

monitoring and evaluation

**The digital
leap-frog:
monitoring and
evaluation and
performance
management as
an improvement
tool in business
and government**



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*Monitoring and evaluation
and performance
management systems,
applied to nations,
state-owned enterprises
and corporations, can be
invaluable tools for
evaluation, improvement
and delivery.*

This article identifies selection and implementation of an effective monitoring and evaluation (M&E) system or performance management system (PMS) as an opportunity for quantum-leap improvement, for governments, state-owned enterprises (SOEs) and corporations in transitional and emerging economies. From here on we refer to PMS, which combines effective M&E with a process of management feedback and action-taking. The conclusions of this article apply equally to PMS and M&E. Effective M&E is the foundation for effective PMS. By improving transparency, strengthening governance, building capacity and underpinning service delivery, a joined-up, cohesive PMS eliminates key barriers to funding and development.

The approach described here provides the ability to implement policy and eliminates grey areas of accountability and transparency that breed corruption, as well as loss of knowledge and competencies. In industrialised nations, implementation of a PMS is still very important, but with many existing measurement, auditing, monitoring and evaluation

monitoring and evaluation

systems in place, it may be harder to do the right thing and implement a joined-up, cohesive and integrated system. Organisations in emerging economies and/or transitional societies have the opportunity to leap-frog organisations in industrialised nations by implementing joined-up performance management, governance and service delivery from the start. We use the term “leap-frog” to mean overtaking industrialised nations – as opposed to playing “catch-up”: to take a position of primacy, by recognising and operating from new global realities. Some pundits avoid comparing “developed” with “developing”, because this assessment ignores the fact that Africa, like other emerging and transitional economies and societies, may be more developed than industrialised countries in essential human competencies.

M&E provides the foundation for collaboration in organisations. Effective M&E is a powerful governance, capacity-building and collaboration tool. It is the foundation for effective management of performance.

Measuring performance and massaging statistics can be used to manage perception, without affecting actions taken or reality on the ground. Measurement alone, without feedback and action-taking, is not sufficient to drive improvement.

Ultimately, performance management is a tool to enable leaders and managers to ensure that important things get done, thereby closing the gap between intention and delivery.

The term “PMS”, as used in this article, describes a hybrid of performance management and knowledge management which is typically a portal, an online website. A PMS is a way to drive success. For service users, success means better services. For service deliverers, success means easier and more enjoyable implementation and operation of services. For senior management, success means a more effective and popular public service. For elected representatives and ministers, success means increased likelihood of re-election. For governments and organisations that depend on debt and external investment, a PMS can be used to both manage and improve credit rating.

Successfully introducing a PMS requires informed and targeted change management that is relevant to the

drivers and needs of the sector (public or private), as well as appropriate supporting technology. We have repeatedly seen this change management achieved effectively and at low cost using an appropriate train-the-trainer change management curriculum. We have also seen PMS projects fail to deliver sustained value when there has not been attention to change management, or when inappropriate software tools have been used.

PERFORMANCE MANAGEMENT PORTALS. Performance management portals can play a critical role in transitional

A PMS enables leaders to ensure important things get done, closing the gap between intentions and delivery

and emerging economies, where the real competencies and technical skills often lie in the hands of a few people, and yet there is widespread need for ongoing, further development. When a few people hold the knowledge, they potentially hold the future of a country in their hands. South Africans observed this in the so-called “skills-drain” at the beginning of the 1990s. Combining performance and knowledge management is a way to “bank” a country’s knowledge assets. By making individual, uncodified and undiffused knowledge and skills explicit, vital knowledge can be shared and re-used, removing the bottleneck of limited capacity and thereby enabling progress.

It is our observation that transitional economies, as opposed to industrialised ones, are more community-base: people tend to be less individualistic, which provides the right underlying culture for sharing.

Knowledge management builds on this underlying communal culture. Capturing shared knowledge, and re-using it repeatedly, provides a way to skill the nation without waiting 50 years to send everyone to technikon or university. As an approach to mass-capacity-building, it also captures real knowledge and experience, and puts it to use without delay.

President Mbeki’s new focus on in-company learnerships is addressing this, but from another angle. Our research indicates that, globally, when someone leaves university, there is still an 18-month gap before

monitoring and evaluation

they can really add value to the organisation they work for. Using the PMS approach described here (based on the Action-Driven Balanced Scorecard™, the leap-frog is two-fold. One “leap” is in developing individual skills – giving people the knowledge they need without subjecting them to a long, expensive, general (and sometimes irrelevant) education. The other “leap” is at the organisational level, making organisational knowledge explicit so that it can be spread, shared and used, without being limited by a skills gap.

