

Part II. C Management

- Availability of a clear, strategic mission statement
- Responsiveness of strategy
- Capacity to reach annual objectives
- Availability of logical and explicit organizational structure
- Number/proportion of employees whose performance has been reviewed according to performance management standards
- Percent of key positions filled
- Staff turnover rate
- Availability and use of a coherent planning system
- Quality of strategic and operational plans
- Number/proportion of organization/program units systematically using information to monitor performance
- Number/proportion of reporting units submitting a completed routine MIS report on time
- Percent of data elements reported accurately in MIS reports
- Institutionalization of a system of quality assurance
- Availability of budget(s) linked to operational plan(s)
- Effectiveness of financial management systems
- Percent of annual revenue generated from diverse sources

Good leadership and management are essential to organizational development, performance, and sustainability. An organization succeeds because of *what it does* (a shared commitment to accomplish something useful and important) and *how it does it* (the way it functions, decides, evaluates, adapts, and delegates). Good leadership and management are likewise essential to RH programs and to the achievement of national RH goals. Effective and efficient organizational performance is critical in the face of current public health challenges (e.g., AIDS, tuberculosis), health-sector reform (e.g., decentralization, integration, financing), and the needs and desires of an ever-expanding number of clients of reproductive health services from traditionally underserved groups (e.g., adolescents, rural and indigenous populations, men). The objective of management and leadership is to foster and sustain individual employee and organizational performance as well as overall program performance in delivering RH services.¹

Effective management and leadership consist of a series of essential functions, underlying dimensions, or elements. The functions of managing and leading are carried out *simultaneously* on a daily basis by *multiple* individuals at *multiple* levels of an organization, not just by senior staff.²

In many instances, the “boundaries” between the management and leadership functional areas and other functional areas of RH service delivery discussed in Part II of this *Compendium* overlap, because the management or leadership function spans each of the other areas. In other words, an organization’s or program’s success (or lack thereof) in performance in all of its areas of focus is at least in part attributable to a strength or weakness in its management and leadership. For example, performance in BCC or commodities and logistics management is, in many respects, determined by managers’ recognizing the importance of the system and allocating resources to its implementation.

The factors determining how an organization does its work or accomplishes its objectives include: the effectiveness and functioning of individuals at all levels of the organization, the management systems supporting their work, the organizational culture, and the adequacy of human and financial resources.

Ideally, one should evaluate overall management and leadership capacity by taking a long-range view of the organization and the way it develops over time. As organizations grow, they evolve along a management development continuum characterized by four distinct developmental stages.³ At the first stage, an organization begins to develop a particular management component. By the fourth stage, an organization operates extremely effectively with regard to the management component.⁴ Organizations (and the programs they support) pass through these stages at different rates, and evolve to the point that they have a clear mission, strong management structures and systems, and skilled leaders, managers, and staff who can effectively use these structures and systems.

Management systems or capabilities within a single organization will often be in different stages of development because some management systems will receive more attention than will others as the

¹ Hence, this section of the *Compendium* focuses upon organizations that implement programs, rather than upon programs themselves. Thus “organization/program” is often used to signify that the indicator applies to either organizations or programs.

² MSH has recently developed a framework describing the essential functions of leading and managing at all levels of an organization (2001).

³ In the Organization Development (OD) literature, the four stages are referred to as: 1) emergent/initial; 2) launch; 3) consolidation; and 4) mature.

⁴ The materials provided in this section draw primarily from Management Sciences for Health and the work of its past Family Planning Management Training and Family Planning Management Development Projects (1985-1990, 1990-1995, 1995-2000, respectively) as well as the current Management and Leadership Program (2000-2005).

organization develops. For example, donors and the organization itself often focus on ensuring that a sound financial management system and practices are in place before they focus on developing an organization's human resource management system. In such a case, the financial management system may be in a more advanced stage of development than is the human resource management system.

Organizational performance – which refers to what an organization does and how it does it – always includes some element of customer satisfaction. One evaluates what an organization does in relation to the goals and objectives it has established, such as expanding access to services to reach a diverse segment of the population, improving quality, improving client satisfaction, increasing or diversifying sources of revenue, reducing costs, or influencing national RH policy. Evaluators should therefore define measures or indicators in relation to the specific long- and short-range objectives set by the organization, many of which are presented in other sections of the *Compendium*.

There are two distinct approaches to measuring management within RH programs. The first approach is to use a standard set of criteria based on national or international norms and standards. Some organizations in developing countries seek certification, for example, from the International Organization for Standardization (ISO), whereas others seek accreditation based on national standards. The second approach is to develop indicators for each management area and component in collaboration with the organization as part of an exercise to review and strengthen its management systems. This approach involves an assessment to determine the baseline stage of development of the organization. In this way, program managers and evaluators can tailor the standards against which organizational performance is being measured to the level of the organization's development as well as the specific context in which the organization functions and offers RH services. The indicators in this chapter of the *Compendium* are derived from actual experience in designing assessments of RH programs in developing countries rather than from rigid standards that are applied to health care organizations.⁵

Methodological Challenges of Evaluating Management and Leadership

- **Self-assessment of performance generates ownership, but it may lack objectivity.**

Organizations may assess their own performance in a participatory fashion, involving staff from all levels, including board members, with the assistance of an external facilitator or a highly skilled internal facilitator. Self-assessment is generally less costly and less time-consuming than external assessments. More importantly, it allows for organization-wide ownership of the findings and commitment to action, because it builds upon existing strengths and addresses major weaknesses acknowledged by the staff.

