### Table 6: Structuring Information on Institutional and Organisational Characteristics

<table>
<thead>
<tr>
<th>Strategic and institutional Environment</th>
<th>Inputs and Resources</th>
<th>Strategy</th>
<th>Culture</th>
<th>People/HRM</th>
<th>Systems</th>
<th>Outputs/Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic background - growth etc</td>
<td>Revenue: major sources; how stable are they?</td>
<td>Official statements of goal and mission</td>
<td>attributes of national culture and their impact on the institutional framework / management of the organisation</td>
<td>Human &quot;outputs&quot; - indications of satisfaction and commitment such as absenteeism and turnover</td>
<td>Major systems for high level decision-making, strategy formulation and planning</td>
<td>Main products or services</td>
</tr>
<tr>
<td>Political/legal environment - stability, - legal framework of institution, - corruption, - extent of political interference in detailed operations</td>
<td>Is there a serious shortfall and if so why?</td>
<td>Actual priorities as indicated by budget allocations to divisions</td>
<td>What are the implications of the above for the design of:</td>
<td>pay scales and how do they compare with competing organisations</td>
<td>Are systems clearly documented?</td>
<td>Indications of satisfaction with services</td>
</tr>
<tr>
<td>Social - cohesiveness of society, - minorities issues</td>
<td>Financial and capital assets</td>
<td>Is there a strategic planning process - what form? Were staff and other stakeholders involved?</td>
<td>i Consultative/ participatory processes</td>
<td>Is there a performance management/appraisal system</td>
<td>What evidence is there of use of systems</td>
<td>Impact on the poorest in society</td>
</tr>
<tr>
<td>Priorities and policy making capacity</td>
<td>Numbers of staff by job category</td>
<td>Form of high level decision-making</td>
<td>ii Performance management</td>
<td>Perceptions of leadership of organisation</td>
<td>What management information is supplied at what levels? What action is taken as a result?</td>
<td>Baseline of performance - what outputs, at what cost and outcomes</td>
</tr>
<tr>
<td>Key drivers for change</td>
<td>Major programmes and programme headings</td>
<td>Has the strategy been derived from an appraisal of the institutional environment - strengths, weaknesses, opportunities, threats? Current levels of service delivery?</td>
<td>iii Monitoring information</td>
<td>Investment in training/skills development</td>
<td>Are there clear lines of accountability?</td>
<td>Performance of key policies</td>
</tr>
<tr>
<td>History of previous reform efforts and achievements</td>
<td>Balance between personnel and operating costs</td>
<td>Are the goals and strategy generally understood inside and outside the institution/organisation?</td>
<td>iv Impact of external change agent</td>
<td>Skills shortages</td>
<td>Try a random check on how a specific system is being used in practice</td>
<td>Is there a performance management system?</td>
</tr>
<tr>
<td>Key stakeholders - what critical actions have to be taken</td>
<td>Budgeting system - how effective?</td>
<td>is there a plan to achieve the changes necessary to meet goals?</td>
<td>• Likelihood of a more effective organisation meeting its goals</td>
<td>What are the main personnel systems?</td>
<td>What formal and informal mechanisms exist for co-ordination?</td>
<td></td>
</tr>
<tr>
<td>Outcomes - what constitutes programme success?</td>
<td>Does final expenditure bear any relation to the budget?</td>
<td>Is there a clear implementation plan? And provision to adapt and review in light of circumstances?</td>
<td>• Informal power blocks and coalitions</td>
<td>Does the organisation know how many staff it has?</td>
<td>Are there documented procurement processes?</td>
<td></td>
</tr>
<tr>
<td>Incentives - to modify behaviour of key stakeholders</td>
<td>Size of budget surplus/deficit</td>
<td>• Strategic planning process generally understood outside and outside the institution/organisation?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountability and governance arrangements?</td>
<td>What accountability and audit mechanisms are in place?</td>
<td>• Establishing information</td>
<td>• For commercial enterprises, is the organisation financially sustainable?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informal influences?</td>
<td>For commercial enterprises, is the organisation financially sustainable?</td>
<td>• Likelihood of a more effective organisation meeting its goals</td>
<td>• Financial performance over last 3 years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Detailed checklists of the major elements of this model are given in Appendix 1.

