by John Harrison

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CONNECTING THE Dots

IMPLEMENTING AN INTEGRATED MANAGEMENT ENVIRONMENT

'Operationalizing' the MRRS and MAF elements within an integrated management environment

The first in this series on integrated management demonstrated that the federal government's Program Activity Architecture (PAA), the core component of the Management, Resources and Results Structure (MRRS), represents the accountability framework for program delivery, while the Management Accountability Framework (MAF) is the accountability framework for management delivery. The second emphasized the importance of maintaining a reasonable balance between sustaining ('business as usual') and change agenda ('transforming the business') activities and contained guidelines for ranking priorities. The third article described how the ten essential elements of the MAF, when effectively integrated, are key performance drivers for exceptional program delivery. The articles also provided a menu of potential 'leading' and 'lagging' indicators for management delivery.

This fourth article presents the design principles for 'operationalizing' the MRRS and the MAF within an integrated management environment (IME), designed to connect a range of often disparate management processes 'in time and space' and within the four quarters of the annual planning and reporting cycle.

DESIGN PRINCIPLES

The five key design principles of the IME can be applied to results-based planning and reporting at each of four levels: the organization, program, project and individual levels (see Figure 1).

ONE PLAN

Each organization, program area or project within the department has one plan, which is continuously updated as circumstances dictate. These plans contain information on past performance, current status, and updated plans and priorities looking into the future. Plans at each level flow from the direction and priorities contained in the higher level plans to which they align.

At the department or agency level, the 'one plan' is the Report on Plans and Priorities (RPP) and its companion document, the Departmental Performance Report (DPR). Together, these two accountability documents tell the departmental or agency performance story at the organizational level.

At the program level, PAA-based plans that cut across organizational boundaries are refreshed as necessary by program managers and their staff, with accountability exercised by the most appropriate executives. Strategic Outcome (SO) Plans, or their equivalent, serve as the 'one plan' at the highest level of departmental programming. The SO Plans inform the RPP and, taken together, provide the direction for accountability documents at all other levels.
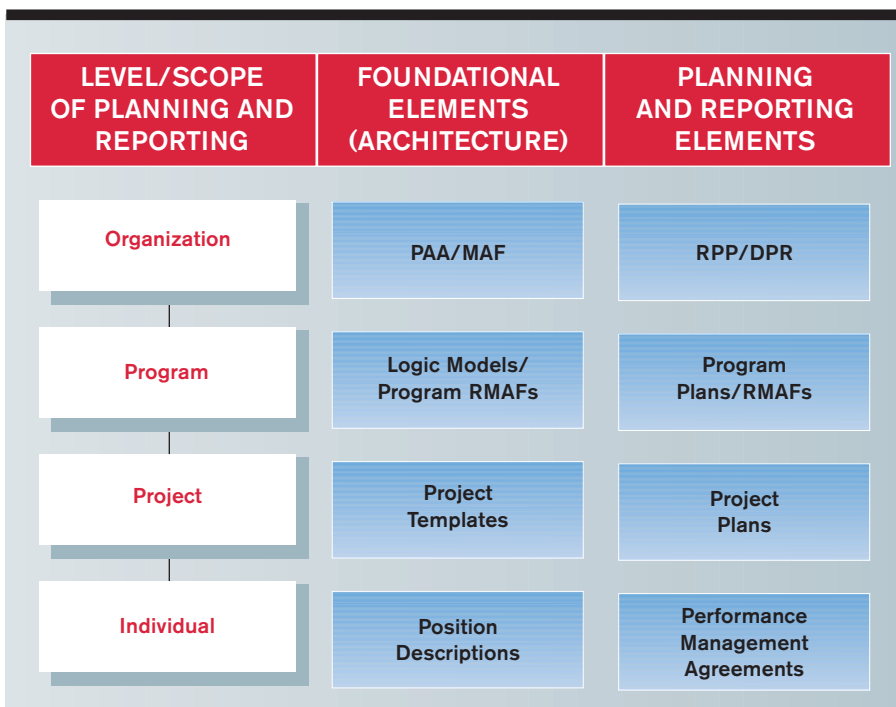
Plans derive change agenda initiatives from problems and performance gaps identified through ongoing monitoring and reporting. Key commitments made with respect to such initiatives are properly resourced in executive performance management agreements (PMAs), and the progress and impacts of these initiatives are tracked as part of the ongoing monitoring and reporting regime.

Policy and program options and design are based on sound program theory, and capacity is developed as part of a strategic human resources capital investment plan that looks out at least five years.

Workforce and workplace strategic priorities are considered part of a department or agency's Capital Investment Plan, which is multi-year in nature and is derived from the SO Plans. These people considerations must be viewed as long-term investments because there are lag times associated with the implementation of strategic initiatives such as replacing retiring workers or rebuilding capacities.

Call letters are not required as corporate services organizations respond to high level internal and external reporting requirements by extracting the required information 'in one pass' from continuously updated planning and performance information available in organizational, program, project and individual accountability documents.