However, self-assessment can be subjective, unless the internal evaluator obtains hard data to verify the findings as part of the assessment process. Moreover, self-assessment requires careful and thorough consensus building among staff involved. External assessment, on the other hand, may be more objective, because it relies heavily on the review of organizational documents in addition to interviews with staff at all levels of the organizations. An external assessment, however, is likely to be time and resource intensive. Also, unless the assessment is carefully designed and implemented, the organization may not accept the findings or act on them.

Throughout this section of the *Compendium*, the term “evaluator” should be interpreted broadly to include both organizational staff responsible for internal assessments (also referred to as facilitators) as well as persons external to the organization.

- **Evidence of the causal link between management and outcomes remains elusive.**

Researchers have found it difficult to find conclusive evidence of a **causal link** between the indicators of program management/leadership and actual performance in developing country settings. For example, research from developing countries has yet to

⁵ See, for example, Baldrige, *Health Care Criteria for Performance Excellence*, 2001.

provide conclusive evidence that human resource interventions (e.g., leadership training) result in greater achievement of organizational objectives. The many intervening variables between human development and end results (e.g., shifts in internal and external conditions, market shifts) make these links difficult to validate. Links between management interventions and organizational outcomes are not clear-cut in research in the public sector, particularly in health care. James Buchan, a researcher in health care human resources from the Queen Margaret University College in the U.K. states, “Evidence based on human resources is mainly U.S. based, but few studies give details of evaluation of quality/outcomes and/or costs...[Studies are] mainly descriptive, weak on methodology and not transferable or generalizable” (Buchan, 2001).

Organization of this Section

This section is organized in a format slightly different from that of others in the *Compendium*. Specifically, it presents key areas of management and leadership. The indicators describe attributes of a well-functioning system, be it in public, private, or NGO sector organizations. The management indicators generally measure progress in the use of a system, the effectiveness of individuals using the system, or the performance of the system. However, some indicators are expressed as the presence or absence of a key component of a system or function itself.

For example, an organization’s revenue generation system may be functioning perfectly well when measured against the stated components of a good revenue generation system, yet the organization may still struggle with sustainability if the policy or economic environment is particularly unfavorable for generating new sources of income. Likewise, an organization may have a very strong human resources management system but have high turnover due to factors in the environment that are completely beyond its control.

The indicators included in this section focus on four broad management elements found in all organizations: mission, strategy, structure, and systems (MSH, 1999a).

- **Mission**

The mission is a statement of purpose that frames the values guiding the organization or program and that provides consistency and meaning to its actions. The mission statement answers the question, “*What does the organization do and why?*”

- **Strategy**

Organizational strategies are the approaches that organizations and programs select to define the activities enabling the fulfillment of the mission. Strategy answers the question, “*How will the organization get to where it wants to go?*” Organizational strategies should help prioritize and focus the organization’s work, should comply with its mission, and should respond to the demands of the clients served and to the organization’s potential market (clients it has the desire to reach).

- **Structure**

Structure addresses roles and responsibilities, lines of authority, and distribution of responsibility, in alignment with mission and strategy. The structure answers the question, “*What is the framework and decision-making structure within which the organization operates?*” A well-defined structure encourages individual and team/group initiative and provides staff clarity in terms of the decision-making authority.

- **Systems**

Systems are the interdependent management areas within an organization that allow it to do its work. Organizational systems answer the question, “*How does the organization carry out its activities?*” Key systems for health organizations and programs include human resource management, organizational planning, information systems, quality assurance, financial management, management of revenues, and management of supplies. The key systems for health organizations and programs are outlined in Box II.C.1.

Box II.C.1 Key Systems for Health Organizations and Programs

- **Human Resource Management**

Human resource management (HRM) is the integrated use of systems, policies, and management practices to recruit, maintain, and develop employees in order to meet the desired goals of the organization. Effective human resource management supports employees in carrying out meaningful and satisfying work as well as help an organization to improve its level of performance and impact (FPMD, 1999).⁶

- **Planning**

Planning is a systematic process to review, modify, and align key elements of the organization's mission, strategy, structure, systems, and program activities in light of changing internal or external conditions. Planning is an essential component in ensuring sustainability. Planning systems cover both annual and long-term planning that further the organization's mission, strategy, and goals/objectives.⁷

- **Management Information Systems**

A management information system is a set of components and procedures organized with the objective of generating information that will improve health care management decisions at all levels of the health system or organization. The MIS represents a key source of data for calculating indicators on service utilization, coverage, and overall performance; a comprehensive MIS includes distinct subsystems for management areas, such as human resources, logistics management, disease surveillance, finances, and workplan monitoring.

- **Quality Assurance**

A quality assurance (QA) system monitors and improves service effectiveness and client satisfaction. Because QA emphasizes a process of constant improvement in operations, it requires long-term organizational commitment and teamwork (FPMD, 1993). Many elements of a high-functioning quality assurance system are embedded in other management systems.

- **Financial Management**

The financial management system collects, records, and reports data on an organization's financial situation. It provides information that helps finance, program, and senior managers to make decisions about allocating resources.

- **Management of Revenues**

Management of revenues means planning for revenue generation and diversification of funding sources through constituency building among clients and donors (current and potential). Organizations tend to have greater success in this area if they have multiple funding sources (e.g., donors, government, third party payments, local community, sale of services/products).

