

This document is currently under revision. An updated version will be posted soon

Ce document est en cours de révision. Une version mise à jour sera bientôt publiée

Este documento está siendo revisado. Próximamente se publicará una versión actualizada



Results-based Management in the ILO

A Guidebook

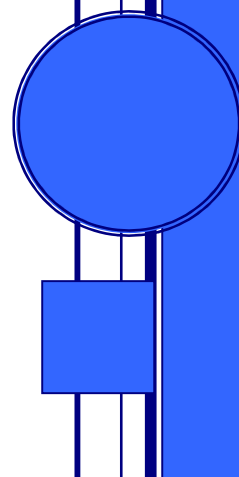


Version 2

**Applying Results-Based
Management in the International
Labour Organization**

A Guidebook
Version 2

June 2011



Copyright © International Labour Organization 2008, 2011
First published 2008
Second edition 2011

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

ILO

Applying Results-Based Management in the International Labour Organization, A Guidebook, Version 2

Geneva, International Labour Office, 2011.

management by objectives / work performance / work planning / ILO

English edition:

ISBN 978-92-2-023420-4 (print)

ISBN 978-92-2-023421-1 (web PDF)

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and electronic products can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Designed in Switzerland
ILO

Preface

Since 2000, the ILO has progressively introduced results-based management (RBM) in its operations and institutional practices. The present guidebook summarizes experience and lessons learned, clarifies terminology and provides guidance on applying RBM to all stages of the ILO's programming cycle including programme planning, implementation, reporting and evaluation.

RBM is not a one-size-fits-all approach; it requires adaptation to each organization. Based on our experience, this guidebook explains the rationale for using RBM in the ILO and its practical consequences. Examples of best practices and concrete measures are used within a coherent approach.

A companion guidebook, *ILO Decent Work Country Programmes, A Guidebook (Version 3)*, shows how RBM is applied to the development and management of Decent Work Country Programmes (DWCPs).

This guidebook supports the ILO RBM learning strategy for ILO managers, staff and constituents. 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 support.¹

RBM applies to all ILO managers and staff, as indicated in Results-based management in the ILO, Office Directive, IGDS Number 112 (Version 1), 25 August 2009. It is supported by the Bureau of Programming and Management (PROGRAM).

The guidebook is consistent with and builds on guidance of the United Nations Development Group in relation to results-based management. 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>).

While there is more to be done through future editions of this guidebook, we are grateful for the comments and contributions of colleagues in field offices and at headquarters that have led to the improvements provided in this one. *Please send questions, comments and suggestions for future editions to: program@ilo.org*

A living document

ILO experience with results-based management is evolving rapidly. The development of this version of the guidebook has benefited from users' feedback to identify topics and approaches to be addressed.

¹ 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.

Table of Contents

Preface.....	iii
1. Introduction: Maximizing the ILO's contribution to the world of work.....	1
2. Results-Based Management in the ILO	2
2.a What is RBM?	2
2.b RBM is a clear approach to decision-making	2
2.c RBM is applicable to all ILO work	3
2.d Using RBM in the ILO	4
3. Expressing desired outcomes: Defining outcomes, outcome strategies, outcome indicators, targets and baselines.....	5
3.a Defining outcomes.....	5
3.b Developing strategies to achieve outcomes	6
3.c Setting outcome indicators	7
3.c.1 <i>Choosing the best outcome indicators</i>	10
3.d Setting targets.....	11
3.e Setting baselines.....	12
4. Results-based management workplanning and performance monitoring	13
4.a Key elements of the RBM workplan.....	13
4.a.1 <i>Outcome-based workplanning</i>	14
4.a.2 <i>Unit-level workplanning</i>	15
4.a.3 <i>Performance management framework</i>	15
4.b Performance monitoring and adapting to change	16
4.c Performance reporting.....	17
5. Evaluation	18
6. Conclusion	19
Appendix A. Feedback on some concrete examples of outcomes, indicators, targets	20
Appendix B. Glossary of terms used in this guidebook	22
Appendix C. Additional resources.....	23

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 and reaffirmed by the Declaration on Social Justice for a Fair Globalization.

Those are valuable objectives, but stating them is not enough. The ILO 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. At the country level, the ILO should work within the framework of United Nations reforms that, through initiatives such as UN Development Assistance Frameworks (UNDAFs) and the One UN, seek greater coherence of strategies, activities and resource use among UN agencies. RBM facilitates the ILO to better integrate decent work commitments and the tripartite approach into more comprehensive strategies that engage the UN system and other partners.

Results-based management applications drive important changes in the ILO, in particular in terms of methods of work and management practices. RBM changes how results are defined and tracked, how staff work and how managers manage.

The RBM process	
From:	To:
<ul style="list-style-type: none">▪ Accountability for inputs and activities▪ Shopping lists▪ Weak measurement▪ Internal competition▪ Bureaucratic, control-oriented management	<ul style="list-style-type: none">▪ Accountability for results▪ Focus▪ Rigorous measurement▪ Collaboration▪ Flexible, innovative management

RBM improves managerial and organizational functions. It is central to the ILO accountability framework,² the ILO policy on risk management³ and the performance management system.⁴

RBM makes managers accountable for the use of all resources available to them to support the constituents in achieving results in the most efficient and effective way possible... It provides managers with a management approach that enables them to make the most effective choices possible among competing options.

