

Measuring the **impact** of change in the **public sector**

'measuring what counts rather than counting what can be measured'

Simon Edkins 2010

Introduction

I am particularly struck by the prescience of what Mintzberg has to say about the challenge of measuring impact;

'...many activities are in the public sector precisely because of measurement problems: if everything was so crystal clear and every benefit so easily attributable, these activities would have been in the private sector long ago'. Henry Mintzberg

For over 30 years a key driver in the public sector has been the need to become more accountable and responsive to 'clients' and the past decade has seen the public sector having to deal with an increasingly complex measurement environment. Some would argue that there is a risk that centrally imposed performance measures could even distract people and resources from the very activities that are supposed to encourage.

At Creating Tomorrow we recognise this dichotomy and we have developed simple yet robust ways to measure the impact of our work at both system and organisational levels so that we can provide meaningful information, at the right time and to the right people.

System change

We believe the key to the success of any system change programme is the following:

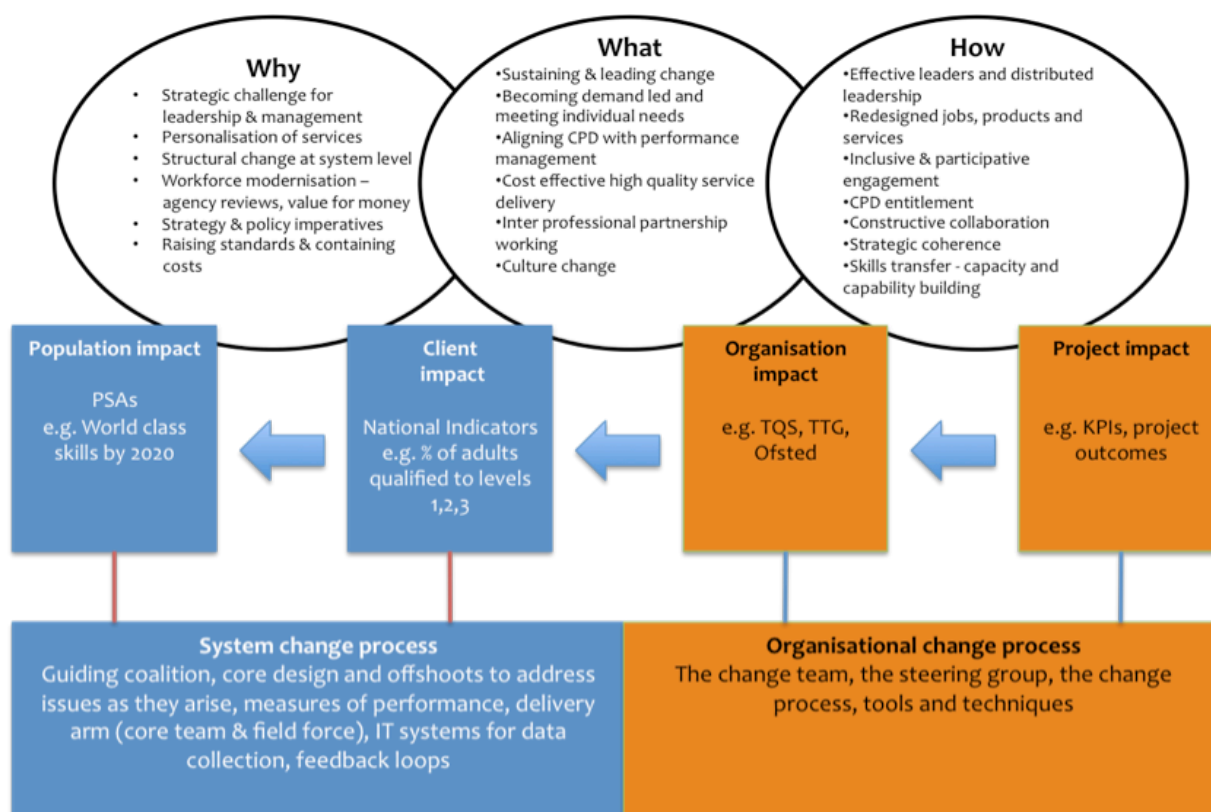
- Unambiguous measures of performance
- Appropriate governance and social partnership
- Independent monitoring and evaluation of progress
- Robust quality control
- Efficient online systems of data capture, analysis and reporting

Since Public Service Agreements (PSAs) were first introduced in the UK, they have become increasingly focused on results, not prescribing the means or process of delivery. PSA targets articulate the outcomes which the Government and the public want, while providing frontline managers with the freedom to innovate and to make decisions about the most effective and efficient means of delivery.