- **Management of Supplies (Logistics)**

Without a functioning supply management system, an organization cannot deliver quality reproductive health services to its clients. Part II.E of this *Compendium* on Commodities and Logistics provides a comprehensive list of indicators for logistics management. Readers are also referred to Chapter 36 of *Managing Drug Supply* (MSH, 1999b) for additional indicators of quality of clinical care, such as average number of drugs per patient, percentage of patients receiving antibiotics, percentage of providers prescribing by generic name.

⁶ Some indicators listed under HRM also pertain to Performance Improvement (PI) in this *Compendium* and thus may be found there (see Appendix C).

⁷ Capacity in financial planning is addressed under the indicator **Effectiveness of Financial Management Systems**.

Indicator

AVAILABILITY OF A CLEAR, STRATEGIC MISSION STATEMENT

Definition

The existence of a mission statement, which is a written expression of purpose – the overall reason an organization exists.

A mission statement is clear and strategic if it:

- Defines the program or organization’s purpose;
- Defines the program or organization’s intended clients;
- Is used to guide strategic planning; and
- Is reviewed periodically to assure that it provides a vision for the future and continues to reflect fundamental values and goals.

Data Requirements

Evidence of a written mission statement; other information on the organization’s mission

Data Source(s)

Organizational/program documents including plans, staff orientation materials, policy manuals and statements, and marketing materials

Purpose and Issues

This indicator provides a summary measure of the existence of a clear sense of direction in the form of a written mission statement. Having a clear mission statement that is well disseminated within an organization

facilitates the setting of strategy and setting of priorities based on the needs of current and potential clients. Although programs and organizations without a formal mission statement may perform in a highly effective manner, a mission statement serves the important function of helping to keep staff focused on the accomplishment of long-term objectives.

Although the basic mission of an organization may remain the same for an extended period, the language of the mission statement must provide a clear focus and a priority for organizational strategies and activities.

This indicator is quantifiable on a scale of 0 to 5, as indicated below.

0	No written mission statement
1	Mission statement exists but fails to conform to the above criteria
2	Mission statement exists and conforms with only one of the above criteria
3	Mission statement exists and conforms with 2 of the above criteria
4	Mission statement exists and conforms with 3 of the above criteria
5	Mission statement exists and conforms with all 4 of the above criteria

Indicator

RESPONSIVENESS OF STRATEGY

Definition

The fit between an organization's strategy and its mission and stakeholder needs

A strategy is the long-term plan according to which an organization aims to reach its goals and objectives through a series of activities, inputs, and results. "Responsive" means that the strategy fits the organization's mission and the needs of clients (existing and potential), within its policy and service-delivery environment.

Data Requirements

Evidence of a written strategy; evidence of the quality of the strategy (coherence with mission and results of client-based needs assessment); evidence of analysis of market conditions and needs

Data Source(s)

Review of strategic plan or strategy documents, as well as needs assessment and competitor analysis; interviews with key staff (e.g., managers)

Note: the box to the right indicates the criteria to be used in calculating a score on this indicator.

Purpose and Issues

An organizational strategy should prioritize and focus the work, should comply with the mission, and should respond to the demands of the clients served and the organization's market. A clear strategy continuously and clearly defines the logic leading from activity to outcomes.

Moreover, the strategy must include evidence of linkage and responsiveness to its clients, community, funders, and potential new markets. The following 4-point scale has proven useful in measuring this indicator in reproductive health organizations and programs.⁸

Descriptor	Score
Organizational strategies are formulated with little concern for the perspectives of clients and the demands of the market (the wider community).	1
Client and community perspectives are discussed in formulating organizational strategies, but there is no systematic assessment of these factors (e.g., no market studies, no client interviews). There is no mechanism for involving community/clients in formulating strategies. There is no analysis of competing services.	2
Client needs and desires have been assessed, and markets for expanded and targeted services and products with the community have been defined. These single assessments are used repeatedly over time to guide the development of strategies. Community/clients are only sporadically involved in formulating organizational strategies. Analysis of competing services is carried out sporadically.	3
The needs and desires of clients and the demands of the community are frequently reassessed to identify changes over time and to provide the basis for developing organizational strategies. Clients and community are systematically involved in formulating organizational strategies. A mechanism is in place for regularly analyzing competing services.	4

⁸ See Management and Organizational Sustainability Tool (MOST), MSH 1999a.

Indicator

CAPACITY TO REACH ANNUAL OBJECTIVES

Definition

Programs or organizations set annual planning objectives at the beginning of the annual planning period and document them in an annual operational plan. Annual objectives should explicitly link to the broader strategic objectives and be achievable within the annual framework. Annual objectives can include quantifiable outputs (e.g., number of HIV clients counseled) to higher-level outcomes involving behavioral or procedural change (e.g., new ways of tapping into funding sources or improved monitoring techniques).

The facilitator (evaluator) assigns a score from 0-3 for each objective, as follows.

Objective	Score
There are no stated objectives	0
Objectives partially met	1
Objectives met	2
Objectives exceeded	3

This indicator is calculated as the mean score across all three objectives.

Data Requirements

List of all annual planning objectives; individual scores for each objective

Data Source(s)

Annual planning document; organizational strategy or other multi-annual planning document; semi-annual and/or annual progress reports (e.g., to stakeholders); assessment by external evaluator or internal facilitator

Purpose and Issues

This indicator provides a “results-oriented” measure of program or organizational planning performance. The indicator is based on the premise that the overarching measure of good management and leadership is whether or not the organization achieves its stated objectives.

