

Towards an Ideal Institutionalisation of Monitoring and Evaluation (M&E)

Considerations Influencing the Interrelationship between Performance, Performance Management and M&E

J R Kimaro*

School of Public Management and Administration
University of Pretoria

D J Fourie

School of Public Management and Administration
University of Pretoria

M Tshiyoyo

School of Public Management and Administration
University of Pretoria

ABSTRACT

The traditional performance, performance management and performance measurement discourses give an indication of the value of the relationship of these concepts with monitoring and evaluation (M&E) in public administration. M&E is widely accepted as a key management-for-efficiency and accountability tool. The shift from performance management to performance governance adds to already identified and accepted M&E needs. M&E facilitates better management of a complex public service environment that aims at unfolding institutionalisation of M&E as a systematic, well-conceptualised phenomenon. The article investigated the following research objectives: to conceptualise and contextualise performance-related concepts such as M&E, performance management and performance measurement; to determine the interrelationship of these phenomena; to discuss the similarities and differences of key aspects related to these phenomena; to contextualise the key features in terms of the institutionalisation of M&E; to establish factors

contributing to or deterring institutionalisation of M&E; to establish the relationship between the level of institutionalisation of M&E and performance management.

The methodological approach entails a desktop analysis by way of a literature study. A qualitative description of the findings will focus on the themes that emerged from the research and the manner in which it was conceptualised. The information obtained will be used to compare the connections and variations between the themes.

INTRODUCTION

Public administration academics and practitioners have used various forms of jargon to refer to performance. This article conceptualises and contextualises the variables influencing the conceptual and contextual understanding of performance-related concepts such as M&E, performance management and performance measurement and their relationship. The article presents similarities and differences of key aspects related to these phenomena. The institutionalisation of M&E also has its own key features that are presented and analysed in this article. Just like other public management systems, successful institutionalisation of M&E is dependent on factors internal and external to a particular institution. The article, therefore, presents prerequisites for the successful institutionalisation of M&E, along with some best practices of the process. The relationship among these phenomena is not an area which is well documented. These performance-related concepts are presented to guide an understanding towards their linkage, if any, with the institutionalisation of M&E in public service institutions.

The methodology entails a desktop analysis of literature to conceptualise the area of investigation. The data collection sources for the desktop analysis entails global authoritative books, articles, regulatory, policy and strategy documents. The information generated will be scrutinised through a process of intellectual analysis, classification, integration, reflection, comparison and synthesis during which meanings will be attributed to the data (Auriacombe 2016). A qualitative description of the findings will focus on the themes that emerged from the research and the manner in which it was conceptualised. The methodological approach included specific dimensions of unobtrusive research techniques. In general, unobtrusive research techniques study social behaviour to eliminate bias and promote conceptual and contextual analysis (Auriacombe 2016).

CONCEPTUALISING AND CONTEXTUALISING PERFORMANCE-RELATED CONCEPTS

In the academic and professional world as well as in governments, performance-related concepts such as performance measurement, performance management, or M&E have been used interchangeably. Conceptually, these expressions do not mean the same in terms of what they cover or their scope when they are applied in institutions.

Performance in the public service

Performance is a seductive word, a buzzword in current times, with comparable terms such as “accomplishment”, “achievement”, “realisation” or “fulfilment”. The economic and public management literature defines it as the objective effect of public actions (Schiavo-Campo & McFerson in Kimaro 2017) or public values (Van Dooren & Thijs 2010:16). The public values referred to here by Van Dooren and Thijs include keeping government lean and purposive; fair and honest; robust and resilient. De Lancer Julnes (2009:26) looks at performance as a multidimensional concept, which includes efficiency, effectiveness, quality, equity, fiscal stability, and conformance with government policy and standards.

Mackay (2007:141) remarks that performance must be approached in the context of what was planned to happen, that is, an institution or individual working in accordance to specific criteria, standards and guidelines stated beforehand. It is important to note that the definition and conceptualisation of this concept differ depending on sector (public or private), culture, type of government, and so on. In the private sector, performance may mean profit-making, while in the public sector, maximisation of profit is not all that is termed required results. The quest for performance by governments is attributed to various factors, ranging from budgets allocated, situations on the ground, and regime promises to pressurise in order to deliver quality services. Other factors are subjected to pressure to perform, from international institutions to developing countries, or unwillingness to pay taxes in the OECD countries (Rugumyamheto 2004:437; Curristine 2005:128). These factors contributed to many countries joining the public service reforms bandwagon and working towards service delivery improvements.

Schiavo-Campo and McFerson (in Kimaro 2017) argue that administrative culture is critical in shaping and analysing performance in the public service. The authors present categories of performance against types of administrative culture as follows:

- Sticking to the letter of the rules in a system where compliance with rules is the dominant goal;

- Accounting for every cent of the public funds in a system where fastidiousness is the ultimate virtue;
- Obeying superiors without questioning in a strictly hierarchical system;
- Competing vigorously for individual influence and resources in a system where such competition is viewed positively; and
- Cooperating harmoniously for group cohesion in a system where conflict is discouraged.

The relativity and culture-specific performance analysis dimension presented above by Schiavo-Campo and McFerson (in Kimaro 2017) introduces an argument as to whether the public service or any particular public service institution can have, and uphold, one type of performance and performance values. This argument brings an important dimension into the analysis of performance management, that is, a possibility of development of comprehensive harmonised performance values across the public service of a particular country. The cultural aspects presented by Schiavo-Campo and McFerson (in Kimaro 2017) are established over time, influenced by internal or external environments, although not necessarily documented as policy frameworks or guidelines. The typology part of performance, ideal total number for a given public service institution, dynamics of having more than one type, and how this affects the public operations, is an important area for the public administrators, management schools and practitioners to ponder.

