continuous flow of information
  - tells you that outputs are being delivered as planned
  - gives you a rough idea of whether outcomes are occurring
  - provides information to be used, later, for evaluation

- **Evaluation (Impact Evaluation)**
  - assessment of whether or not outcomes have occurred (i.e. did things get better for beneficiaries?)
  - an in-depth study (as opposed to a continuous flow of information)
  - attempts to link cause and effect (if beneficiary population is better off now, was it because of our project?)
When to Evaluate?

• **Before intervening . . .**
  – to define the problem to be solved
  – to determine the best intervention for solving the problem

• **During the intervention . . .**
  – to see if outputs are being delivered according to plan
  – to see if processes (e.g. administration, service delivery) are working as intended

• **After the intervention . . .**
  – to see if everything was implemented as planned (wells dug, people trained, health centers established, resources transferred, etc.)
  – to see if the intended outcomes (or “impacts”) occurred (people healthier, wealthier, etc.)
  – to see if the outcomes can be attributed to the program intervention

**“Formative”**

**“Summative”**
Why evaluate?

- **Provide useful feedback that will support program & policy implementation**
  - improve current implementation; do a better job next time around

- **Provide information that serves as a basis for accountability**
  - accountability for results requires understanding of what results occurred and why they occurred
Typical steps in an evaluation

1. describe the program
2. agree on evaluation questions
3. develop an evaluation design
4. gather the evidence
5. analyze the data; present findings & recommendations
Step # 2. Evaluation questions

• Relevance
  – did we do the right things?
  – did our interventions make sense, given the problems to be addressed?

• Effectiveness
  – did we deliver what we said we would deliver?

• Efficiency
  – could we have delivered the same outputs, at lower cost?

• Impact (on Ultimate Outcomes)
  – did we help improve the lives of the beneficiaries?

• Sustainability
  – will benefits continue to flow after external funding ceases?
Step # 3. Evaluation design

Key challenge – “determine the counterfactual”

• what changes would have occurred if the program had not happened?

• can’t observe what the situation would have been without the intervention
  – social/economic phenomena can’t be put in a test tube and manipulated as in a laboratory experiment
  – multiple factors at play that can’t be controlled
  – ethical issues
  – practical concerns (time, money, nature of the intervention)

• have to construct or assume a “without intervention” (counterfactual) scenario
  – various options with varying degrees of rigor
  – no definitively “right” or “wrong” approach
Evaluation designs

• Experimental
  – “treatment group” and “control group”, randomly selected

• Quasi-experimental
  – non-random selection of treatment and control groups

• Observation of Treatment Group
  – interviews
  – surveys
  – case studies
  – focus groups
  – field observation
Typical biases in evaluation designs
- bias can mask true impact of an intervention

- Positive bias
  - funders; implementers; evaluators – all have strong incentive to put positive “spin” on evaluation findings

- Short-term bias
  - evaluations carried out during the program or immediately after its conclusion are reaching conclusions too soon; appearance of early “success” or “failure” may be misleading

- Selection bias
  - participants in a program self-select for characteristics not typical of general population; they may have done well even without the project
  - leads to overvaluing/undervaluing the program’s impact
What is the real impact?

**Dependent variable**

<table>
<thead>
<tr>
<th>Time</th>
<th>Treatment Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>10</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

**Before intervention**

**After intervention**

- \( D - B = 400\% \)
- \( D - C = 33\% \)
- \( (D - C) - (B - A) = 13\% \)
Choice of evaluation design depends upon . . .

• level of rigor required regarding attribution of outcomes to the program
  – do you need definitive proof that your program is causing intended outcomes?
  – or is it sufficient to demonstrate the likelihood that the program is contributing to outcomes?