The recommended measure for this indicator can only provide a general picture of overall functioning of the organization; the evaluator will require further in-depth analysis of the reasons for failing to obtain stated objectives.

AVAILABILITY OF LOGICAL AND EXPLICIT ORGANIZATIONAL STRUCTURE

Definition

The structure of an organization refers to the staffing and decision-making framework that assigns personnel according to their authority and level of responsibility. The structure is clearly articulated when it provides clear lines of authority and accountability, distribution of responsibilities, and lines of communication.

Data Requirements

Evidence that relationships, supervision, roles, and responsibilities have been formally defined; description of how decisions are made in the organization

Data Source(s)

Organizational chart; written job descriptions; policy manual(s); interviews with staff at all organizational levels

Purpose and Issues

This indicator measures whether an organization has a clearly defined structure – roles, responsibilities, and authority – both “on paper” and in practice. Evaluators can find evidence by reviewing whether the organization has:

- An organizational chart (organigram) illustrating authority and communication lines;
- A policy manual clearly defining roles and responsibilities for staff (and board members) as well as the formal system of delegation;
- Job descriptions detailing responsibilities and supervisory lines; and

- A written, defined process to review the structure periodically to ensure consistency with the organization’s current strategies.

Measuring these aspects requires developing a simple scale from 0 to 4. A program without any of the four documents listed above receives the lowest score (0), while one with all elements receives the highest score (4).

Organizational decision-making processes may or may not conform to those embodied in the formally defined organizational structure. To make this determination, one can assess the appropriateness of staff for the positions they fill and the extent to which they actually make the decisions called for in the “formal” document (e.g., by interviewing staff to determine how one or more recent important decisions were made).

Assessment for the indicator will tend to be more subjective than for the previous one, which involved simply measuring the existence of documents. However, evaluators can apply the same type of scale as in the previous indicator (ranging from no conformity to full conformity).

The validity of the indicator is based on the assumption that a clear definition of roles, responsibilities, and decision-making in an organization promotes strategic and operational decision-making that optimizes the use of available resources. The organizational structure must be (at least partially) amenable to change as directed by the organization’s management/leadership.

Gender Implications of this Indicator

A logical and explicit organizational structure with clear lines of authority and accountability is an important indicator of management capacity. In many organizations, women are plentiful at lower levels of responsibility, but do not reach the top management positions. Many factors contribute to women's ability to rise to management positions in an organization, including their lower levels of school enrollment and literacy. Gender discrimination in the organization can be said to exist when women have the necessary educational qualifications and experience to compete for a particular job but are denied access on the basis of sex. Job descriptions and qualifications can also be written to exclude women by requiring skills or experience that women have no means to gain access to. Logical and explicit structure should include commitment to hiring and promotion on the basis of appropriately identified qualifications.

Indicator

NUMBER/PROPORTION OF EMPLOYEES WHOSE PERFORMANCE HAS BEEN REVIEWED ACCORDING TO PERFORMANCE MANAGEMENT STANDARDS

Definition

The organization's adherence to standards when it supervises and reviews employee performance

Performance review, an assessment of the employee's performance by the supervisor and employee, is ideally based on jointly established work plans, performance objectives, and results related to expectations. The review is the cornerstone of the supervision process and an important element in overall performance management. Performance management is defined as the systems, policies, and procedures used by an organization to define and monitor the work that employees do and to ensure that the tasks and priorities of employees are consistent with the strategy of the organization. Performance reviews address the need of all staff for clear expectations of their work.

Data Requirements

Description of supervision and performance review standards; evidence that supervision and performance reviews adhere to standards

Data Source(s)

Personnel files

Purpose and Issues

Supervision and assessment of employee performance are critical functions of human resource management. Measuring adherence to standards assumes that the organization has written standards defining the requirements for a complete and high-quality review, as well as defining its frequency.

To measure the indicator, an evaluator (external to the organization or the Director of Human Resources for an organization) first reviews written human resources policy documents and establishes the standards for

conducting supervision, the frequency of formal performance reviews, and the requirement for written documentation of the review. He/she then reviews a sample of personnel files (or all files if resources are available or the number of employees is small) and checks the documentation to see if supervision/performance review adheres to standards of timeliness, completeness, and accessibility. The evaluator chooses a time period to review depending on the frequency that reviews are supposed to take place (e.g., in the last 12 months).

Standards for completion vary greatly by organization/program. For example, some organizations may require signatures by both the staff member and his/her supervisor in the instance of a joint performance review. In other instances, where a supervision checklist appears in "audit" form, only the supervisor may be required to sign the completed document. Some organizations have the additional requirement of documentation of salary changes/promotion; others require a written performance plan for the next period of review (e.g., 12 months).

The indicator assumes a well-documented supervision/performance review system is in place.

Indicator

PERCENT OF KEY POSITIONS FILLED

Definition

The effectiveness of the organization's human resource management system to fill key positions

The definition of "key" varies considerably by organization. For health service delivery organizations, clinical standards and organizational norms will dictate the definitions of key staff at the clinic level. The total number of required key staff is often determined as a ratio of physicians, nurses, auxiliary nurses, midwives, and other clinical staff to the catchment population.⁹ At the headquarters level of an organization, "key" may include department or unit heads, and critical technical support staff.

