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Managing for Results: Roles for Evaluators in a New Management Era

JOSEPH S. WHOLEY

INTRODUCTION

Over the years, I have been impressed with the potential value of regular measurement of program performance, and in particular with the regular monitoring of activities and outcomes in terms of indicators developed with the participation of key stakeholders. Early work with stakeholders could clarify evaluation criteria. Monitoring systems could be tested and refined over time, and performance standards could be established after baseline and trend data were available. Regular measurement of program activities and outcomes could improve the relevance and usefulness of evaluation work. Timely monitoring and in-depth evaluation could strengthen accountability and help policymakers, managers, and other stakeholders to improve policies and programs.

A new management approach, results-oriented management, now requires public and nonprofit organizations to measure outcomes on a regular basis. This paper explores results-oriented management and discusses roles that evaluators can play in overcoming challenges that arise in results-oriented management. It suggests that involvement of evaluators in results-oriented management is likely to be helpful in moving public and nonprofit organizations to a results orientation and, thus, improving the lives of those served by such organizations.

MANAGING FOR RESULTS

Throughout the world, both in government and in the not-for-profit sector, programs often fall short of the performance required to meet public needs and earn public support. Those within and outside public and nonprofit agencies too often see poor leadership and management, inefficiency, low-quality services, and ineffective performance. Perceptions of poor management and poor performance limit the resources made available and thus limit the contributions of public and nonprofit organizations.

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Results-oriented management has emerged as a common element in current reform efforts. After three years of pilot projects, full-scale implementation of the Government Performance and Results Act has been underway in federal agencies since 1997. With related efforts underway at state and local levels and in foundations, United Way and other funding agencies, pressures to demonstrate results are being felt throughout the public and not-for-profit sectors. The meaning of accountability is changing as agencies are asked to take responsibility for results that can only be achieved with the cooperation and collaboration of other organizations.

Results-oriented management is the purposeful use of resources and information in efforts to achieve and demonstrate measurable progress toward outcome-related agency and program goals. Results-oriented management is accomplished through a three-step process, each of which typically requires a series of iterations: (1) developing a reasonable level of agreement among key stakeholders on missions, outcome-oriented goals, and strategies to achieve the goals; (2) measuring performance (in particular, outcomes achieved) on a regular basis; and (3) using performance information in efforts to improve program effectiveness and strengthen accountability to key stakeholders and the public. Results-oriented management systems are typically developed over a number of policy and management cycles as policymakers, managers, and their staffs develop and refine goals and strategies, implement performance measurement systems, and use performance information. Goals, strategies, and measurement systems may be revised to reflect changes in policies and resources, experience in implementing strategies, changes in priorities, introduction of new technologies, or changes in the availability of information on performance. When priorities change or results are unacceptable, new goals or strategies may be adopted and unproductive activities may be abandoned.

Results-oriented management aims to shift management's focus from inputs and process to results. Its purposes are to improve service delivery and program effectiveness, strengthen accountability to key stakeholders and the public, support resource allocation and other policy decision making, and improve public confidence and support. Regular monitoring of program outcomes and use of the resulting information are central features of results-oriented management systems. Shifting to a focus on outcomes, however, confronts managers with problems whose resolution may require sophisticated evaluation approaches.

ROLES FOR EVALUATORS IN RESULTS-ORIENTED MANAGEMENT

Though some may believe that evaluators' roles should be confined to assessment of agency and program performance, evaluators can play important roles at every stage in the results-oriented management process.

Developing Agreement on Goals and Strategies

Evaluators can assist policymakers and managers in identifying intended outcomes, establishing or revising agency and program goals, identifying factors that could affect achievement of the goals, and developing strategies for achieving the goals. Logic models may be used to facilitate agreement on goals, strategies, and performance measures. Performance data and evaluation studies can be important sources of information for policymakers

and managers in their efforts to develop agreement on outcome-oriented goals and strategies to achieve the goals.

Because few outcomes can be achieved through the efforts of a single agency, it is likely that interest will intensify in development of results-oriented management systems for cross-cutting programs that reflect the contributions of multiple agencies to common goals. Evaluators can make significant contributions in such complex management environments, when even the definition of performance constitutes a major hurdle.

Measuring and Evaluating Performance

Performance measurement systems play a central role in results-oriented management by providing regular feedback on the extent to which strategies have been implemented and the extent to which goals have been or are being achieved. Evaluators may assist in designing performance measurement systems, for example, by helping identify output and intermediate outcome measures to show progress or contributions to intended results. Agencies typically use numerical performance measures, but may also use peer review assessments of performance or some combination of quantitative and qualitative performance measures.