The performance ‘trio’

The performance trio referred to in this section involves performance measurement, performance management, and M&E. Performance management and M&E have been defined earlier. It is therefore not the intention to describe them again, but rather to offer a clear distinction between performance measurement, performance management, and M&E in order to understand analysis dimensions. Performance measurement has in some cases been used interchangeably with ‘performance management’ or combined ‘performance measurement and management’. Performance measurement has also been equated to ‘evaluation’ (Van Dooren & Thijs 2010:10) or to M&E.

The concepts of performance measurement, performance management and M&E acquired more emphasis in public administration practices with the onset of government’s performance agenda through New Public Management (NPM) in the 1980s and 1990s. The government’s managers now more than ever needed adequate information as evidence to respond to current demands for achieving and showing results. However, this did not mean that performance measurement had never existed previously. According to Bovaird and Loffler (2009:152),

organised performance measurement in the United States of America can be traced back to the 1940s, with the first Hoover Commission. The Commission aimed at shifting the attention of the budget from inputs towards functions, activity costs, and accomplishments. The existence of governments comes with the provision of public goods to citizens; therefore, some degree of performance is expected in executing its mandate. The demand and requirement for performance has existed since time immemorial, that is, it is as old as public administration itself (Pollitt & Bouckaert 2011:106), with changes in the factors leading to demand for performance or the type of performance demanded from governments. Before going further on distinctions, it is sensible to expound on a few examples of this overlapping of the above-mentioned concepts.

Table 1: Similarities among three key performance concepts

Item	Performance measurement	M&E	Performance management
Planning	Involves institutional planning	Uses institutional plans or frameworks	Involves institutional planning
Indicators	Involves the use of different levels of indicators	Uses/makes reference to different levels of indicators	Involves the use of different levels of indicators
Performance information	Produces performance information	Produces performance information	Produces and uses performance information
Reporting	Involves reporting	Produces reports	Involves reporting
Budgeting	Informs budgeting processes	Produce inputs to inform budget processes	Informs budgeting processes
Levels of measurement	Measures from inputs, activities, outputs, outcomes	Provides mechanisms to measure inputs, activities, outputs, outcomes and impact	Measures from inputs, activities, outputs, outcomes
Incentive/sanction system	Does not carry but contributes to the incentive/sanction system	Produces inputs to inform incentive/sanction processes	Carries the incentive/sanction system attached to performance

Source: (Author's own construction as influenced by Van Dooren & Thijs 2010:54–71; Bovaird & Löffler 2009:153–157; De Lancer Julnes 2009:7–9).

Table 1 indicates similarities in the areas for analysis and emphasis given by the three performance concepts. Literature suggests that all three concepts contribute to development or make reference to institutional strategic plans. They also contribute to and refer to all types of indicators, which are input, output, intermediate outcome, outcome and impact indicators. The intermingling of these concepts goes further, to the benefits attached to the trio, as presented by various authors such as Schiavo-Campo and McFerson (in Kimaro 2017), De Lancer Julnes (2009:15), and Van Dooren and Thijs (2010:97–98). The trio brings benefits of enforcing accountability; promoting institutional learning; facilitating budget processes; individual performance appraisal; control of behaviour; celebrating accomplishments; and motivating internal and external stakeholders to participate in contributing to institutional performance, just to mention a few.

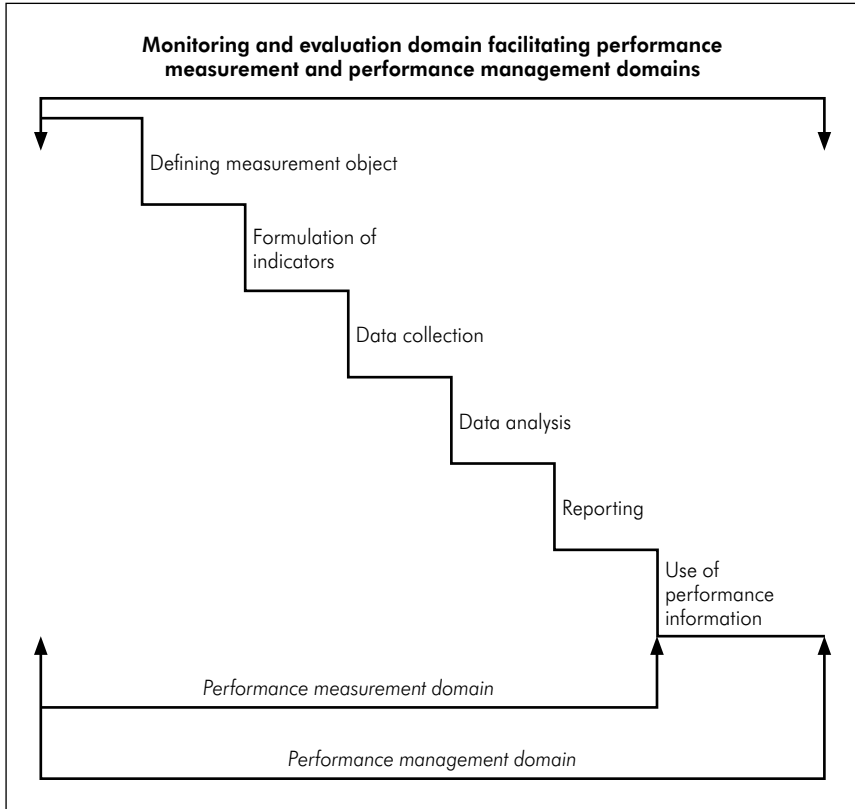
Distinctions among the performance-related concepts

The concepts of performance measurement, performance management and M&E are performance-related although they do not all mean the same. The main distinction between performance measurement and performance management is on the range of what the two cover; where the former ends at reporting on performance, while the latter continues to use performance information. Performance management entails setting performance objectives and targets; managing the movement towards those targets; actually measuring and reporting performance; and feeding performance information into decisions about funding, designing, operating, and rewarding or reprimanding (OECD 1995, cited in Curristine 2005:131; Fryer, Anthony & Ogden 2009:481).