Data Requirements

Accurate count of key positions in the organization that are actually filled at the period under review and total number of key positions available in the organization

Data Source(s)

Personnel management information systems; personnel records; organization's organigram; facility survey; accurate payroll system; personnel policy manual

Purpose and Issues

The purpose of the indicator is to measure the effectiveness of the organization's human resource management system to fill key positions and thus to ensure organizational capacity to perform and achieve its objectives. The indicator measures actual performance against the ideal scenario in which all key positions are filled. Most reproductive health organizations spend the majority of their resources on staff; an incomplete complement of key staff can compromise quality of care.

Calculation of this indicator requires an organization to have a clearly defined and agreed-upon definition of "filled." Payroll systems may fail to provide accurate information if staff remain on a payroll (with or without pay) when they are on extended or permanent leave; hence the position is "filled," but no one is performing the functions of that staff member.

Because of inadequacies of personnel information systems, some organizations (especially public sector) rely on an annual count of employees as part of their management information system reports to provide the data for this indicator.

Where payroll and annual reporting systems are inaccurate, including questions about human resources on periodic facility assessments is common. A frequently used indicator is:

- Percent of facilities that have the full complement of staff on duty on the day of a site visit

An important limitation of this indicator is that it does not measure the **competency** of the staff filling key positions. Assessing competency requires a more time-consuming, qualitative analysis of job descriptions, qualifications of staff in positions, and performance reviews.

⁹ In some countries, in large health organizations, more complex algorithms that include staff time available, type of patient load (inpatient, outpatient, deliveries, community visits, among others) and administration time are used to determine appropriate staffing levels.

Indicator

STAFF TURNOVER RATE

Definition

The rate at which staff are leaving an organization or program as a proportion of the total staff employed during a reference period (e.g., 12 months).

The indicator is calculated as:

$$\frac{\text{\# of staff who vacated their positions} \times 100}{\text{\# of staff employed by the organization or program}}$$

Data Requirements

Accurate, up-to-date counts of staff who have left positions and of total number employed at the midpoint of the reference period (e.g., 12 months)

Data Source(s)

Human resources information systems; personnel records; organization's payroll system (if accurate); "head count" survey (in the absence of routine personnel information system)

Purpose and Issues

Staff turnover is an important way to measure both the effectiveness of the human resources management system and the overall management of an organization or program. It provides a complementary measure to the previous indicator on key positions filled. If turnover is

high, the organization/program must incur additional costs of hiring new staff; these costs include interviewing, checking references, and start-up training, among others. Because human resources often consume greater than 70 percent of reproductive health program budgets, retention of qualified staff, or lack thereof, can have a very large impact on productivity and performance.

Whereas this indicator can raise a "red flag" (signal possible personnel problems), human resource managers may lack the authority to solve the root causes of the problem (e.g., supervision, pay scales, promotion). Further understanding of the causes for turnover requires more in-depth analysis. Some organizations require exit interviews of all employees before departure; examination of these records should indicate if turnover relates to job satisfaction, pay issues, retirement, or other factors that the organization or program can address.

Generally, annual analysis is sufficient for this indicator, although managers may want to examine this indicator more frequently in the case of a perceived increase in attrition. Managers will also want to review it over longer periods of time to facilitate long-term planning for hiring and staff development.

Indicator

AVAILABILITY AND USE OF A COHERENT PLANNING SYSTEM

Definition

The availability and utilization of a systematic process for planning

Planning systems include systematic procedures for short-, medium-, and long-term plans. Their objective is to ensure support for and achievement of the organization's mission, goals, and strategies. A coherent planning system supports the efficient and effective development, implementation, and monitoring of plans.

This indicator measures both the availability and utilization of six key elements during the last planning cycle, as follows:

Available	Utilized
Templates /formats for all planners to follow	Templates used for most recent plan
Schedules for developing, monitoring, and updating the plan	Schedules followed reasonably well for most recent plan
Manuals describing the planning process	Manuals referred to during preparation of most recent plan
A mechanism to assure that activities in the plan are linked with budgets	Activities in most recent plan are budgeted
A process for monitoring progress	Systematic monitoring performed by managers for most recent plan
A system for generating progress reports	Progress reports produced on regular basis for most recent plan

Evaluators can rank an organization on a 12-point scale, calculated by assigning one point for "available" and one point for "utilized" to each of the six items in the table presented here.

Data Requirements

Evidence of a documented planning and budgeting process; evidence of existing strategic and operational plans; evidence of monitoring of plans and schedules

Data Source(s)

Organizational documents; interviews with key staff members

Purpose and Issues

Institutions that perform effective strategic planning can better understand and respond to changes in conditions affecting the organization, and they can more effectively apply available resources to client needs and generate demand for services (USAID, 1999). Managers should refer to such plans when they make management decisions and should monitor and adjust plans continuously to adapt to changing internal and external conditions. Hence, a coherent planning system requires not only the products (plans), but also the process (implementation) grounded in the strategic and budgetary realities of the organization.

Through observing organizational/programmatic documents and through interviewing key informants, an evaluator can consider whether key elements of a planning system exist and whether they have been used during the last planning cycle.

One limitation of this indicator is that it does not assess the quality of the plans that are actually produced by the planning system. However, the next indicator, **Quality of Strategic and Operational Plans**, addresses this issue.

QUALITY OF STRATEGIC AND OPERATIONAL PLANS

Definition

A strategic plan, a written document stating the key elements of strategy and goals of an organization or program, prioritizes and focuses for the medium- to longer-term (three to five years). An operational plan, a document generally written annually, guides the activities of an organization or program in the immediate future.

