



INTEGRATED RESULTS BASED MANAGEMENT – COUNTRY  
EXPERIENCES FROM ASIA & AFRICA  
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## Introduction to Results Based Management

Results Based Management (RBM) can essentially be termed as a contemporary management philosophy and approach that focuses on the appropriate and timely achievement of relevant goals and objectives through strategic planning, systematic implementation and resource usage, performance monitoring, measurement and reporting as well as systematic utilisation of performance information to improve policy decision making and program performance at all levels. The statement above pretty much covers all the main aspects of RBM. It emphasises the importance of achieving results through systematic goals and objectives achievement and clearly states how this should be achieved. The RBM approach has been used in many countries as a strategic performance planning tool, including a version of it that was introduced in Malaysia in 1990..

2. The early works of RBM can be associated with Management by Objectives (MBO) and the Program Performance Budgeting System (PPBS) in the 1960s. These were early attempts at focusing on results and objective achievement. The early systems, although focused on results, came short on the detailed processes in terms of implementation. In the 1970s, the Logical Framework approach was introduced, in an effort to better track the process. The Logical Framework was used extensively in many countries and organisations in the 1980s and the 90s in various forms as a management tool. The use of program logic in management and planning later evolved into the rudimentary versions of the RBM. RBM is a performance-based strategic planning methodology that has been used by a number of countries successfully in driving both better and more focused planning and implementation of its public sector programs.

### **The Integrated RBM (IRBM) System**

Despite these early developments, there have been limited integrated approaches so far to render the RBM system more dynamic and practical in its usage and as a comprehensive performance management system for government-wide implementation. Early versions of the RBM were either centered only on the budgeting system or through the personnel performance system but with minimal or no integration between the two. There was also minimal integration between the development and operating budgets in these countries. These systems also had minimal flavour of the developmental requirements of developing countries.

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As a response to this, an Integrated RBM system was developed in the late 1990s. This was based on the performance framework that was first introduced in the Malaysian public sector in 1990 under the Modified Budgeting System (MBS). However, the original performance framework did not take into account full integration between the operating and development budgets as well as the personnel performance management. There was also a marked absence of tight links between budget performance and policy implementation. These were identified as fundamental missing links in the earlier version of the RBM system.<sup>2</sup>

The basis for the integrated system was the use of an Integrated Performance Management Framework (IPMF) resembling a strategic performance plan for the public sector entity. The IPMF basically requires top management within the Ministry and Departments to be actively involved in strategic performance planning and active consultation and consensus building with the lower accountability levels. This is in line with the top-down and bottom-up approach in the Integrated RBM system. This strategic performance planning process essentially focuses on client and client needs/problems analysis and on results at the various stages of implementation such as resource utilisation (inputs), activity completion, output generation, and outcome/impact achievement. The cornerstone of the Integrated RBM is its detailed but practical focus on systematic and structured performance measurement and its requirement for linkages to be established with policy-making, resources management, program performance improvement, and other critical success factors in performance management.. A critical component of the Integrated RBM system is the strategic use of an integrated performance monitoring and evaluation system used for program planning, monitoring evaluation, and performance reporting. This helps ensure systematic and structured performance planning, management, and measurement under the RBM and helps ensure tight linkages with resource usage and policy implementation.

3. The cornerstone of the Integrated RBM system is the strategic use of the Program and Activities approach within a longer-term macro-planning framework. The Program and Activity approach was initially introduced under the PPBS, which later played an important role in RBM in strategic alignment where clear vertical and horizontal linkages were established in program planning since RBM itself focuses on strategic planning of program for results. Since lines for program implementation are clearly established under RBM, resource planning and implementation therefore became more purposive and targeted. Performance monitoring, measurement and reporting are well structured under the RBM. This allows for timely information flow that can be strategically used by various levels of management for decision making. The Integrated RBM system also makes strategic use of a Management Information System that provides the basis for an effective decision support system at different levels in an organisation.

