



International
Labour
Organization

Results-based Management in the ILO

A Guidebook



Version 1

***Improving the ILO's Contribution to the
World of Work: A Guidebook for Applying
Results-Based Management in the
International Labour Organization***

Version 1

**International Labour Office
Geneva**

July 2008

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“The central principle of results-based management is that an organization must manage and measure its performance against the real-world outcomes to which it intends to contribute. For the ILO, this means that its contribution to making decent work a reality for all working women and men is the ultimate goal that justifies its work programme and its budget. RBM requires clarity about what outcomes are sought and who is accountable for achieving those outcomes. What counts – what must be managed and measured – is the contribution made by the ILO to achieving decent work.”

In a nutshell, the above excerpt from the document *Strategy for continued improvement of results-based management in the ILO (GB.297/PFA/1/11)* – succinctly called the “ILO RBM Roadmap”— captures the various dimensions covered in the present guidebook well.

Following several years of progressive implementation of results-based management (RBM) to our strategic planning and budgeting, it has become important to try and summarize terminologies, experiences and lessons learned in applying RBM in the ILO. This is what the present guidebook tends to achieve.

This guidebook clarifies what RBM means within an ILO context, clarifies the definition of outcomes, outcome strategies, outcome indicators, targets and baselines and explains the main rationales for using RBM for management decision-making within the ILO. To the extent possible, examples of best practices and practical guidance are provided towards ensuring a coherent approach to the preparation of the ILO’s programmes (programme and budget proposals, development of DWCPs, etc).

A living document

Just as ILO experience with results-based management is evolving rapidly, so is the guidance on issues that arise in relation to using RBM.

The development of this edition of the guidebook has helped to identify topics and approaches that will be addressed in future editions, such as: best practices in the use of RBM for management decision-making, further clarification of the merits and challenges in defining indicators and how to integrate RBM in partnership settings. Please send questions, comments and suggestions for future editions to: program@ilo.org

While there is more to be done through future editions of this guidebook, we are grateful for the comments and contributions of colleagues in external offices and at headquarters that have led to the improvements provided in this one.

July 2008

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1. Introduction: Maximizing the ILO's contribution to the world of work

The International Labour Organization (ILO) is devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The Organization continues to pursue its founding mission to promote social justice as a basis for universal and lasting peace, as set out in the Constitution and the Philadelphia Declaration.

Those are valuable objectives, but stating them is not enough. The Governing Body, the International Labour Conference, donors and others have called upon the Organization to demonstrate more clearly its measurable results in the world of work. The ILO must work within the framework of United Nations reforms that, through initiatives such as UN Development Assistance Frameworks (UNDAFs), seek greater coherence of strategies, activities and resource use among UN agencies.

The ILO applies results-based management (RBM) to ensure that its managers and staff generate the best possible results in this very competitive funding climate and challenging management and operational climate.¹ RBM enables the ILO to better integrate Decent Work commitments and the tripartite approach into more comprehensive strategies that engage the UN system and other partners.

ILO managers are accountable for the use of the Organization's resources in ways that are most likely to achieve its objectives. They need a management approach that enables them to make the most effective choices possible among competing options.

At a practical level, RBM enables the ILO and its managers to improve:

- **effectiveness**, by focusing on the achievement of clearly defined results;
- **accountability** concerning decision-making and resource use;
- **transparency**, by clearly reporting managers' choices, plans, results and lessons learned;
- **efficiency**, through the best use of available resources; and
- **future management decisions**, by incorporating lessons learned.

¹ *Preview of the Programme and Budget Proposals for 2008-09 and Related Questions (GB.297/PFA/1/1)*. Programme, Financial and Administrative Committee – International Labour Office. November 2006.

1.a The purpose of this Guidebook

This guidebook supports the ILO RBM learning strategy for managers and staff. It complements the ILO approach to management and leadership development. It focuses particularly on how to define and express the kinds of “results” that ILO managers and staff are expected to generate.²

A companion guidebook, *Bringing Focus to ILO Country-level Contributions: A Guidebook for Developing and Implementing Decent Work Country Programmes*, shows how RBM is applied to the development and management of Decent Work Country Programmes (DWCPs).

The reader is also invited to consult PROGRAM’s intranet page for other reference documents on results-based management:

<http://www.ilo.org/intranet/english/bureau/program/rbm/index.htm>

² Management experts have developed many approaches and sets of terms to define strategies, identify desired results and guide the use of resources in organizations. The ILO use of the term “results-based management” and the approach and definitions set out in this guidebook reflect the direction that UN agencies are generally taking, the results of ILO efforts and lessons learned to date and a current analysis of developments in the management field. Given an ILO commitment to continuous learning on RBM, this guidebook will be updated to incorporate new information and lessons.

2. Results-Based Management in the ILO

2.a What is RBM?

The ILO defines results-based management as:

- *a management approach that directs organizational processes, resources, products and services towards the achievement of measurable results.*

RBM challenges ILO managers and staff to define and then seek to achieve results in the form of changes that will matter to workers, employers and governments in member States – both in the work for which they are directly responsible and in the planning and management of efforts conducted through partnerships.

2.b RBM is a clear approach to decision-making

Results-based management provides a clear, structured way to define the specific outcomes that a decision-maker wants to achieve, whether that is an organization such as the ILO or an individual such as a manager. It emphasizes clarity in terms of intended outcomes and the strategies needed to reach those outcomes. It encourages continuous learning and improvement, so that strategies are refined based on lessons learned and new or changed information.

The use of RBM in the ILO normally begins with one question: “What real-world changes are you seeking as a contribution to decent work for all?”

That question helps to define the “why?” that drives ILO organizational and managerial choices. It clarifies the high-level outcome or outcomes that become the focus of a sector, a region, a unit, a team or individuals within those entities.

With a clear sense of the future state toward which the ILO, a sector, a region or a work unit is striving, it is then possible to construct “if-then” questions. For example, if the ILO plans to design and deliver training workshops on rural workplace safety, then we expect it will lead to a particular number of agricultural workers trained. If there are more trained workers, then we expect to see increased awareness and then more use of safer rural workplace practices.

RBM also helps in the selection from among the strategy options for reaching a particular goal. It enables managers to consistently assess all the options in terms of how well they use resources towards the achievement of outcomes and how well they address all the relevant considerations. It also allows managers to compare the risks and assumptions in the strategies. In a similar way, managers from organizations working in partnership can ask these questions about their own actual or projected contributions to that partnership.

As strategies are implemented, RBM encourages continuous learning and improvement. ILO managers operate in a dynamic environment. Reasonable assumptions when a strategy is developed may be affected by unanticipated events. By focusing on the achievement of an outcome set through RBM, managers can adapt their strategies and workplans to deal with change, while building on lessons learned.