Evaluators can assist in validating performance data and improving performance measurement systems. Evaluations of performance measurement systems should focus both on the technical quality of the measurement system and on the extent to which performance information is used in managing to achieve performance goals and in providing accountability to key stakeholders and the public (Wholey, 1999). External evaluation can be important in ensuring the credibility of performance information intended for dissemination to policy levels and to the public.

Performance information may come from measurement systems that regularly compare outputs and intermediate outcomes with performance targets, or from less-frequent program evaluation studies. Evaluation studies may measure program implementation, test assumptions connecting agency and program activities to results, explain current performance levels, measure unintended outcomes, assess the cost-effectiveness of current strategies, estimate the causal impact or net benefits of agency and program activities, or measure other hard-to-measure outcomes. Evaluation studies can provide a fuller and more accurate picture of program performance than the rough sketch obtainable through typical performance measurement systems, and may include recommendations intended to improve performance.

Rarely will a single performance measurement system or evaluation study meet the information needs of all key stakeholders. Weiss and Morrill (1998) noted that learning organizations use multiple feedback loops and many types of information to inform policy formulation, program improvement, and program redesign. Performance information may come from performance measurement systems, audits, case studies, benchmarking comparisons, basic and applied research, program evaluations, and experiments. Recent U.S. General Accounting Office publications show how evaluation studies can supplement and improve the data produced by performance measurement systems (U.S. General Accounting Office, 1998, 1999, 2000).

Given the challenges that arise as public and nongovernmental organizations work to make effective use of results-oriented management, there is likely to be increasing demand for those who understand performance measurement and evaluation methods. Interest in results-oriented management is likely to grow, building on the recent progress that has been made in many public and nonprofit agencies. In this context, evaluators will be asked to help

design, implement, and refine performance measurement systems; to conduct studies to explain reasons for current performance levels and measure hard-to-measure outcomes; and to assist in translating performance measurement and evaluation information into actions to improve performance.

Using Performance Measurement and Evaluation Information

Evaluators can assist agencies in using performance information internally, to improve service quality and program effectiveness. Evaluators may assist in redesigning agency management systems to focus on results, and may assist in developing performance-oriented partnerships with other agencies. Evaluators can also assist agencies in using performance information externally, to strengthen accountability and support policy decision making. Evaluators may assist policymakers in reallocating resources to improve performance, and may assist in creating incentives for improved performance.

REINFORCING ROLES FOR PERFORMANCE MEASUREMENT AND EVALUATION

As interest in results-oriented management continues to grow, performance measurement systems and program evaluation studies can and should be mutually reinforcing. Logic and experiences in this country and abroad suggest that both the demand for and the supply of evaluation studies are likely to increase after agencies begin to measure program outcomes on a regular basis. When policymakers and managers are regularly provided information on a program's outcomes, they are likely to ask why the outcomes have occurred and how performance can be improved. Such interest is likely to stimulate evaluation studies to answer the why and how questions. Conversely, evaluation studies should be more feasible and more useful when performance criteria have been clarified and performance data have been collected. When agencies are held accountable for results, executives and managers will be more likely to use evaluation information to improve performance and to communicate the value of agency and program activities to key stakeholders and the public.

My assessment of evidence to date, from different levels of government and from nonprofit organizations, suggests that results-oriented management holds great promise, but that its ultimate value is still uncertain. A number of years will typically be needed to achieve effective implementation of results-oriented management systems. Improvements in performance and accountability can take longer. Over the past several years, many state and local governments have made progress in results-oriented management. Even among the leaders, however, progress has often been followed by setbacks and disappointments in the face of political, organizational, and technical challenges. Progress in federal agencies and nonprofit organizations has also been uneven.

Effective implementation of results-oriented management will require training in strategic planning, in involvement of stakeholders in development of goals and performance measures, in outcome measurement, and in data analysis. Training will also be needed in process and impact evaluation, and in the use of performance measurement and evaluation information. Much of the content for such training should come from applied research on efforts to use results-oriented management systems in public and nonprofit organizations. Evaluators should be well-equipped to provide such training and to perform such research.

Given the pressures facing public and nonprofit organizations and the potential value of results-oriented management, my view is that we should be involved in efforts to move public and nonprofit organizations to a results orientation. My expectation is that such efforts will eventually pay off in better lives for those served, better communities, and increased public confidence in institutions that all of us need in our increasingly urbanized societies.

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