CHECKLISTS

1. External environment/elements of institutional analysis

2. Financial resources and systems

3. Role and strategy

4. Culture

5. People and Human Resource Management


7. Organisation structure

8. Outputs / Performance
Checklist 1

External Environment Checklist

1. Identify through a stakeholder analysis other organisations/institutions and groups to which the organisation does, or might be expected to, relate:
   • who are they?
   • what is their relevance (e.g., customer, policy maker, supplier, competitor or trade unions)?
   • what are their objectives in relation to the institution under review; what is their view of it?
   • what influence/importance do they have in theory and practice? To what extent do they influence policy making?
   • how effective are they?

2. How is the organisation affected by government policies and procedures?
   • policies on the role and authority of the organisation
   • budgetary policies and procedures: is there a rational, transparent and consistent process for resource allocation?
   • personnel procedures (appointments, promotions, pay etc.)
   • procurement
   • other eg. regional or economic policies
   • government plans for decentralisation
   • how appropriate are these in terms of content and the degree of autonomy given to the organisation?
   • how do they assist/constrain the organisation?
   • are any changes desirable/expected/possible?
   • what is the relationship with other levels of Government eg. regional, local and central and are these appropriate?

3. What is the legal framework for the organisation?

4. To whom is the organisation formally accountable?
   • through what mechanisms (e.g., audit, performance contract, other reporting) and how effective is this?
   • is the balance between autonomy and accountability reasonable given the purpose of the organisation?

5. What informal influences materially affect the organisation?
   • political pressures
   • bureaucratic pressures
   • social and cultural pressures e.g., ethnicity, attitudes to authority
   • preferences for individual or collective action

6. How far and through what means is the organisation responsive to the needs and interests of intended beneficiaries or customers?
   • does it have their confidence?
   • are there procedures for consultation, feedback and grievances?
   • does the organisation make information about its activities and role readily accessible?

7. What would be the likely impact of a change of government on the organisation?

8. What other donors support the organisation or affect the external environment?
   • what are their objectives?
   • are they effective?
   • is there co-ordination and who leads it?
9. Consider the key elements of Institutional Analysis.

### Figure 5: Institutional Analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions and Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priorities</td>
<td>Has government identified its priority tasks and allocated resources in accordance with priorities? Are allocations adhered to? What levels of expenditure can be afforded in the short, medium and long term? To what extent are the needs of poor people taken into account in shaping priorities? How effective is the public expenditure management process?</td>
</tr>
<tr>
<td>Policies</td>
<td>How effective are the core policy and decision making structures and processes? Are they based on evidence and data? What is the input of poor people or their representatives into the policy making process.</td>
</tr>
<tr>
<td>Incentives</td>
<td>What is the current incentive structure? Who benefits? What incentives, if any, are there to modify the behaviours of key players in support of the desired outcomes? What are the incentives for state structures to deliver services; for the bureaucracy to attract and motivate staff; for the development of national skilled human resources?</td>
</tr>
<tr>
<td>Legal</td>
<td>Independence of judiciary. Effectiveness of rule of law - both criminal and civil. Extent of political interference in judicial decisions. Levels of corruption in the legal system. Stability of legal institutions.</td>
</tr>
<tr>
<td>Cultural</td>
<td>Cohesiveness of society; dominant national values and norms; stability of such values.</td>
</tr>
<tr>
<td>Drivers for change</td>
<td>What are the key drivers for change? Social, technological, economic or political? Are there sponsors or champions for reform? Extent of their power and influence. Level of commitment to reform. What benefits or incentives do they have to push a reform process. Level of political stability.</td>
</tr>
<tr>
<td>Voice and partnership</td>
<td>What mechanisms and structures are in place to promote the concerns of poor people? How effective are they? What voice do poor people have to hold delivery organisations to account?</td>
</tr>
</tbody>
</table>
Checklist 2

Checklist on Financial Resources and Systems

1. What has been financial performance over the last three years; what are the reasons for any significant changes; what has been happening in real terms i.e. excluding inflation, what are future prospects?