2.c RBM is applicable across the entire Organization

RBM encourages work units throughout the ILO to determine clearly how their efforts and resources can make the biggest contribution to the Organization's vision and mandate, embodied in the Decent Work Agenda and the four strategic objectives. The Strategic Policy Framework (SPF) and Programme and Budget (P&B) adopt RBM in identifying constituents' priorities (intermediate outcomes) and a concomitant results framework (immediate outcomes).³

RBM provides a base for managers to demonstrate how they are using resources effectively and the priorities that additional resources would help to address. It also encourages work units to build partnerships with other work units in order to develop and implement joint strategies that get more results from the combined resources of all partners toward intended outcomes of shared relevance. This applies to the entire spectrum of the ILO's operations:

- RBM is being used by ILO field office directors to determine the optimal ILO contribution to DWCP strategies and to identify resource gaps that merit attention from ILO funds or through donors. Additionally, it brings about the identification of Country Program (CP) outcomes and priorities that have the widest possible support among constituents and partners as well as the strategies that all parties then agree to help implement.
- RBM allows the ILO to identify needs and resource gaps followed by the technical cooperation (TC) strategies and activities that are most likely to respond effectively to constituents' requests. With RBM, TC projects are aligned with priority ILO outcomes through Decent Work Country Programmes. Where a multilateral framework, such as a UN Development Assistance Framework (UNDAF) is in place, RBM enables ILO managers to identify ways to achieve ILO goals in that partnership context.
- Lastly, RBM is being applied to all other technical assistance initiatives as well as to administrative services and support, and helps outline the key areas where assistance and support will generate the best results.

³ For more details on intermediate and immediate outcomes, please refer to Section 3.a.

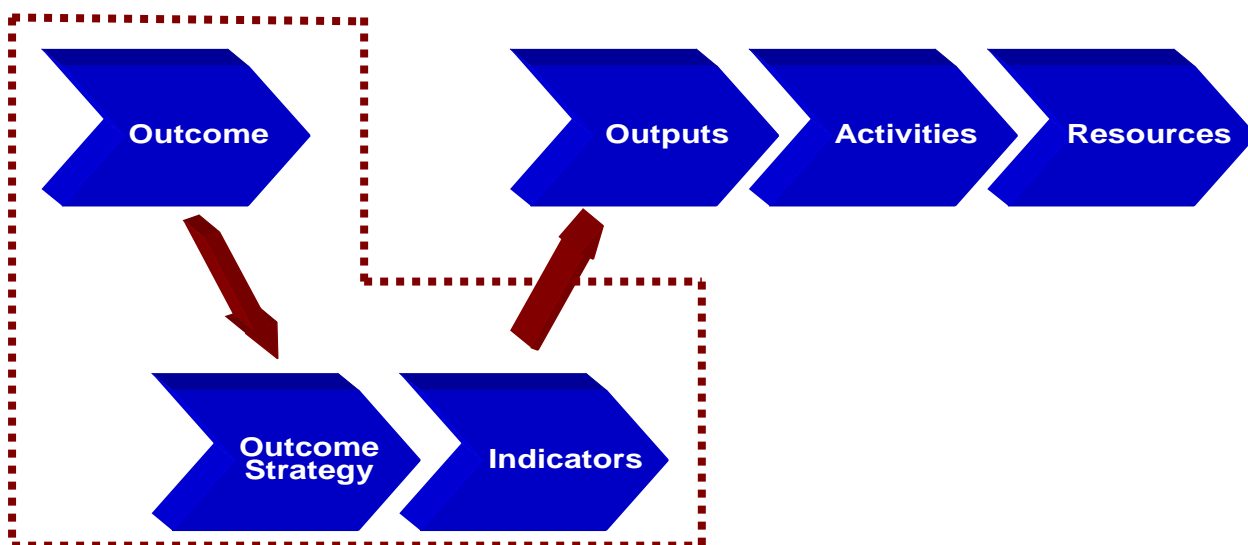
2.d Using RBM in the ILO's collaborative environment

ILO managers often ask how to apply RBM and its focus on results when the real world of ILO action often involves partnerships, which means working with and through others. For that reason, ILO outcomes often can be defined in terms of achievements such as legislative or policy changes, or changes in the capacity to implement decent work policies and programmes.

In this context, managers need to set results and targets with a clear sense of not only their own contributions to achieving decent work for all, but how the actions of others are likely to affect the ultimate achievement of outcomes. They need to make conscious choices about focusing resources on situations in which partners are also committed to results, so that the value of the ILO contribution will be reinforced and multiplied by the complementary and subsequent actions taken by constituents and partners.

3. Expressing desired outcomes: Defining outcomes, outcome strategies, outcome indicators, targets and baselines

The ILO's use of RBM involves the use of specific terms to describe desired and intended changes. The following sections provide explanations of the concepts and terms commonly used to express desired outcomes,⁴ and demonstrate how the ILO is using those terms in practice now.



3.a Defining outcomes

Outcomes are significant changes (policies, knowledge, skills, behaviours or practices, etc.) that are intended to occur as a result of ILO work, whether independently or in collaboration with partners.

ILO outcomes are developed and approved at the Organization level and appear in the Programme and Budget. At the country level they are defined in the Decent Work Country Programmes and at the project level in project documents.

⁴ There are many definitions and terms in use related to RBM-like concepts. Over time, the ILO has moved to approaches, terms and definitions that are in most general use throughout the UN system (Organization for Economic Cooperation and Development, Development Assistance Committee Working Party on Aid Evaluation OECD-DAC).

The outcomes of ILO strategies normally are intended to affect:

- a specific **community** or **population group**;
- an **organization** (such as workers' or employers' organizations);
- a **system** (involving multiple institutions or agencies); or
- a **State**.

Outcomes indicate the change or state that is intended to result from ILO action

Outcomes are best expressed in simple and direct terms that are easy to verify and measure. The change that is expected at the end of ILO and partner work should be made clear.

Outcomes can be achievable in different timeframes and complement each other

Because of the scale of change involved, outcomes can require different timeframes to be achieved. For example, the ILO's four strategic objectives are clearly long-term in nature. They provide the framework for setting **intermediate outcomes** and **immediate outcomes**.

Intermediate outcomes are established through a process involving ILO constituents. They represent broad areas in which change is desirable and necessary in accordance with the values, principles and mandate of the ILO. They refer to results that constituents hope to achieve at global, regional and national levels and indicate where the Office efforts should be concentrated.

Examples of intermediate outcomes in the Programme and Budget for 2008-09

Under Strategic Objective No. 1: Promote and realize standards and fundamental principles and rights at work

1b. Targeted action progressively eradicates child labour, with a particular focus on the worst forms of child labour

Under Strategic Objective No. 2: Create greater opportunities for women and men to secure decent employment and income

2a. Coherent policies support economic growth, employment generation and poverty reduction

Under Strategic Objective No. 3: Enhance the coverage and effectiveness of social protection for all

3b. Safety and health and working conditions in workplaces are improved

Under Strategic Objective No. 4: Strengthen tripartism and social dialogue

4b. Social partners influence economic, social and governance policies

Each of these four examples demonstrates a clear sense of the state that the ILO wants to see realized. It takes the general, high-level result in the strategic objective and identifies an intermediate outcome that provides a focus for strategies based on the ILO's mandate, priorities and capacities. For example:

- **Safety and health and working conditions in workplaces** is seen as a key focus of action where the ILO can make a difference in addressing **social protection**.

