Developing a Culture of Evaluation within a Public Sector Department

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Abstract

The purpose of the presentation is to provide insight into the development of a Culture of Evaluation within a public sector department through the experiences faced by the WA State Government Department of Regional Development and Lands (RDL) through the implementation and administration of the Royalties for Regions program.

The presentation will recount the issues faced, steps taken and lessons learned in the development of a Culture of Evaluation within RDL.

A culture of evaluation is driven by dedicated resources aimed at raising awareness of the importance of evaluation. This is done by:

1. supporting the development of program-specific monitoring and evaluation frameworks;

2. working with internal and external staff;

3. undertaking program evaluations and using results; and

4. advising on appropriate evaluation measures and methods in the development of financial agreements.

A framework for evaluation was developed to contextualise evaluation within the Royalties for Regions program and provide a standardised approach. The framework, developed in conjunction with project teams, broadened the awareness and knowledge of staff within the RDL in relation to evaluation. The framework caters for over 500 agreements for over 1,500 projects involving about 200 organisations. The successful implementation of the framework is paramount to the continuing development of the evaluation culture.

Key lessons learned through this process include:

1. evaluation has a place within the public sector but it requires flexibility;

2. methodologies can be adapted to meet outcomes within specified timeframes and in accordance with changing priorities; and

3. compromise is often required to ensure that evaluation meets the needs of a changing world.

This is a prime example of evaluation in a changing world. It has provided a unique opportunity to expand the range of evaluation, to spread the word on evaluation and bring others on board.

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1   Context and Background

Royalties for Regions is an historic agreement that underlies the WA State Government's long-term focus on regional development throughout Western Australia.   Through Royalties for Regions, the equivalent of 25 per cent of the State's mining and onshore petroleum royalties will be returned to the State's regional areas as an additional investment in projects, infrastructure and community services.

Implementation of the Royalties for Regions program is based on the following principles:

- Local decision-making in regional areas is fundamental;
- State Government department administration and processes should provide for and support decision making in regional areas; and
- Strategic projects in regional Western Australia are a priority.

From the inception of the program, the importance of evaluation was acknowledged with evaluation principles built into funding processes. As Royalties for Regions is a high profile program, evaluation was seen as an important mechanism to ensure transparency. The aim is to demonstrate value and show impact of the funding invested in regional Western Australia.

The Royalties for Regions fund provides for $7.2 billion over five years and caters for over 500 agreements involving 1,500 projects across 200 organisations. Funding proponents include State Government agencies, Local Governments, not-for-profit and private organisations. Funding is provided through a number of different programs, projects and initiatives.

Due to the complex and multi-layered nature of the program, the focus for evaluation was placed at the program level rather than at the project or initiative level. This enabled the assessment of the overall Royalties for Regions impacts as opposed to localised achievements.

2   The Impetus for Evaluation

The need for evaluation of the Royalties for Regions program was understood at program inception.   Critical to the Royalties for Regions Policy is the requirement to ensure transparency in decision making, implementation, monitoring, audit and evaluation.

A clear understanding of the value of evaluation was evident from the outset. There was recognition of the benefits that evaluation would provide to the improvement of the delivery of Royalties for Regions. It was understood that evaluation could influence what is being delivered, how it is being delivered and guide and inform improvements to the effectiveness of the program.

The challenge for the Royalties for Regions program is to enable the regions to determine, and plan based on, regional priorities while ensuring that transparency, governance and accountability are maintained.

A further impetus for evaluation was the need to demonstrate sustainability of Royalties for Regions. To this end, evaluation was seen as a means of improving the delivery of the

program while supporting its continuation. This provides the evaluation team with a solid foundation on which to develop an evaluation culture.

3   Developing a Culture of Evaluation

A culture of evaluation has been driven through dedicated resources and sound processes. Reinforcing the commitment of resources is the establishment of a clear vision which has been accepted and adopted by the Department.

Management and Executive commitment to evaluation was a strong driver of the development of an evaluation culture. The significance, benefits and value derived from a structured evaluation program was acknowledged and this enabled the incorporation of evaluation concepts in the early stages of the formation of the Royalties for Regions program.

This continual management support enabled the evaluation team to proceed with confidence. A key part of the evaluation culture was the focus on staff training at the outset. This enabled an evaluation capability to be established within the organisation that was broader that the immediate team.

The evaluation team consists of two staff with additional resources drawn from the wider Branch. The activities of the evaluation team are integrated into the wider operations of the Branch and the Division and enable processes and policies to be influenced by evaluation mechanisms. Support is also accessed through the contracting out of evaluations. In this way, the evaluation team is able to explore different evaluation methodologies and understand evolving trends in evaluation.