Boyne, in Walker, Boyne and Brewer *et al.* (2010:209) divides performance management into three distinct elements linked to each other conceptually and practically: selecting indicators, setting targets, and taking action to influence scores on the indicators and the extent of target achievement. He further states that the first element of performance management is performance measurement, and the use of indicators in institutional decisions is the “*use of performance information*” that converts performance measurement into performance management (emphasis added). According to Van Dooren and Thijs (2010:76) and Schiavo-Campo and McFerson (in Kimaro 2017), measuring performance is necessary but not sufficient to manage performance, where in order to manage, performance information becomes central to the management processes, enforcing accountability and improving future performance.

Performance measurement becomes valuable and justified only when followed by management action. Therefore, Bovaird and Loffler (2009:156) agree with Boyne above that performance management is “*acting upon performance information*”. In an institution, performance measurement needs to be carried out

Figure 1: Relationship and distinctions among the performance “trio”



Source: (Author’s own construction as influenced by Van Dooren & Thijs 2010:55,76; Schiavo-Campo & McFerson in Kimaro 2017; De Lancer Julnes 2009:15; Bouckaert & Halligan 2008:32).

at sub-system levels and not at system level, according to Halachmi (2011:25), as is the case with performance management. Sub-system performance measurement can be controlled, unlike in systems. Bouckaert and Halligan (2008:32) add to the correlation between the two that performance management includes both measurement and management of information and action.

On the other hand, M&E is a key tool used in all stages of performance measurement and performance management, going as far as reporting performance results to stakeholders (Mngomezulu & Reddy 2013:94) and checking on mechanisms for and practice in the use of performance information by the performance management regime. In other words, a successful performance management regime cannot exist without a well-institutionalised M&E system. The OECD has placed priority on the use of information generated from the M&E system to be

an input into policy development, budgeting, management performance, and accountability (Mackay, cited in Lopez-Acevedo, Krause & Mackay 2012:12). All of the above-described uses emphasise the correlation and relationship that exists between performance management and M&E.

Figure 1 presents the relationship and distinction between performance measurement, performance management, and M&E.

Figure 1 presents the existing relationship between performance measurement, performance management, and M&E. Figure 1 describes the correlation and relationship between performance management and M&E, that is, the latter exists to ensure that the former is effective and produces the required results. Robinson (2014:35) further adds to the trio that performance management is a subset of the broader M&E system.

INSTITUTIONALISATION OF MONITORING AND EVALUATION (M&E)

There are scores of definitions of M&E. For the purpose of this article, M&E is defined as an assessment or measurement of progress and achievements of pre-determined performance levels of a given institution, project, or programme. M&E can be conducted at institutional level or on a particular sector, project or programme implemented within an institution. The institutionalisation of M&E needs to be looked at in the context of performance measurement and performance management, and the relationship that exists between the elements of the performance 'trio'. The institutionalisation of M&E happens when it is mainstreamed in an institution to facilitate assessment and analysis of pre-determined levels of performance, reporting progress, facilitating, and tracking the adoption of performance information. M&E then covers all performance measurement steps and facilitates the realisation of what performance management entails in its totality.

According to Van Dooren and Thijs (2010:55), performance measurement has five distinct elements that can be observed in an institution. Performance management, on the other hand, includes the use of performance information, which can be added to the performance measurement elements to make six features visible in an institution with institutionalised M&E. The elements of institutionalisation of M&E, which are linked to those presented under Figure 1, are presented in the following list:

- Defining measurement object;
- Formulation of indicators;
- Data collection;
- Data analysis;

- Reporting; and
- Use of performance information.

Element 1: Defining measurement object

Under this element, an institution is expected to have clear strategic or business plans, setting out the focus and direction forward. There are various schools of thought that provide structural and contextual characteristics of strategic or business plans. However, the key elements identified in these documents are vision, mission statements, core values, objectives (sometimes called goals, thematic areas or key result areas), strategies and targets (Van Dooren & Thijs 2010:82).

The setting of institutional measurement objects in the form of strategic plans can amount to development or review of the institutional structure to ensure that it conforms to the direction that the institution intends to take. There are two common influences that structure has on performance management, coming from the structure itself (functional) and from the employees placed to work under that structure (specialisation and formalisation). The degree to which the structure is centralised or decentralised influences effectiveness in M&E through decision-making, resource allocation, and use of performance information (Andrews in Walker *et al.* 2010:92).

On the employees' influence, the placement of M&E functions within a particular unit or department, job functions and skilled manpower; lies within the institution's structure. Lahey's (2015:5) assessment on the employees for M&E in five countries revealed that where M&E units exist, key capacity challenges of adequate trained staff, lack of clarity regarding roles and responsibilities, lack of enough officials trained in M&E, high job turnover, and lack of evaluation expertise affects effective M&E systems. Furthermore, Talbot (2010:190–1) describes the negative influence that employees have on performance management as setting of minimum performance standards that are easily reached; output distortion or data manipulation; concentration on easily reached targets; and excessive focus on short-term performance targets at the expense of long-term ones.