Immediate outcomes are the changes that are expected to occur as a result of the action taken by the Office in cooperation with its constituents. These are the outcomes for which the ILO can reasonably be held accountable, and against which the performance of the ILO is assessed and reported, using indicators and targets.⁵ Immediate outcomes contribute to the achievement of intermediate outcomes.

⁵ For more information on indicators please refer to Section 3.c and for targets, Section 3.d

Examples of immediate outcomes in the Programme and Budget for 2008-09

Strategic Objective No. 1: Promote and realize standards and fundamental principles and rights at work

1b. Targeted action progressively eradicates child labour, with a particular focus on the worst forms of child labour

1b.1 Increase constituent and development partner capacity to develop or implement policies or measures focused on reducing child labour

Strategic Objective No. 2: Create greater opportunities for women and men to secure decent employment and income

2a. Coherent policies support economic growth, employment generation and poverty reduction

2a.3 Increase member State capacity to develop policies or programmes focused on youth employment

Strategic Objective No. 3: Enhance the coverage and effectiveness of social protection for all

3c. Labour migration is managed to foster protection and decent employment of migrant workers

3c.1 Increase member State capacity to develop policies or programmes focused on the protection of migrant workers

Strategic Objective No. 4: Strengthen tripartism and social dialogue

4b. Social partners influence economic, social and governance policies

4b.1 Increase the capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy

Note that none of these different levels of outcome statements suggest how these outcomes might be achieved. **The outcome statements establish the destinations, not the driving instructions.** Even so, they are normally informed by some sense of the most likely strategic choices and a sense of what capacity would be needed for appropriate, effective action.

Note also that earlier in this guidebook, the relationships in “if-then” statements were described with a brief example. This is also clear in the links between immediate outcomes and intermediate outcomes.

In the final example above, the logic works this way:

- *IF* the ILO can increase the capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy;
- *THEN* those social partners should be able to influence economic, social and governance policies;

-
- *AND IF* those social partners influence economic, social and governance policies (beyond whatever they did before);
 - *THEN* tripartism and social dialogue will have become stronger.

3.b Developing strategies to achieve outcomes

Once your outcome(s) have been defined, there is a need to establish a clear outcome strategy that would convincingly explain how inputs (e.g., human or financial resources), activities and outputs⁶ will contribute to the achievement of the stated outcome. The strategy, using consistently an RBM terminology, should make clear that you plan a practical, coherent, concrete and time-bound course of action that will lead to measurable results.

It is important to note that activities and outputs are never ends in themselves. They are always means to the ends that are established in the form of outcomes and they need to be seen and applied in the context of specific outcome-focused strategies.

Some questions that may be considered while developing the strategy are listed below:

- What are the links between delivering outputs and achieving the outcome?
- What are the ILO contributions that constituents and partners see as valuable?
- How has the ILO addressed a similar situation in the past and how effective was it?
- Are there existing commitments that need to be integrated or addressed in any new or updated strategy?
- What opportunities exist to integrate the ILO's common principles of action?⁷
- Are there opportunities to reinforce Office-wide coordination?
- Are there opportunities to build reinforcing strategies with partners? (Strategy elements on involvement of constituents should explain how they will be involved and not just state that they will be.)
- Is there enough flexibility to accommodate changes and for the inclusion of lessons learned?
- What risks to strategy success exist and what would be the mitigating actions?

⁶ Definitions of inputs, activities and outputs can be found in the section, "Glossary of Terms Used in this Guidebook".

⁷ A fair globalization, working out of poverty, gender equality, international labour standards; and expanding the influence of social partners, social dialogue and tripartism.

-
- What assumptions are influencing the strategy, including: the capacities and contributions of constituents and partners, financial expectations; political will; the degree of political, economic and social stability – and how probable are these assumptions?
 - Which trade-offs have been made between thematic priorities, between country and global products, between different means of action (i.e. technical assistance versus capacity building and training)?

3.c Setting outcome indicators

Outcome indicators (or simply indicators) are the criteria and data that can be used to verify or measure achievement of immediate outcomes or country programme outcomes. They make it possible for the ILO to clarify broad concepts such as “poverty”, “employment” and “social protection”.

The United Nations Development Assistance Framework (UNDAF) guidelines offer the following criteria for the selection of indicators:⁸

- *Indicators should provide relevant and robust measures of progress towards the targets (contained in the Millennium Development Goals), as well as the goals and objectives, conventions of the UN system, and declarations and programmes of action adopted at United Nations conferences;*
- *Indicators should be broadly consistent with other global indicators lists (e.g., indicators relating to development goals and objectives set in United Nations conferences, conventions, declarations and summits) while not imposing an unnecessary burden on UN Country Teams, the government and other partners;*
- *Indicators should be clear and straightforward to interpret and should provide a basis for international comparison;*
- *Indicators should be constructed from well-established data sources, be quantifiable and consistent to enable measurement over time.*

In the ILO, the focus is on “SMART” indicators. SMART is an acronym for indicators that are:

- Specific
- Measurable
- Attainable
- Realistic (or Relevant) and
- Time-bound (or Timely or Trackable).

⁸ *Country Common Assessment and United Nations Development Assistance Framework: Guidelines for UN Country Teams on Preparing a CCA and UNDAF.* January 2007.

Outcome indicators can be **quantitative** (expressed numerically) such as:

- the *percentage* of the women and the men in a state that live below a daily income level
- the *number* of female and male children from low-income households who complete secondary education ; or
- the *proportion* of women and men working in the formal economy who possess health insurance coverage through their employers.

Outcome indicators can be **qualitative** (non-numeric), such as:

- the *level* of satisfaction reported by workers and employers for public employment services;
- the *degree* to which women working at the Ministry of Labour feel that training opportunities are accessible to them; and
- the *extent or scope* of workplace HIV/AIDS policies in addressing prevention, treatment, care, and support.

Lastly, it is also true that qualitative data can be represented by classifications, rankings or scales that indicate the degree or magnitude of change.^{9, 10} In the case of the examples of qualitative data above, we could measure:

- the *percentage* of women and of men who report being “very satisfied” and “satisfied” with public employment services;
- the *number* of women working at a Ministry of Labour who rank their access to training opportunities as “high” or “medium”; and
- the *proportion* of workplace HIV/AIDS policies that cover the entire range of prevention, treatment, care and support services recommended by national AIDS authorities.

Qualitative data are particularly important when an outcome indicator uses terms such as “effective”, for which there is no common definition that would normally be understood by people observing the situation.

The terms quantitative and qualitative describe more than the nature of the data; they describe the research methods utilized to collect data. The data for outcome indicators can come from:

⁹ *RBM in UNDP: Selecting Indicators* (www.undp.org/eo/documents/methodology/rbm/indicators-Paper1.doc). United Nations Development Programme.

¹⁰ *RBM in the Development Co-operation Agencies: A Review of Experience. Development Assistance Committee Working Party on Aid Evaluation*. Organization for Economic Co-operation and Development. February 2000.

