

## **Results-based Management at the Water Cooler**

*Perspectives from the working level on RBM*



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# **Results-based Management at the Water Cooler**

## ***Perspectives from the working level on RBM***

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### **Executive Summary**

Based on opinion data gathered from approximately 100 public servants at a series of results-based management (RBM) workshops, this paper provides a window into perceptions of working-level officials about the implementation of RBM in Canada's public service. It is important to understand these perceptions, because meaningful implementation of RBM will be made or broken at the working level.

The data represent the perspectives of a diverse group of public servants actively engaged in RBM. Analysis of the data suggests that public-sector staff have six types of concerns about RBM implementation, two of which are predominant. Listed in order of significance, the concerns are:

- ***high-level leadership for RBM (37% of all comments)***
- ***technical capacity to implement RBM (36%)***
- ***horizontal initiatives (14%)***
- ***data requirements (5%)***
- ***operational vs. policy/planning perspectives on RBM (5%)***
- ***measuring the performance of policy (3%)***

While its limitations must be recognized, this study points to two observations which, if found to be valid through more rigorous research, should merit the attention of senior public service executives:

- ***Public servants at the working level are looking to managers and executives for firmer leadership and guidance on results-based management.***
- ***Significant effort must be made to build the technical capacity of public servants to implement results-based management.***

# Results-based Management at the Water Cooler

## *Perspectives from the working level on RBM*

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### A. Background

Rarely in Canadian public administration has such a good idea been so maddeningly difficult to implement. RBM – “results-based management” – is at the heart of our ideas about political governance in Canada. It expresses the basic bargain that binds our government to its citizens. Citizens expect social and economic “results” from their tax dollars; the government has a responsibility to contribute to producing results, and to demonstrate that it is doing so. No reasonable person could dispute the fundamental RBM proposition (see Box 1).

Even so, attempts over the past four decades to inculcate the principles and practice of RBM into the day-to-day operation of the Canadian public service have fallen short of expectations. Others have offered their views on why this is so.<sup>1</sup>

***“Public servants still have not completely accepted management based on measuring results.”***

*Denis Desautels, Auditor General of Canada, 1991-2001*

Rather than adding to that larger debate, this paper seeks in a small way to illuminate a piece of the puzzle that has not been well studied. Based on data gathered at a series of RBM workshops, it provides a window into perceptions of working-level officials about RBM in Canada’s public service. It is important to understand these perceptions, because meaningful implementation of RBM will be made or broken at the working level.

While Central Agencies may ordain that the public service must be focused on results, and mandate that management practices be implemented to deliver on that commitment, it is many hundreds of individual project managers and program analysts scattered across the public service who will design and assemble the core elements of an RBM system. It is up to them to define program outcomes, develop logic models and select performance indicators. Their views on how RBM is being implemented may provide clues about what has to be done differently if current and future efforts to make Canada’s public service “results-based” are to show more success than their predecessors.

### B. The Data

Over a two year period beginning in 2000, I offered to public servants a series of one-day workshops on RBM and performance-measurement in the public sector. The workshops were aimed at staff-level public servants. Five workshops were held during the period, with an average attendance of approximately 20 people per workshop. Attendees came from a wide

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<sup>1</sup> For example, see *Reflections on a Decade of Serving Parliament. Report of the Auditor General of Canada to the House of Commons*. Ottawa: Office of the Auditor General, 2001; *Breaking the Bargain. Public Servants, Ministers and Parliament*, by Donald J. Savoie, Toronto: University of Toronto Press, 2003.

range of government departments and agencies, and represented a mix of operational and policy/evaluation staff. The atmosphere at the workshops was relaxed and conducive to a frank exchange of views.