4. Efforts in improving the public sector efficiency and effectiveness can subsequently lead to improved public service delivery by maximising value for money through integrated strategic planning, systematic implementation and resource usage, performance monitoring, measurement and reporting. The Integrated RBM Framework initiative has been successfully introduced in several developing countries under the name of an Integrated RBM system.<sup>3</sup>

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<sup>2</sup> 1999 Arunaselam Rasappan, "Public Sector Budget Reforms in Malaysia" Special Paper for World Bank PEM workshop, July 1999

<sup>3</sup> The Integrated RBM system was first developed in the late 1990s through the work of Dr. Arunaselam Rasappan. It was introduced in various stages and versions in several countries including India (Kerala), Mozambique (M&E component), and Zimbabwe. Due to the initial successes in India and Zimbabwe, the IRBM system is now being considered for implementation in Namibia, Mauritius, Botswana, and South Africa.

The IRBM system is made up of 4 key components. There are 2 primary components and 3 complementary components. The primary components are:

- Results Based Budgeting System (RBB), and
- Results Based Personnel Performance System (PPS)

While the 3 complementary components are:

- Results Based Management Information System (MIS),
- Results Based Monitoring and Evaluation Framework (M&E).
- E-Government (EG) system.

The primary components under Integrated RBM provide the necessary framework for planning, implementing, monitoring and reporting on organisational performance and linking organisational performance to personnel performance. The complementary components of M&E and MIS provide the dynamic dimension to the entire framework. It brings to life static information by establishing some level of causality. This is especially important for the Central Budget Office in deciding on resource allocation. However these two complementary aspects of the Integrated RBM will pose the biggest challenge.

5. The nature of public sector reforms is such that they need to be mandated from a position of authority so that performance and accountability can be achieved at different levels. Reforms are driven by public sector agencies that control resources such as the Treasury, in the case of finances or the Public Services Department, in the case of human resources. Those that control the resources will be in a better position to drive reform. Under RBM it is therefore agreed that public sector reform and the performance agenda should be driven by the Treasury by way of the RBB and spearheaded by an integrated performance framework. This will allow the planning framework to be integrated with the budgeting process so that managers could be held accountable for the resources that were provided to them. Since the planned programs are driven through the integrated performance framework, human capital will play a pivotal role in organisational performance. Clearly the integrated performance system will also have to factor in the role of personnel performance. The dynamics of all this will be captured by way of a monitoring system that will report through a comprehensive management information system. Although the focus of performance measurement under the IRBM is on results (outputs, outcomes and impact) and the various attributes under them, there is also commensurate emphasis on the efficient and effective utilisation and management of inputs and work processes.

International Experience in the implementation of the Integrated RBM

The Integrated RBM is now being implemented in a number of countries such as Malaysia, Zimbabwe, Mauritius, India, Namibia, Botswana for greater efficiencies and effectiveness in the public sector with the assistance of CEDRE. In some of these countries the four components are being implemented in stages with the Results Based Budgeting and Monitoring and Evaluation as the forerunners followed by the other components.

Brief details of the four components of the Integrated RBM as being implemented in some of these countries are documented below.

Results Based Budgeting (RBB) System

6. Results-based Budgeting (RBB) is a strategic management tool that assists in improving resource management and public sector accountability. The cornerstone of the RBB is its detailed focus on performance measurement and its linkages with policy-making and resource management. It has a strong focus on the results from operations of programs and activities undertaken by government agencies using public monies. The results under RBB are classified under the various performance components of inputs, processes, outputs, and impact. Though traditionally there is overwhelming emphasis on outputs and impact measurement, RBB will also give appropriate focus and emphasis on input application and activity completion.

7. The RBB recognizes the close link between the inputs and outputs and thence the impact. It rightly recognizes that there is a close relationship between input utilization and output performance. The various dimensions of output performance consequently also have a direct effect on the desired impact of the program or activity. In recognizing this strong and inherent relationship, the RBB tries to pay adequate attention to the results achieved at different stage. Results are thus seen to be ensuing at almost every level from input application, activity completion, outputs delivery, and impact achievement. The main component a RBB system is the Integrated Performance Management Framework (IPMF), which can be normally in the form of a Performance Agreement. It is an agreement, which details the level of performance that can be achieved by an entity for a given budget year with its allocation approved. Under the RBM the performance agreement will be the focal point for all its other components. The integrated nature of a performance agreement under the RBM is the reason why it is termed the Integrated Performance Management Framework (IPMF).

