



Ten Steps to Create a Results and Learning Culture

EVALUATION BRIEF // REPORT 4 / 2018



1. INTRODUCTION

A learning culture is a precondition for successful results-based management. Results-based management¹ is essentially a management strategy that involves setting objectives, measuring achievement against these, using this information to learn what is working and what is not and, based on this, adapting and reporting progress². Our recent evaluation of the Norwegian aid administration's practices of results-based management found that while

a number of the foundational features are in place in the Ministry of Foreign Affairs and Norad, a results and learning culture is not.³

The purpose of this brief is to explore in more depth what a results and learning culture is, what its key characteristics are, and how it can be created. We do this by drawing on the findings from the evaluation, the wider literature on organisational culture and Itad's experience supporting organisations in managing for results.

BOX 1 // WHAT IS A RESULTS AND LEARNING CULTURE?

When an organisation's collective norms and beliefs* are conducive to supporting and encouraging staff to actively seek out and learn from robust evidence (monitoring and reporting data, evaluations and research) generated internally and by external actors, on what works and what does not and to take action based on this.

* Norms are informal rules of behaviour, while beliefs are assumptions about what will happen as a consequence of actions.

1 In this brief we use managing for results and results-based management interchangeably. The terms mean the same.

2 Norad (2017) *Evaluation of the Norwegian Aid Practices of Results Based Management*. Oslo: The Evaluation Department. Report no. 4.

3 Ibid

FIGURE 1 // A RESULTS AND LEARNING CULTURE: CHARACTERISTICS AND LEVERS

What are the characteristics of a results and learning culture?

Where individuals and teams:

<p>Seek out evidence of results of what has been achieved and use this to challenge or support action</p>	<p>Make time to learn and reflect on what has worked and what has not</p>	<p>Change plans and adapt what they are doing if the evidence supports it</p>	<p>Encourage experimentation through seeking out new ways of operating and supporting risk taking</p>
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What are the organisational levers for creating a results and learning culture?

VISION	LEADERSHIP	INCENTIVES
<p>1 Staff understand what using results evidence means at different levels of the organisation</p>	<p>4 Leaders visibly and consistently communicate the value of using results evidence</p>	<p>7 Delivering results based on evidence-informed adaptation is rewarded</p>
<p>2 Staff see the value of using results evidence and why it is important</p>	<p>5 Leaders lead by example and use results evidence in their decision making</p>	<p>8 Failure is accepted providing learning happens</p>
<p>3 Staff are clear on what is expected of them with regard to the use of results evidence</p>	<p>6 Leaders ask questions about the evidence base for others' decisions</p>	<p>9 Time is protected for learning and reflection</p>
CAPACITIES		
<p>10 Staff have the necessary attitudes and skills to engage with and understand the implications of results evidence and engage in meaningful reflection and learning and take action based on this</p>		

2. A RESULTS AND LEARNING CULTURE EXPLAINED

It can be difficult to pin down exactly what is meant by a results and learning organisational culture. Organisational culture refers to “the way things happen” in an organisation: the accepted and expected behaviours and beliefs that become part of an organisation’s principles, routines and values.⁴ Based on this understanding, a results and learning culture can encompass all of the behaviours, habits, rituals and routines that relate to objective-setting, evidence generation and knowledge sharing. In this brief we say that an organisation has a learning and results culture when **collective norms and beliefs are conducive to supporting and encouraging staff to actively seek out and learn from robust evidence (monitoring and reporting data, evaluations and research) generated internally and by external actors, on what works and what does not and to take action based on this.** Norms are informal rules of behaviour, while beliefs are assumptions about what will happen as a consequence of actions.

4 This is also the definition found in: Deal T. E. and Kennedy, A. A. (1982, 2000) *Corporate Cultures: The Rites and Rituals of Corporate Life*, Harmondsworth, Penguin Books, 1982; reissue Perseus Books, 2000

A learning culture is essential for results-based management because not all aspects of this management strategy can be made explicit. Rules, regulations and guidelines can never fully ensure that an organisation learns and adapts based on results. Staff will always be faced with situations where they will have to make trade-offs between requesting and using evidence for adaptation and pursuing other objectives or sticking to the agreed plan. This is where norms and beliefs about what matters in an organisation become crucial.