3.1   Program-specific Monitoring and Evaluation

The focus on systematic, purposeful and objective evaluation has been incorporated into the development and implementation of Royalties for Regions projects. This approach had provided consistency that contributes to the development of a culture of evaluation.

In order to deal with the diversity of Royalties for Regions, the Department adopted a Program Logic approach for evaluation. This provides a structure to identify, at inception, the project or program outcomes, the outputs (activities and participation) needed to achieve the outcomes and the inputs (resources) needed to deliver the outputs. It also enabled the application of a consistent approach in the understanding of the project from the beginning to end. This Program Logic approach is incorporated in the business case, agreements and reporting templates and acts as the link that binds the project together across the governance documents.

This approach further assists in the consolidation of project and program outcomes and achievements to the Royalties for Regions policy principal level.

3.2   Evaluation Framework

An overarching evaluation framework for Royalties for Regions has been developed and implemented with the aim of assessing the outcomes of the program against the Royalties for Regions policy principles. The framework provides a structure that defines the selected program or project and supports the identification of evaluation objectives and impact measures. Complementing the evaluation framework is an evaluation plan that sets priorities for evaluations. Both the framework and plan are reviewed annually.

Central to the development of an evaluation culture was the approach used in the development of the evaluation framework. This involved the engagement of internal staff in all stages of the framework development.

The approach to developing an evaluation framework involved:

- understanding the need for evaluation and communicating this understanding across the organisation;
- observing and reviewing evaluation activity, noting the likes and dislikes of staff and areas or issues that cause confusion;
- visualising how the evaluation can be used and engaging staff in this vision;
- evaluating and refining the framework based on observations and the evaluation vision; and
- implementing refinements and improvements.

In developing the framework, staff from across the department were engaged through a series of independently facilitated workshops that built evaluation knowledge, awareness and capabilities within a team across the organisation. This broader team now has a role of championing the evaluation culture throughout the organisation.

The engagement of staff in setting evaluation priorities and in developing and refining evaluation scopes encourages a shared ownership of the evaluation outcomes. This has shaped the development and the refinement of an evaluation plan as the Royalties for Regions environment changes.

3.3 Working with Internal and External Staff

Intrinsic to the culture of evaluation is the engagement of internal and external stakeholders. The evaluation team works with project managers in supporting the development of monitoring, evaluation and reporting frameworks at the project level. In this way, stakeholders are engaged at all levels and the evaluation team influences evaluation process and encourages development of evaluation capabilities within the wider department.

The evaluation framework provides mechanisms for engaging departmental staff in identifying evaluation topics, setting priorities and developing evaluation scopes. Project staff and external project stakeholders are engaged and involved at each of these stages.

This collaborative approach ensures that project-specific features are factored in at the development stage of an evaluation. It also allows the discernment of the readiness of the project or program for evaluation, minimising the risk of untimely evaluation.

3.4 Undertaking Program Evaluations and Using Results

The priorities for evaluation are set through an assessment of a range of evaluation criteria. These cover such aspects as the stage and scale of a project, value of funding, leveraged funding and risk. The prioritisation and weighting of projects is done in conjunction with project implementation and departmental staff. This allows the team to plan ahead, engage departmental staff and develop scopes for evaluations that ensure buy-in from within the department.

Evaluations to date have been primarily undertaken externally through the engagement of a contractor. This allows for an element of independence to be applied to the evaluation. Experience and expertise can be brought in the suit the situation, depending on the nature of the evaluation, be it formative, summative, impact-based, social or economic. By using external contractors, the evaluation team can focus on the outcomes of the evaluation and drive the culture of evaluation through the use of the findings.

The evaluation team's role is to influence the adoption of the findings by project staff, engaging them with the information and inciting them to analyse and think about what it

means and how it can be used. This closing of the evaluation loop informs project development, implementation and management and reinforces the department's evaluation culture.

3.5 Providing Advice on Appropriate Evaluation Measures and Methods

Inherent in the Royalties for Regions governance process is the review of all agreements that govern the provision and management of financial support. The broader Reporting and Evaluation Branch undertakes these reviews. As part of this process, the evaluation framework and its underlying program logic approach is used to facilitate the development of mechanisms to measure the project progress. In this way, the Branch influences the provision of evaluative information throughout the life of the Royalties for Regions program and after completion.

The measurement structure that the Branch helps to build at the beginning of the project implementation process is drawn upon at a later stage when it is used to inform the scope for mid-term and end of project evaluations. This work also has the potential to generate relevant fundamental evaluative information that supports broader impact evaluations.

The evaluation team has worked with project proponents to rationalise and refine the outcome measurement process. In working with project proponents, the team is able to influence a simplified outcome measurement process by suggesting improved alignment of measures to project outcomes, thereby reducing the number of measures. This, in turn, reduces the volume of data to be collected thus streamlining the reporting process for the projects.