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- secondary data (such as national census data, household survey data, and other publicly available datasets);
 - records or information databases (from multilateral agencies, national administrative bodies, or internal ILO records); and
 - surveys, questionnaires, assessments or interviews (conducted directly with member States and constituents, or through intermediaries).

Quantitative research methods include tests, assessments, surveys, questionnaires and analysis of secondary data. **Qualitative methods** include interviews, focus groups, observations and document reviews, as well as assessments and evaluations. Both methods complement each other.

Finally, in terms of formulation, outcome indicators can be **binary** (expressed as either yes or no). This occurs when the outcome, particularly an immediate outcome is the creation of a specific item (e.g. draft legislation). In such cases, either the item exists by the milestone date or it does not.

Examples:

One of the outcome indicators for the immediate outcome 3d.1 of the Programme and Budget for 2008-09:

“Increase tripartite constituent capacity to develop policies and programmes that address the HIV/AIDS epidemic in the world of work and within the framework of the promotion of decent work.”

has been defined as:

“Number of member States that integrate key principles of the ILO code of practice on HIV/AIDS and the world of work in their HIV/AIDS workplace policies.”

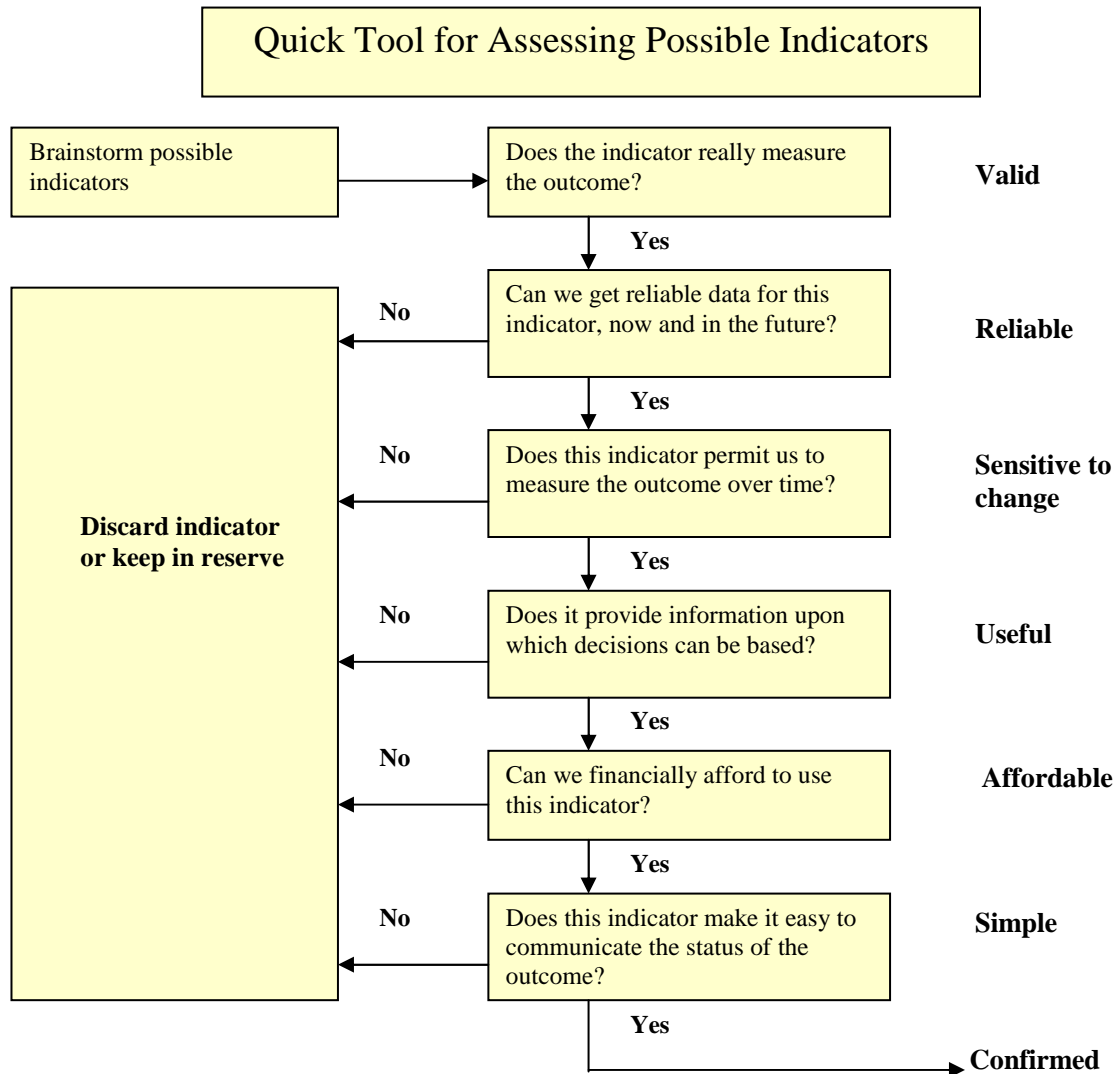
Another example of an outcome and its relevant indicator, this time within a Decent Work Country Programme (inspired by DWCP Syria), is provided below:

Outcome: “Labour market governance and compliance with ILS improved through strengthened labour administration.”

Outcome indicator: Proportion of trained labour inspectors that perform their duty according to internationally accepted standards.

3.c.1 Choosing the best outcome indicators

The diagram below offers a tool that managers and planners can use to assess possible indicators.



There are situations in which it is not possible, feasible or financially affordable to use a direct indicator because the information is not available or the process of tracking the indicator is too complex, expensive or time-consuming. In those cases, a **proxy indicator** may be the best alternative.

A proxy indicator provides an indirect tool to measure the outcome. For example, if it is not feasible to track an improvement in occupational safety directly, tracking the number of work-related accidents could stand as a good proxy for safety.

An additional challenge is to find the appropriate number of indicators that best convey the magnitude and scale of the desired outcomes to be achieved without creating too much effort to track those indicators. Having more indicators does not imply having better measures for the progress of your outcome.

3.d Setting targets

A target defines the exact amount of change intended toward the desired result within a specific timeframe. Targets can be “absolute” (x number of countries, percentage of population, etc.) or “relative”. In the latter case, we are typically looking at the improvements from current to desired state.

Target setting is influenced by many factors, such as:

- previous challenges and success related to the indicator;
- seeking to be ambitious, yet realistic; and
- the appropriate time period for the degree of change expected.

Another aspect of setting targets is establishing milestones. **A milestone sets out how much of a target or what specific steps toward that target will be complete by specific dates.** Missing a milestone date may indicate that a target will not be met without additional resources or actions. In all cases, milestones provide a simple tracking device.

When setting targets, it is necessary to consider issues of **contribution** or who needs to participate in the effort in order to achieve the target. For example, in the implementation of a typical DWCP, contributors should be the responsible ILO Office, the country constituents and other relevant partners at national level, supported by subregional offices, regional offices and technical departments at headquarters.