Importantly, beliefs and norms do not need to be embodied in a written strategy or policy; rather they are based on staff’s shared experiences in everyday working life. When norms and beliefs are in conflict with written policies and strategies, norms and beliefs often take precedence in guiding behaviour. To paraphrase Peter Drucker: “Culture eats strategy for breakfast”⁵.

How a learning culture is formed is a product of a range of factors, including an organisation’s history, the views and values of its founders and leaders, its strategy, the dominant management style and the national culture. In an organisation with a strong culture you are likely to find a

5 The quote is often attributed to Peter Drucker, and while his research lends credence to the claim, he appears not to have used those precise words.

BOX 2 // CHARACTERISTICS OF A RESULTS AND LEARNING CULTURE⁶

A results and learning culture is one where individuals and teams:

- **Engage in evidence-based learning by deliberately seeking evidence of results of what has been achieved through internal reporting, evaluations and research, engaging with external knowledge, and using this information to challenge or support action.**
- **Engage in self-reflection by making time to learn and reflect on what has worked and what has not.**
- **Are encouraged to change their plan and adapt what they are doing if the evidence supports it.**
- **Are encouraged to experiment through seeking out new ways of operating and supporting risk-taking.**

consistent behaviour; little need for policies and procedures; individuals understand and are able to describe the culture in a similar way; and the ways of working are embedded in everyday practices. The characteristics of a results and learning culture are detailed in Box 2.

6 This draws on Mayne J. (2009) Results management: can results evidence gain a foothold in the public sector? In Reiper, O., Leeuw, F. and T. Ling (Eds.), 2009. *The Evidence Book*, Transaction Publishers.

3. MISSING RESULTS AND LEARNING CULTURE IN THE NORWEGIAN AID ADMINISTRATION

Our evaluation of the Norwegian aid administration's practice of results-based management concluded that the Norwegian aid administration lacked a results and learning culture. This does not mean that staff individually were not motivated or did not want to make a difference, rather that rules of informal behaviour (norms) and beliefs about what matters for management did not encourage staff to actively manage for results.

Various beliefs that are antithetical to a results and learning culture were also documented in the evaluation "Can we demonstrate the difference that Norwegian aid makes?" (Norad 2014). This found that when interviewed, staff said that management were not interested in results, or building capacity to manage for results. If results were documented, they would have no consequences and capabilities required for managing for results were not valuable for career advancement. These types of beliefs could have enormous influence on staff behaviour. At the margin, it could mean that staff would prioritise getting the money out over collecting, assessing and using evidence to manage for results.

4. HOW CAN THE AID ADMINISTRATION CREATE A RESULTS AND LEARNING CULTURE?

The fact that a results and learning culture is an amorphous concept, and that it is shaped by factors some of which are difficult to change (e.g. values of founders, national culture), can leave senior managers at a loss as to how to reorientate it. Nevertheless, research and practice have shown there to be a number of levers that can be used to shape and strengthen organisational norms and beliefs to support a more evidence-informed learning culture.

4.1 Vision for the organisation

To encourage management for results, staff first need to understand what it is, why they should do it and what is expected of them. This vision for how the organisation should manage for results is currently unclear within the Norwegian aid administration. Without such a vision there is no common language that enables staff to talk about results-based management, or common structure in which they can model and demonstrate its value. Creating the vision requires creating a common understanding on:

- 1) what results-based management means;
- 2) the value of managing for results; and
- 3) the expectations of what this management tool can deliver for staff.

Understanding what management for results means at different levels

At present, there is no single reference point for understanding how results-based management should be practised in the aid administration. There is some guidance on how results-based management should be put into practice in the management of grants, but nothing on what it means at the level of portfolios, or the higher strategic levels of the aid administration. While a document will not change an organisational culture, without a basic orientation for staff of what managing for results is and how it should operate at different levels of the aid administration, staff will continue to be confused about how to go about practising results-based management.

Understanding the value of managing for results

Currently, results-based management is practised exclusively for the purposes of demonstrating the difference Norwegian aid has made; there is very limited effort being made to use the data to learn and improve. In essence, what is practised is more about reporting than management. While reporting is important, it will not improve Norway's contribution to development outcomes unless this information is used to inform adaptation. The aid administration needs to communicate why results-based management as a strategy for managing public

funds is important, how it can improve what the administration does and how it will further advance development outcomes such as improving access to education, addressing climate change or combating corruption. This value then needs to be modelled in staff's behaviours internally and externally with partners.