4 Challenges Faced

The evaluation team faces many challenges in developing a culture of change in the department. There are different personalities to consider:

- Those who feel nothing is wrong with the program so see no need to potentially change it;

- Those who think that evaluation doesn't apply to them or their projects and isn't part of their job;

- Those who are fearful of what evaluation may mean to them: more work, more hassle, undermining their management of the project, show their work in a less-than-positive light; and

- Those who haven't had exposure to evaluation.

What these highlight is that not all project staff see the value in evaluation. This is one of the challenges that the evaluation team faced and continues to face.

All of these personalities affect the way in which the evaluation team works with the project teams in that the evaluation team has to tailor the approach or level of engagement with staff depending on the mix of personalities. People are brought along but this can be challenging, confronting and time-consuming. The evaluation team recognises that there must be a demonstration of value and benefit to internal and external project staff to ensure continued engagement.

The evolving nature of the Royalties for Regions program means that evaluation and the role of evaluation has to change, or be ready for change. In trying to be ahead of the game in developing a culture of evaluation, the evaluation team has to be proactive. The challenge is balancing the flexibility to manage change while retaining existing evaluation capability and growing and broadening this capability.

The question arises as to how the sustainability of the evaluation culture can be ensured. The evaluation team drives this, empowering others to champion the evaluation culture by:

- Encouraging fresh ideas: by identifying the evaluation champions who can move forward with the culture, the team is prepared for evaluation regardless of the format of the program into the future; and

- Creating seamless linkages to reporting, audit, monitoring, project development and implementation and project management, thereby capturing base-level data that contributes to the evaluation process.

While maintaining integrity is important, the evaluation team has learned not to be purist about evaluation; at times there is a need to compromise to meet the needs of the organisation. Evaluation can be used to generate good news stories, but learnings can be equally valid if derived from the bad news stories that are also captured. Ultimately the focus is on showing the value of evaluation to the department.

5   Lessons Learned

Throughout the development of evaluation culture within the department and this program, there are a number of positive lessons that have been learned.

Firstly, there is a curiosity around evaluation. There is interest in how evaluation can contribute to program improvement which is leading to increased engagement with the evaluation team. This has been stimulated through the communication of the results from early evaluations. Staff at all levels are keen to see how the results can be used for improvement of the Royalties for Regions program.

There is increasing focus on relevant reporting and monitoring data being captured as a result of the mechanisms put in place. This source can be drawn upon to set priorities for evaluation and in the development and implementation of the evaluation itself.

Evaluation has a place within the public sector but it requires flexibility. The lesson learned in this context is to ensure that evaluation adds value and is not seen as a barrier to program delivery. The Royalties for Regions environment is changing in a dynamic way and the evaluation program needs to be flexible to remain relevant. Compromise is often required to ensure that evaluation meets the needs of a changing world.

To meet these challenges, the evaluation team recognise that methodologies can be adapted to meet outcomes within specifies timeframes and in accordance with changing priorities. The importance of engaging stakeholders, external agencies, internal staff and a broad range of evaluation expertise is recognised by the team as vital to ensuring that the evaluation program remains relevant as the program evolves.

There are also lessons learned that highlight areas for further improvement or concentration of work:

- The misinterpretation or misuse of evaluation is always a risk. Despite the development of the evaluation culture in the department, the challenge for the evaluation team is to ensure that evaluation continues to be understood rather than being seen simply as a means of generating good news stories. This can be difficult given the high profile nature of Royalties for Regions.

- The evaluation team still drives against the confusion that evaluation is part of monitoring, project assessment, compliance and end of project assessment. It is seen more as an issue of compliance that must be met in project planning and implementation. The thought that evaluation is a check-box assessment done through a survey at end-of-project remains a threat to the evaluation culture.

The evaluation culture is highly sensitive to changes in the Royalties for Regions environment and a small change has the potential to have a significant effect, either positive or negative. The evaluation climate is constantly changing within Royalties for Regions and through evolving trends in the evaluation field itself. The evaluation team invests considerable effort in maintaining the progress achieved in developing the culture of evaluation and building on this progress within this changing climate.

6 Where to Next?

The continued development of a culture of evaluation has enabled the focus of the evaluation team to move from implementation of evaluations to driving change and improvement of the program. The team's role, therefore, is transitioning to expand and grow evaluation by showing its value in promoting the achievements of the Royalties for Regions program and in influencing program and project improvements.

The team is moving towards influencing the adoption of evaluation outcomes and a wider participation in evaluation. The aim is to influence broader evaluation thinking in an environment that is changing rapidly. Evaluation may drive linkages between existing or new programs and encourage collaboration to provide synergy from combined program outcomes. By using evaluation to encourage the growth of existing programs, the evaluation team aims to leverage off the existing effort and achievements by generating value and outcomes with current effort and resources.