8. In Malaysia, for example, the RBB is the main driver for RBM using the Modified Budgeting System (MBS). The Malaysian version, which was a pioneered version, has been implemented for some years now and CEDRE is currently assisting in capacity building in monitoring and evaluation. The Performance Agreement or the Program Agreement as it is known in Malaysia is normally prepared using a Program Logic Chart\* (See1) as part of the budgetary process. The Performance Agreement in Malaysia is prepared and submitted at the activity level by the activity manager to the Controlling Officer who in turn aggregates all these documents and submits them to the Central Budget Office. The Ministry of Finance by way of an administrative circular mandates the process. The RBB's strong focus on results is quite clear when we see the approach and strategic components in the planning process using the IPMF. The RBB by way of the IPMF requires considerable strategic inputs and needs assessment before goals and objectives are set for each program and projects. The inputs in the document have to be driven from the top with the departmental heads being the main stakeholders in the proposed results. It is important to remember that under the RBB, planning, analysis and all other activities focus on attaining results at the various levels. A good budgeting system must not only have strong linkages between resource utilisation, outputs completion and the ensuing program results but must always be strongly linked with the policy framework.

#### Implementation of the Integrated Performance Management Framework (IPMF)<sup>4</sup>

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<sup>4</sup> See also Arunaselam Rasappan "PEM System & Results-Based Budgeting in the Malaysian Government", Special World Bank Paper, April 1999, where the concept of IPMF was used for recommending integration of macro performance management initiatives.

9. The IPMF is mandated as the strategic planning framework under IRBM. Therefore all ministries and departments are required to prepare their strategic plan for resource allocation using the IPMF as part of the RBB initiative. The IPMF has been designed with sufficient details to capture specific information at the various levels as well as to establish strategic linkages between one level and the next. More importantly the information will focus on results at different level. The comprehensive nature of the IPMF also focuses on long-term goals that fit in with annualised objectives making them interlocutory in a systemic manner. RBM strongly subscribes to systems theory that allows not only vertical integration but also horizontal integration at the Program level. Under RBM programs are normally defined at the national level. The components (18 components in the standard document) in the IPMF provide sufficient baseline details that can be used by management at the various levels for program planning and target setting. It also establishes the necessary linkages between sectors and for inter-agency coordination. As a result of this, the integrated nature of the IPMF also allows it to be used as the main monitoring and reporting tool. The IPMF complements with the work programs that need to be developed at each level of the organisation. Work programs at different levels will have to be detailed out from the information contained in the IPMF.

10. Baseline information is information from which progress will be measured at predetermined intervals. Baseline data will provide the basis from which results can be measured. The periodicity of the information for measuring progress will be dependent on the nature of the program that is being measured. Baseline information or data can be classified into profile data and performance data. Profile data provides critical information about the entity that is being measured and more often than not are quite static and seldom changes. Examples of Profile data include entity names, clients, stakeholders, the amount and distribution of budget and staff profile. Some aspects of the profile data such as budgetary allocation and personnel can change in the course of the year and therefore need to be periodically monitored. On the other hand, performance data is data that was planned to explicitly measure process, program and strategic progress. Examples of performance data include Key Result Areas (KRAs), Goals, Objectives, Outcomes, Outputs, Activities and the relevant breakdowns therein. This information is measured against a predetermined target and therefore need to be monitored periodically.

11. Both Profile Data and Performance Data will be captured in the IPMF, which in turn will be drawn from a Medium Term (Three or Five-Year) Strategic Implementation Plan (SIP). The SIP will focus on the longer-term goals and cover commitments from both the Operating Expenditure as well as the Public Sector Investment Program (PSIP). A well-documented national level strategic plan will lay the foundation for focused sector and program level plans. By way of the IPMF, ministries and departments are able to establish linkages to higher-level results. The obligations under Millennium Development Goals (MDG) can also be featured into the macro strategic planning framework.

