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Educating the Organization

As I have mentioned in previous articles, one cannot underestimate the importance of educating program executives, managers and staff as part of the change management portion of implementing an integrated management environment (IME), the environment a public sector organization needs to manage for results. It is inexplicable to me how any deputy head could hope to inculcate a results-based management (RBM) culture unless everyone is on the same page with regard to language and thinking. If public sector executives really believe in RBM, they owe it to their employees to give everyone in the organization an appropriate level of exposure to RBM concepts.

The education piece is so important because all of us have grown up with our own understanding of what outcomes, goals, objectives and other RBM terms mean. To make an IME successful, and to ensure, among other things, that every executive and manager is planning, monitoring and reporting on results using a consistent language, an organization has to agree on a glossary of terms and communicate it continually to all employees.

So let's clarify key elements of language and IME thinking, with an emphasis on those areas where there is, in my experience, the most significant degree of confusion and misunderstanding.

Understanding outcomes

A focus on outcomes is an important part of RBM. Therefore, it is very important to have the right definition for an "outcome" and to understand the principles of good outcome statements.

A common misconception is that public sector organizations achieve outcomes. Government organizations don't achieve outcomes; they contribute towards outcomes. An outcome is an "expected or desired state" to which an organization, program or project contributes. Examples of outcome statements are: "safe and secure communities", a Government of Canada outcome, and "safe and accessible waterways", a Fisheries and Oceans Canada Strategic Outcome. Outcome statements are enduring or "tombstone", they never change; Parliamentarians and Canadians will also want "safe and secure communities" and "safe and accessible waterways". What will change, as we shall see later, and what can be achieved, or not, are the targets for indicators associated with outcomes

A department and agency does not achieve strategic outcomes in its Management, Resources, and Results Structure (MRRS) or expected results/outcomes in its Program Activity Architecture (PAA) – it contributes towards these outcomes.

Linked to this misconception is another common misunderstanding, that outcomes should be categorized as short-term, medium-term and long-term. A department does not achieve a short-term outcome, then set it aside to tackle a medium-term outcome, which it also sets aside once completed to then concentrate on the ultimate outcome, and then shut down the program or organization, once the ultimate outcome has been achieved. Instead, these organizations are continuously contributing towards the same outcomes, unless there is some change to the mandate of the organization. (If it's constricted, the organization would "get out its scissors and lop off" some outcome statements or, if it's enlarged, "get out the scotch tape or glue and paste" some more outcomes onto its program logic.) What could change are the targets set for performance indicators for these outcomes.

To demonstrate this point, please refer to Figure 1. The longitudinal axis in Figure 1 represents actual and/or desired performance, while the horizontal axis represents resources. For each performance indicator in relation to outcomes, or any other portion of the results logic, it is important for executives, program managers and staff to understand what an optimum level of performance represents and what an acceptable or appropriate level of performance looks like. (It's important to recognize

Figure 1
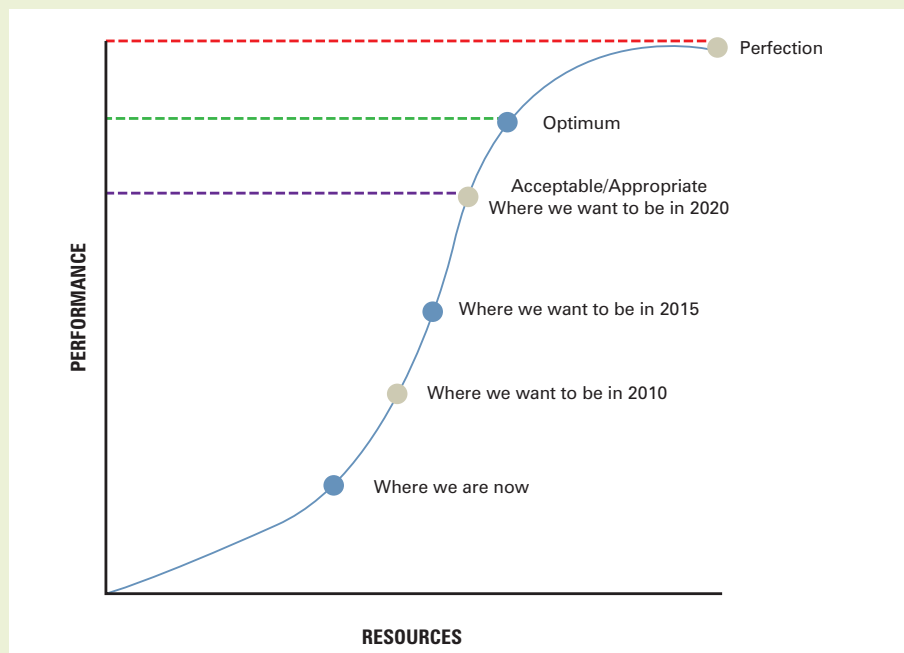
that programs will rarely have the resources to achieve perfection.)