2. What are the main sources of revenue?

3. If the organisation raises revenue who controls prices/charges; what is the record on tariff increases; is revenue effectively billed/collected (what is the level and age analysis of debtors); what trends can be identified?

4. How has the organisation responded to financial constraints?

5. What is the balance between personnel and other operating costs; is this appropriate given current financial circumstances and future prospects? How does it compare with similar organisations elsewhere?

6. For commercial enterprises what conclusions can be drawn from the financial statements; is adequate provision made for depreciation; when were fixed assets last revalued; is the capital structure appropriate; how far is debt serviced; are creditors paid within a reasonable period; is the enterprise financially sustainable?

7. Does the organisation bear significant foreign exchange risks; are those likely to increase; what is their potential impact?

Financial management

11. Is there a system for monitoring expenditure?

12. Is the flow of income erratic?

13. Are there traditions of over/under spending?

14. At what level are budgets held?

15. Do operational managers get management information about their income and spending?

16. What happens to underspends?

17. What are the penalties for overspending?

Accountability and auditing

18. Are line managers held accountable for their use of resources/cash?

19. Is there a process of audit and are audit reports presented to an external body? What action is taken as a result of audit reports?

20. What are the mechanisms to scrutinise the efficiency and effectiveness of public spending?

21. Are there official rules to regulate the process of public procurements?

22. In practice, how does the organisation award contracts and other forms of economic patronage?
Checklist 3

Checklist on Role and Strategy

1. What is the role of the organisation, according to:
   - its head
   - other staff
   - central government departments
   - other stakeholders

   What are the reasons for, and implications of, different perceptions? Are there areas of competition rather than complementarity; are there unfilled gaps?

2. How is the role formally expressed eg. in law, a mission statement or government policy papers? How does this compare with perceptions at (1) above?

3. How do perceptions of the organisation's role and formal expressions of it compare with evidence on what it actually does?

4. Is there a strategic plan, business plan or other document setting out objectives and strategy for the organisation; if so is it consistent with the role of the organisation and with government policy?

5. Are the objectives and strategy generally understood and agreed within and outside the organisation?

6. How were the objectives/strategy/business plan etc. prepared; who was involved and in what ways; what does the process imply about the organisation and its external relationships?

7. How consistent is current and recent experience with the stated objectives/strategy/business plan; is the plan realistic?

8. Are there unstated objectives for the organisation; what are they and how important are they?

Checklist 4

Institutional Models – Culture

<table>
<thead>
<tr>
<th>POWER</th>
<th>ROLE</th>
<th>TASK</th>
<th>PEOPLE</th>
</tr>
</thead>
</table>
| • Centralised Power | • formal definition of:  
  i tasks  
  ii roles  
  iii procedures  
  iv functions | • job and task oriented  
  • organised on  
  team/group basis | • centred on individuals  
  • minimal structure |
| • grapevine = source of information | • rules for settlement of disputes | • influence based on technical expertise  
  • few formal roles  
  • adaptable  
  • power widely dispersed | • rules procedures based on mutual consent  
  • shared influence and roles based on expertise |
| • in-fighting | • attention to coordination  
  • power proceeds from role/position | • reward for results | |
| • few rules | • rational  
  • hierarchical | | |
| • money and status are important | | | |
| • use of reward and coercive levers | | | |
Checklist 5

People and Human Resource Management

HR responsibilities
1. Is there a personnel department?:
   • what is its status?
   • how senior is the Head of Personnel?
2. What are personnel department’s responsibilities?
   • devising, implementing and monitoring HR systems
   • manpower planning
   • record keeping
   • welfare
   • recruitment
   • discipline
3. Do line managers have specific personnel responsibilities?
   • are these clearly spelt out?
   • are line managers clear about what their personnel responsibilities are?

Record keeping and manpower planning
4. Does the organisation know how many staff it has and at what grades?
5. Are there large numbers of vacant posts?
6. Is there an organisation chart?
7. Do people have job descriptions?
8. Is there any definition of skills requirements?
9. Is there a system of manpower planning?
10. Is there a staff handbook?