Data Requirements

Evidence of existence of strategic and operational plans; assessment of the plans

Data Source(s)

Strategic plans; operational plans; budgets

Purpose and Issues

A quality strategic plan contains:

- Reference to the mission statement of the program or organization;
- A listing of key strategies for the near term (e.g., next one to three years) and a prioritization of said list;
- A vision for the long term (e.g., how the strategic plan will enhance long-term goals of the organization beyond the next five years); and
- A human resource plan defining staffing and training needs required for fulfillment of the strategic plan.

A strategic plan should include a human resource plan to ensure that personnel needs (in terms of required skills) are considered in the institution’s planning. Strategic planning that includes human resource needs will help the institution avoid the possibility of management failure due to institutional loss of memory when personnel leave.

When assessing the quality of an organization’s strategy, the evaluator must first examine each major strategy and assure consistency with the organization’s mission. He/she may use a comparison matrix or checklist. One axis of the matrix can contain the major points of the mission statement purpose(s) and intended clients; the other can contain the major strategic directions. The evaluator can then calculate what proportion of the boxes have a check.

A quality operational plan contains:

- Detailed activities and tasks;
- A definition of personnel and other resources required to accomplish the activities;
- A link to a detailed budget of activities (see the indicator **Effectiveness of Financial Management Systems**); and
- A planned activity to review and adjust the plan to adapt it to changing conditions.

When assessing the quality of an operational plan, an evaluator examines each major activity area and defines consistency with the organization or program strategy. A comparison matrix or checklist as described above can be used.

An evaluator (or an internal management team) can simply use checkmarks or can assign a numerical value to the level of consistency and then can calculate a numeric score. An example of a scale is:

0	No consistency
1	Partial consistency
2	Total consistency

Indicator

NUMBER/PROPORTION OF ORGANIZATION/PROGRAM UNITS SYSTEMATICALLY USING INFORMATION TO MONITOR PERFORMANCE

Definition

The capacity of managers to use routine information systems to monitor performance

An effective management information system (MIS) processes raw data and produces information that allows decision-makers to understand how well the organization or program is performing. This indicator can apply to information systems designed for producing information to monitor the overall or “bottom-line” performance of the organization/program or the performance of individual management units such as finance or human resources.

Organization/program units in the context of reproductive health refer to either service delivery points, branch offices, or management units/departments within headquarters.

Data Requirements

Written (or computer generated) evidence of use of data (e.g., indicator charts, graphs); information system reports; planning objectives; number of units that show evidence of use of data; and total number of units

Data Source(s)

Assessment of the MIS, conducted during routine supervision or by an external evaluator; interviews with key staff.

Purpose and Issues

When calculating this indicator, an evaluator examines the institutional documents specified above for the presence of the following three attributes of systematic monitoring:

- Data are converted into information on specified indicators of performance;
- Indicators are used to compare performance to objectives or standards established in operational and/or strategic plans; and
- Trend/time analysis of information is available in a way that is accessible to management (e.g., tables, graphs).

Applying this indicator is common in reproductive health programs to measure the use of routine service indicators. This set should include at least one indicator on each of the basic RH services, such as family planning, antenatal and postnatal care, safe-delivery services, STI/HIV treatment and prevention, as well as other programmatic indicators.

The indicator can also apply to a review of other information systems including disease surveillance systems, personnel or human resources, commodities and logistics, finance, and facilities and equipment.

This indicator assumes that the information available to the evaluator is both timely and accurate. The following two indicators in this section address these questions: **Proportion of Reporting Units Submitting a Completed Routine MIS Report on Time** and **Percent of Data Elements Reported Accurately in MIS Reports**. This indicator does not measure the effectiveness of decision-making based on information that is monitored. To do so would require a more complex, in-depth measurement process that involves interviews with key informants and intensive document review.

Indicator

NUMBER/PROPORTION OF REPORTING UNITS SUBMITTING A COMPLETED ROUTINE MIS REPORT ON TIME

Definition

The extent to which an organization makes information accessible in a timely fashion

Management Information System (MIS) refers to the mechanisms and procedures for the collection and use of routine data.

“On time” means the report is received within a specified time from the end of the reporting period. Common reporting periods are “within 7 days after the start of a new month,” “within 14 days of the start of a new quarter,” or other set period.

Data Requirements

Records indicating exact dates when reports were sent from a collection point and received at a unit or office where they are aggregated

Data Source(s)

Log books; stamped and dated reports; computerized MIS databases

Purpose and Issues

This indicator provides a measure of the extent to which an organization makes information accessible in a timely fashion. The existence of complete and timely information is a pre-condition for measuring the previous indicator regarding the use of information for monitoring. The qualifier “on time” in the definition of

the indicator highlights the need to monitor activities and outcomes at a pace consistent with the timeframe that leaders and managers set for planning, monitoring, evaluating performance, and decision-making.

However, deadlines for submitting routine reports must be reasonable given the particular challenges to delivery. Experience in several countries has shown that pressure to submit monthly reports on time leads workers to omit some data. Thus, data are not only incomplete but also cannot be compared to data from institutions submitting figures for a full month.

Evaluators can apply this indicator to other types of reports critical to the management of reproductive health services. Such reports may be quarterly or annual performance reports (which draw on data from multiple sources), drug stock-out reports, notifiable disease or event reports, or periodic population-based reports. To be defined as “on time,” a report must be received well before information is required for decision-making.