Element 2: Formulation of indicators

Indicators are quantitative or qualitative factors or variables that provide a simple and reliable means to measure achievement, reflect changes connected to an intervention or help assess performance (Mackay 2007:140). Under this element, indicators are set to measure achievements of what is stated under the first element. Simply put, indicators show *what to measure* (Van Dooren & Thijs 2010:60) at the level of inputs, activities, outputs, outcomes, and impacts of government activities (Mackay 2007:7; Van Dooren & Thijs 2010:68–9; Bouckaert &

Halligan 2008:21). Discussions on whether an organisation gains when adopting performance indicators to increase performance are often contended; there are arguments that indicators do not directly contribute to increased performance. However, literature recommends the use of performance indicators as a basis for measuring and tracking of current and subsequent achievements (Walker *et al.* 2010:210). It is unrealistic to expect indicators to measure absolute performance; rather, they apply a sampling approach or a selective or proxy approach, measuring small activities or a subset of actual activities in a desired category to estimate the actual level of overall activity (Talbot 2010:39).

Various schools of thought, governments and institutions have identified types of indicators used to monitor performance. The most common ones are input, activities, output, outcome (intermediate and/or end result) and impact indicators (Bovaird & Löffler 2009:155; Shaffer 2012:33; Haynes 2003:90). Arguments exist that in Tanzania, outcome and impact indicators stated in the poverty reduction strategies are not helpful in producing progress reports on an annual basis (Bedi 2006 cited in Shaffer 2012:38); therefore, indicators must be matched with envisaged demand or use of M&E information. Another type, called “composite indicators”, is described as those which organise and simplify performance data into hierarchy sets that compare and rank a country’s performance in social and economic variables (Talbot 2010:43, 179). The composite indicators are used by governments to summarise complex, multidimensional realities for policymakers, but can be misused to make simplistic conclusions and misinterpretations (Talbot 2010:43). Composite indicators may give little indication or interpretation of facts; the Organisation for Economic Cooperation and Development (OECD) therefore suggests accompanying the individual variables with composite indicators that aggregate different components in order to provide a more strategic snapshot of the situation (OECD 2009:32).

In the public sector, output indicators are more preferred because of less complexity in locating them and achieving them, unlike the situation when using outcomes. Bouckaert and Halligan (2008:16) advise that in the public sector, an output indicator is not an end in itself and propose that those measuring intermediate effect or outcomes are preferable. The basis for the Bouckaert and Halligan’s argument on output indicators is based on the fact that intermediate and outcome measures affect government actions to the public.

Despite the above-mentioned facts, there are public service institutions including ministries, departments and local government monitoring and reporting performance based on activities and even output indicators. The underlying factors for this trend emanate from, among other things, inadequate capacity and resources to develop monitoring and reporting by using outcome indicators.

Bouckaert and Halligan (2008:17) further present the causes of the complexities of outcome indicators as absence of market mechanisms, over- or under-grading

of outcomes by politicians, and citizens' reactions that inhibit their full attainment. Nevertheless, despite the fact that outcome indicators are seductive, they cannot, however, remove the demand for government to control spending or selecting modes of production (OECD 2009:25), which suggests use of both input and output indicators.

The most common determination for setting indicators is the type of institution (national or local government, ministry, or department within a ministry) or scope of intervention (national, sectoral, project, or departmental). The management of indicators in the public service institutions does not go without challenges – from formulation, to monitoring, to reporting stages. In the public service, there are routine clerical or procedural functions which despite being the institution's major function; are difficult to measure in quantitative terms. Institutions have resorted to developing a few qualitative performance indicators that are not directly corresponding to allocated resources. This challenge will persist, given the nature of services provided by the public service institutions.

Miller and Fox (2007:12) observe that in public administration practice, it is now more important to show you have done your job than actually to do your job. Talbot (2010:42) and Van Dooren, Bouckaert and Halligan (2015:160) remark that there are occasions where policymakers, managers, users and the public face information overload to the extent that they cannot make sense from mountains of data or *performance information* generated (emphasis added). The desire and pressure to show results and the lack of internal capacity have prompted institutions to develop an unrealistic number of relevant performance indicators. According to Mackay (2007:7) this leads to poor quality of data. This is what is

Table 2: Type of institution against measurement/monitoring indicator

Type of institution	Measurability		Examples
	Output indicator	Outcome indicator	
Production	Observable	Observable	Mail services, tax agencies
Procedural	Observable	Outcomes less well defined	Counselling services
Craft	Not visible, difficult to observe processes	Observable	Park rangers, health institutions e.g. number of people getting better don't reveal the processes leading to their improvement
Coping	Difficult to observe	Difficult to observe	Diplomatic services

Source: (Wilson 1989, cited in Van Dooren and Thijs 2010:27–29; Schiavo-Campo and McFerson 2008 in Kimaro 2017).

referred to by Van Dooren and Thijs (2010:160) as “mushrooming” of indicators that negatively affect users of performance information, who can no longer see the wood for the trees.

An interesting dimension related to the similarity between performance measurement and M&E is determining the scope of accountability and combining of output and outcome indicators. These are presented in Van Dooren and Thijs (2010:27–29) and Schiavo-Campo and McFerson (in Kimaro 2017) as the analysis of the type of indicators for performance measurement and M&E respectively. The types of institutions described by these authors present challenges and dynamics in indicator formulation which are dependent on diversities that exist in public service institutions. Table 2 presents four types of public service institutions which require different mechanisms to measure or monitor performance.