The right PMS, with appropriate monitoring and evaluation, significantly improves auditability and governance

By building capacity and addressing corruption through transparent accountability, this approach to PMS addresses major challenges of transitional economies, removes barriers to progress, and provides the means to “leap-frog” improvements in service delivery.

CONTRASTING INDUSTRIALISED AND TRANSITIONAL ECONOMIES. In governments of industrialised countries, performance management has been identified as an important tool, but is often ineffective because it is implemented in isolated departmental and regional stovepipes, and/or people involved in large-scale change had little exposure to highly successful transformations. At the same time, key performance management initiatives that require ICT (information and communication technologies) have sometimes been pigeonholed as “ICT projects”, rather than as modernisation or transformation projects that rely on ICT. Frequently, projects that have required the involvement and inclusion of a wide range of stakeholders and participants across organisations have failed to win the hearts and minds of individuals and have, therefore, failed to deliver the intended benefits.

John Kotter, Harvard professor and change management guru, claims: “Our main finding... is that the central issue is never strategy, structure, culture or systems. All those elements, and others, are important. But the core of the matter is always about changing the behaviour of people, and behaviour change happens in

highly successful situations mostly by speaking to people’s feelings... In highly successful change efforts, people find ways to help others see the problems or solutions in ways that influence emotions, not just thought. Feelings then alter behaviour sufficiently to overcome all the many barriers to sensible large-scale change. Conversely, in less successful cases, this seeing-feeling-changing pattern is found less often, if at all.”

Our experience in widespread knowledge management and performance management projects confirms the difference that such performance management projects can make, and the importance of change management.

Implementation of the right PMS, accompanied by appropriate monitoring and evaluation processes, significantly improves auditability and good governance. As a result, it can help to improve credit ratings, increase funder or donor confidence in the public sector and improve investor confidence in funding SOEs and private businesses. Sample guidelines for the selection of a PMS or M&E system and a sample statement of requirement (based on UK experience and best practice) is available online (www.ShowBusiness.com and follow the *Solutions for South Africa* link).

SERVICE DELIVERY ISN’T DELIVERING. In the UK, the Labour Party re-invented itself and the New Labour government was elected in 1997 with the commitment to deliver discernible improvements in public services – in particular, in the “key delivery areas” of health, education, crime and transport. There was a clear recognition of the role of government in providing incentives to the market, coupled with the government’s role in curbing “free market excesses” – regulation and rights. The programme was underpinned with prudent financial management aimed at achieving economic growth and improving service delivery.

Almost seven years into New Labour’s programme, billions have been spent on public services like health and education. Despite repeated initiatives to reorganise and modernise the high-level processes and institutions responsible for “key delivery areas”, a common perception among the general public remains that things are not getting better and that the government is

monitoring and evaluation

responsible (or irresponsible). The problem is that simply focusing on targets (performance measurement) does not deliver the systemic improvement that is needed. It does not enhance the underlying ability of the public sector to improve all aspects of service delivery.

EVIDENCING DELIVERY TO STAKEHOLDERS. To bridge the gap between policy-makers and policy implementers, an effective PMS must provide factual information as to what is happening on the ground, what is being delivered and where. At the same time, it must provide concrete examples of delivery to underpin the government's ability to communicate progress on key pledges to the electorate, funders, donors and other stakeholders.

A "DRIVE SHAFT" FOR DELIVERY. Let's use an analogy that seems to work in both the UK and South African contexts.

A citizen observes Tony Blair or Thabo Mbeki and thinks: "He's in charge (he's holding the steering wheel of the car). He has all the resources (the car has a body and wheels). So why is it that he says the car will go this way (shorter NHS waiting lists in the UK, or reduced crime rates in South Africa), but the car actually goes the other way (continued long delays for NHS operations in the UK and continued high levels of crime in South Africa)?"

The misplaced, but logical conclusion is: "Since things aren't getting better, he (the prime minister or president) can't be a very good driver."

We assume our leaders are incompetent because we do not see the promised outcomes being delivered, and concurrently our leaders do not have the tools to provide concrete measurement outcomes for the actual successes achieved. Even the best driver is helpless if the steering wheel is not connected to the wheels on the road.

Typically, government organisations do not have an effective "drive shaft" between the steering wheel of government policy and the service delivery "wheels" of government departments. There is no effective mechanism for transmission of intent.

In many public sector organisations, thousands of committed and professional public servants are striving to deliver modern services with inadequate management systems. However good the people, if the system that organises them does not work, the organisation will not be effective. The weakness is the inability to translate

policy and objectives into the programmes and projects that deliver results/outcomes on the ground.