Understanding what is expected

Lastly, staff need to know what is expected of them. In the absence of clear guidance staff interpret results-based management as they see fit, based on personal motivations and incentives within their teams. There needs to be a common understanding of the value of how staff in different roles should engage with data, when and how, and how managing for results differs from more traditional management.

4.2 LEADERSHIP ON MANAGING FOR RESULTS

Leadership is central to shaping organisational culture. Research has shown that the messages and actions from the senior managers in an organisation have a significant effect on people's behaviours and actions.⁷ In our evaluation of the aid administration's practice

⁷ Whitehurst, J (2016) Leaders can shape company culture through their behaviours, *Harvard Business Review*, Oct. 13, Online: <https://hbr.org/2016/10/leaders-can-shape-company-culture-through-their-behaviors>

of results-based management we found limited leadership interest in managing for results. This was also the finding of the previously mentioned evaluation (Norad 2014:63), which found a common perception among staff that: "Leaders are not driving the results agenda, it's just talk. Reports go nowhere, hence there are no incentives. Twice a year a minister and a director [say] in a speech 'if results are too poor then drop the partner', but no one ever takes any interest or follows up." Furthermore, "There is leadership in speeches, but not in practical policy".

Leadership on managing for results means:

- 1) visibly and consistently communicating the importance of results-based management;
- 2) role modelling and leading by example in using results evidence in decision-making;
- and 3) asking questions of others about the evidence base for decisions and the theories of change behind investments.

Communicating the importance of results-based management

Senior management need to be communicating the importance of knowing empirically what results are being achieved and using this evidence to inform decisions. This communication needs to be consistent and visible to staff. But it should go beyond the purely rhetorical,

'we need to be results-focused' or 'we only invest in areas where we are likely to see results' – these are slogans – and should detail both how results data will inform decisions and the value and benefit this will bring to the achievement of development outcomes. For example, senior management should publicly be discussing the evidence base for policy decisions, or sharing compelling stories of where evidence has informed a pivot in strategy and led to a better outcome.

Using results evidence in decision-making

Leadership needs to be through more than just words; it is best demonstrated through actions. Senior managers should be role-modelling managing for results. They should be seen to be requesting results evidence to inform the decisions they are making, and to be actively engaging and considering it. If a decision is taken that goes against the evidence, they need to explain the trade-offs that have been made and why. We have seen how powerful this can be from our work with other organisations. When a leader is seen to be taking evidence seriously and using it to inform strategic decision-making, it sets the tone for what is considered important within the organisation.

BOX 3 // SIX MANAGEMENT QUESTIONS FOR DRIVING A RESULTS AND LEARNING CULTURE

Design and planning:

1. **What evidence is there to support our theory of change and assumptions?**
2. **What evidence are we going to collect to know whether what we are doing is working?**
3. **When are we going to take stock of how things are going based on the evidence we are collecting?**

Implementation:

4. **What evidence is there that things are progressing as we had planned?**
5. **How do we know that we are making a contribution to the observed results?**
6. **Based on the evidence, is there anything we need to be doing more of, less of, redesigning or stopping?**

Asking questions about the evidence base for decisions

Senior managers should also be seen to be probing other people's decisions: asking staff what evidence has been considered and how initiatives have been shaped by it; asking how evidence was used in deciding how much to grant to a partner, what evidence is telling us about what works in a particular portfolio; asking whether objectives and implementation have been adapted based on evidence. When senior managers start to show that they care

about the use of evidence in decisions, staff actions will follow. Box 3 provides six questions that senior managers should be asking – three during the planning stages of an initiatives and three during implementation.

4.3 INCENTIVES FOR MANAGING FOR RESULTS

For a results and learning culture to take hold there also need to be appropriate incentives. Staff need to be incentivised to care about using results information. There are three ways in which positive incentives can be created: 1) by ensuring results, learning and adaptation are rewarded; 2) by demonstrating that failure is accepted if learning occurs; and 3) by protecting the time for reflection and learning.