At a practical level, RBM enables the Organization and the Office to improve the performance on:

- **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.

² ILO accountability framework, Director-General's Announcement, IGDS Number 137 (Version 1), 15 January 2010 (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002498.pdf).

³ ILO Policy on risk management, Director-General's Announcement, IGDS Number 110 (Version 1), 21 August 2009 (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002384.pdf).

⁴ Amendments to Staff Regulations: Performance Management Framework, Office Directive, IGDS Number 102 (Version 1), 22 July 2009 (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002354.pdf).

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 outcomes.”⁵

This is consistent with the somewhat broader definition used in the UN context,⁶ where the focus is on ‘development results’ and reference is made to ‘Management for Development Results (MfDR)’.

RBM challenges ILO managers and staff, together with constituents, to define results in the form of changes that will matter to workers, employers and governments in member States and that are to be achieved by constituents themselves with the Office’s support – 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

RBM 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 ILO⁷ or an individual such as a manager. It emphasizes clarity in terms of intended outcomes and the strategies needed to achieve 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 we 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 so as to elaborate a thorough outcome strategy in close collaboration with the constituents concerned.

RBM also helps in the selection from among the strategy options for reaching a particular goal. It enables ILO constituents and 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 them to formulate and 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 through consistent/regular monitoring. ILO operates in a dynamic environment. Reasonable assumptions when a strategy is developed may be affected by unanticipated events. By monitoring regularly milestones, ILO managers and constituents can check if they are making progress toward the achievement of outcomes as planned. Indeed, by focusing on the achievement of an outcome set through RBM, strategies and workplans can be adapted to deal with change, while building on lessons learned.

⁵ Result-based Management in the ILO, Office Directive, IGDS Number 112 (Version 1), 25 August 2009 (http://www.ilo.org/intranet/edmspl/igds/groups/dirdocs/documents/igds/igds_002383.pdf).

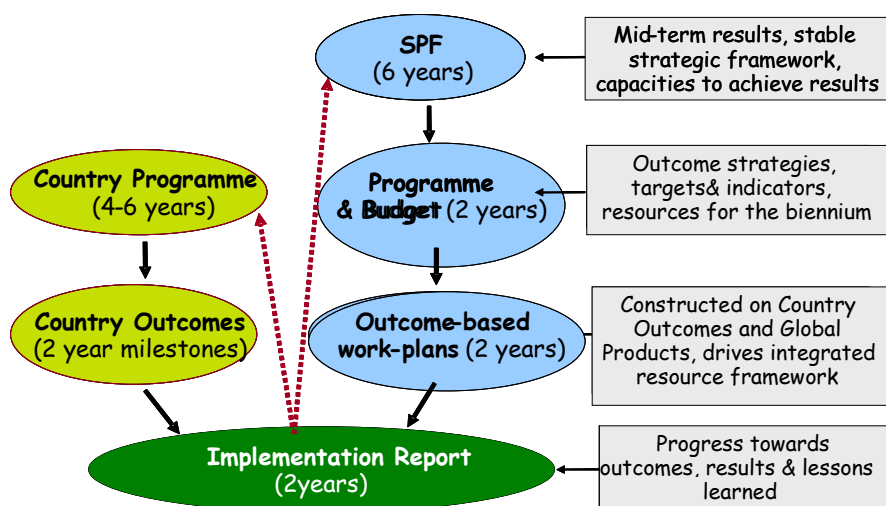
⁶ UNDG, *Harmonizing RBM concept & approaches for improved development results*, (Draft version) January 2011.

⁷ In this guidebook, ILO indicates the International Labour Organization which includes both the Office and the tripartite constituents.

2.c RBM is applicable to all ILO work

RBM applies to all stages of the ILO's programming cycle, including programme planning, implementation, reporting and evaluation, providing feedback to subsequent programming cycles.

ILO results-based programming cycle



RBM encourages work units throughout the Office 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) adopts RBM in identifying the results expected for the planning period, within a framework of outcomes, indicators and targets. The programme and budget further specifies the results for the biennium, the strategies the ILO will implement to achieve them and the resources available to do so.

Within the Office, the application of RBM provides managers with a base to demonstrate how they are using resources effectively and the priorities that additional resources would help to address. It also encourages collaborative action across the Office to achieve results in the most efficient and effective way possible. This applies to the following processes:

- RBM is applied by managers and outcome coordinators in general in developing the biennial outcome-based workplans to establish priorities, strategies and resource allocations from across headquarters and field units to reach the targets set in the programme and budget, building on priorities and outcomes established by constituents through DWCPs.⁸
- RBM steers all stages of DWCPs, from formulation to evaluation. It is used by ILO country office directors to determine the optimal contribution of the Office to DWCP strategies and to identify resource gaps that merit attention from ILO funds or through donors. It drives the identification of country priorities and country outcomes that have the widest possible support

⁸ Outcome-based workplans, Office Directive, IGDS Number 135 (Version 1), 7 January 2010 (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002440.pdf).

among constituents and partners, as well as the strategies that all parties agree to help implement.