TURNING TO PERFORMANCE MANAGEMENT. Many government organisations lack the organisational systems and IT infrastructural support to get better at change. They are missing the basic processes for intentional, continuous improvement, shared learning and embedding of that learning in every department, team and individual.

Governments around the world are turning to performance management to drive improvement and

A PMS must provide information about what's happening on the ground, what's being delivered and where

service delivery. Yet, as one senior civil servant in the UK said recently: "Everyone's talking about performance management, but no-one knows what it means."

Performance management is the means by which an organisation monitors and manages itself and reports on its progress. It is the way that the organisation manages and gets important things done at every level. It is the way that an organisation improves and learns at every level. And ultimately it is the means by which an organisation ensures the successful delivery of its goals.

In government, performance management is the system by which a government transmits its intent and policy through ministries and local government. It is the means by which service delivery is achieved (or not) and it should provide the means of feedback by which policy-makers learn from policy implementers.

Every ministry, department and team has its monitoring and evaluation and performance management approach – its way of working. Where the processes of setting objectives and achieving results are inconsistent, and where the intentions are not aligned across teams or departments, stovepipes are reinforced and cross-cutting issues do not get resolved. The organisation as a whole becomes more bureaucratic and less able to change, not necessarily because its parts are individually badly organised, but because there is not adequate communication and alignment between its parts.

monitoring and evaluation

JOINED-UP PERFORMANCE MANAGEMENT. An effective performance management process provides a feedback loop, linking policy, strategy or objectives to measures, and linking measures to actions which ensure that the intended results are produced and the key objectives are delivered, thus giving individuals context and organisations actionable, transmittable and measurable intent. To make good decisions and take actions, people need to know what is happening with respect to their objectives. Our focus here is on how to select an electronic monitoring and evaluation

*Performance management is the means
by which an organisation monitors
and manages itself*

system or PMS to support a leap-frog improvement in performance: how to select an integrated system to support a “digital leapfrog”.

An effective PMS can provide the nervous system for service delivery across government. An ineffective PMS can enforce the stovepipes that restrict the ability of civil servants to deliver their mandate.

NATIONAL SERVICE DELIVERY SYSTEM. Every government department, at every level, is a potential stovepipe. A national service delivery system provides cross-cutting performance management across departments and up and down the tiers of government: national, provincial and local. It facilitates communication and alignment between all spheres and all departments of government in an integrated manner.

In the South African context, a national service delivery system would support the cross-cutting roles of the Department of Provincial and Local Government (DPLG) and Department of Public Service Administration (DPSA) and M&E of the Inter-governmental Planning Framework, helping to monitor and align the spheres of government from national service delivery plan (NSDP), provincial growth and development strategies (PGDSs) and integrated development plans of municipalities (IDPs). The benefits of service delivery apply, but the opportunity is greater, since many of the benefits of the M&E and PMS (for example, auditable good governance)

are not always present, and are certainly of value. This approach provides a way for South Africa to implement the King II Report on corporate governance, one of the world’s leading governance documents and South Africa’s own creation.

THE DIGITAL LEAP-FROG. A national service delivery system, based on the right PMS (*see guidelines and selection criteria referenced below*) can provide the “drive shaft” for service delivery across a network of government organisations. In some ways, it is easier to implement for the relatively “green-field” site of a transitional economy. It can underpin the “digital leap-frog” by allowing government organisations to rapidly implement auditable good governance, build capacity and join-up service delivery across previously stove-piped boundaries.

KEY BENEFITS TO TRANSITIONAL ECONOMIES. By addressing the related issues of auditable good governance, capacity-building, transformation and service delivery, a national service delivery system removes barriers to success. A secure, accountable, transparent, national service delivery system can provide the evidence needed by donors, NGOs and private sector organisations to invest in a transitional economy. Government or donor funds invested into consulting, for example, for improving primary education, create a re-useable knowledge base. When the system is used to support implementation, monitoring and evaluation, a programme which has worked in one province can be re-used in other provinces. Even if the original consultants, project managers and implementers have moved on, their expertise will be preserved (embedded) in a usable form. Financially, as well as saving money through improved efficiency, a national service delivery system can help rating agencies improved credit ratings for a nation, state-owned enterprise or corporation. ■

Notes

For sample selection criteria for a PMS or sample PMS Statement of Requirement, visit: www.BestGov.com.

For a longer version of this paper and related materials on SA and UK service delivery, contact: info@ShowBusiness.com.

For case studies of Transnet and Philips and details about Action-Driven Balanced Scorecard™, visit: www.showbusiness.com.

For details of UK public sector knowledge management programmes driven by JBMC, visit: www.jbmcld.co.uk.