In every workshop I provided participants with three slips of paper and asked them to use each one to record a single issue related to RBM that they found particularly troublesome or important. Most participants filled out at least one slip of paper. I collected 148 slips of paper from these workshops. I threw out 11 that I judged to be ambiguous or inappropriate. This paper therefore reports on the issues raised in 137

### **Box 1: Results-based Management**

Results-based management (RBM), operating under a variety of names, has been a center-piece of management reform in the Canadian public service since the 1960s.<sup>1</sup> The central idea of RBM is that public servants must focus on the *results* that public programs produce for Canadians. They must review and measure program performance from the perspective of the citizens who are to be served by them. Key questions for an RBM-minded public servant are “are the programs that we manage making a positive difference to the lives of Canadians? are we able to demonstrate that we have contributed to producing results that have meaning for Canadians?” Such a public servant looks beyond the narrow (though valid) perspective of the administrator who asks only: “did we spend the money allocated to us in accordance with rules and procedures? did we operate within budget? did we produce the promised outputs?”

comment slips collected at the workshops from approximately 100 participants. The data represent the perspectives of a diverse group of public servants actively engaged in RBM. Although the sample has no formal statistical validity, I believe that the findings have indicative value, and point to areas that might warrant further consideration.<sup>2</sup>

Analysis of the data suggests that public-sector staff have six types of concerns about RBM implementation, two of which are predominant. Listed in order of significance, the concerns are:

- *high-level leadership for RBM (37% of all comments)*
- *technical capacity to implement RBM (36%)*
- *horizontal initiatives (14%)*
- *data requirements (5%)*
- *operational vs. policy/planning perspectives on RBM (5%)*
- *measuring the performance of policy (3%)*

## **C. High-level Leadership**

Participants questioned the depth of commitment of public-service managers and executives to the principles of RBM. They also questioned the degree to which the executive group was willing or able to give clear guidance about operationalizing RBM.

<sup>2</sup> It is also worth noting that the written comments collected at the workshops echoed issues that have been raised with me repeatedly over the course of seven years of advising Canadian government departments on issues related to RBM and performance measurement.

**(i) Are Our Leaders Committed to RBM?**

Participants understood that RBM, if taken seriously, involves a fundamental change in the way that business is done. It requires “culture change”, as one participant wrote. The basic premise of RBM is that program managers must focus on the longer-term social or economic effects – the “ultimate outcomes”<sup>3</sup> – to which programs are supposed to contribute, rather than the immediate “outputs” of programs (see Box 1). Participants expressed doubt that managers – and the executives above them – would be comfortable with reporting focused on ultimate outcomes

***“Lack of visible management commitment/leadership”***

that might take several years or more to materialize, as opposed to outputs whose production could be easily demonstrated on an annual basis. Some also felt that executives’ desire to respond to short-term imperatives might distract them from the long-term view implied by RBM. As well, the view was expressed that managers sometimes concentrated more on producing RBM reports than on the underlying philosophy. Comments<sup>4</sup> included:

- *Managers keep reverting to reporting outputs, not outcomes.*
- *How do you get some managers to think in terms of ultimate outcomes?*
- *The business plans we produce seem to become the “end” rather than the “means”. How can we ensure that they become living documents that drive the Department’s decisions?*
- *How do you advance performance measurement, results-focus, etc. despite resistant senior management?*
- *Lack of visible management commitment/leadership.*
- *How do you get managers to buy in to the whole idea of results-based management?*
- *The push is always on for a new story on performance. It’s hard to develop something new each year when measurable changes take many years.*
- *End of fiscal year spending pressure will always over-ride the need to design programs/strategies/plans that are based on desired outcomes.*
- *All depends on the manager in our area. It is good now, as he has vision. But that could all change with the departure of this person*

Some participants also felt that managers were unwilling to “bite the bullet” when programs were not doing a good job of producing results. The logical implication of RBM is that if programs are not contributing significantly to ultimate outcomes, they should be modified or terminated. When managers appear slow to respond in this way, staff question their commitment to RBM. Comments to this effect included:

- *The department still has people working in program areas that supposedly were eliminated under Program Review. How can that be, under RBM?*

<sup>3</sup> A range of terms are used to describe this idea. Others include “key results”, “ultimate objectives,” and “high-level outcomes”.

<sup>4</sup> Comments are reported verbatim to the maximum extent possible. I have done minor editing, where necessary, for the sake of clarity or brevity.