#### Personnel Performance System (PPS)

12. The Results Based Personnel Performance System (PPS) has been identified as one of the other major components in RBM. Although in this paper I have advocated the RBB as the prime mover of the RBM initiative, PPS can similarly be used to drive reform or new performance initiatives. The role of the PPS in an environment, which is driven by RBB, is equally important especially in establishing and mandating the accountability

framework under RBM. Under RBM, clear lines of accountability need to be established, so that linkages can be established through the IPMF between organisational performance and personnel performance. The appraisal system under the PPS weighs towards the performance aspects of the individual, which will be linked to the IPMF by way of the work program. However, commensurate weights will also be given for other attributes. As a result of this inherent linkage, Human Resource Development (HRD) and on a broader scale Human Resource Management (HRM) become more specific and focused. The Results Based Personnel Performance System provides better grounding for the planning and implementation of HRD and HRM.

### Management Information System

13. The two main components in RBM namely RBB and PPS sets the framework for performance planning by establishing the targets that need to be to be achieved to ensure objectives and goals in an organisation are met with. However, the implementation of the program needs to be closely monitored to ensure it is being implemented as planned within the agreed parameters. To do this, the planning framework has to provide sufficient details that can provide the necessary information. The Management Information System will identify information needs at the different levels. The information needs will be user defined in most circumstances, as they would be involved in the planning process at an earlier stage and as such have privy to their information needs. The importance of management's involvement in the planning process will be clear at this stage as they will be stakeholder in the kind of information that need to generated for effective planning and decision making. The timing of the different kinds of information will also have to be defined. The MIS can also be planned and designed for use manually or using computerized systems.

14. The dynamics of the RBM can only be realised when linkages within the performance framework are driven by the Management Information System (MIS) and the Monitoring and Evaluation (M&E) framework. These two components will provide the performance measurement dimension to the strategic planning framework by way of accurate, reliable and timely information targeted for decision-making. The role of MIS and M&E are closely knit, drawing on each other constantly to ensure that it produces the right information for the right people at the right time. Monitoring within the context of Program Monitoring refers to the on-going process of tracking key performance indicators at different program levels so that timely and appropriate steps can be taken to keep a program on track and to ensure that its objectives or goals are met in the most efficient and effective manner. What brings to mind is the term "indicators" which can be both operational as well as results based. These indicators are important to the extent that a program has brought about the desired change whether negative or positive, intended or unintended to clients and stakeholders whose problems/needs it is designed to address and overcome.

### Monitoring and Evaluation

15. The structured nature of the IPMF ensures that all critical program information regarding the program are identified and recorded while assigning responsibilities to those who should meet them. This will allow the management to establish linkages between what the program is set to deliver under the IPMF and the people responsible for it. More importantly, during the course of the year, if a program component faces difficulties or distress, a good program monitoring system should provide early warning of this to enable management to pinpoint the problem area and its root causes so that

the necessary and remedial actions can be taken. The integrated nature of the planning process will logically allow the monitoring mechanism to link up with the targets set in the planning process and the resources that are required to ensure that these targets are achieved. The program managers who are stakeholders in the planning process can determine the frequency with which he requires the information so that decisions regarding the program can be made. The frequency with which program managers will require the information will essentially depend on the nature of the program that are being implemented. Some of the programs are service delivery programs such as registration of births and deaths by the Registrar's Office, issuance of passports by the Immigration Office, provision of health services by the doctors. These programs have higher frequency of delivery and are quite homogenous in nature.

On the other hand policy level programs and projects are non-homogenous in nature. This will include programs such as the preparation of policy level papers and plans as well as the implementation of Public Sector Investment Projects (PSIP) such as Hospitals and Bridges. Based on the nature of the program and projects, the program manager can determine the nature and frequency of the reporting requirements. Top management should also ensure that information requirements are replicated down the organizational hierarchy, consistent with the sub-divided performance agreements or work plans. Reporting frequencies at lower levels would of course need to be provided more frequently than for higher levels since decisions on improvements and remedial actions manifest at the point where outputs are being delivered. For example, at the line management level, information might be required on a weekly or fortnightly basis while higher-level management may require it monthly or quarterly.

16. Apart from being able to generate the necessary performance information the system can also generate specific information based on user requirement. These requirements however will have to be generated separately. Even the best performance monitoring system will not always be able to provide sufficient information. If a performance monitoring system indicates something may be wrong and the reasons for this are not very clear, evaluations need to be conducted. It may be periodic evaluations (formative or summative) a specific purpose evaluation. Therefore program-monitoring system will often trigger an evaluation and in turn provide a useful basis for further developing and refining indicators in order to improve the program monitoring system.

