EMPLOYMENT ONTARIO

Ontario's employment & training network

AGENCY ASSESSMENT of organizational capacity

GUIDE

FOR

LITERACY AND BASIC SKILLS (LBS) DELIVERY AGENCIES

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Agency Assessment of Organizational Capacity

For Literacy and Basic Skills Agencies

To successfully implement a performance management system, an agency must have the organizational capacity to plan, track, organize, analyze and evaluate the results of its day to day operations. It does this to determine what needs to be changed - or improved - to achieve the agency's intended results in the most efficient and effective manner.

This guide, Agency Assessment of Organizational Capacity, is intended to provide information for Literacy and Basic Skills (LBS) funded agencies about what organizational processes need to be in place to implement a continuous improvement performance management system (CIPMS). It is intended to help you determine the extent to which your agency is ready to fully implement CIPMS.

LBS service providers range from large institutions in urban settings to small not for profit agencies in rural areas, using both paid and volunteer staff. Despite this range, all LBS funded agencies are strongly focussed on client services, and sometimes the organizational capacity of the agency is not the top priority. While we realize that each agency differs, and that one system will not fit all, we hope that this guide will give you an easy template to use as you work toward making improvements. Our goal is to assist you by providing you with tools that will help you in your efforts to improve the quality of service provided to all LBS clients and to create a well integrated system-wide analysis of results.

Some agencies have developed continuous improvement processes and are already managing their agency growth in this way. They can adjust this guide to suit their needs or continue to use their current practices provided that:

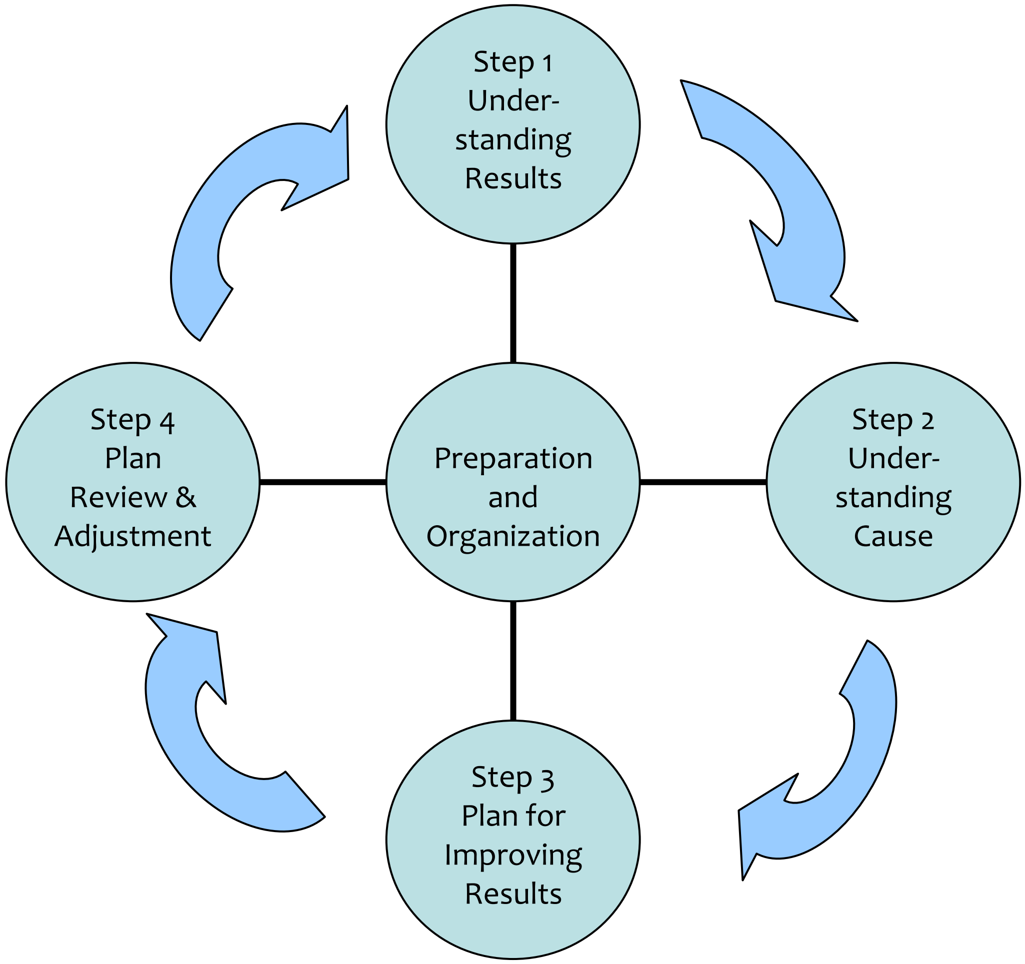
- The process is dynamic and includes a system for continuous progress toward quality improvement objectives
- Direct consultation of clients (including learners, MTCU, partners and stakeholders) and staff is completed
- Step III – Plan for Improving Results has the same information available to analyse

The Agency Assessment of Organizational Capacity has a focus on:

- Clients and their needs
- Current results
- A plan for future improvement.