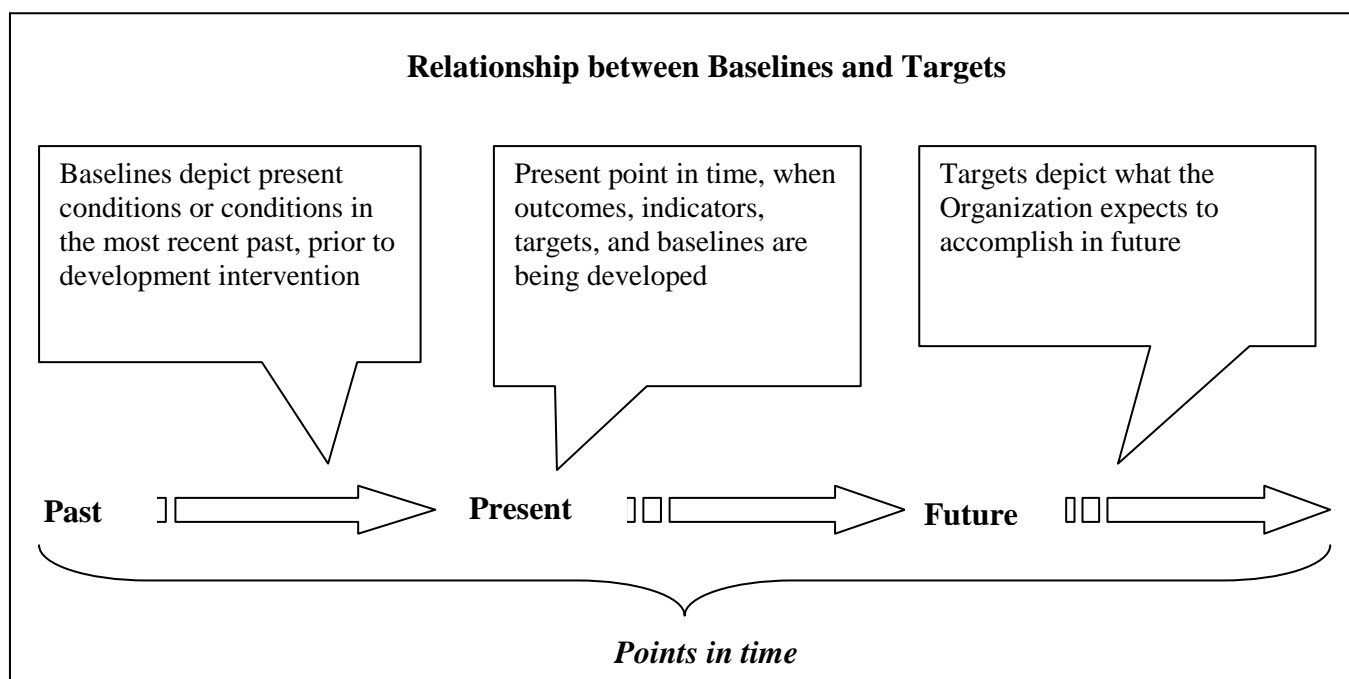
3.e Setting baselines

A baseline is the state of the outcome indicator at the beginning of the time period that will be monitored and assessed, or at some other relevant period.¹¹

For a target to make sense to observers and to properly inform ILO management priority setting, it has to be matched with a baseline that is measured in the same way. When there has been either a noticeable change in the rate of progress for an outcome indicator or there have been substantial variances in the level of that indicator, the context may be more accurately indicated by a trendline, which shows measurements of an outcome indicator over time.

¹¹ *Looking Back, Moving Forward: Evaluation Manual*. Swedish International Development Cooperation Agency. 2004.

The following figure illustrates the time relationship between baselines and targets:



In practice, the explanation of baselines and targets is often set out as shown in the following example.

3.f Practical example

Having been introduced to different concepts and their definitions throughout this guidebook, it may be appropriate to try and apply them to a practical case study in “Country A”. We hope to illustrate a frequent situation that managers may face when, for example, having to prepare a country programme. This process is outlined in a series of steps:

- **Step 1: Perform an analysis of all available contextual and data-based information to identify and prioritize problems faced in Country A.** From this analysis, done in close consultation with constituents and other key partners as appropriate, the manager could identify a situation of *high unemployment among young women* as a “problem”.
- **Step 2: Identify possible causes of the problem.** In this particular example, the causes could be:
 - Do young women in Country A lack employable skills?
 - Do they possess the necessary education?
 - Do they have access to the necessary training?
 - Are there sufficient job opportunities for young women in County A?

-
- **Step 3: Define Country A priority based on the identified problem:**
Given that the main problem was “high unemployment among young women”, a Country Programme priority could be a key statement that would address the problem in Country A, for example: “Increased employment of young women in Country A”.
 - **Step 4: In collaboration with constituents and other key partners, identify actions that could contribute towards solving the problem in Country A.** For example, increasing young women’s access to relevant training, providing them with better education, creating new job opportunities, etc.
 - **Step 5: From the several action items, identify which ones would be most appropriate for the ILO to concentrate on.** Some of the criteria for assessment would be: the ILO’s comparative advantages, past experiences in similar situations, the set of available tools and processes relevant to addressing the problem, etc. In this particular case, it may appear that providing better education to women is essential, but constitutes an area in which the ILO would have no real comparative advantage. Or, there may be good reasons why enhancing access to state-offered vocational training opportunities would fit well within the ILO’s niche. For example:
 - The ILO has a long-standing collaboration with the Ministry of Labour in that area;
 - The ILO has materials and tools easily usable by vocational training institutions;
 - The ILO has developed vocational training packages in other countries;
 - The ILO could advocate for a link between vocational training offerings and microfinance opportunities (an area in which ILO also has good experiences and leverage), etc.
 - **Step 6: Identify the appropriate Country Programme outcome.** In the current example, the Country Programme outcome “Young women in Country A have increased access to relevant training opportunities” could be chosen.
 - **Step 7: Identify the “best indicators” for the outcome.** The “Quick Tool for Assessing Possible Indicators” from page 14 is of great help in this respect. Most importantly, managers should not refrain from opting for easy ways to obtain indicators: the ILO operates mainly around substantive changes in either policy areas and/or capacity building (individual or institutional). Consequently, mainly qualitative – and even sometimes proxy - indicators would need to be chosen.