Delivering results, learning and adapting is rewarded

Staff need to be accountable for learning and be seen to be rewarded for achieving results and learning. If what people are evaluated on is getting the money out of the door and then sticking to the plan, then this is what gets done. If line managers are asking about how programmes are evolving and adapting and what evidence there is of progress, this is what people start to take notice of. Currently in the aid administration, the dominant incentives are towards sticking to the plan and getting money

out of the door. Performance management systems need to reward learning and adaptation.

Failure is accepted, provided there is learning

Managing for results necessitates that plans change based on what the evidence is saying. In some cases, this may mean recognising that something has not worked, modifying design and implementation, or stopping it. A results and learning culture requires an organisation that is willing to talk about failure, providing that lessons are learned and stay learned. There are of course challenges associated with this in the public sector given the use of public funds, and these are in many ways compounded in the context of development assistance because of the heightened scrutiny from the media and public. However, creating a culture that is more accepting of failure might require managing portfolios differently. For example, there might need to be a more differentiated approach to grant-making at a portfolio level or across portfolios, with an explicit balancing of safer grants in areas where results are more easily achieved (e.g. vaccines) with more risky grants in more challenging areas (e.g. governance), and an acceptance that a certain percentage of grants in the latter may not be successful.

Time is protected for reflection and learning

Engaging with evidence, reflecting on its implications and agreeing what to do differently takes time. Busy workloads and full portfolios can get in the way of staff taking the time to step back and reflect. Managers play an important role in ensuring this happens. They need to model through their behaviours that taking time to review, reflect and learn from results is a priority. Organisational systems and processes can also enable this. For example, in some organisations we have worked with, the end of projects is marked by a mandatory post-action review in which the key learning and actions from the project are noted down and shared internally.

5. BUILDING THE CAPACITIES FOR CRITICAL REFLECTION AND LEARNING

The final lever for creating a results and learning culture is staff capacities. A results and learning culture requires staff that have skills to be able to engage with, appraise and use evidence. This is important because evidence requires significant judgement on the part of the user. How best to weigh up evidence and then balance this with other organisational objectives is no easy task, and there is no guide or policy that can tell you how best to do it. Staff need to have the autonomy to make these judgements themselves. However, the aid administration needs to support them in doing this, by building core capacities around evidence use and learning. This is not to say that all staff need an equal level of competencies in evidence use. In our evaluation we recommended that while there needs to be an overall boost in competencies around evidence use and learning, at the portfolio level there should be dedicated staff that lead on reviewing and analysing evidence for others and help to translate what the evidence is saying into actionable insights for them to discuss and take action based on. In other organisations, staff with this role are often referred to as ‘evidence brokers’.

6. CONCLUDING REMARKS

Rules, regulations, procedures and policies alone will not achieve results-based management – it needs to be complemented by a results and learning culture. However, shifting the norms and beliefs that make up an organisational culture is a complex task. Culture is an amorphous concept and how it is created and recreated is the product of many factors. As such it does not lend itself to a single reform initiative or quick fixes. Nevertheless, we think that viewing an organisation through a framework of levers that can be used to reorientate and nudge a culture in a particular direction is a helpful approach. As the aid administration considers the conclusions and recommendations from our evaluation of its practices of results-based management and starts to plan for how to best move forward, we would encourage senior management to discuss and consider how it can use the levers of vision, leadership, incentives and capabilities to create a better results and learning culture within the Norwegian Ministry of Foreign Affairs and Norad.

The Evaluation Department, located in Norad, initiates evaluations of activities financed over the Norwegian aid budget. The Department is governed under a specific mandate and reports directly to the Ministry of Foreign Affairs. The evaluations are carried out by independent evaluators, and all evaluation reports are made public.

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EVALUATION OVERVIEW

This evaluation brief draws on the 2018 evaluation of [‘The Norwegian Aid Administration’s Current Practice of Results-Based Management’](#) and the 2014 evaluation [‘Can We Demonstrate the Difference that Norwegian Aid Makes? Evaluation of results-measurement and how this can be improved.’](#) Both evaluations were commissioned by the Evaluation Department in Norad and conducted by teams from Itad and Chr. Michelsens Institute.

Purpose of the evaluations: The purpose of both evaluation was to improve the aid administration’s results-orientation. The most recent evaluation aims to contribute to improved results-based management in the Norwegian Aid Administration.

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This evaluation brief is the product of its authors, and responsibility for the accuracy of data included in this brief rests with the authors alone.