Connecting the dots

Implementing an integrated management environment

Part 1: Reconciling the PAA/MRRS, MAF and other management frameworks and approaches

by John Harrison

Most federal government organizations are experiencing at least some difficulty in reconciling the various methodologies and frameworks that have been introduced by central agencies and the consulting community over the past five to six years. At least one department has produced a "connect-the-dots" document as an attempt to link together what appear at times to be a series of disconnected management initiatives, methodologies and frameworks.

Without adding to the confusion, this "connect-the-dots" article will attempt to draw some of the linkages, by explaining how the Program Activity Architecture (PAA) and the Management Accountability Framework (MAF) compliment each other and how the innovation component of the MAF can be "operationalized". This will be done by drawing distinctions between the various activities carried out within organizations, the components of an Integrated Management Environment, and the two types of agendas that organizations must manage simultaneously, their sustaining and change agendas.

Activity classification

An understanding of the activities conducted within organizations is fundamental to a discussion of the relationship between the various accountability frameworks.

There are four types of activities (*Figure 1*) that are carried out on an ongoing basis as part of the day to day or "business as usual" activities of public sector organizations.

The first type is the core program activities delivered to the clients of government programs. These are enabled by management, support and corporate services activities.

Examples of management activities are those associated with processes such as strategic and business planning, risk management and performance measurement. Support activities include those tied to areas such as human resources, finance and information technology that enable core program delivery and management activities. Both management and support activities are conducted by individuals who work within the programs themselves.

Corporate services activities are carried out by central entities such as legal services, internal audit, program evaluation, and security that are delivered to all of the program areas within a department or agency.

These four "business as usual" activities represent the "sustaining" or ongoing agenda of a department or agency

There is another often overlooked set of activities, an organization's innovation or change management activities that are designed to transform the business, derived from a set of strategic initiatives that represent its "change agenda". Such initiatives have a specific timeline associated with their implementation and once fully implemented, they become part of an organization's sustaining agenda to be replaced by a new series of projects directed at changing the business. Examples of innovation initiatives are the implementation of performance measurement or risk management; they can be program related as well.

Figure 1: Activity Classifications – Sustaining Agenda

The PAA and the MAF

The PAA was conceived by the Treasury Board of Canada, Secretariat (TBS) as the replacement policy for the former Planning Reporting and Accountability Structure (PRAS) used by federal departments and agencies. The MAF was introduced by the TBS to provide deputy heads and all public sector managers with a list of ten essential elements of sound management.

The PAA is a program inventory that connects all departmental or agency programs and program activities, and defines how these program activities link to clearly defined and appropriate strategic outcomes. The PAA structures developed by federal organizations represent the logic of their sustaining agendas. The PAA answers the question, "what's our business?"

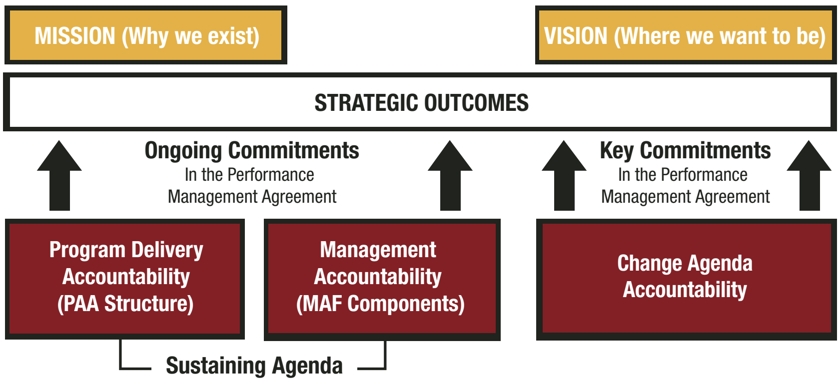
The management activities not explicitly represented in the set of programs and program activities making up a department or agency's PAA structure have expectations and accountabilities associated with them. These are represented by the MAF components, such as governance and strategic direction, policy and program development, risk management, stewardship, people management, and client focused service.

