

Looking Forward

A Results-Oriented Model

BY NILS BOESEN

HELPING TO MAKE PUBLIC SECTOR ORGANIZATIONS work better is one of the most persistent and difficult challenges in development cooperation. Support from development partners has often focused on inputs to support capacity development (CD): technical assistance, training, equipment, and ad-hoc benefits to key staff. The record of delivering these inputs is at best mixed.

There are, however, promising ways forward for support to CD in organizations. The approach to CD outlined below has four key pillars:

- adopting an open systems view on organizations;
- applying a results-orientation;
- giving full consideration to the context;
- exploiting both the functional-rational and the political economy aspects of organizations and change.

The approach builds on findings from mainstream organi-



zational and political science, and was initially developed for Danida.

The *open-systems approach* to organizations is valuable for analyzing capacity. Any organization (or unit within an organization, or network of organizations) is viewed as a system with interdependent elements embedded in a context. The context provides incentives to the organization(s). Some incentives foster productivity and growth, others foster passivity, decline or even closure.

Beat around the bush

IN PRINCIPLE, the open systems model indicates the key factors inside and outside the permeable boundaries of organisations which must be analyzed to assess CD prospects. All factors have to be considered—but don't start by looking directly at the capacity of the organization(s). Forget—initially—the organizational chart, the number of staff, cars, computers, and the development plans.

Instead, start by considering the organization(s) as a "black box": investigate what it actually produced and produces (products and/or services), and the context in which this happens. Only then, at last, open the front door, go into the box and look at the production process and the inputs.

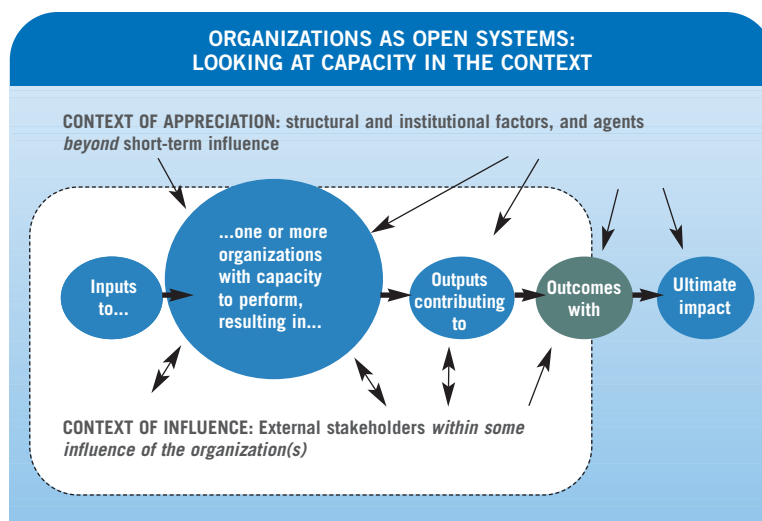
This may sound counterintuitive, and since partners from the organizations seeking CD should be the prime actors, development partners and consultants will quickly find themselves inside the walls of an organization, looking at internal needs which rapidly translate into support for equipment, salary supplements, training, and technical assistance. This internal focus is also relevant, but all too often it leads to negligence of the context, and of the actual performance of the organization as measured by its products and services. Therefore, start with the latter.

Focus on outputs

OUTPUTS—PRODUCTS AND SERVICES—are the immediate effect of organizational performance. The accounts department, for example, produces monthly account statements. Outputs contribute to outcomes and ultimate impact, which is the focus of development assistance as such. For capacity issues, it is important to come "closer to home", where the attribution chain from capacity to outputs is more direct.

It is particularly important to assess the *existing outputs*, and recent trends in quality and quantity. Outputs are *good proxies* for capacity. The output level will reflect the initial capacity, which most likely increases incrementally. This is important for setting realistic targets for CD.

Outputs are *tangible* results of performance. It thus fosters, from the very outset, a results-orientation, which can help to avoid that CD support ends up focusing on inputs. CD support should not be defined as a TA-team, or as training—but as the *specific* changes in outputs which the CD support will enable. Instead of specifying number of trainees being trained, or



staff being coached, CD support logical frameworks should specify the measurable effect of these efforts on organizational performance.

Watch the context

SEEING AN APPARENTLY DYSFUNCTIONAL public organization where productivity and morale are low can lead observers to point an accusing finger to poor salaries, poor procedures, lack of plans, and poor leadership. Salary enhancement schemes for selected staff, business process reengineering, comprehensive planning and management training—or change of leaders—could be the prescribed medicine.

In stable and conducive environments this may work. But what is seen as dysfunctional from the point of view of what is desired may be both functional and logical in a context where incentives to performance are weak or counteracted by stronger incentives to non-performance. This is why it is so crucial to analyze the context in which organizations are embedded.