I am a big baseball fan and I refer to the zone between acceptable/appropriate and optimum as "the sweet spot", the term used in baseball to describe where batters like to make contact with a pitch. Once organizations have a good understanding of what the "sweet spot" should be, they are then able to determine the desired performance levels in the short, medium and long term. If they are already in the "sweet spot," they may wish simply to sustain existing performance – in which case the target might be the same as previous years. If they are outside the "sweet spot," they might wish to set targets over particular time horizons to get up to an acceptable/appropriate level, if performance is deficient.

Outcome statements should adhere to the following principles. First, they must be thought of as noun-based desired states, rather than statements that begin with a verb. Thus, "safe and accessible waterways" is a better outcome statement than "improve the safety and accessibility of waterways" which is more of an objective. Directional outcome statements such as "improved waterway safety and accessibility" or "improved access to waterways" are not

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helpful for planning purposes or to tell a performance story. Instead, directions are achieved through short-, medium- and long-term targets in relation to indicators for a good noun-based and non-directional outcome statement.

What's a priority?

Another common source of misunderstanding is the term "priority"? My colleague John Batchelor, who worked for many years at the Treasury Board of Canada, Secretariat, refers to priorities as those items that require "special" attention over a particular planning period or time horizon. External sources of priorities could be triggered by higher-

level political direction, natural calamities, Speeches from the Throne or Deputy Minister letters. Internal sources arise from key risks or performance gaps, and are frequently highlighted in accountability documents such as Reports on Plans and Priorities (RPPs), and will trigger key commitments on other accountability documents such as business plans and executive performance management agreements.

At the highest political level, Stephen Harper, the Canadian Prime Minister, articulated five priorities during the 2005 election, for which he was prepared to devote special attention and resources. Although the Prime Minister made it very clear that these priorities were "special", he was not saying that he did not value the rest of what the federal government does. On the contrary, the "bread and butter" or "business as usual" work that the government does, what I referred to in the Connecting the Dots (CTD) 2 article as the Sustaining Agenda, is the "important" work of government, that, after all, consumes 80% to 90% of the resources.

Thus, priorities are "special", while the "meat and potatoes" or "bread and butter" work is the "important" work of government.

The glossary of terms

Here's a quick tip on building the organization's glossary. Try to keep the number of terms in the glossary to a minimum, recognizing that busy program managers and their staffs quite rightly have a low tolerance for different ways of saying the same thing. The terms input, activity, output, outcome, expected result (an MRRS-specific term in the federal government), performance indicator and target are necessary, but terms like goal or deliverable have highly questionable utility in a performance story, because their meaning can usually by captured by one of the terms already listed.

Summary

The first step in "operationalizing" the MRRS and the MAF within an IME is education, supported by ongoing coaching and mentoring. A common language and understanding builds buy-in, an important foundational element and performance driver for the remaining five steps of implementation.

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Connecting the Dots

is a series on implementing an integrated management environment. This is part six. All articles are available at **www.netgov.ca** in the performance management portal.

■ **CTD 1** on integrated management pointed out that the federal government's Program Activity Architecture (PAA), the core component of the Management, Resources and Results Structure (MRRS), represents the accountability framework for program delivery, while the Management Accountability Framework (MAF) is the accountability framework for management delivery.

■ **CTD 2** emphasized the importance of maintaining a reasonable balance between sustaining ("business as usual") and change ("transforming the business") agenda activities and proposed an approach to ranking priorities.

■ **CTD 3** described how the ten essential elements of the MAF, when effectively integrated, are key performance drivers for exceptional program delivery in federal government departments and agencies. "Leading" and "lagging" indicators are both needed.

■ **CTD 4** presented the design principles for "operationalizing" the MRRS and the MAF within an integrated management environment at four levels: organization, program, project and individual.

■ **Accountability for Shared Outcomes** highlighted the five principles of accountability and the differences between accountability, answerability and responsibility.

■ **CTD 5** reviewed the six steps involved in implementing an integrated management environment (IME), the first step being education on common language and thinking, followed by continuous capacity building.