17. Evaluation can be carried out periodically or even for specific purpose. Evaluation provides information and analysis to assist decision-makers to make judgments about the efficiency and effectiveness of a program or project. Information about program objectives, resources utilisation, activity completion, output generation, outcomes and impact achievement. It can also look into and analyse management strategies and functions of the organisation. Evaluation, within the context of the IPMF can also assist in establishing the necessary vertical and horizontal linkages. The RBM using the IPMF can build evaluation into the system where it is required.

#### Information Reporting to Various Levels of Management

18. In the Integrated RBM the performance information and measures communicate Program Results to relevant decision makers on a timely basis. Performance reporting can be focused at the departmental level as well as performance across Departments and Sections. Performance reporting will focus on the performance aspects of the program such as completion of activities, delivery of outputs and the achievement of outcomes. A well-structured performance reporting mechanism will induce the creation of Key Performance Indicators (KPIs). Reports can be generated for specific stakeholders and user groups as follows:

- Financial Performance – Budget Office, Cabinet, Permanent Secretaries, Departmental Heads, Donor and Aid Agencies
- Personnel Performance – Public Services Departments, Permanent Secretaries, Departmental Heads, Donor and Aid Agencies
- Activity Completion - Budget Office, Cabinet, Permanent Secretaries, Departmental Heads, Section and Sub-Section Heads, Donor and Aid Agencies
- Output Delivery - Budget Office, Cabinet, Permanent Secretaries, Departmental Heads, Section and Sub-Section Heads, Donor and Aid Agencies
- Outcome Achievement - Budget Office, Cabinet, Permanent Secretaries, Departmental Heads, Ministers and Parliament, Donor and Aid Agencies

19. The information can be aggregated into an early warning system or dashboard for management that will generate information on shortfalls in resource utilisation, over expenditure, variances in achievement and the identification of weaknesses and the remedial actions that need to be taken. The information will be used to make decisions regarding funding and apportionment of resources, decisions on human resource deployment, and decisions on policy adjustment and program improvement. Reports can be generated on a weekly, monthly, quarterly, semi-annually and annually. The frequency of the report will depend on the nature of the program as well as the needs of the stakeholders. While program managers may demand greater frequency of reporting, central agencies with the exception of the MoF (Budget Department) may need to report less frequently.

## In Conclusion

20. It is clear that with increasing resource constraints that are being faced by governments, public sector planners have to be more effective in program planning and delivery so that the best 'value for money' can be realised. This coupled with the increasing demands from the public for better quality and more responsive services puts greater demands on them. Politicians these days are more people sensitive and service oriented. The private sector is constantly seeking better and cost effective services and infrastructure since they will have to compete in a global environment that is determined by the cost of doing business on a global stage. In some countries where donor agencies play an important role, donors are demanding accountability in the use of their funds and often demand that recipient countries subscribe to the systems that they are advocating.

21. The Integrated RBM as implemented in some these countries focuses on the appropriate and timely achievement of development goals and objectives through strategic planning, systematic implementation and resource usage, performance monitoring, measurement & reporting as well systematic utilization of performance information to improve policy decision-making and program performance at all levels. To make it more practical and manageable, an e-version of the IPMF has been developed and being currently used in some of these countries. This integrated e-enabled application solution has proven to be extremely useful for program performance



planning, monitoring, and performance reporting. T has also proven to be of immense use for program evaluation purposes.<sup>5</sup>

22. Against the backdrop of such multi faceted demands that are being placed on the public sector it is indeed critical that public sector program planning and implementation is clear and well defined. The Integrated RBM system, using a Program and Activity structure, incorporates a longer-term macro planning framework through better and more effective horizontal and vertical integration for national development and capacity-building in physical and human infrastructure to meet national needs and challenges of globalization.

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<sup>5</sup> The e-enabled application solution is called the ProLL Performance Management Solution or PPMS. *ProLL* is a unique program and evaluation planning model developed by Dr. Arunaselam Rasappan in 1992 for use in the Malaysian public sector and subsequently in several countries under the IRBM system.