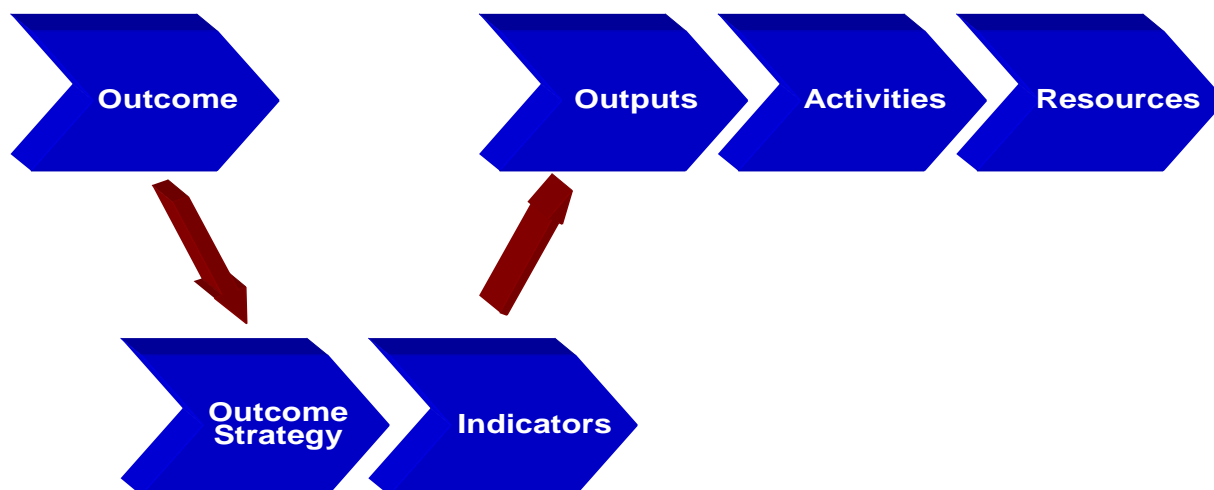
Process indicators obtained from Country A’s administrative data are of great interest. For example, in our case, “the percentage of women graduates in state-run vocational training institutions” would probably be easy to obtain and at low cost. Additionally, this indicator is relatively credible in relation to the achievement of the outcome: should the number of women graduates in state-run vocational training institutions increase, this would logically lead to increased employability. Lastly, choosing an indicator such as this one allows us to be “opportunistic”; in

other words, it enables us to focus our efforts towards achieving the outcome rather than gathering/measuring data because it is already available.

- **Step 8: Set baselines and targets for the indicators.** The baseline for our indicator would be the percentage of women who graduated in state-run vocational training institutions as available from Country A's administrative data prior to ILO interventions. Let's say that for example, that is 25 per cent in Country A. **The target** would be the level/percentage of change of the indicator within a specific timeframe. For example: the percentage of women graduates in state-run vocational training institutions would reach 35 per cent by the end of 2011.
- **Step 9: Identify the possible obstacles related to achieving the outcomes.** In this case, these may be:
 - unattractive course offerings in state institutions (e.g. motor vehicle repair not particularly attractive to women for practical or cultural reasons);
 - admission procedures are dominated by men;
 - training opportunities poorly known to women;
- **Step 10: For each of these obstacles/problems, propose strategies and approaches to overcome them.** These approaches would complete this particular outcome's strategy (see Section 3.b of this document). Additionally, deliverables (products and services that the ILO and its partners would produce) in relation to this outcome represent your outcome's **outputs**. In our case these may be:
 - new course designs/revise curricula to be appealing to young women;
 - adoption of new admission procedures;
 - development and launch of a national communication strategy on vocational training opportunities for women.
- **Step 11: Summarize the key elements of the ILO's intended work in Country A, emerging from this example (this is the level of information which could be reflected in IRIS Strategic Management Modules):**
 - **Country A priority:** "Increased employment of young women in Country A"
 - **Country A outcome:** "Young Women in Country A have increased access to relevant training opportunities"
 - **Indicator:** "Percentage of women graduates in state-run vocational training institutions"
 - **Baseline:** 25 per cent
 - **Target:** 35 per cent by 2011
 - **Possible outputs:**
 - New course designs/revise curricula to be appealing to young women;
 - Adoption of new admission procedures;
 - Development and launch of a national communication strategy on vocational training opportunities for women.

-
- **Step 12: Create a workplan for achieving the outcome, by stating the outcome strategy** and all of its elements (outputs and activities), and outlining the human and financial resources required to carry out the activities from the ILO and its partners in order to achieve it. (More information on workplanning is available in Section 4 of this document.)

We have now covered all elements of our RBM approach to expressing desired outcomes and all its components, shown in the figure below:



- **Additional points to consider:** As all the above steps are logically developed, **the manager needs to ensure a reality check of his/her strategy.** Most commonly encountered situations are setting country programme priorities that are too ambitious, such as “reducing poverty in country A”, or “increasing social protection in Country B”.

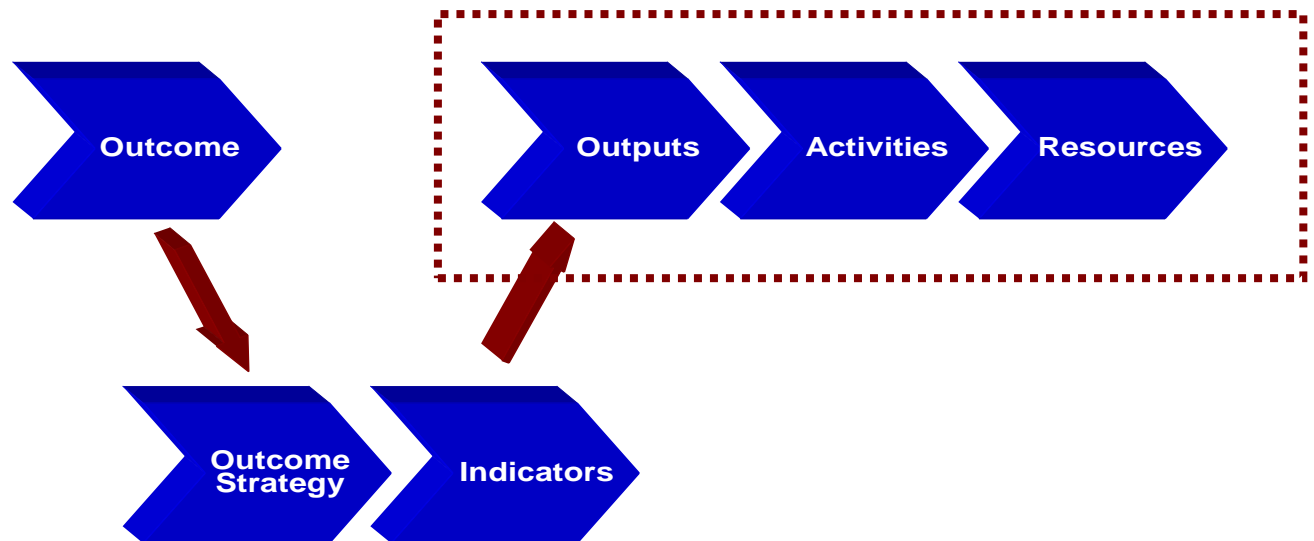
The “pieces of the puzzle” to address such large problems may quickly reveal themselves to be far too numerous and complex for the ILO to have a real and meaningful influence upon them. A more reasonable approach would be to identify Country Programme Outcomes that are much more limited “pieces”, upon which the ILO would have a much stronger influence and control, and the human/financial means to implement them. This would in no way mean that the Organization would have no visibility.

For example, the vocational training scenario would in essence mean changes to the national vocational training policy (vocational training curricula to better fit needs, new training topics delivered by vocational training institutions, training programmes better known nation-wide, etc.), which would result in a higher level of young women graduating from state-run vocational training institutions and higher levels of employment for these young women. This is a result level at which ILO partners expect our Organization to make a change.