- RBM is applied by managers to support the coherent use of all available human and financial resources at their disposal, often through office or unit level workplans. Managers also apply RBM principles when determining with their staff each individual performance management appraisal.
- RBM is used to identify resource gaps and to mobilize additional resources accordingly, including extra-budgetary technical cooperation resources. With RBM, technical cooperation programmes and projects are aligned with the priorities and outcomes set by constituents globally and in countries.
- RBM is used to strengthen partnerships. Where a multilateral framework, such as a UN Development Assistance Framework (UNDAF) is in place, RBM facilitates ILO managers and constituents to identify ways to achieve ILO goals in that partnership context and mainstream Decent Work into broader UN framework.
- RBM is also applied to administrative services and support. It helps managers outline the key areas where assistance and support will generate the best results.

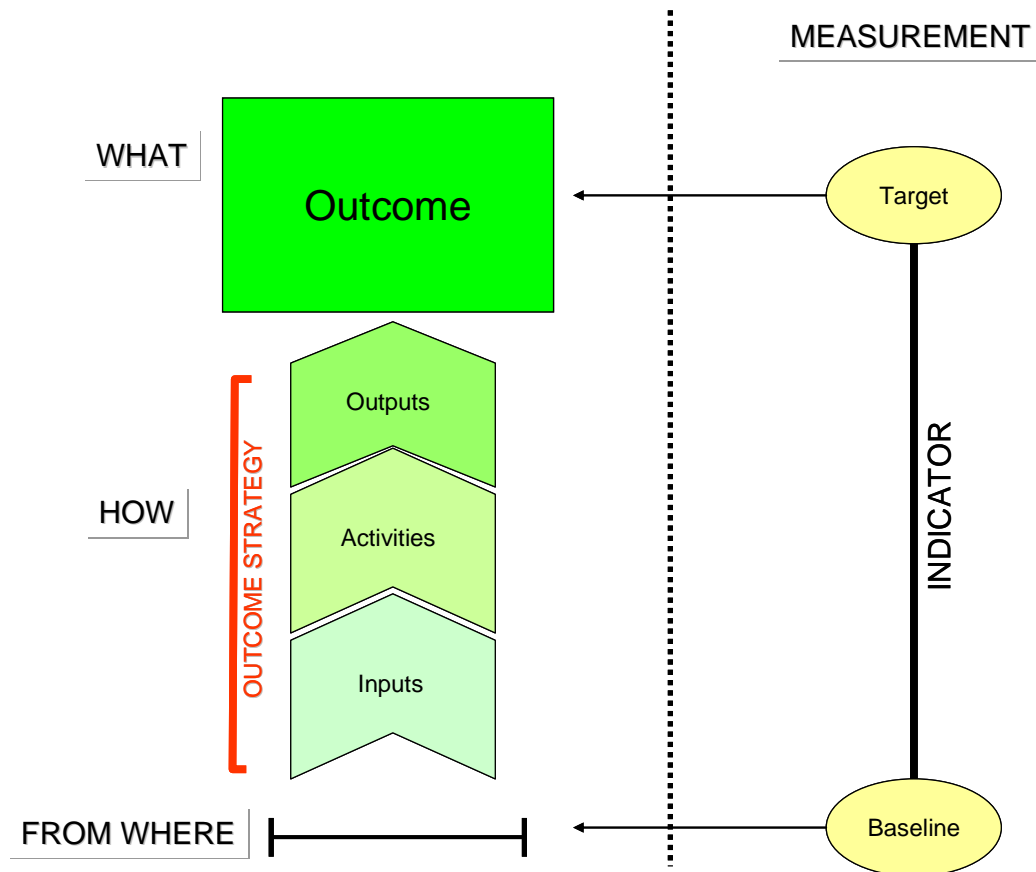
2.d Using RBM in the ILO

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 of constituents to implement decent work policies and programmes.

In this context, together with constituents, ILO managers need to set results and targets with clear sense of the most important results to be achieved by constituents themselves with the Office support, the roles and responsibilities of each partner (constituents, the Office, and other implementing agencies if appropriate) and of how the actions of all the partners are likely to affect each other and the ultimate achievement of outcomes. Managers need to make conscious choices about focusing resources on situations in which partners are also committed to results, so that the value of the Office 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 therefore also provide explanations of the concepts and terms commonly used in RBM,⁹ and demonstrate how the ILO is using those terms in practice.



3.a Defining outcomes

Outcomes are significant changes (policies, knowledge, skills, behaviors or practices, etc.) that are intended to occur as a result of actions taken by constituents with the Office's support, whether independently or in collaboration with other partners.

ILO outcomes state changes that are expected to occur as a direct result of the ILO interventions. They correspond to real-world results to which the ILO's contribution is direct and verifiable, for which it can be reasonably held accountable, and against which its performance is assessed and reported. Outcomes are best expressed in simple and direct terms that are easy to verify and measure.

⁹ 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**.

At the global level, ILO outcomes are developed and approved by the Organization and are set out in the Strategic Policy Framework and in the programme and budget documents.

**Examples of outcomes in the Strategic Policy Framework 2010-15 and
the Programme and Budget for 2010-11 and for 2012-13**

Strategic Objective: Employment

Create greater opportunities for women and men to secure decent employment and income

Outcome 3: Sustainable enterprises create productive and decent jobs

Strategic Objective: Social protection

Enhance the coverage and effectiveness of social protection for all

Outcome 5: Women and men have improved and more equitable working conditions

Strategic Objective: Social dialogue

Strengthen tripartism and social dialogue

Outcome 9: Employers have strong, independent and representative organizations

Strategic Objective: Standards and fundamental principles and rights at work

Promote and realize standards and fundamental principles and rights at work

Outcome 18: International labour standards are ratified and applied

At the country level, outcomes in the Decent Work Country Programmes are defined by constituents in close consultation with the Office.