- *In talking about RBM or performance measurement, there doesn't seem to be any emphasis on what you do when the performance isn't there. This opens a can of worms.*
- *If you can't develop outcomes, the project should not proceed.*
- *Accountability is not properly aligned with performance indicators.*

***“If you can't develop outcomes, the project should not proceed.”***

**(ii) Do Our Leaders Really Understand What it Takes to Deliver on RBM?**

Participants were firm in their belief that doing a good job of implementing RBM – particularly at an early stage when investments must be made in capacity-building, awareness-raising and management systems – requires a significant allocation of time and resources. For program staff, time devoted to RBM implementation implies time taken away from program delivery. Many participants expressed concern that their leadership was not prepared to address this trade-off. There was also the related concern that senior managers were expecting a level of detail in results-reporting that could not be accomplished within current resource constraints. Comments included:

- *How do we convince managers of the value of devoting scarce time and resources to results?*
- *Critical to performance measurement is developing a suite of indicators that is cost-effective and not overly burdensome.*
- *Resource impact of accountability frameworks vs. program delivery.*
- *Performance measurement is one of many Treasury Board requirements that take away from our small agency's ability to function operationally.*
- *The time commitment to develop and implement systems to review and report on results must be sustained over the long term.*
- *The cost of measurement vs. the resources invested in the program being measured – are there any standards?*
- *The premise is that we are citizen-centered. But reporting to central agencies (feeding the beast) is labor-intensive and unwieldy.*
- *Senior management doesn't appreciate the need to foster quality research and evaluation capacity.*
- *Measuring results of activities and outputs can sometimes be very expensive, time-consuming. This is sometimes beyond the scope of the program's resources and/or timeframes.*
- *One of my biggest problems is the time required to set, follow up, assess and reset (for next year) the performance measures/results achieved.*
- *Time to develop the logic model and indicators while trying to deliver the program.*

**(iii) Our Leaders Aren't Giving Us Clear Guidance.** Participants expressed concerns about inadequate guidance from senior executives about their vision for integrating RBM into public-sector operations. Because participants recognized that meaningful implementation of RBM implies changing the culture of the public service, and that culture change requires sustained high-level leadership, they felt that management needed to do a better job of clearly and consistently communicating messages to staff about their commitment to RBM and to the “way

of doing business” that it implies. On the one hand, staff have been told to focus on results. On the other hand, they claim to be receiving no clear signals about how, as a practical matter, the transition is to be made from an output to an outcome-based culture. They also were looking for

***“In my Department, there is no direction or explanation of how to do RBM”***

signs that performance measurement would be used less as a basis for laying blame, and more as a basis for constructive criticism and continuous improvement. Similarly, some participants observed that while RBM requires consensus around ultimate objectives at the Departmental and program levels, their managers did not do well at communicating objectives. Comments included:

- *In my Department, there is no direction or explanation of how to do RBM. Given the emphasis being put on this, why isn't there better coordination from the highest levels on down?*
- *It is very difficult to identify what it is that should be measured – we need vision and objectives.*
- *Objectives not clearly communicated downwards.*
- *People need to get over the fear of performance measurement.*
- *Fear of results – of results that seem to be negative.*
- *RBM needs to be incorporated into culture change and the way that decisions are made.*
- *How do you get buy-in across the public service for RBM?*

#### **D. Technical Capacity**

As one participant put it, “we are not experts in this area.” Participants asked questions about basic techniques for designing and implementing performance measurement frameworks built on RBM principles. The implication was that working-level staff believed they needed support to strengthen their technical capacity to implement RBM.