4. Results-based management workplanning and performance monitoring

Workplanning is one of the essential parts of the RBM cycle. While there is an ongoing effort to develop detailed guidance on this topic, it is important to note the key elements of workplanning and how they fit into the overall RBM process.

4.a Key elements of the RBM workplan



A workplan is:

- a tool which helps us set goals over a period of time;
- a key source of information for management decision-making;
- the basis for all progress reporting for an individual staff member, unit, department/ILO Office, sector/region and ultimately the Office;
- a basis for measuring individual and team performance;
- a communication tool: everyone involved is aware of what needs to be done, by whom and when.

In an RBM workplan, managers typically:

- develop and select strategies that are most likely to achieve the desired outcomes (the strategy should assist in the selection of appropriate outputs towards the attainment of expected outcomes);
- prioritize the expected outputs from the strategy that will help to achieve the desired outcomes;

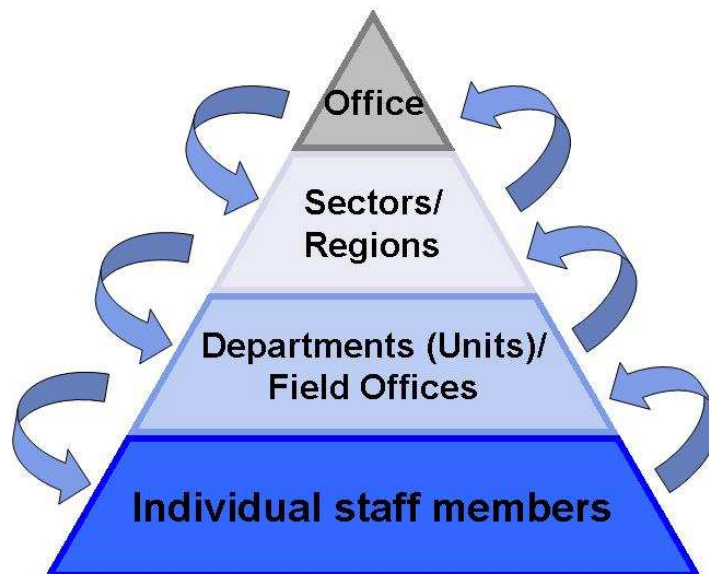
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- identify activities that will lead to the outputs;
 - allocate resources/inputs in ways most likely to support the efficient, effective achievement of desired outcomes;
 - identify risks – and risk mitigation measures - at the outcome level, and dependencies at the output level.

The above activities should not be conducted in isolation. Continuous collaboration with constituents is a critical success factor for achieving the outcome. Specifically:

- Priorities should be agreed well in advance with constituents.
- Responsibilities of each partner should be clearly identified.
- A high-level monitoring plan should be agreed to.
- Regular interactions should take place with constituents in order to review achievements against commitments by each partner.

4.b Accountability framework

Inside the ILO the accountability cascades down through the different levels, all the way down to the individual staff member. At each level, it is important to have clarity on what kind of contribution is expected as an “input” to the results at the higher level:



Performance and accountability pyramid

The contribution of the individual staff members should be aligned with the unit's workplan. Similarly, a unit contributes to the outcome of the department/ILO Office, sector/region and ultimately the ILO as a whole.

- Individual staff should be held accountable for their outputs. At the managerial level, managers should be held accountable for achieving the desired results specified in their workplans. The results should therefore be linked to each staff member's performance evaluation.
- This concept applies throughout all levels of the Office.

4.c Performance monitoring and adapting to change

Strategies seldom unfold precisely as planned for managers, especially in the context of ILO work where much depends on the actions of others. Assumptions may prove inaccurate and risks may change the situation. This is entirely normal and may be beyond the reasonable ability of a manager to anticipate at the time of initial planning.

In this dynamic environment, an RBM approach enables managers to deal with change in a structured way. Managers using RBM regularly review their strategies and related workplans to determine:

- Is the strategy on track in terms of expected progress towards milestones and anticipated outputs and towards outcome indicators?
- Have circumstances changed that make change to the strategy reasonable?
- Have other potential options, either within the strategy or as alternatives to it, emerged that would be better choices for reaching the outcome in question?

In typical ILO situations, the answer to one or more of these questions will often be "yes". If a better way to achieve the intended outcomes arises, then managers should make the necessary changes, supported by the evidence to show the rationale for their changes in direction. In this way, RBM supports continuous learning and underlines the importance of keeping the focus of a work unit on outcomes.

Another RBM tool for continuous learning is a monitoring plan. A monitoring plan offers a consistent way to ensure that the review of strategies takes place on a regular, structured basis. It encourages the collection and use of data that usually can also be used to contribute to monitoring at the organizational level.

The monitoring process tracks progress towards desired outcomes for four major purposes:

- it provides "course correction" information that may lead to changes to the existing implementation process and budget allocations;

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- it provides information needed for the subsequent reporting process;
 - it provides information that can influence the planning process for future years, including the redefinition of targets and desired outcomes; and
 - it provides information to be used in later evaluation processes.

The reporting process summarizes and provides commentary on progress towards desired outcomes during a specific period and offers insights and findings on lessons learned.

The evaluation process provides a distinct, essential and complementary function to performance measurement and RBM. The evaluation function provides performance information not readily available from performance monitoring systems, in particular in-depth consideration of attribution, relevance, effectiveness and sustainability. Evaluation also brings to the performance system elements of independence of judgment. It addresses why results were or were not achieved and provides recommendations for appropriate management action. For these reasons evaluation is an essential component of RBM.

5. Conclusion

In the context of the ILO, results-based management:

- brings rigour and clarity to a key management role, the identification of desired outcomes and then the shaping of the strategies to achieve them;
- enables the ILO and its individual work units at headquarters and in the regions to be as relevant, effective and efficient as they can be;
- promotes continuous learning, through reviews of experience with strategies and incorporating lessons learned.
- informs management choices so managers focus on outcomes first and align their strategies and use of inputs to achieve those outcomes;
- addresses the need for managers to mainstream gender considerations and other crosscutting ILO commitments into planning;
- focuses on results and links between intended outcomes, outputs, activities and budgets;
- facilitates more focused, strategic collaboration across the ILO and with partners; and
- communicates ILO commitments such as tripartism to partners.

6. Appendix A: Additional examples

Both Programme and Budget documents and Decent Work Country Programme documents have articulated outcomes, indicators and, usually, targets. The following examples have been drawn from both types of documents to indicate typical challenges and gaps.

As this guidebook is a “living document”, the list of examples will be periodically refined, updated and expanded.