Rewards
11. How do salary levels compare with competing organisations in public and private sectors?
12. Are there other rewards besides salaries?:
   • leave
   • study opportunities
   • travel
   • pension
   • flexible hours
   • child care
13. How much value do staff place on non-monetary rewards?
14. Do people get paid on time?

Performance management
15. Is there an appraisal system?:
   • is it used?
   • do staff believe it is fair?
   • what is the purpose of the system?
   What are reports used for?
16. Are staff given regular feedback on performance?
17. Are there complaints of favouritism?:
   • how widespread?
   • in which areas?
   • among which groups of staff?

Development
18. Is there a system for assessing staff development needs?
   • are staff needs linked to organisational needs?
19. What are the opportunities for development?:
   • internal courses
   • external courses
   • qualifications
20. Is there a development and training section?:
   • is it valued by staff?
   • what resources does it have?
   • is there any data on volumes of spend on training?
21. What is the line manager’s role in development?
22. Is there a development budget?
   • who holds the budget?
   • does the budget get used for purposes other than development?
23. Do people have personal development plans?
Recruitment
24. At what level are people recruited?
   • graduate
   • clerical
   • managerial

25. How are people recruited?:
   • advertisements
   • employment centres
   • word of mouth
   • relatives/contacts

26. Are there clear selection criteria?:
   • qualifications
   • competences
   • experience

27. Are there any staff shortages?:
   • which areas?
   • which grades/types of staff?
   • Are these general shortages throughout the local labour market, or just for this organisation?

Promotion
28. Is there a clear grading and career structure?

29. Are there opportunities for promotion?

30. Is promotion the only way to get an increase in pay/status?

31. Are there clear criteria for promotion?:
   • performance in the job
   • years' service

32. What is the promotion process?:
   • individuals apply
   • promotion boards
   • performance appraisal reports
   • automatic
   • line manager nomination

Exit
33. Is there a process for dismissal?

34. What are the grounds for dismissal?:
   • inefficiency
   • disciplinary

35. Is there a set retirement policy?

36. Do people change with governments?

Identifying and meeting development needs

Identifying needs

| Identify business objectives |
| Assess current skills levels |
| Identify gap between skills need and current skills |
| Agree learning objectives |
| Decide how needs can be met |

Meeting needs

37. Consider:
   • individual learning styles
   • educational traditions
   • learning culture (eg. freedom to ask questions; acceptability of learning from younger person etc)
   • resource availability
   • costs

38. Possible options for meeting needs:
   • on-the-job structured training with personal development plan and manager support
   • mentoring
   • delegated tasks
   • secondments (short term/long term; internal/external)
   • job shadowing
   • visits
   • internal course
   • open learning
   • external course
   • day release
Checklist 6

Checklist on Management Systems and Practices

General

i. Is there a strategic planning system?
   How is it used?

ii. Are systems clearly documented; are any manuals up-to-date, accurate and familiar to managers and staff?

iii. How far are systems regularly followed in practice? If not, why not?

iv. Is there an internal audit system; is it independent; does it go beyond financial control to wider systems issues?

1. Decision Making
   • Identify key decisions for the organisation; who decides at what level and following what process (formal and/or informal)?
   • How timely are decisions; how (well) are they communicated?
   • What do staff/outsiders see as examples of timely and effective decision-making; what do they see as examples of slowness or ineffectiveness? To what do they ascribe such performance?
   • How is individual or collective accountability for decisions maintained; how effective is this?
   • What level of centralisation/delegation of authority exists; does it appear that a different balance would be more efficient or effective, and why; what financial authority is given to different levels; how many and what signatures are needed for various approvals?

2. Co-ordination
   • What formal and informal mechanisms exist for internal co-ordination: how often is there consultation/communication and in what form; how well-informed are departments/individuals of what others are doing; do different parts of the organisation cooperate or compete?
   • What formal and informal mechanisms exist for external co-ordination: what are seen as appropriate links and what is their purpose; how effectively do they operate, who is excluded and who else might be expected to be involved?

3. Information
   • What management information is provided at what levels, frequency accuracy and timeliness?
   • What evidence is there that available information is used effectively?
   • Does the information collected relate to the organisation's goals or strategic plans? Are there any major gaps?
   • What information/data is collected which is not needed/used?