Structural and institutional context factors outside the boundaries of the organization will influence it, as will the actions of other organizations and individuals. Some factors and actors in the context may be *influenced*, while others can only be *appreciated* in the short term (e.g., a fall in world market prices, social or gender inequality structures, decisions taken in a donor country to reduce development assistance).

Structural and institutional factors may seem to be abstract, and it may sometimes appear of little practical value to analyze these factors. But failing to do so is often the first reason for CD support to fail. If power structures in and around an organization are built on and sustained by nurturing loyalty relations, then an attempt to quickly introduce full transparency in the organization, strict adherence to rules, and recruitment based on merit, is likely to fail—simply because it would destroy the existing power base without replacing it by a stronger one.

Individuals and organizations pursue particular interests as they best can in the context of structural and institutional factors. The political elite, civil servants, civil society organi-

zations, the military, the judiciary—and development partners—all pursue agendas, and organizational change is influenced by and influences these agendas.

Characteristically, there are therefore always multiple actors, which adapt their decision making to that of others, in complex and dynamic patterns. This trivial observation has significant implications for approaches to CD and CD support. In stable, predictable environments, it is possible to plan as engineers do, but imagine trying to win any competitive sport—e.g. soccer—by having a blueprint for the entire game, without the ability to change strategy as the game unfolds. CD and CD support take place in contexts where approaches from competitive endeavors are at least as relevant as blueprint-oriented approaches.

Functional-rational and political economy aspects of change

UNFORTUNATELY, organizations do not only strive to meet fairly clear and specific official goals; and staff and external stakeholders do not always agree on and pursue these goals. All organizations have informal and even hidden norms and practices, and most—especially public sector organizations—strive to balance different goals and values, some of which are public, while others are downplayed or disguised.

Only focusing on the functional-rational aspects of an organization assumes—naively—that everybody only wants the best for the organization, and that technical optimization of processes, clarity of goals and establishment of good human relations, will ensure optimal performance. On the other hand, only focusing on organizations as arenas for power conflicts and competition between subgroups and pursuit of narrow self-interest would end up in cynicism. Assuming that altruism and egoism mix in changing configurations opens the space for analysis of both functional-rational aspects and political economy aspects of organizational performance and growth.

Analyzing political economy aspects in organizations and in their context is

difficult and sensitive. It demands trust, time and high professional and ethical standards. Outsiders also have a different—and mostly more limited—role than insiders. But trying to support CD without alignment to the significant political economy factors is likely to fail.

Four dimensions of capacity and change

BRINGING THE KEY propositions advanced here together, successful CD and CD support should consider four analytical and strategic aspects (shown in Table 1, below).

Changes in the external factors may well be the most powerful driver of organizational change. The four dimensions also demonstrate why CD support to the internal, functional-rational dimension will only have a wider impact if the context and the “organizational politics” are conducive to change.

This also explains why development partners can only expect their support to be effective if there is country leadership of and commitment to change: Only in that case—where CD is a partnership effort—can required actions on the political economy aspects of change be taken effectively. Development partners can do little alone—organizational change is primarily a domestic affair.

Aligning CD support closely and flexibly to the context and the political economy dimensions is analytically demanding, and requires presence, mutual trust, and a long-term horizon. In such a setting of constant scouting, adaptation to the situation and flexible provision of inputs, the results focus is of crucial importance to ensure overall strategic direction, and to enable an informed dialogue about progress.

A focus on the context and on political economy factors may in some cases imply that development partners can do less than they would have liked to. The ultimate effectiveness of well conceived external CD support does not depend primarily on the providers, but on how well the support is adapted to the context and the domestic actors. Ensuring this adaptation is the key challenge, and by doing so, development partners can do better for capacity development, also when it sometimes implies doing less.

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References

Studies by Ole Therikildsen and Nils Boesen, available at:
<http://www.um.dk/en/menu/DevelopmentPolicy/Evaluations/OtherReports/CapacityDevelopment.htm>

TABLE 1

	FOCUS ON THE “FUNCTIONAL-RATIONAL” DIMENSION	FOCUS ON THE “POLITICAL” DIMENSION
Focus on factors within the organization(s)	Getting the job done. Most support has been here—training, restructuring, technical assistance. “Business Process Reengineering” etc. also fall in this category.	Getting power right and accommodating interests. Interventions focus on changing sanctions and rewards, firing opponents to change, moving towards merit-based hiring, building internal coalitions for change.
Focus on factors in the external environment	Creating an “enabling environment” for doing the job. Examples might be budgetary reforms to ensure predictability of flows of funds to organizations, change in legal mandates, civil-service reform, strengthening of supervisory agencies.	Forcing change in the internal power relations from outside. Examples might be the strengthening of civil-society organizations or of political or client accountability, building external coalitions for change, strengthening media’s role as a watchdog.