Example A:

- ➔ Outcome: Improve competitiveness, productivity and conditions of work in the textile/garment sector
 - *In general, outcomes should specify change in one general area. In this case, the areas of change include three different things that are often the focus of integrated ILO efforts: competitiveness, productivity, and conditions of work. Establishing two or even three outcomes instead of one complex one would be advisable. This will provide focused strategy and related outputs to bring about the intended result. If it is not feasible to implement all three components, the method of prioritization should be used.*

- ➔ Indicator: Unemployment rate among female and male workers in the textile industry
 - *In principle, employment or unemployment rates are fine indicators. However, in this case, the clear linkage between this indicator and the above outcome is missing. An example of a competitiveness-related indicator would be “**percentage of textile products that reach international market**”.*
 - *An example of a conditions of work-related indicator could be “Decrease in the number of work-related accidents”.*

- ➔ Target: Not specified
 - *Each indicator should have a target. In the case of the suggested indicator, the percentage of textile products expected to reach international market within a certain timeframe should be specified.*

- ➔ Baseline: Not specified
 - *Each indicator should have a baseline. The baseline should reflect the current percentage of textile products that are reaching international market.*

Example B:

- ➔ Outcome: Tripartite constituents formulate a workplan to better enforce the labour code
 - *The above is not an outcome; rather, the formulation of a workplan is an activity. Activities, like inputs and outputs, explain how the ILO might go about achieving outcomes. The outcome should point to the change that the ILO is ultimately trying to achieve; the outcome is the underlying reason why constituents would formulate workplans. An outcome might read: “Improve enforcement of the labour code.”*
- ➔ Indicator: Not specified
 - *Each outcome should have an indicator. If the outcome involves improving labour code enforcement, then an indicator might read: “Number of female and male labour inspectors who receive certification of their knowledge of the current labour code.”*
- ➔ Target: Not specified
 - *Each indicator should have a target. If the indicator refers to the number of female and male certified labour inspectors, then the target should take into account the direction of change desired and reflect an increase over the present numbers.*
- ➔ Baseline: Not specified
 - *Each indicator should have a baseline. The baseline should reflect the current number of certified labour inspectors.*

Example C:

- ➔ Outcome: Increase constituent capacity to develop gender-responsive integrated policies for upgrading the informal economy and facilitating transition to formality
 - *This outcome seems to identify several concepts: integrated policies, upgrade of the informal economy, and transition to formality. If integrated policies are policies that address both upgrade and formalization, then this outcome is fine. However, if the definition of integrated policies involves other elements, then the outcome includes too many elements that probably deserve their own outcomes and indicators.*
- ➔ Indicator: Number of cases in which UN country programmes incorporate and apply ILO standards, guidelines tools or knowledge to develop integrated initiatives for productive employment opportunities and social protection of women and men informal economy workers and producers as a means to facilitate transition to formalization.

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- *The above is not an indicator because it does not define what constitutes integrated policies. Rather than specifying what integrated policies should contain, the above is a restatement of the outcome, which defeats the purpose of indicators.*
 - ➔ *Target: 15 cases, across all regions*
 - *The target and indicator correctly refer to the same metric: number of cases.*
 - ➔ *Baseline: Not specified*
 - *Each indicator should have a baseline. The baseline should reflect the current number of cases in which integrated policies have been developed.*

Example D: (From Governance, support and management, Programme and Budget for 2008-09)

- ➔ *Outcome: Improve utilization of ILO human, financial, physical and technological resources in supporting programme execution*
- ➔ *Indicator: Level of compliance with relevant UN safety and security measures in ILO offices*
- ➔ *Target: 100 per cent compliance in all ILO offices*
- ➔ *Baseline: Not specified*
 - *Each indicator should have a baseline. The baseline should reflect the level of compliance (as a percentage) at the beginning of the biennium.*

7. Glossary of terms used in this guidebook

Excerpts from *OECD Glossary of Key Terms in Evaluation and Results Based Management*:

Activity: Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

Attribution: The ascription of a causal link between observed (or expected to be observed) changes and a specific intervention.

Baseline (study): An analysis describing the situation prior to a development intervention, against which progress can be assessed or comparisons made, or using a starting period as baseline reference.

Effects: Intended or unintended change due directly or indirectly to an intervention.

Effectiveness: The extent to which the development intervention's objectives were achieved, or are expected to be achieved.

Evaluation: The systematic and objective assessment of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. Evaluation also refers to the process of determining the worth or significance of an activity, policy or programme. An assessment, as systematic and objective as possible, of a planned, ongoing, or completed development intervention.

Impact: Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Indicator: Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

Inputs: The financial, human, and material resources used for an activity aimed at a development intervention.

Logical framework (Logframe): Management tool used to improve the design of interventions, most often at the project level. It involves identification of the elements of the results chain (inputs, outputs, outcomes, impact) and their causal relationships, indications, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention.

Monitoring: A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders with information of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.

Outcome: The expected likely or achieved effects of the combined outputs of a strategy.

Outputs: The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

Performance monitoring: A continuous process of collecting and analyzing data to compare how well a project, programme, or policy is being implemented against expected results.

Results framework: The programme logic that explains how the development objective is to be achieved, including causal relationships and underlying assumptions; defines performance and accountability framework for an organization.

Results-based management: A management strategy focusing on performance and achievement of activities, outputs, outcomes and impacts.

Target (group): The specific individuals or organizations for whose benefit the development intervention is undertaken.

8. Additional resources

Results-Based Management, Module 3 of ILO Management and Leadership Development Programme. Human Resources Development Department – International Labour Office. 2005. <http://www.ilo.org/intranet/english/bureau/pers/download/203mod.pdf>

Programme and Budget Proposals for the Biennium 2008-09.
<http://www.ilo.org/intranet/english/bureau/program/download/pdf/08-09/pb.pdf>

Preview of the Programme and Budget proposals for 2008-09 and related questions: Strategy for continued improvement of results-based management in the ILO (GB.297/PFA/1/1).

297th Session. November 2006.

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_gb_297_pfa_1_1_en.pdf

Results-based management: Progress report and review of the programming cycle (GB.300/PFA/9/1). 300th Session. November 2007.

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_084608.pdf

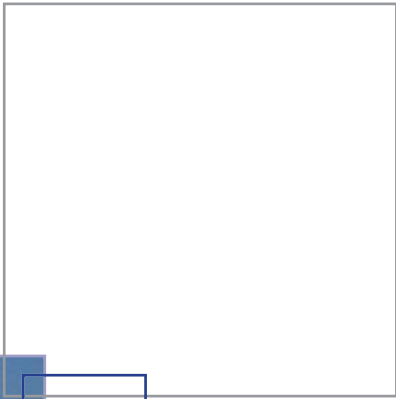
ILO Decent Work Country Programmes – Bringing Focus to ILO Country-level Contributions: A Guidebook for Developing and Implementing Decent Work Country Programmes. June 2008. <http://www.ilo.org/intranet/dwcp>.

Technical Cooperation Manual Version 1. CODEV – International Labour Office. 2007.
http://www.ilo.org/intranet/english/region/codev/tc_manual/index.htm

Toolkit for Mainstreaming Employment and Decent Work. High Level Committee on Programmes – Chief Executives Board for Coordination. 2007.
<http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>

Glossary of Key Terms in Evaluation and Results Based Management. Development Assistance Committee Working Party on Aid Evaluation – Organization for Economic Co-operation and Development. 2002.

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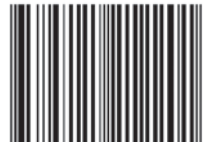
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