Element 3: Data collection

The data collection processes follow the selection of indicators for monitoring progress towards targets. A data collection mechanism – processes, tools and frequency – is determined in advance during development of an M&E system. Data collection can be done internally and/or externally, depending on the type of information required and the cost factor. The importance of developing a comprehensive M&E system comes at the stage where approaches to be used and budget for data collection should be planned in advance and ideally mainstreamed into the plans of an institution. Data sources can be internal processes such as registrations, surveys, self-assessments, technical measurement, external observers, service recipients; or statistical, international, and research institutions (Van Dooren & Thijs 2010:63). As governments are faced with continuous resource challenges, indicators can be set in such a way that data sources from internal processes or paired with institutions’ interventions are used for monitoring performance.

Element 4: Data analysis

Data collected needs some kind of analysis and interpretation in order to draw meaningful conclusions. In data analysis, data collected is interpreted and presented in meaningful information that can be used to make decisions on performance. Data can be analysed for a single indicator or multiple indicators combined. Data analysis confirms or rejects the fact that a particular result has been influenced by an intervention(s). A prominent challenge in data analysis lies in unethical conduct of M&E practitioners who may decide to “doctor” information in order to omit negative findings, hide under-performance, exaggerate success over failures, or favour a particular group of institutions or society (Van Dooren *et al.* 2015:197; Gorgens and Kusek 2009:374–375; Ile, Eresia-Eke and Allen-Ile 2012:13–14).

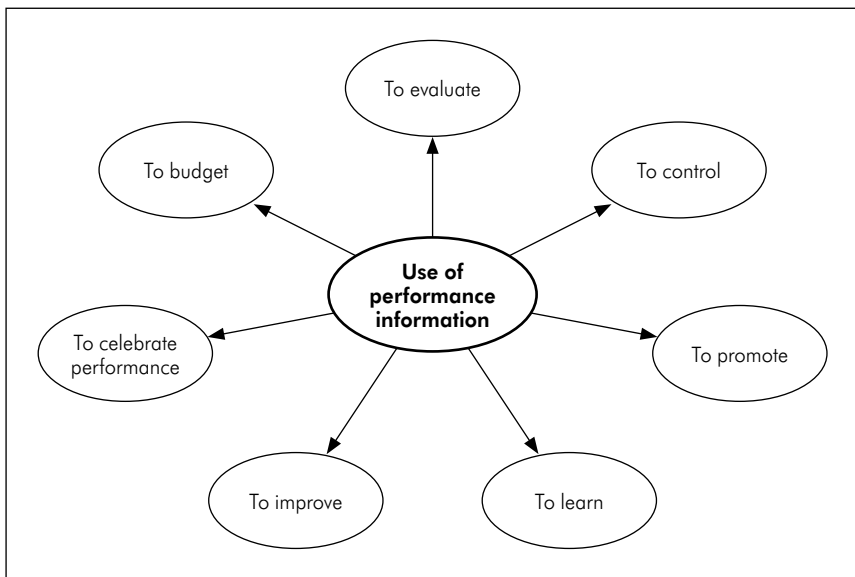
Element 5: Reporting

The public service is under external scrutiny and pressure to show results; it is therefore obliged to produce performance information to stakeholders for accountability on the use of public funds, budget allocation justification, building trust, and justification for holding public office. The Economic Commission for Africa (ECA) (2003:42) advocates the use of performance information in managing institutions and programmes, also for providing feedback to key stakeholders on improved performance. An institutionalised M&E system continuously produces performance information that is customised for specific groups within the institution or external stakeholders. Internally, the public-sector managers use performance information to track progress, chart out performance bottlenecks, and in decision-making processes. However, the generated performance reports require customisation of formats in accordance with the targeted type of stakeholder(s).

Element 6: Use of performance information

Lahey (2015:2) argues that the goal of creating M&E systems is to facilitate the use of performance information to improve public-sector management and governance. Therefore, governments need capacity to generate performance information

Figure 2: Use of performance information



Source: (Author's own construction)

(supply) as well as use it in decision-making. In an institution where M&E is institutionalised, there should be timely and accurate internal and external reports which are solely generated from the M&E system. Furthermore, as Figure 2 indicates, performance information should be integrated into the decision-making process of the institution, a step which converts performance measurement into performance management (Boyne cited in Walker *et al.* 2010:215).

Figure 2 presents some of the applications of performance information in the public service institutions. In an ideal situation, the management and governance meetings will make reference to information generated from the M&E system in order to track progress towards targets. Discussions and deliberations of meetings will therefore be around institutional plans and performance indicators. Decisions can be made from performance information about initiating, scaling up, or eliminating programmes, credible information concerning results, and also in resource allocation or budgeting processes, as argued by Lopez-Acevedo, Krause and Mackay (2012:6); Pollitt *et al.* (2011:170); Boyne cited in Walker *et al.* (2010:209); and Kusek and Rist (2004:19). Performance information is used to boost or cut revenue or budget to an institution's units, sectors, and projects based on the level of achievement (Boyne cited in Walker *et al.* 2010:215). The review of institutional plans, comprising the objectives or goals, strategies, targets and corresponding performance indicators, need to be informed by performance information, which will include what is working or not, and why.

In countries where there is successful institutionalisation of M&E and performance management regimes there is an execution of sanctions and rewards to individuals, managers, units or entire institutions based on performance results. Merit-based decisions such as promotion of staff are made using feedback received from institutional performance assessments. Nonetheless, Bouckaert and Halligan (2008:28) caution on the possibility of inadequate capacity in institutions to put in place instruments (tools and techniques for generating and anchoring data, as well as processing information to procedures or documents). Seasons (2003:434) also cautions that lack of use of M&E information in decision-making processes leads to some institutions becoming wary of M&E processes themselves, perceiving them as lengthy and complicated.