The continuous improvement process is part of an agency's annual work plan; progress is measured against the targets set, and the plan is refined based upon the success in meeting the targets. The needs of learners and the community change over time, and approaches to deal with their issues are adapted. The Agency Assessment of Organizational Capacity will be an easy task for agencies which have previously tracked performance on the measures and obtained regular feedback from clients, whether those clients are learners, community partners, employers or other stakeholders.

Steps in the Assessment Process of Organizational Capacity



Preparation & Organization

At the heart of the implementation of a performance management system is excellent preparation and organization. Preparation refers mainly to the data you need to collect and the mechanisms or tools and processes you will use to collect it. Organization refers mainly to who will collect the data, when it will be collected and how it will be used.

To begin:

- create a group or committee to work on this process including staff, volunteers and board members who would be interested in improving the efficiency and effectiveness of your organization

❖ Collect and organize the information necessary, as this will save you much time later. To assist you, a sample chart is included. This can be modified to reflect the special circumstances of your agency, and the types of information which you use now.

Information Needed	**Source Examples**	**Available (√) or Plan to Obtain**
1. Understanding Results	List the sources of the information you will use	Tick if information is already available. If not, outline the plan to obtain it.
Expectations: • MTCU provincial targets for performance measure, e.g., Status at Exit • Agency targets (previous year- e.g. 06-07) for each performance measure • Learner expectations • Partner and Key stakeholder expectations	- Literacy Services Plan (LSP) - Agency's annual MTCU business plan - Schedule B (LBS Contract appendix) -Program Monitoring Report - Agency strategic plan - LBS Program Guidelines - MTCU letters to field - Learner satisfaction survey - Partner survey	
Outcomes: • Agency performance on MTCU targets (year to date) • Agency performance on other performance measures • Feedback from learners, partners, stakeholders and staff	- LBS-IMS activity reports - Agency database - Learner Satisfaction Survey reports -Program Monitoring Report - Client follow up surveys - Client suggestion box - Client complaints logs - Community partners survey - Staff/Volunteer survey - Board Member survey	

Tips on surveying Clients, Partners and Stakeholders

- **Preparation** – assemble information which might be useful as you conduct the assessment. This may include: information at hand, other information you will collect and feedback from past consultation. This should be done before you start to survey or interview.
- **Participation** –create a multi rater assessment (MRA) of the organization. MRA is a process which allows a person, team, organization or other entity to receive performance-related feedback anonymously from peers, supervisors, subordinates or other interested parties and compare this data with their own self-ratings. The feedback from all the raters is merged, and used to generate one report. This ensures that the confidentiality of each individual reporter is protected, while the person or entity being assessed receives candid feedback. This information is then used as a source to help develop action plans for continuous improvement.
- **Setting Up the Multi-rater Assessment**
  - Standardized procedures for collecting and storing information should be used to help you keep organized
  - Learners can be surveyed on an ongoing basis, (learner satisfaction surveys, exit interviews, 3 and 6 month follow-up); however, after the preparation phase there may be some client based questions which were not posed earlier. These questions can be asked in a specialized survey or focus group.
  - Stakeholders who refer clients to you, share learners or form the next step in the learning plans of learners can provide feedback on how your organization meets their expectations. While you may have received anecdotal information, the most useful information will come from structured interviews conducted by a 3rd party or a survey designed to solicit specific feedback.
  - The process can be expanded to include other stakeholders in your community, such as partners and community groups and other LBS deliverers, if you wish.
  - There are many books and internet resources available with information on how to set up the surveys, questions to ask and how to analyse the results. Other agencies in your community, sector or stream may also have samples to share with you.

Regardless of the details of the survey or focus group which is set up, here is a list of criteria for any good assessment.