Examples of outcomes in DWCPs

Country A

Outcome 1: Social protection coverage for women and men in formal and informal sectors is increased.

Country B

Outcome 6: Women's access to income generation activities in the labour market is increased.

Each of these examples illustrates the change that the Organization wants to see realized as a result of the action taken by constituents with the Office's support.

3.b Developing strategies to achieve outcomes

Once an outcome has been defined, there is a need to establish a clear outcome strategy. Such a strategy provides the context for the outcome and explains **HOW** it will be achieved. Specifically, it

explains how activities and outputs¹⁰ will contribute to the achievement of the stated outcome. Inputs (i.e. human and financial resources) to carry out the activities and outputs defined by the strategy should be clearly identified upfront. A strategy that is not costed or budgeted is unlikely to get implemented. A convincing strategy should clearly set out 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:

- How has the ILO addressed a similar situation in the past and what have been the lessons learned?
- What outputs and activities are the most relevant for constituents to achieve the outcome?
- What are the ILO contributions that constituents and partners see as valuable?
- What are the existing commitments that need to be integrated or addressed in any new or updated strategy?
- What are the opportunities to reinforce Office-wide coordination to support the achievement of the outcome?
- What opportunities exist to build reinforcing strategies with constituents and other partners (strategy elements on involvement of constituents should explain how they will be involved and not just state that they will be)?
- What risks to strategy success exist and what would be the mitigating actions?
- What assumptions are influencing the strategy, including: the capacities and contributions of constituents and other partners, financial expectations; political will; the degree of political, economic and social stability – and how probable are these assumptions?
- What trade-offs exist between thematic priorities and between different means of action (e.g. technical assistance versus capacity building and training)?

3.c Setting outcome indicators

Outcome indicators (or simply performance indicators) state the criteria and data that will be used to verify or measure the achievement of the outcomes.

The United Nations Development Assistance Framework (UNDAF) guidelines offer the following criteria for the selection of indicators:¹¹

- 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.

¹⁰ Definitions of inputs, activities and outputs can be found in the section, “Glossary of Terms used in this Guidebook”.

¹¹ *Country Common Assessment and United Nations Development Assistance Framework: Guidelines for UN Country Teams on Preparing a CCA and UNDAF*. February 2009.

-
- 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).

In formulating indicators, it is important to keep in mind that:

- Indicators must be measurable. Language must be simple and avoid terms that are open to interpretation and would not allow determining what results meet or do not meet the criteria of the indicator.
- The choice of the indicators matters. Since it is not possible to measure everything, it is essential to determine the key indicators that best represent the work of the ILO and its achievements and that are, therefore, the most representative and useful.
- Indicators should be formulated in a way that allows the ILO to track incremental improvements against established baselines.

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.^{12, 13} 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

¹² *RBM in UNDP: Selecting Indicator*, United Nations Development Programme.

(http://www.undp.org/cpr/iase/content/docs/MandE/UNDP_RBM_Selecting_indicators.pdf)

¹³ *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.

- 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:

- 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.

In the ILO programme and budget, most indicators refer to the number of member States in which a policy is applied or a capacity is developed or strengthened. To be measurable, each indicator is accompanied by a “measurement statement” that specifies the qualitative criteria that have to be met in order for a result to be counted as a reportable change among targets.

Example of an outcome indicator from the Programme and Budget

The following indicator of Outcome 5 (“Women and men have improved and more equitable working conditions”) in the Programme and Budget under the Strategic Policy Framework for 2010-15:

has been defined as:

“Number of member States in which tripartite constituents with ILO support, adopt policies or implement strategies to promote improved or more equitable working conditions, especially for the most vulnerable workers”.

The indicator is accompanied by the following measurement:

“To be counted as reportable, results must meet at least two of the following criteria:

- A national plan of action is adopted by the tripartite constituents covering key priorities on working conditions, including for the most vulnerable workers.
- New or modified legislation, regulations, or policies, or national or sectoral programmes, are adopted to improve working conditions, including for the most vulnerable workers, in one or more specific areas: maternity protection, work–family reconciliation, domestic work, working time and work organization.
- An information dissemination or awareness-raising campaign on improving working conditions is implemented by one or more of the tripartite constituents in one or more specific areas: maternity protection, work–family reconciliation, domestic work, working time and work organization.
- A training strategy for improving working conditions is implemented by one or more of the tripartite constituents in one or more specific areas: maternity protection, work–family reconciliation, domestic work, working time and work organization.”