Just as management activities are not separated from program activities within the current PAA structure, neither are the innovation or change management activities that make up a department or agency's change agenda. We will now describe the importance of linking the two agendas and their activities from an accountability perspective.

Managing the sustaining and change agendas

Operationalizing the PAA structure enables departments and agencies to inventory their key sustaining agenda program activities and projects and assign resources to them for planning purposes, and to track costs against these activities and projects for reporting purposes. These organizations will also identify, plan and

Figure 2: Managing the Sustaining and Change Agendas



report on non-financial performance indicators associated with their sustaining agendas using the PAA structure.

By tracking progress within the sustaining agenda, organizations can begin to identify where performance improvements are required; they can choose the performance drivers and their key "intervention initiatives" required to "change the business" – in other words, articulate their change agenda. The success of an organization's change agenda will be determined by an analysis of the impact these initiatives have had on performance as measured by the key sustaining agenda indicators the organization is seeking to influence.

One should be able to establish a clear link between a change agenda initiative and a performance metric in the sustaining agenda that one is trying to influence. For example, in the Canada Border Services Agency (CBSA), a new strategic initiative might be put in place at the border to impact two performance indicators within the agency's sustaining agenda: 1) wait times and 2) volume and dollar value of seized goods. Let us assume that the initiative has a risk management component and is designed to focus activities on high-risk travellers (commercial and tourist). The initiative allows individuals and commercial groups to go through a validation process so they can move through the border more quickly than other travellers. Border officers can then concentrate more of their attention on higher risk commercial and individual travellers, reducing wait times at the border and increasing the volume and dollar value of seized goods.

The initiative described above would inevitably be linked to others in a chain of cause and effect comprising the change agenda for the entire agency. Possible complementary initiatives include training border officers in risk management, providing them with improved technology at the border for conducting background checks on identified individuals and commercial entities and/or for examining selected containers or packages.

The components of an integrated management environment

The PAA and the MAF are two key elements of what I call an integrated management environment (IME). The IME has four components: 1) strategic foundations; 2) management models and maps; 2) management frameworks; and 3) accountability accords.

Strategic foundations are the "glue" of an organization; examples are its mission, vision, values, and governance and decision-making structures. Management models and maps provide the "wiring diagrams" of an organization's sustaining and change agendas. Examples are the PAA, program logic models and strategy maps. Management frameworks provide the structure, rules and guidelines for the organization's management processes. Examples are planning and reporting, performance measurement, risk and control frameworks and the MAF. Accountability accords are the formal mechanisms for exercising accountability. (Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed expectations.) Examples are annual strategic and business plans and performance management agreements (PMAs).

From an accountability perspective, this means that the ongoing and key commitments and associated performance indicators in a manager's annual accountability accords (business plan and PMA) are associated with the sustaining and change agendas respectively (*Figure 2*). There will be ongoing commitments made from both a program and management delivery perspective (with indicators as contained in the PAA and MAF) and key commitments associated with the change agenda.

Summary

The relationship between the PAA and the MAF need not be confusing. The PAA represents an organization's program delivery, management, supporting and corporate services activities, which are the four categories needed to deliver an organization's "business as usual" or ongoing activities (sustaining agenda). The accountability framework for its management activities is principally represented by the MAF. The MAF also should provide a mechanism for reporting against a fifth set of activities, innovation and change management activities designed to improve or transform the business (change agenda).

Managing the sustaining and change agendas separately enhances an organization's strategy focus by emphasizing the linkages between initiatives in the change agenda and the performance indicators those initiatives are designed to impact within the sustaining agenda.

Furthermore, from an accountability perspective, change agenda activities represent the key commitments in a manager's accountability accord (business plan or PMA) while the sustaining agenda activities comprise its ongoing commitments.

In addition to being the co-publisher of Canadian Government Executive, John Harrison is the Managing Partner of BMB Consulting Services.

This is the first in a series of articles on integrated management.