• time, budget and expertise available to you
  – experimental designs can be time-consuming, expensive and require specialized expertise

• nature of the intervention
  – sometimes it will be difficult or impossible to identify a control group
Step # 5. Analyze data, present findings & recommendations

• data do not speak for themselves

• analysis should be provided in a way that requires minimal interpretation by the reader

• tailor findings and recommendations to the purpose of the evaluation
  – findings and recommendations for evaluation focusing on efficiency very different from study focusing on impact, or on sustainability

• tailor presentation of findings and recommendations to the needs and perspectives of the audience
  – program managers’ interests may differ from donors’
  – donors’ interests differ from government’s
  – government’s interests may differ from beneficiaries’
**Who “owns” the evaluation**

### “Classic” model
- sponsoring organization “owns” the evaluation
- geared to organization’s understanding of “success” and its requirements for control, information and accountability
- designed & conducted by “expert” evaluator
- evaluator extracts information from stakeholders

### Participatory evaluation
- carried out under full or joint local control
- geared to local understanding of “success”, and local needs for learning and capacity building
- geared to communities’ desire to control programs and hold funders/governments accountable
Summary of key points

• monitoring & evaluation provide unique angles on performance
  – monitoring describes; evaluation analyzes and explains;
  – data requirements overlap; same logic model / Outcomes Map is common to both

• start planning evaluation at beginning of program design

• core of impact evaluation is to “determine the counterfactual”
  – counterfactual can’t be fully known; how well can you estimate it?

• “perfection” is not the goal
  – seek rigor appropriate to (i) purpose of the evaluation, (ii) time, budget & capacity constraints

• respect the value of beneficiary participation
AGENDA

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Discussion Points

1. Where is your organization today with RBM?
2. What is the direction for RBM?
3. What is working well?
4. What are some of the challenges for RBM?
5. Who are your sources of expertise for RBM?
6. What are your expectations for the future?
7. Other questions?
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What is Outcome Management?

- It is the management strategy focused on the achievement of **results and outcomes** from a set of inputs and deliverables.

- It contains the graphical representation of the cause-and-effect of how outcomes are created (Outcomes Map) and then measured to demonstrate success (Outcomes Register).


It answers the “so what?” question of undertaking any activity.
... and then a miracle happens..

Typical Logic Model

Result

GOOD WORK,
BUT I THINK WE MIGHT
NEED JUST A LITTLE MORE
DETAIL RIGHT HERE.
The Outcomes Map (PayMod example)

I-1 Implement PayMod solution

M-4 Training and Communication activities

Mitigating Action

Manageable Risk

R-4 Low adoption rate of self-service

Risk Outside our Control

R-1 Subject to OGD harvesting of benefits

O-22 Increased self-service capability

Immediate Outcome

O-35 Increased employee ability to self-manage information

Intermediate Outcome

O-3 Increased operational savings

Final Outcome

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Outcomes / Targets Terminology

- **Specific** / **Measurable** / **Attainable** / **Relevant** / **Time-bound**

**Created**
- Eliminated
- Increased
- Decreased
- Reduced
- Maintained

**Improved**
- Enhanced
- Streamlined
- Better

**Strengthened**
- Promoted
- Positioned
- Leveraged …
Home Office Exercise # 1 - Instructions

1) Open the envelope, remove the Post-it™ notes with the symbols and the blank Outcomes Map sheet

2) Work in your teams to create the Outcomes Map:
   a) identify each symbol as an Initiative or Activity / Output / Outcome / Controllable or Uncontrollable Risk and draw the appropriate shape on it
   b) lay out the logical outcomes flow on the Outcomes Map sheet
   c) connect the symbols with arrows (contributions) and label them
   d) complete the Outcomes Map

3) Report back - what went well, what was difficult, what you learned
## Home Office Outcomes Map Exercise

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outputs</th>
<th>Intermediate Outcomes</th>
<th>Final Outcomes</th>
<th>Ultimate Outcomes</th>
</tr>
</thead>
</table>

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Take up discussion

- How did you approach the Outcomes Map?
- What worked well?
- What was difficult to do?
- What did you learn?
Outcomes Map Starting Points

Initiative driven

Issue Oriented

Outcome driven

Left to Right

Center-out

Right to Left
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# A Sample Outcomes Register

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Metric / Frequency</th>
<th>Measure Method</th>
<th>Baseline</th>
<th>Target Value</th>
<th>Profile</th>
<th>Permitted variance / corrective action</th>
<th>Account ability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Level of Airline Safety</td>
<td>Accidents per 100K hours / quarterly</td>
<td>Incident Reports</td>
<td>0.7</td>
<td>40% reduction by 20xx</td>
<td>+/- 0.1</td>
<td>Increase oversight activities</td>
<td>DG CivAv, Directors</td>
</tr>
<tr>
<td>Increased Public Confidence in CivAv</td>
<td>Level of confidence / semi-annually</td>
<td>Public Opinion Survey</td>
<td>77%</td>
<td>90% by 20xx</td>
<td>+/- 2%</td>
<td>Revisit communication plans</td>
<td>DG CivAv</td>
</tr>
</tbody>
</table>
The Outcomes Register - attributes