Example of an outcome indicator from a Decent Work Country Programme

The indicator of the DWCP outcome (inspired by DWCP Syria):

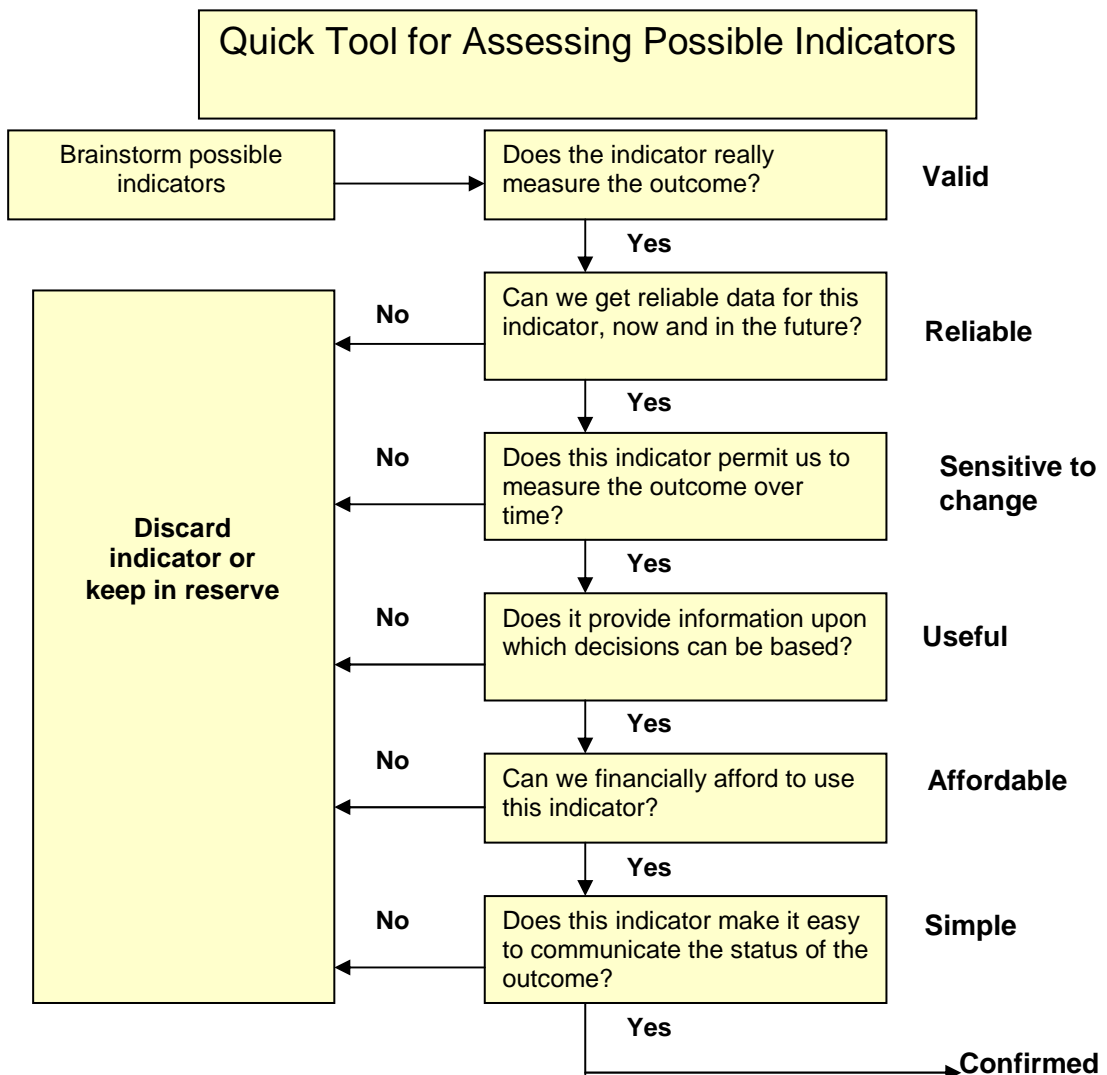
“Labour market governance and compliance with ILS improved through strengthened labour administration”.

has been defined as:

“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 achievement and progress of your outcome.

3.d Setting targets

A target defines the level of achievement 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.

The large majority of programme and budget targets relate to measurable achievements in countries. These achievements by and large correspond to Decent Work Country Programme outcomes.

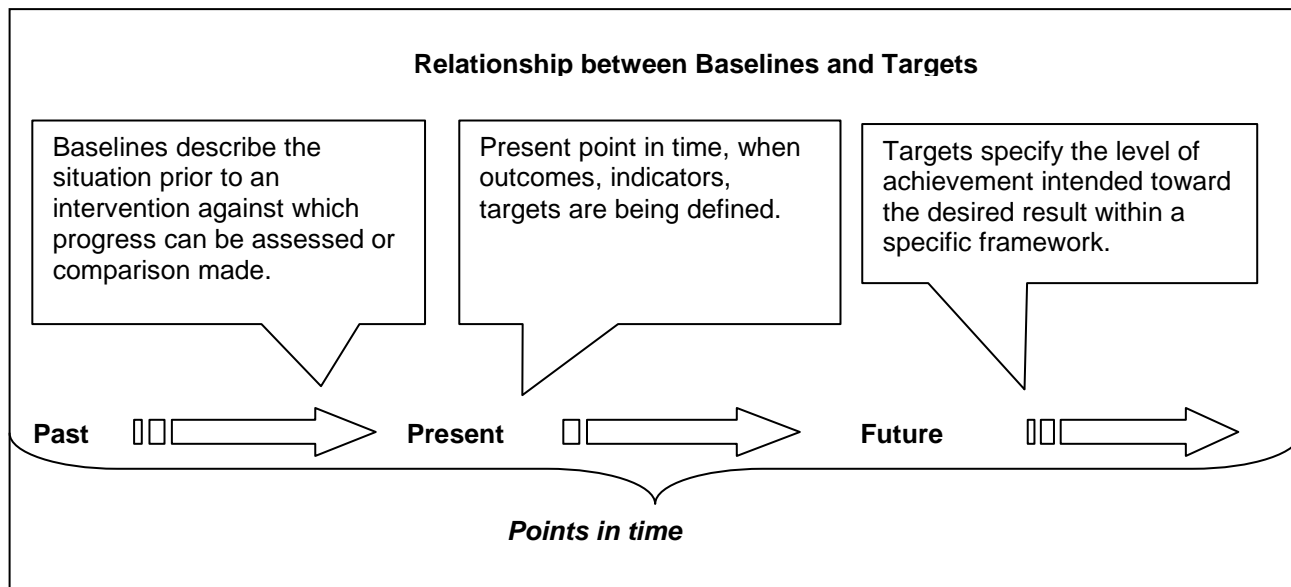
Another aspect of setting targets is establishing milestones. **A milestone sets out how much of a target or what specific steps toward that target will be complete by specific dates.** It is a time-bound increment towards the target. Missing a milestone date may indicate that a target will not be met 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 Country Office and Decent Work Team, constituents and other relevant partners in the country, as well as relevant units across the Office.