PSAs have changed their focus from measuring 'investment' to measuring how effectively resources are being used and whether services are delivering the outcomes that will really make a difference to people. We work closely with policy makers and agencies to identify what these are and how we are going to measure them.

However it is not easy to make a direct link between a particular project in an organisation and the benefits to the country, hence the importance of understanding and articulating the relationship between the policies at one end of the reform process and project activities at the other. In the diagram below we have illustrated the linkage of policy and projects using the skills agenda as an example. Obviously as you move from right to left from specific outcomes (in the yellow boxes) to more general impacts the timeframe for delivery changes significantly.

Although the number of indicators that local government and its partners are performance managed against has been drastically reduced, nonetheless the challenge identified above is still very real.



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The practical application for an organisation

At Creating Tomorrow we are passionate about measuring what counts rather than counting what can be measured.

The process

The diagram below illustrates how we ensure that our organisational change programmes deliver tangible results. We begin by clearly identifying the primary objective and then we make sure that everything that is done subsequently has a direct or indirect impact on the desired outcome. Progress along the way is carefully monitored by a steering committee.



Organisational change

Central to our approach to change is the concept of learning by doing. We know that by working on real problems in new ways the culture of the organisation will change. We work with participants to help them identify and deliver project objectives as measured by Key Performance Indicators (KPIs) that meet the organisations strategic objectives. Our tools, techniques and process are specifically designed to enable organisations to be able to really explore what needs to be done and to develop and deliver appropriate and sustainable solutions.

The process focuses attention on describing and documenting the logic of the organisations projects as illustrated below. This is scrutinised by a Steering Committee in order to reveal assumptions so that differences within and around the project team can be aired, consensus achieved and the internal logic of the project enhanced.

Objective	Benefits	Deliverables	Activities	KPIs	CSFs
What is it we are trying to achieve?	Why it is important - what will be different and for who?	What will we get?	How will it be achieved?	How will we measure success?	What's needed to succeed?

The flexibility of the process means that it can easily and effectively incorporate any measure of performance.

Why we measure impact rather than inputs

Measuring whether services are delivering the outcomes that will really make a difference to people is sometimes called results (or outcomes) based accountability. It recognises that not all performance measures are of equal importance. In our view the following two types are the most important and are what we focus upon:

1. KPIs that tell whether the service and its related functions are done well. These measures include:

Measure	For example
Efficiency	Time to respond to customer inquiries
Admin overhead	Cost of support versus delivery
Unit cost	Cost per transaction
Staffing ratios	Teaching to non teaching staff
Staff morale	As measured by survey
Customer satisfaction	As measured by survey

These 'quality of effort standards' are used to manage the work of a programme. They are usually well established, e.g. application processing time. This could be described as the '**managerial focus**'.

2. KPIs that tell whether clients or customers are better off as a consequence of receiving their service, such as:

Measure	For example
Return on investment	Cost of % change in the target population
Outcomes e.g. students	Number of students reaching level 3
Value added productivity	Not simply doing more but achieving more
Degree of cultural change	As measured before and after the intervention
Distributed leadership	Social network analysis

These 'quality of effect standards' gauge the effect of a service on people's lives. They are almost always emergent, e.g. employment placement and retention rates. They could be described as the '**leadership focus**'.

Our process requires change teams and steering committees to ask the following searching questions:

- Who are we doing this for?
- What result do we want for them?
- What will it look like?
- What data have we got?
- Work do we know works?
- How will we know whether we did it well?

This provides a pragmatic approach to accountability that is directly linked to outcomes. It is this rigorous approach to continuous improvement, self-regulation and measurement that will ensure a 'quality culture' in any organisation.

A culture for the future

A key aim of our work is to develop a culture appropriate for 21st century public service provision. A culture that is client focused, flexible and self-regulating and that delivers services of the highest standards, with value for money, and outstanding performance. This is dependent upon continuous improvement from each member of staff, whatever their role, taking full responsibility

for what they do and being committed to the values of the organisation. We believe that our change process with its robust monitoring framework, feedback and support is the way to achieve this.

Conclusion

Jim Collins (2001, 2006) believes that becoming 'more like a business' is not the answer for public services and we agree. He points out that many accepted business practices correlate with mediocrity rather than 'greatness' and that the real distinction is not between 'business and social' organisations but between 'good and great' ones.

Great organisations deliver superior performance and make a distinctive impact over a long period of time. Our process enables them to do just that.