<table>
<thead>
<tr>
<th>Outcome ID (O-xx)</th>
<th>Outcome Name</th>
<th>Description</th>
<th>Comments</th>
<th>Metric</th>
<th>Frequency / Duration</th>
<th>Measurement Method</th>
<th>Estimated Cost of Measurement</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Baseline Value</th>
<th>Highest Level Target Value / Date</th>
<th>Most Likely Level Target Value / Date</th>
<th>Profile</th>
<th>Tolerance Limit</th>
<th>Action if outside Tolerance</th>
<th>Responsibility for reporting outcome</th>
<th>Accountability for attaining outcome</th>
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## Exercise # 2 – Outcomes Register

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<th>Outcome ID (O-xx)</th>
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<th>Description</th>
<th>Comments</th>
<th>Metric</th>
<th>Frequency / Duration</th>
<th>Measurement Method</th>
<th>Estimated Cost of Measurement</th>
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<tbody>
<tr>
<td>O-1</td>
<td>Increased Family Time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O-11</td>
<td>Decreased Auto Expenses</td>
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Who is accountable for the outcomes?
How did you establish baselines and targets?
What went well?
What was difficult?
What issues arise when you set targets for your own organization’s performance?
Outcome Management - Summary

• identifies the linkage between your projects, programs, activities and their intended outcomes
• clearly defines the Performance Measurement Framework
• defines the basis for Program Evaluation
• provides the business outcomes required for the Business Case/Investment Plan/TB Submission


Don’t measure just to measure – measure to manage
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A performance measure should be...

- an enabler
  - *rather than a burden*

- motivating
  - *rather than annoying*

- a valuable management tool
  - *rather than an administrative requirement*
A good measure is...

- valid
  - *it is linked to the question you are interested in*

- reliable
  - *repeated measurements under the same circumstances give the same result*

- understandable
  - *users can easily figure out what it is saying*

- economical
  - *is worth the time and money spent on gathering and analyzing the information*
“Valid”

• “Body temperature” = valid measure of “health” if:
  – *I’m trying to determine whether or not you have the flu*

• “Body temperature” ≠ valid measure of “health” if:
  – *I’m trying to determine whether or not you have a sprained ankle*
“Reliable”

• Very reliable: I take someone’s temperature with a thermometer
  – . . . whoever else uses the thermometer will get the same reading

• Less reliable: I take someone’s temperature by touching their forehead
  – . . . someone else might report a different reading

• The more a measurement depends on subjective judgment, the less reliable it is likely to be
  – . . . doesn’t mean you shouldn’t use subjective judgments; just understand the limitations
“Understandable”

- what measurement data may mean is not always immediately obvious
  - ... data often have to be interpreted

- measurement data must be reported in a way that allows correct interpretation

- e.g. – “number of workshops this year where Mark received a rating of at least 4.0 out of 5.0”
  - ... why might this be misinterpreted?
  - ... what is missing?
“Economical”

• data collection, analysis & reporting aren’t costless
  – benefits of having data should outweigh costs of collection, analysis, reporting

• minimize burden on others inside/outside your organization

• try to anticipate costs & annoyances

• work with what you’ve got (to the extent possible)

• always ask: “Do we really need this measure?”
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Exercise 3 – Reporting on Performance

Please see the handout on the anti-smoking public service campaign
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Plenary Panel Discussion

Parking lot issues / Questions / notes
Interis Consulting actively conducts research into Public Sector Performance Management with the University of Ottawa’s Telfer School of Management. Our first paper, High Performance Organizations in the Public Sector, was published in the June 2010 issue of Optimum Magazine (registration required) [http://www.optimumonline.ca/article.phtml?id=365](http://www.optimumonline.ca/article.phtml?id=365)

**For further reading**

[www.schacterconsulting.com/publications.html](http://www.schacterconsulting.com/publications.html)

- of particular interest:
  “Not a Tool Kit”
  “The Worth of a Garden”
  “When Performance Targets Miss the Mark”
  “Trashing Results-based Management”
Course Summary / Evaluation

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