3.e Setting baselines

Baselines describe the situation prior to an intervention against which progress can be assessed or comparison made. For a target to make sense to observers and to properly inform ILO's priority setting, it has to be matched with a baseline that is measured in the same way.

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



Examples of DWCP outcomes and their accompanying indicators with target, baseline and milestones

Country A

Outcome: Social protection coverage for working women and men in formal enterprises is increased.

Outcome indicator: Percentage of employment injury insurance scheme coverage for private formal sector workers by 2015.

Target: 80% of formal sector women and men workers in the region X working for enterprises with more than 10 workers covered by employment injury insurance scheme.

Baseline: 50% in 2010.

Milestones: 60% in 2012, 70% in 2014.

Country B

Outcome: Women's access to income generation activities in the labour market is increased.

Outcome indicator: Number of female entrepreneurs receiving micro-credit loans by 2016.

Target: 80,000 in 2016.

Baseline: 30,000 in 2010.

Milestones: 40,000 in 2012, 50,000 in 2013, 60,000 in 2014 and 70,000 in 2015.

4. Results-based management workplanning and performance monitoring

Workplanning is one of the essential parts of the RBM cycle. While the Office is engaged in developing detailed guidance on this topic, it is important to note the key elements of workplanning and how they fit into the overall RBM process.

This section focuses on the application of RBM to workplanning and performance monitoring in the Office, including outcome-based workplans, unit workplans and individual performance appraisals.

4.a Key elements of the RBM workplan

A workplan is:

- a tool which helps to 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 constituents to achieve the desired outcomes;
- 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.

“An essential part of RBM is the identification of outcomes and the implementation of activities necessary to achieve planned results. Risk management aids this process by helping managers to identify, quantify, prioritize and decide how best to manage risks related to achieving results.”

ILO Policy on risk management, Director-General's Announcement, IGDS Number 110 (Version 1), 21 August 2009

http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002384.pdf.

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 and the Office in order to review achievements against commitments by each partner.

4.a.1 Outcome-based workplanning

Outcome-based workplans (OBWs) were introduced in the ILO as part of the implementation of the Programme and Budget for 2010-11.

“OBWs are biennial workplans for the outcomes set out in the Strategic Policy Framework and the programme and budget, providing the basis for more detailed workplans to be developed by headquarters and field units.”

Outcome-based workplans, Office Directive, IGDS Number 135 (Version 1), 7 January 2010
(http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds_002440.pdf).

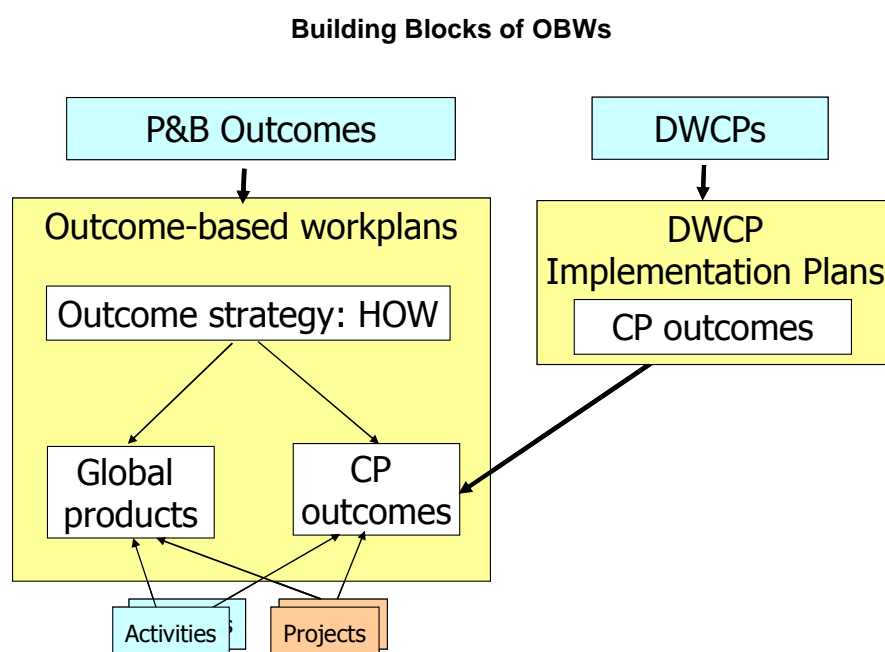
These workplans:

- orient the ILO’s services towards assisting Members to reach the objectives of the Organization in line with the Declaration on Social Justice for a Fair Globalization;
- establish priorities, strategies and broad resource allocations to reach the targets established in the programme and budget;
- support the coherent use of all available resources across the Office – the regular budget, the regular budget technical cooperation (RBTC), the regular budget supplementary account (RBSA) and extra-budgetary resources – towards the targets set in the programme and budget. OBWs also serve as the basis for extra-budgetary technical cooperation approvals;
- foster collaboration and coherence across the Office by providing a transparent means to recognize and reward joint work;
- assist in adapting the programme of work of the Office to decisions of the governing organs and economic and social developments.

Each OBW contains the following basic elements:

- **Outcome strategy:** OBWs start with an outcome strategy that explains how targets will be achieved. These outcome strategies expand on the strategies described in the programme and budget, taking into account new developments or recent governance decisions.
- **Country programme outcomes:** These are derived from Decent Work Country Programmes and set out the results to be achieved at country level. Based on Decent Work Country Programme implementation plans, milestones to be achieved in the biennium are defined for each country programme outcome (CP outcome). Based on these milestones and the measurement criteria for each indicator in the programme and budget, CP outcomes are linked to a specific indicator under one of the programme and budget outcomes, together forming the list from which the targets in a biennium are agreed.
- **Global products:** Each global product consists of a series of specific outputs that, taken together, deliver a major ILO product or package of services. These are global in nature and are not directed to any specific country or series of countries. A global product is costed upfront and then delivered using all ILO means of action and the combined resources of headquarters and field units as well as those of global technical cooperation projects.

The following figure illustrates the building blocks of OBWs.



4.a.2 Unit-level workplanning

Connected to and driven by the higher-level outcome-based workplans, each unit, at headquarters and in the regions, maintains its own workplan, describing its contribution towards the achievement of the ILO outcomes. Work is underway to provide further guidance on unit workplanning.

4.a.3 Performance management framework

“The goal is to have an accountability system in the ILO which places increased focus on results and performance-based management, gives greater flexibility and autonomy to managers in order to achieve agreed results, and emphasizes transparency as an essential feature of accountability.”

ILO accountability framework, Director-General’s Announcement, IGDS Number 137 (Version 1), 15 January 2010 (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002498.pdf).

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.

As part of the implementation of the results-based Human Resource Strategy 2010-15, the Office has introduced a new Performance Management Framework¹⁴ that aligns individual efforts and results to unit and organizational goals. Based on the deliverables expected of each organizational unit during the biennium, as defined in the Strategic Policy Framework and programme and budget documents and captured in outcome-based workplans, managers should draft a unit workplan and assign the work so that staff in their team can best contribute to common deliverables. In turn, unit workplans are the basis for the identification of individual's priority outputs on which performance will be assessed.

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.¹⁵ The results should therefore be linked to each staff member's performance evaluation.

This concept applies throughout all levels of the Office, as illustrated in the following figure.



4.b Performance monitoring and adapting to change

Strategies seldom unfold precisely as planned, 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.

¹⁴ For more information, see the web site of the Human Resources Development Department at: <http://www.ilo.org/intranet/english/bureau/pers/performance/index.htm> and Information note on Performance Management Framework, IGDS Number 100 (Version 1) (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002355.pdf).

¹⁵ See also Office Guideline on the ILO accountability framework: Key standards and mechanisms, IGDS Number 195 (Version 1), paragraphs 39-42 on standards of performance (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002668.pdf) as well as Director-General's announcement on roles and responsibilities of senior managers in the ILO, IGDS Number 192 (Version 1) (http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002652.pdf).

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 necessary changes, supported by the evidence to show the rationale for changes in direction. In this way, RBM supports continuous learning and underlines the importance of keeping the focus of a work unit on outcomes.

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;
- 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.

Monitoring plan is an excellent RBM tool for continuous learning which 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.

ILO tools for performance monitoring

Progress toward the achievement of the decent work outcomes set in the programme and budget is monitored through outcome-based workplans reviews. At country level, each Decent Work Country Programme is accompanied by an implementation plan and a monitoring and evaluation plan. These tools enable to monitor progress towards the achievement of established results, identify bottlenecks, and take remedial action accordingly.

4.c Performance reporting

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

The ILO Programme Implementation Report is the governance document through which the Office reports on its biennial results. The report has two main purposes. As an instrument of accountability, it describes the overall performance of the Office in achieving the results set by the Organization for the biennium. As a contribution to organizational learning, it identifies lessons and actions required to improve performance going forward.

5. Evaluation

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, draws lessons learned and provides recommendations for appropriate management action. It is therefore to be used as a “management and organisational learning tool with the aim to support ILO constituents in forwarding decent work and social justice”.¹⁶ For these reasons, evaluation is an essential component of RBM and makes an essential contribution to it by informing the planning, programming, budgeting, implementing and reporting cycle.