Participants voiced uncertainty about use of terminology (“outputs” vs. “outcomes”, “efficiency” vs. “effectiveness”, etc.), identification of outcomes, development of links between activities and outcomes, dealing with “soft” outcomes (such as behavioral change), using a performance measurement framework in the context of shifting program priorities, balancing long-term outcomes with short-term reporting requirements, and measuring performance against high-level outcomes that are beyond the control of the program. Comments included:

- *How do you combine indicators in a meaningful way to report on an overall goal?*
- *The performance measurement framework I'm working on is too complex to be implemented.*

***“If I need help, where do I go?”***

- *How many indicators is too many?*

- *Measurement of ultimate outcomes is often over a time-frame too long to help with decisions to renew programs. How do you handle near-term decisions?*
- *A real issue for us has been identifying meaningful measures. We provide service to internal clients, which contributes to the overall outputs/outcomes of the Department.*
- *I have difficulty distinguishing outputs from outcomes.*
- *Outcomes are not concrete enough to measure.*
- *There is a lot of material/theory on how to develop the performance indicators, but not as many practical examples.*
- *How do efficiency and effectiveness differ?*
- *How can risk management be incorporated into an RMAF<sup>5</sup>?*
- *Is there a difference between outcomes, results and objectives?*
- *How do we measure the behavior changes of Canadians?*
- *We often find the priorities changing. What was a valid measurement at one time is no longer valid.*
- *Outcomes are not concrete enough to measure.*
- *We need to be clear on outcomes you can reasonably be held accountable for.*
- *For a “first-timer”, what are the key steps? And if I need help, where do I go?”*

## **E. Horizontal Initiatives**

Achieving many of the social and economic outcomes identified by the government requires “horizontal” program initiatives that involve “the contribution of two or more departments (including agencies and crown corporations), jurisdictions or non-governmental organisations.”<sup>6</sup> Participants pointed to the challenges that emerge when one moves from vertical programs (involving only one Department or Agency) to horizontal ones.

Each actor in a horizontal initiative may feel under pressure to demonstrate “ownership” of results, even though they are jointly produced. A manager within the public sector may therefore be less interested in measuring and reporting on results achieved in a partnership, if the results cannot clearly be attributed to activities undertaken by that manager’s own program. Agreeing

***“Will all Departments have a shared perspective on the bottom line?”***

on a common performance-measurement framework may be difficult when there is not consensus among the partners on the relative importance of various outcomes. When the partnership includes non-government actors (e.g. NGOs), problems related to divergent expectations about results, measurement and data-gathering<sup>7</sup> may be especially acute.

Participants’ comments included:

<sup>5</sup> “Results-based Management and Accountability Framework”

<sup>6</sup> See the Treasury Board Secretariat’s “Companion Guide - The Development of Results-based Management and Accountability Frameworks for Horizontal Initiatives” at [http://www.tbs-sct.gc.ca/eval/tools\\_outils/comp-acc\\_e.asp](http://www.tbs-sct.gc.ca/eval/tools_outils/comp-acc_e.asp)

<sup>7</sup> When relatively small NGOs or other civic organizations are the delivery arm of a horizontal initiative, a common problem concerns the technical and/or financial capacity of the small organization to gather the performance data required by the other partners.

- *Difficulty in getting buy-in from all stakeholders, including outside of government.*
- *It is difficult to measure outcomes when social programs are delivered by NGOs. How do you bring them on board?*
- *Horizontal activities and the impact thereof will never be valued sufficiently to result in a change in behavior within Departments and government.*
- *Horizontal activities – will all Departments have a shared perspective on the bottom line?*
- *My program funds outside groups that implement initiatives. Am I measuring the outcomes achieved by the groups, or our own links with the groups?*
- *Partners are not always eager to provide assistance in gathering data for reports.*
- *Clients have inconsistent reporting requirements due to multiple funders.*

## **F. Data Requirements**

RBM requires timely, relevant, complete and accurate information about program performance at all levels – from inputs and activities through to outcomes. Participants raised concerns about the availability of data needed to support RBM. There was a perception that existing management information systems are not tailored to the needs of RBM. Comments included:

- *When you've set key indicators to report on, it is very difficult to extract the data if no mechanism is in place.*
- *The challenge of not knowing your starting point – baseline data – to compare/measure progress.*
- *Falling back on activity indicators when data on results cannot be obtained.*
- *We can't get information systems to talk to each other. How can we get to the point of meaningful government-wide results reporting?*
- *Data that's collected is of no use for senior management.*