AN IDEAL INSTITUTIONALISATION OF M&E FEATURES

The extent of institutionalisation of M&E varies from one public service institution to another. When making an assessment on the extent to which M&E is institutionalised, a number of features are necessary for identification in each of the five performance management elements presented above. Table 3 presents a checklist of those features against each performance management element.

Table 3: A checklist of institutionalised M&E features

S/n	Element	M&E checklist
1	Defining measurement object	Strategic/business plans informed by M&E information
		Annual plans cascaded from the main plan
		Institutional structure(s) for facilitating M&E functioning
2	Formulation of indicators (or M&E system)	M&E systems/framework linked with institutional plans
		Indicators measuring various levels of implementation
		Budget to support M&E activities
		M&E policies, tools, procedures in place
3	Data collection and analysis	M&E plan setting out data collection mechanisms
		Monitoring data collected on periodic basis
		Evaluations conducted by the local government
		Available IT infrastructure to support M&E data analysis
4	Reporting	Performance reports generated from the M&E system
		Performance information produced widely shared with internal and external stakeholders
5	Use of M&E information	Structural arrangements/regulations to enforce use of performance information in place
		Sanctions and rewards decisions taken against performance
		Decision-making processes (planning, budgeting, implementation approaches) and meetings making reference to M&E information e.g. performance indicators and reports
		Strategic plans reviewed based on performance information

Source: (Author’s own construction as influenced by MFDP 2017:196–197; Bouckaert & Halligan 2008:21; Lahey 2015:1–5; Ammons & Roenigk 2015:515–516; Mngomezulu & Reddy 2013:91; Rhodes et al. 2012 in Kimaro 2017; Van Dooren & Thijs 2010:177, 182; Kusek & Rist 2004:21–22, 151; Mackay 2007:23–24; World Bank 2000:ii–iii, 16).

Environment for the successful institutionalisation of M&E

The institutionalisation of M&E in governments is done at national, sectoral, provincial, and institutional levels or within departments under an institution. The type and vigour of M&E systems at higher levels of government such as that of a nation or sector have an impact on the lower levels. The positioning of the higher levels and the mandate to enforce accountability, responsiveness and resource

allocation affects the lower levels as well. The national systems affect the demand and supply side for performance information, thereby contributing, or not, to the effectiveness of the M&E systems at lower levels. According to Lahey (2015:1), the development of National M&Es (NMESs) rests on four building blocks – vision of the leadership, an enabling environment, capacity to supply and analyse M&E information, and the capacity to demand and use M&E information. Therefore, it is important to research the set-up of the national systems in order to understand the lower levels.

While each country is unique in how far and how fast it may roll out a national M&E capability (and, indeed, how that may be institutionalised), countries do share the broad goal of developing an effective and sustainable NMES (Lahey 2015:4). Lopez-Acevedo, Krause and Mackay (2012:5) argue that a successful M&E system is one where good-quality performance information and evaluation findings are produced, and are used intensively at one or more stages of the policy cycle – this is what defines a well-utilised M&E system. This part lists key contributing factors leading to successful institutionalisation of M&E.

Creating demand for M&E

The integration of M&E with other institutional and/or national planning and M&E frameworks is of vital importance as it facilitates harmonisation and coordination, and facilitates reference and use of performance information. The demand levels for M&E performance information for decision-making purposes and the culture of managers seeking data from it has an impact on the drive for M&E practices in the public-sector systems (Byamugisha and Asingwire in Cloete, Rabie and De Coning 2014:406). A study by the World Bank and the African Development Bank identified a key constraint towards the institutionalisation of M&E as lack of demand (Kusek & Rist 2004:32). Demand for M&E information emanates mostly from external actors; such as civil society organisations, development partners, coordinating ministries such as the Ministry of Finance, and citizens. Kusek and Rist (2004:152) emphasise the need for the development of structural requirements for reporting of results in the form of legislation and regulations which help in leading towards a sustained, consistent demand for M&E. The structural requirements contribute towards countries' and governmental institutions' compliance, and harmonisation and coordination of M&E efforts.

In an ideal situation, NMESs are intended to reflect on countries' overall plans and strategies, which are cascaded to all levels of the government institutions. In Rwanda, for example, M&E activities are designed to support political priorities and national strategies in order to ensure that relevant information is produced and used, as well as to strengthen ownership and sustainability of the M&E system (Hwang 2014:23). In Tanzania, Shaffer (2012:39) observes that initial

poverty-reduction monitoring processes were not linked with plans and budgets but rather acted as parallel systems. In Uganda, it was suggested that the M&E system should create linkages with public finances and development management through provision of a more evidence-based foundation for policy, budgeting and operational management (World Bank 2004:2). As the strategies became national documents, the absence of linkages with plans and budgets jeopardised the validity of the information, thereby leading to a lack of demand for M&E information. However, the linkages were later created with strategic plans, Medium Term Expenditure Framework (MTEF) and reporting (Shaffer 2012:40).

Ownership of the M&E system and political will

Ownership of the M&E system is considered important for sustainability purposes (Lahey 2015:4; Lopez-Acevedo, Krause & Mackay 2012:7). Lahey (2015:5) argues that often, when the vision for using M&E information is narrow in scope and is there to satisfy accountability and reporting requirements of international agencies, this may result in valuable use which is nevertheless insufficient to support the broad needs of good governance. Politicians and the public often appear uninterested in performance information that is provided until something goes wrong, as they are often not involved in defining performance indicators (Bovaird & Loffler 2009:161). Employees and managers of the public service, tempted to portray a good image of their institutions, decide to set easily attainable targets, use low indicators, or manipulate data to suit a particular purpose. All of the above-mentioned bottlenecks show lack of ownership and commitment on both political and executive sides, thereby impeding the institutionalisation of M&E.