“The evaluation function is designed to be objective and independent with the aim of enhancing external credibility and the culture of learning and providing better support to the governance and oversight roles of the Governing Body.”

Evaluation in the ILO, Director-General’s Announcement, IGDS Number 75 (Version 1), 31 March 2009
(http://www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002280.pdf).

The evaluation function in the ILO is concerned with assessing the performance of the policies, programmes and projects of the Office through an evaluation of outputs, outcomes and impact, in accordance with the ILO’s evaluation policy as approved by the Governing Body. All ILO strategies, policies and programmes, including Decent Work Country Programmes, and technical cooperation programmes and projects are subject to evaluation in line with RBM principles and the ILO evaluation policy.

¹⁶ *ILO Guidelines to Results-Based Evaluation: Principles, Rationale, Planning and Managing for Evaluations*, Version 1. Evaluation Unit – ILO. January 2010
(<http://www.ilo.org/intranet/english/edmas/eval/download/tools/evalguidelines-rbm.pdf>).

6. Conclusion

RBM contributes to effectiveness, efficiency, transparency, accountability, collaboration, learning, flexibility and innovation. In principle it is an ideal approach to developing excellence. It is not surprising that RBM is strongly supported by the ILO's governing organs and by the senior management.

In practice RBM requires commitment and continuing effort of both constituents and the Office if it is to be successful. Demands on the Organization and Office are diverse and insistent, so it often would be easier to provide ad hoc responses. Collaboration can be challenging, especially if we are expected to genuinely take on board the views of others. It can be difficult to accept the demands of measurement and transparency.

While experience with RBM has shown that its full application is not easy, there has been steady progress towards a results culture in the ILO. As good practices spread, the benefits of RBM become self-reinforcing. This guidebook has been designed to contribute to that process.

As RBM is more deeply understood and applied, it will increasingly contribute to effective partnerships, strong resource mobilisation, collaborative effort and coherent action. Ultimately, however, its value is to focus the ILO's work on measurable results related to decent work, built on services of direct benefit to ILO constituents.

Appendix A. Feedback on some concrete examples of outcomes, indicators, targets

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
 - *Comments: In general, outcomes should specify change in one specific 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
 - *Comments: 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
 - *Comments: 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
 - *Comments: Each indicator should have a baseline. The baseline should reflect the current percentage of textile products that are reaching international market.*
- **Milestones:** Not specified
 - *Comments: Each indicator should have a set of milestones. Milestones are target value divided into time-bound increments.*

Example B:

- **Outcome:** Tripartite constituents formulate a workplan to better enforce the labour code
 - *Comments: 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

- *Comments: 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

- *Comments: 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

- *Comments: Each indicator should have a baseline. The baseline should reflect the current number of certified labour inspectors.*

→ **Milestones:** Not specified

- *Comments: Each indicator should have a set of milestones. Milestones are target value divided into time-bound increments.*

Example C:

→ **Outcome:** Increase constituent capacity to develop gender-responsive integrated policies for upgrading the informal economy and facilitating transition to formality.

- *Comments: 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.

- *Comments: 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

- *Comments: The target and indicator correctly refer to the same metric: number of cases.*

→ **Baseline:** Not specified

- *Comments: Each indicator should have a baseline. The baseline should reflect the current number of cases in which integrated policies have been developed.*

→ **Milestones:** Not specified

- *Comments: Each indicator should have a set of milestones. Milestones are target value divided into time-bound increments.*

Appendix B. 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.

Milestone: A milestone sets out how much of a target or what specific steps toward that target will be complete by specific dates. It is a time-bound increment towards the target.

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.

Appendix C. 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>)

Strategic Policy Framework for 2010-15: Making decent work happen (http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_102572.pdf)

Programme and Budget for the Biennium 2010-11. (<http://www.ilo.org/public/english/bureau/program/download/pdf/10-11/pb.pdf>)

Programme Implementation Report 2008-09 (http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_140608.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)

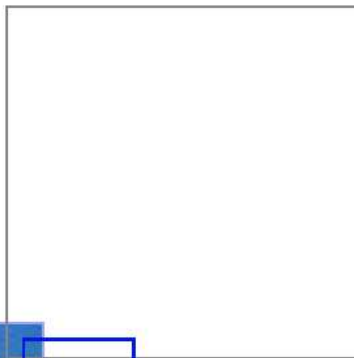
ILO Decent Work Country Programmes, A Guidebook, Version 3, 2011. (<http://www.ilo.org/intranet/dwcp>)

ILO Technical Cooperation Manual Version 1. Development Cooperation.Partnerships and Development Cooperation Department – International Labour Office. 2007. (<http://www.ilo.org/intranet/english/bureau/pardev/tcguides/tcmanual/download/home/printversion.pdf>)

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. (http://www.oecd.org/findDocument/0,2350,en_2649_34435_1_119678_1_1_1,00.html)

Handbook on Planning, Monitoring and Evaluation for Development results. United Nations Development Programme. 2009. (<http://www.undp.org/evaluation/handbook/index.html>)



For more information, visit:

PROGRAM Intranet home page:
<http://www.ilo.org/intranet/program>

RBM page:
<http://www.ilo.org/intranet/rbm>

E-mail: program@ilo.org