The indicator does not measure the extent to which upper level management processes the reported data in a timely manner. A complementary indicator is:

- Percentage of reports processed (aggregated manually or entered into a database) according to deadline

Indicator

PERCENT OF DATA ELEMENTS REPORTED ACCURATELY IN MIS REPORTS

Definition

The accuracy of reporting and aggregation

A “data element” is a single datum input into an MIS. This term can refer to a single cell on a routine MIS report or in a data entry screen for automated MIS.

Data Requirements

Primary data from health units/programs and aggregated data at all levels

Data Source(s)

Registers, patient records, and/or tally sheets; monthly/quarterly reports from MIS

Purpose and Issues

This indicator is used in health programs to measure accuracy of reporting and aggregation. Inaccuracies can occur when data are recorded, tallied, transposed onto reporting forms, and aggregated.

Evaluators can select a number of sample data elements and can determine the extent of agreement between (1) data recorded in service registers, patient files, tally sheets or patient files, and (2) data reported on MIS forms.

Item	#Recorded	#Reported	Consistent?
Pill cycles	36	32	No
IUDs	5	5	Yes
Injectables	18	18	Yes
% accuracy	2/3 or 66%		

To measure accuracy of aggregation, organizations frequently compare a sample of data elements from the raw data reported from multiple service delivery points (SDPs) to the aggregated total reported to higher levels.

For example:

	SDP 1	SDP 2	SDP 3	Actual Total	Reported Total	Consistent?
Pill cycles	32	84	14	130	130	yes
IUDs	5	10	7	22	20	No
Injectables	18	21	23	62	49	No
% accuracy:	1/3 or 33%					

Program or facility managers may inflate or under-report data for a variety of reasons. A more sophisticated indicator would therefore measure the **relative difference** between recorded and reported data to determine if the problem is over- or under-reporting of data. This approach is more time-consuming and tedious to calculate but better measures reporting accuracy.

If an evaluator wants to examine issues of data quality but lacks the time to do a detailed analysis of accuracy as required in this indicator, he/she may use a more basic measurement of an MIS that looks at **completeness** of data:

- Percentage of health facilities sending reports with no missing data.

Field testing of this indicator shows that it provides a proxy indicator for the overall functioning of information systems. However, more in-depth analysis is necessary to explore whether the **recorded** data reflect reality. This assessment demands direct observation of those staff recording data, a technique that may be too costly to warrant routine use.

INSTITUTIONALIZATION OF A SYSTEM OF QUALITY ASSURANCE**Definition**

Quality refers to offering a service or product in a way that consistently meets the clients' needs. Quality Assurance (QA) is a generic term describing a number of management approaches (Continuous Quality Improvement [CQI], Total Quality Management [TQM]), all of which recognize that many organizational problems result from systems and processes, as well as from a lack of clear performance expectations, rather than negligence on the part of individuals. QA, as it applies to the management of reproductive health programs, generally involves the encouragement of staff members at all levels to analyze systems and processes, to use information to identify the nature and size of each problem, and to design and implement activities to improve services and client satisfaction. (For more detail on QA, see Part II.H.2c)

Data Requirements

Evidence of the availability of quality standards and protocols; budget allocation for QA activities; performance/provider reviews of adherence to standards; client satisfaction feedback on quality; staff feedback on involvement in quality initiatives

Data Source(s)

Organizational documents including service delivery guidelines; interviews with managers, supervisors, and other staff at all levels; budget; staff performance reviews; training curricula; client satisfaction surveys; suggestion boxes

Purpose and Issues

This indicator measures organizational commitment to QA; more detailed indicators can be found at the site listed below.¹⁰

From a management perspective, the following six items are essential to developing a composite score of commitment to QA:

- **Evidence of integration of quality assurance into the organization's mission and strategy**

By measuring this item, an evaluator will first understand if an environment or organizational culture of quality improvement exists.

- **Evidence of integration of quality assurance into the organization's plans and budget**

Not all QA activities will require a separate line item budget; some of them are combined with other activities and are done only at marginal cost. Assessment of budget allocation can be difficult unless the budget is highly detailed/annotated.

- **Evidence of the availability of quality standards or protocols**

This indicator is easy to measure but requires identification of protocols for service delivery (clinical protocols, counseling) as well as for management (e.g., supervision, storage of supplies, infection prevention, MIS reporting) for each major type of reproductive health service.

- **Performance/provider review of adherence to standards**

As with the previous item, this aspect requires measurement according to service delivery and management standards for each reproductive health area. It requires direct observation of staff (such as by a supervisor or mystery client); measurement can therefore be time consuming depending on the volume of services at a given facility.

¹⁰ Gutierrez, Maria. 2001. <http://erc.msh.org/mainpage.cfm?file=2.2.6.htm&module=quality&language=English>

- **Mechanisms for obtaining client satisfaction/ feedback on quality**

Measuring client satisfaction is the principal means of knowing whether QA initiatives are reaping any benefits. Among the numerous methodologies for measurement, the most common is the client exit interview. One of the weaknesses of exit interviews is that clients sometimes forget details of a visit or do not know what practices are acceptable. Clients may fear impact of negative responses on availability of and access to services.

- **Mechanisms for collecting provider perspectives on quality**

Measurement in this area can reveal gaps between client and provider understandings of quality. It can also help managers understand the extent to which providers feel encouraged or rewarded for taking initiative to address quality.