There is a need for identifying national champions for M&E to ensure commitment and sustainability. In Ghana, it was suggested that the senior Minister, Vice President or President should issue a statement and directives on M&E (World Bank 2000:11), thereby becoming a champion of the system. Use of performance information in making decisions related to incentives, sanctions, resource allocation, promotion, and contracting requires political commitment. The institutionalisation of M&E processes can take up to a decade of resource allocation to M&E, continuous capacity building, and learning processes (through trial and error), all of which need political commitment in order to ensure sustainability, coordination and continuity of the processes. Lahey (2015:4) proposes that the M&E system should be linked to the national vision, accountability, and good governance.

Boyle (1989), quoted in Geert and Halligan (2008 in Kimaro 2017), notes that political conditions influence commitment towards measuring performance, which means that political leadership needs to inculcate a performance measurement and management culture in the public service. Evidence suggests that political commitment towards M&E plays a critical role in its successful

institutionalisation (Hwang 2014:22; World Bank 2000:11). The above-mentioned authors state that one of the reasons for successful institutionalisation of M&E in Uganda and Rwanda is the top leadership commitment. In Rwanda, for example, the President and Prime Minister led the top-down process of building M&E capacity. Hwang (2014:22) remarks that Rwanda's top leadership involvement contributed towards the use by levels of government of M&E information, the reinforcement of the importance of M&E activities, and the embedding of the culture of performance.

Regarding ownership, the government M&E system in Australia that was built in 1987–1997 was considered successful and produced high-quality performance (Lopez-Acevedo, Krause & Mackay 2012:7). This was, however, dismantled when a new government came into power in 1996, an action which undermined key roles and functions of institutions at the forefront of spearheading M&E in the government system. This is a typical example of lack of political commitment by a subsequent government. The political commitment is expected to trickle down from national institutions to the lower levels of government structures or from governance structures (for example, a board of directors, or councillors) to lower levels of specific institutions (management, departments, or units).

Establishment of clear roles and responsibility for M&E

Research on M&E as well as guidelines and toolboxes for practitioners in Africa have increasingly focused on the importance of institutional arrangements with necessary capacity in building M&E systems (MFDP 2017 in Kimaro 2017:196; De Coning & Rabie 2014 cited in Cloete *et al.* 2014:252). The country policy frameworks can support M&E, but responsibility for it needs to be attached to appropriate institutions with a fully-fledged mandate to ensure institutionalisation of M&E across government. Oversight agencies perform oversight functions on audit, control, and the fight against corruption only, which is a shortfall and can negatively influence the perception of M&E and performance management (Lahey 2015:6). The oversight institutions are not necessarily auditing in accordance with and in relation to the M&E frameworks developed, and their audit reports may distort and water down M&E information generated at national or institutional levels. These institutions will also coordinate all performance information produced for the government and monitor its adoption in the policy processes.

It is widely accepted that public service institutions need to have appropriate structures and functions that support M&E (World Bank 2004:11). De Coning and Rabie (quoted in Cloete *et al.* 2014:265) give options on institutional arrangements for M&E. First, they suggest an option for establishing an autonomous and centralised unit at national level. Second, they propose a corporate support unit. Third,

they suggest decentralising M&E officials in each line department who report to the head of line department and the M&E manager. In Uganda, it was suggested that the national institutions should reside in a high-level office such as the Office of the President or the Prime Minister (World Bank 2004:1).

M&E systems anchored on sustainability perimeters can withstand tests facing public service institutions and progressively improve. Sustainability factors referred to here are adequate staff with M&E expertise, staff with capacity to monitor and use performance information. The departments or units should have adequate staff with required expertise, whose job descriptions clearly stipulate the M&E implementation and coordination functions. Gorgens and Kusek (2009:63) propose that institutions should have a defined career path for M&E professionals and incentives for individuals to be involved in M&E. Ideally annual or action plans should comprise key activities associated with M&E, attaching them to various role players or departments within an institution.

Incentives and sanctions attached to use of M&E

Botswana identified absence of comprehensive incentives as a key factor for failure to institutionalise the National M&E framework specified in the National Development Plan Version 10 (MFDP 2017 in Kimaro 2017:196–197). Mackay (2007:61) describes the environment in which public service institutions operate as hostile, where there are various factors which force managers not to focus on performance management but rather on day-to-day operations. Public service institutions have sometimes resorted to creating fewer performance measurements which are easily achievable but do not create a reasonable impact internally and externally. Having faced enormous challenges in using M&E systems, Lopez-Acevedo, Krause and Mackay (2012:5) note that experience with M&E systems shows powerful incentives as important on the demand side for achieving a high level of utilisation of the information they provide.

Talbot (2010:190) concurs with the argument that public-sector employees may respond to pressures for improved performance by responding to well-designed incentives. The incentives attached to the use of performance information is a significant contributing factor for effective utilisation of M&E systems as it answers the questions “so what?” and “what next?”. Incentives and sanctions include “carrots” or positive encouragement and rewards for using M&E (rewards), “sticks” (deterrents), financial penalties for ministries that fail to implement evaluation recommendations, and “sermons” (statements of support) or high-level, ministerial statements of support for M&E (Mackay 2007:63–4). Botswana, however, is cautious about using M&E as a compliance tool, but would rather use it as a performance management tool (MFDP 2017 in Kimaro 2017:196), thereby instituting a performance management culture.