> Figure 1

LEVEL/SCOPE OF PLANNING AND REPORTING	FOUNDATIONAL ELEMENTS (ARCHITECTURE)	PLANNING AND REPORTING ELEMENTS
Organization	PAA/MAF	RPP/DPR
Program	Logic Models/ Program RMAFs	Program Plans/RMAFs
Project	Project Templates	Project Plans
Individual	Position Descriptions	Performance Management Agreements

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INTEGRATED SYSTEM OF MANAGEMENT PROCESSES

All management activities are carried out on an ongoing basis within one integrated system of processes that are repeatable, robust and eliminate duplication and overlap of internal and external requirements.

Performance measurement, risk management, sustainable development, employment equity, audit and evaluation and other essential management activities, which currently have distinct external and internal planning and reporting requirements, are linked 'in time and space' within the IME. This requires close collaboration and teamwork among and between corporate services organizations and headquarters and regional functional areas (e.g., human resources, information management/information technology) to minimize the management burden for busy program managers and their staffs.

Continuously updated environmental scanning and performance information are used to update an organization's corporate risk profile, and risk considerations are a part of the planning and monitoring activities taking place at the organizational, program, project and individual levels. Reporting against risk indicators is integrated with other financial and non-financial indicators used for ongoing performance measurement.

Effective controls are in place based upon sound risk-based audit and evaluation, plans and consideration of risks. Values and ethics are continually reinforced through each of the key management processes.

A range of engagement activities are conducted to ensure that the needs of partners and clients are addressed, the drivers of client/partner satisfaction are understood and client/partner satisfaction is measured.

COMMON TOOLS

There is a common departmental or agency lexicon of management delivery terminology.

Financial and non-financial systems, tools and templates provide reliable, evidence-based information to support sound management practices that drive efficient and cost-effective program delivery.

Black books and other non-standard systems are eliminated as executives and program managers gain confidence in the ability of the common systems, tools and templates to meet internal and external management requirements. Standard templates are developed centrally following consultation

with departmental and external partners, and are used to specify essential information requirements and standards, although these leave flexibility in how data and information are captured and processed.

A ROBUST MRRS

Executives and managers use the MRRS, supported by the MAF, as the foundation for leadership and accountability in relation to all program delivery and management delivery processes.

There is evidence of convergence and clear cause and effect linkages between the immediate, intermediate and final outcomes of program logic models and the expected results statements in the department or agency's PAA.

Executives and program managers have a clear understanding of the 'problematique' or performance gaps that are to be/being addressed by new/existing programs. Short-term, medium-term, and long-term time-based targets are in place for all expected results statements in the departmental or agency PAA, as is solid, evidence-based information providing an indication of how successful programs are in closing these performance gaps. There are menus of common and individualized 'leading' (predictive) and 'lagging' performance indicators, including risk indicators, in place at all levels of the results logic.

Organizations align their Chart of Accounts to the PAA, have appropriately communicated coding conventions and a defensible methodology for fully costing their program activities and outputs and other cost objects based upon sound direct and indirect costing techniques.

EXECUTIVE ENGAGEMENT

Executives at the highest levels show their commitment to the MRRS and MAF through several mechanisms.

Executives make sufficient funding available to build capacity and to support executive management delivery activities.

Executives engage in results-based planning and decision-making at critical points in the annual planning and reporting cycle. These highly focused sessions are supported by balanced financial and non-financial performance information that is updated only when new data are available. Executives encourage the use of such information to support learning and continuous improvement.

Draft PMAs for executives are finalized in late December of each year, following the refresh of relevant plans. PMAs contain

ongoing and key commitments and indicators for program and management delivery drawn from relevant organizational and horizontal program or functional plans. Resourced PMAs are finalized only at the beginning of the fiscal year once budget allocations have been determined and following completion of the performance reviews for the previous fiscal year. A portion of executives' and managers' compensation is based on the degree to which they show progress in implementing the MAF elements.

Resource allocations are made to Strategic Outcomes and program activities in the PAA based on the strength of planning and performance information, and reflect an achievable balance between sustaining and change agenda activities. Plans and draft PMAs are prepared before resource allocation decisions are made and subsequently adjusted to reflect resourcing decisions made at the program level.

Interestingly enough, many of the elements identified in this article, which have evolved from eight years of company experience in this area, are contained in a Managing for Results (MFR) assessment tool developed jointly by the Treasury Board Secretariat (TBS) and the Office of the Auditor General. One client organization has used this instrument to enable it to self-assess its MFR capability (capability = capacity + ability) and to develop an action plan for improving that capability.

The assessment tool consists of six components – a pivotal characteristic ('using results to manage') and five supporting elements. The five supporting elements are: 1) commitment to results; 2) results-based strategic planning; 3) operational/business planning; 4) measuring results; and 5) reporting on results. We have added a sixth supporting element ('robustness of MRRS').

The MFR instrument is meant to capture where in each conceptual stage an organization has progressed with respect to the components. The five stages are: 1) awareness; 2) exploration; 3) transition; 4) full implementation; and 5) continuous learning. Further information on this tool can be found on the TBS website.

Sequencing of the various elements that make up the IME is critical. Article 5 will describe suggestions for sequencing and linkages 'in time and space'.

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