Indicator

AVAILABILITY OF BUDGET(S) LINKED TO OPERATIONAL PLAN(S)

Definition

The effectiveness of an organization or a program to match available resources with planned activities

A budget is a document that projects the costs, and in many cases, the revenues of a defined activity, program, project, or organization. It is also a financial plan that quantifies programmatic goals and objectives by guiding the allocation of financial and human resources (MSH, 1999c).

Data Requirements

Evidence that activities in the plan have been costed and that resources have been allocated to individual or sets of activities

Data Source(s)

Budgets; chart of accounts; operational plan(s)

Purpose and Issues

This indicator measures the effectiveness of an organization or a program to match available resources with planned activities. Budgets may cover single activities

(sub-budgets) or whole programs; a well-constructed budget allows for the “rolling up” of several sub-budgets into a total operating budget.

Measurement of this indicator assumes a certain level of clarity of the budget. For this reason, those preparing budgets must provide information on the units of cost, that is, the number of participants, the specific number and type of materials, the number of days of per-diem, and the number of persons to receive per-diem, for example. This level of detail makes it easier to assign a value or cost to each unit. It also makes it easier to modify the budget because numbers in the plan shift over time. When budgets are broken down into unit costs, tracking changes in costs over time is easier. It is also easier to review quotes that come in from vendors, because historical data are available from prior budgets.

Indicator

EFFECTIVENESS OF FINANCIAL MANAGEMENT SYSTEMS

Definition

Financial management refers to managing an organization or program's resources to meet goals and objectives as effectively as possible by using those resources to carry out planned activities. A financial management system is composed of a series of tools and processes that permit the control, conservation, allocation and investment of an organization's or program's resources.

The scoring system for this indicator is as follows:

Descriptor	Score
Expenditures are tracked by budget-line items (e.g., inputs, salaries, utilities, materials) and are recorded as they occur. However, financial reports cannot be generated effectively.	1
Expenditures are not only tracked by inputs, but are also linked to services and materials purchased, and to the activities they support. Financial reports exist but are not used to analyze costs.	2
The financial system produces income/revenue data and case flow analyses; costs are allocated by cost centers (e.g., products/outputs, service units, sets of services). Financial reports, which compare actual expenditures to budget, are sometimes used to analyze costs.	3
High-quality financial reports are linked to budgets and consistently used for management decisions, including allocation of resources.	4

Data Requirements

Information on planned and budgeted activities; expenditure information; evidence that financial reports are used for decision-making

Data Source(s)

Document review of budgets, case flow statements, income statements, balance sheets, and interviews with managers

Purpose and Issues

Managers must understand their current financial situation (liquidity) and their long-term position (solvency) if they are to lead towards effective performance. Evaluators can use a suggested scoring system to measure this indicator. The system combines elements of how expenditures are recorded and tracked and of how financial information is used to make decisions. An underlying assumption is that reports are accurate and timely. These essential functions enable programs/organizations to understand their current and long-term liabilities.¹¹

Because measurement of this indicator requires performing a valid document review, evaluators must fully understand locally accepted accounting principles and reporting requirements. Ascertaining how management makes decisions will require not only review of documents such as operational plans, but also interviews with key decision-makers in the program or organization (MSH, 1999a).

¹¹ Embedded in levels 2 through 4 is the assumption that reports are accurate and timely.

PERCENT OF ANNUAL REVENUE GENERATED FROM DIVERSE SOURCES**Definition**

The ability to reduce dependency on single-source funding

Revenue are monies or the equivalent received from sales, services, fees, donations, and grants. In the case of grants, only the portion actually spent is considered revenue; the balance may have to be returned to the donor.

Typically, the sources of funds available to reproductive health programs and organizations include: national governmental entities (such as Ministry of Finance/Ministry of Health), local governmental entities (municipalities or districts); international donors or foundations; sales of services (through charging fees, contracting with other agencies and or insurance schemes)¹²; sales of supplies such as contraceptives; and donations from local donors, corporations or individuals.

Data Requirements

Total resources (funding or in-kind donations) generated or received by the organization/program from each source

Data Source(s)

Income statements; revenue reports; audit reports or other financial records

Purpose and Issues

This indicator measures the ability of managers to use financial management systems to make decisions that will reduce dependency on single sources of funding. Diversity of funding sources spreads the organization's or program's risk of over-dependency on a single source

of revenue, and allows the organization/program greater flexibility in determining future directions. Many NGOs find diversification critical to their sustainability over the long term. In addition, with decentralization and the subsequent requirement for local governments/health departments to generate some of their funds, public sector revenue diversification and cost sharing are now relatively common in developing country settings.

This indicator assumes that organizations/programs have basic financial management procedures in place to provide revenue information. For newly decentralized public sector entities, this indicator may be difficult to measure because systems for aggregating information on the revenues generated from service delivery fees, for example, are nascent.

An important consideration in measuring this indicator relates to how funding is earmarked. An organization or program may have diversified sources of funding, but the donors may demand that money be used only for very specific programmatic activities, rather than for general operating or developmental costs that are crucial for sustainability. In addition, the earmarks may not align with the current strategic directions of the organization or program, and this situation may necessitate additional unforeseen expenditures. Hence, evaluators should use this indicator in conjunction with other indicators that permit a more in-depth financial analysis.

¹² These represent the principal forms of direct cost recovery although other mechanisms may exist.