Continuous capacity building on M&E

Capacity building and M&E relationship can be presented as an “egg-and-chicken” scenario, in that it may be a challenge to establish which comes before the other. Is M&E building capacity of public service institutions (for governance purposes), or does M&E need capacity building in order to flourish and become an effective management tool? In Uganda, lessons learnt from implementing poverty-reduction strategies indicate that M&E can be used for capacity building of public service institutions rather than becoming a demanding, unproductive data collection system (World Bank 2004:1). It is acknowledged that in Africa, M&E capacity development is vital towards establishment of a more extensive initiative for good governance and effective utilisation of public resources (Basheka and Byamugisha 2015:80). Botswana acknowledges inadequate capacity as a challenge for institutionalisation of M&E (MFDP 2017 in Kimaro 2017:196–197).

There is a high demand for skilled professionals in M&E (Gorgens & Kusek 2009:6), and more so in evaluation than in monitoring. Wong (2013:9) identifies staff capacity constraints as one of the major factors behind slow change in performance management and M&E culture, as it affects reversing from input-output mentality to results. Lahey (2015:4) argues the importance of recognising that a country with a weak basis for an NMES (as determined through an M&E diagnosis) likely needs a capacity-building strategy somewhat different from that of a country with a much stronger NMES capacity, that is, a country further along the continuum. Capacity building for M&E is two-sided, covering both the supply side (those generating M&E information) and the demand side (users utilising M&E information). The supply- and demand-side role players require adequate capacity for effective production of quality information, its interpretation, and its translation into actions. Institutions’ and employees’ capacity to design, implement and refine the M&E system is vital for effective institutionalisation of M&E.

Schiavo-Campo and McFerson (2008 in Kimaro 2017) back external evaluation of performance in African developing countries; however, this cannot be done if government employees lack the capacity to engage and coordinate evaluation projects. Lahey (2015:4) goes for a more comprehensive and country-specific strategy for NMES development than a generic strategy that focuses primarily on training country officials, in the absence of institutional changes and infrastructure development. At institutional level, throughout implementation of the M&E system, institutions need to establish the level of capacity available, identify gaps, and develop a capacity-building mechanism. It is therefore important to reflect and strategise on institutions’ capacity gaps when developing M&E systems by identifying specific needs, including those of external stakeholders related to the institution, such as other government institutions, ministries, citizens, media, and the general public. African countries need to

establish evaluation designs and methodology training programmes for M&E practitioners, and also establish databases of M&E professionals (Basheka and Byamugisha 2015:80).

Setting adequate budget for M&E

For a long time, people have considered M&E as unattainable because of cost, time, interpretive capacity, and data management problems (Seasons 2003:431). Limited budgets for M&E activities hinder effective institutionalisation and functioning of the system such that in some cases, institutions are forced to focus on monitoring activities rather than evaluation, which is resource intensive (dependent on labour and budget). In Kenya, a limited budget is set for M&E. Out of planned US\$3.8 million, the M&E department received US\$1.3 million only (Anderson *et al.* 2014:21) and the department spent US\$ 400,000 for M&E activities while it spent the rest on other operational costs. In Canada, while planners express support for M&E processes, they identify resource constraints as an obstacle for carrying out proper, timeous and detailed M&E functions (Seasons 2003:433). Heavy reliance on donor support for M&E activities raises concerns when it comes to ownership of the initiatives by political structures (World Bank 2004:2). Reliance of support to development partners for operationalising M&E systems and lack of coordination led to Uganda having 524 active projects from 825 separate agreements with different M&E systems (World Bank 2004:2). The above-mentioned scenario creates more challenges in M&E system(s) management in most African countries that are not investing in only one NMES.

CONCLUSION

The article presented an overview of performance practices and the relationship among performance-related concepts. The chapter presented similarities and differences between the performance 'trio', that is, performance measurement, performance management, and M&E. The three concepts are sometimes used interchangeably, but carry different meanings, especially in terms of the scope they cover in the performance world. Performance measurement is a subset of performance management which covers levels up to the use of performance information generated from performance measurement systems. Literature reveals that performance management is a subset of M&E. The institutionalisation of M&E has its own key features, which are presented and analysed in this article. Similar to other public management systems, the successful institutionalisation of M&E is dependent on factors internal and external to a particular institution. This article finally presented the key determining factors for the successful institutionalisation

of M&E along with an understanding of performance-related concepts to determine the linkage of these concepts with the institutionalisation of M&E in public service institutions.

NOTE

- * The article is partly based on a doctoral thesis under the supervision of Prof D Fourie and co-supervision of Dr M Tsiyoyo. Kimaro, J.R. 2017. *Analysis of Monitoring and Evaluation Systems: A Case Study of Tanzania's Local Government*. Pretoria: University of Pretoria.

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AUTHORS' CONTACT DETAILS

Dr Josephine Rogate Kimaro

P O Box 14466
Dar es Salaam,
United Republic of Tanzania.
Email: josephinekimaro@yahoo.com
Mobile: +255 763 144377

Prof Dawid Fourie

School of Public Management and
Administration
Faculty of Economic and management Sciences
Lynnwood Road
Pretoria
Cell: 083258273
Email: prof.djfourie@up.ac.za

Dr M Tsiyoyo

School of Public Management and
Administration
Faculty of Economic and management Sciences
University of Pretoria
Lynnwood Road
Pretoria
Cell: 0760278213
Email: michel.tsiyoyo@up.ac.za