## **G. Operational vs. Policy/Planning Perspectives**

Development of a results-based performance measurement framework for a public program requires (i) detailed knowledge of program activities and outputs, (ii) a strategic understanding of how the activities and outcomes contribute to achievement of ultimate social or economic outcomes identified by the government and (iii) capacity to take the essential elements of a program and describe them within the corporate planning and reporting template that is usually prescribed for such purposes. Given the need for this combination of detailed program knowledge, broader strategic perspective, and the ability to tell the program's "story" within a standard template, the development of a performance measurement framework is normally a collaborative effort between operational program staff and strategy/policy/planning staff.

Participants pointed to the tension that may sometimes arise between the perspectives of program staff on the one hand, and strategy/policy/planning staff on the other, with regard to RBM. Comments included:

- *Quite often RMAFs seem so bureaucratic and removed from day-to-day operational/service-oriented work that it is difficult to get program managers to see the link between their work and key-results/goals.*
- *Need the magic answer to: How to make planning and reporting palatable to program managers?*
- *Who develops the indicators that my program is assessed on?*

### ***How to make planning and reporting palatable to program managers?***

- *A lot of policy people responsible for performance measurement seem to be process rather than results oriented.*
- *Lack of input to performance measurement from operational levels of the Department.*
- *Policy and program development people always want to address multiple objectives. How to get them to simplify and focus?*

## **H. Measuring the Performance of Policy**

Public servants who work in policy areas often express the view that RBM is much more difficult to apply to their work than to the work of their program colleagues. It is typically argued (though the argument can easily be disputed) that the usual precepts of RBM don't apply to policy work because it produces intangible outputs, involves a high degree of subjectivity, and because the question of linking policy outputs to results is fraught with complexity.<sup>8</sup> A small number of workshop participants raised this issue. Comments included:

- *How can RMAFs be applied in a policy (rather than program) context?*
- *There is a concern that policy development and strategic planning activities will not be valued and therefore the impacts of these activities will not be measured.*

## **I. Conclusion**

While its limitations must be recognized, this study points to two observations which, if found to be valid through more rigorous research, should merit the attention of senior public service executives:

***Public servants at the working level are looking to managers and executives for firmer leadership and guidance on results-based management.*** They are aware that a meaningful transition to RBM involves a major cultural shift – in particular, a shift to a long-term perspective on the performance of public programs. Given their perception of the day-to-day reality of the public service, with its focus on short-term “deliverables”, staff remain to be convinced that the executive group has truly “bought in” to RBM. As well, they feel that managers and executives do not fully appreciate the amount of time and resources that must be allocated to RBM in order to do it well.

<sup>8</sup> For a detailed discussion of this question, see “What Will Be, Will Be. The Challenge of Applying Results-based Thinking to Policy,” by Mark Schacter. Ottawa: Institute On Governance, 2002

***Significant effort must be made to build the technical capacity of public servants to implement results-based management.*** Many staff feel that they have an inadequate grasp of the basic concepts and techniques that must be mastered in order to design and implement RBM. A significant sub-issue relates to building capacity to do RBM in the context of horizontal program initiatives, which raise special challenges related to establishing outcomes, measuring performance and reporting on results.

### **About the Author**

Mark Schacter is an acknowledged leader in Canada in the application of results-based management and performance measurement concepts and techniques to public programs. He founded his own consulting practice in 2004 after having served as Director of Governance and Corporate Social Responsibility at the Conference Board of Canada; Director at the Institute On Governance, and an Institutional Development Specialist at the World Bank.

Mark has worked with a wide range of federal and provincial agencies in building capacity to design and implement results-based performance measurement frameworks. He has also published widely on performance measurement and results-based management. Publications include:

- *What Will Be, Will Be. The Challenge of Applying Results-based Thinking to Policy*
- *Not a Tool Kit. Practitioner's Guide to Measuring the Performance of Public Programs*
- *When Accountability Fails. A Framework for Diagnosis and Action*
- *Means ... Ends ... Indicators: Performance Measurement in the Public Sector*

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