4. Supplies
   • What problems exist? Are items out of stock and/or take a long time to procure? Are any stock holdings excessive, obsolete or inappropriate?
   • Who has responsibility for procurement, storage and distribution, is this appropriate?
   • Are there clearly documented procedures and information systems for supplies management; do they work in practice?
   • Are any problems the result of financial constraints, inappropriate systems and responsibilities, or poor management?
   • Are procurement policies appropriate? What proportion of contracts are subject to competitive tendering? How transparent is the tendering and contracting process?
   • Is stockholding policy appropriate? Would it be better to rely on suppliers to hold stocks and buy items when needed?

5. Project Planning, Management and Monitoring
   • What processes exist for appraising, approving, managing and monitoring projects?
   • Are responsibilities clearly identified, is there accountability for them?

6. General
   • Look for evidence of use of above systems and action being taken as a result.
Checklist 7

Reviewing organisation structure

1. What is the current organisation structure? Is there an up-to-date organisation chart? Are people clear about the structure?
2. Is the structure consistent with the purpose of the organisation and the environment in which it operates? How does the organisation interface with its main customers?
3. Are the roles and responsibilities of individuals clear and agreed? Do up-to-date job descriptions exist?
4. Are responsibilities for all the key functions/processes of the organisation clearly allocated?
5. Are lines of management accountability clear? Do mechanisms exist to ensure vertical communication takes place?
6. Are there any significant areas of overlap/duplication between parts of the organisation? Do mechanisms exist to ensure effective horizontal communication?
7. How frequently does the structure of the organisation change? Is there a clearly expressed rationale for the changes? How was the last change planned and carried out?
8. What do people think about the current structure? Are they happy with it? What are the main criticisms of the structure? How well balanced are workloads? How well is work delegated?
9. Have other options for structuring the organisation been considered? What are the advantages and disadvantages of the alternatives.
10. What changes would make the greatest impact on the efficiency and performance of the organisation?
11. What are the number of management levels in the organisation?
12. What are the average spans of control at each level?
13. How centralised are processes and decision making structures? Are these appropriate to the organisation's purpose?

Structure: Centralisation v. Decentralisation

For Centralisation
1. Simplicity of co-ordination.
2. Broader perspective on issues means decisions taken in overall interests of organisation as a whole, not sub units.
3. Economises on managerial overheads by avoiding duplication of activities.
4. Balances power of functional units by centralising decisions-on resource allocation, targets and key HR issues.
5. Speedy decision making and control in times of crisis.

For Decentralisation
1. Reduces stress and load on senior management.
2. Increases senior management time for strategic and long term planning.
3. Increases motivation and commitment at middle levels.
4. Helps development of junior managers.
5. Allows greater flexibility to adapt to changed circumstances.
6. Facilitates clearer accountability for performance down the organisation.

Factors influencing degree of centralisation
1. Degree of diversity of products/services.
2. Degree of diversity of goals, dispersion, technology.
3. Risks of divergence from standard procedures/controls.
4. Size and purpose of organisation.
5. Skills and attitudes of staff.
6. Capacity of senior management to manage in a “delegated” organisation.
7. Legal and external framework.
8. Pace of change and need to react flexibility to changing circumstances.
Checklist 8

**Checklist on Outputs and Performance**

1. What are the organisation’s main products or services?

2. What measures or indicators of output or performance does the organisation have? How often are these reviewed? Do they include non-financial as well as financial measures?

3. What baseline of performance does the organisation use? What outputs does it measure - at what cost and with what outcomes?

4. Is there a performance management system? Is it linked to the organisation’s goals? Does it cascade down to the individual level?

5. What assessment is made of the impact of the organisation’s services on the poorest in society?

6. What feedback does the organisation receive about customer or user levels of satisfaction with its services?

7. What indicators or measures of user satisfaction does the organisation use? Do these show an improving trend?

8. Does the organisation benchmark its performance with other similar organisations or competitors?

9. Does the organisation plan and measure its key operational (financial and non-financial) results in order to predict and improve future performance?