- **Objectivity**- to allow those surveyed to give their honest opinions, use anonymous feedback or use 3rd parties to obtain information
- **Reliability**- standardized survey and interview processes. Ask the same questions in the same format to all participants (e.g. All written responses, or all oral responses)
- **Leadership**- Choose a leader from among your committee members. This person should be in charge of leading the assessment process; however, implementing changes at the agency should follow your normal business processes

Step 1 – Understanding results

Once preparation has been completed and all the questions asked, the assessment may begin. Use the chart below, listing performance measures and the information requested. New core measures have been drafted, but they have not been distributed yet. Therefore, below are the performance measures which will be used until changes are implemented:

- Learner status at exit
- Lost contacts at exit
- Number of learners in program
- Learner satisfaction rate
- 'Learner Satisfaction Survey' completion rates

Those measures link to provincial targets set for 2007-2008:

- 70% of exiting LBS and AU learners should be employed, in further education or training or volunteering upon exit
- a maximum of 12% lost contacts at exit
- 51,000 learners receive LBS and AU training
- 85% of exiting learners report overall satisfaction with LBS training

A tip - information which you obtained in your survey of partners, stakeholders and the funder is not a part of the chart below. You should compile it separately, as it will be part of the information that your will use later, in your analysis.

Complete the chart
Calculate Column F (D/C x 100), expressed as a positive or negative %
Rank your agency's performance – best ranked 1st, poorest ranked last.

STEP I Understanding Results

Perform. Measure	**Provincial Target**	**Provincial Minimum Standard (Baseline)***	**Agency Target (Expected Result)**	**Agency Current Result**	**Fulfillment of Expectations** (D) ÷(C)	**Rank**
Effectiveness Status at exit	70% in E + FE/T + V		Available off biz plan	Available off Activity Report	%	
Effectiveness Lost contacts	< 12% at exit		"	"	%	
Efficiency # of learners	51,000		Available of Schedule B			
Client satisfaction Learner Satisfaction Rate	85%		Available off biz plan	Available off last LSS report	%	
Client Satisfaction LSS completion Rate	N/A				%	
	A	**B**	**C**	**D**	**E**	**F**

*for future use

The Vital Few

The concept of the "Vital Few" and the "Trivial Many" is the foundation of Continuous Quality Improvement processes used in business and industry worldwide. Scientists noticed that a small portion, usually around 20 percent of the work, products, people etc. is always responsible for about 80 percent of the success. (20% of the products result in 80% of the profits; 20% of the salespeople create 80% of the sales, etc). This also became known as Pareto's Principle or the 80/20 Rule. To create improvement you can focus on the 20 percent of your work which matters most. The concept is "Don't just work smart, work smart on the right things".

We can concentrate on changing just a few strategic items and make a large impact. This process provides us with a way of focussing on the vital few so that we create the greatest return from our efforts.

The process is as follows:

- The leader of the Agency Assessment of Organizational Capacity completes a preliminary analysis, using all information gathered, and develops a tentative list of strengths and weaknesses. The leader can seek feedback from clients, partners and staff to solicit possible causes and suggestions for change, if necessary.

- Additional information may be required at this stage, so that staff and the Board can begin to understand the causes. Determine what is required and try to obtain it prior to the meeting.

- A meeting should be organized for the committee and additional agency staff, board members and volunteers.

  - A summary of all information gathered and the tentative list of strengths and weaknesses should be given to all attendees prior to the meeting
  - Seek feedback on the findings
  - Obtain confirmation/validation/clarification of the proposed vital few
  - Brain-storm possible causes and solutions to improve outcomes

- To begin selecting the Vital Few and choosing one Strength and two Areas for Improvement as a focus for your change efforts:
  - Review the agency performance against provincial targets, business plan targets and rank your agency outcomes from exceeding expectations to furthest below targets
  - Rank client feedback on programs and services from most to least satisfied
  - Look for patterns in the results
  - Consider opportunities and threats – changes in the community such as plant openings or closures, staffing changes, new agency partnerships
  - Choose the Vital Few, selecting those which would have the most impact in resolving weaknesses or boosting outcomes
  - Document the Vital Few in the chart below

THE VITAL FEW: (Place these in the First Column in Steps 2 - 4)

Strength		
Areas for Improvement	**1**	
	2	

Step 2 – Understanding Cause

Usually, Step 2 will be completed concurrently with Step 1. Understanding results and understanding cause is an artificial division, and the organization and preparation for both steps can be completed concurrently.

To understand the results that you have achieved, and the strengths and weaknesses that you have documented, you must look for the cause. Further, understanding the cause of your strengths and weaknesses allows you to plan where and how to focus your efforts for change and improvement. This requires research and creative thinking.

Causes are management or business processes which are within the control of the agency and, if changed, can improve outcomes. They include such things as allocation of resources, training of staff, access to services, and location of services. When a problem is identified you must drill down from the problem itself to the underlying cause that is responsible for the outcome. You may have to brainstorm possible causes before selecting the most probable. While the initial work may be conducted by the assessment team and some possible causes can be suggested, it is important that a broad selection of staff or volunteers is engaged in this process.

To determine the issues and the causes, there are a number of techniques which can be used. You can go back to client groups or stakeholders and do in-depth interviews or focus groups, develop flow charts or analyse performance information. Tools to assist with determining, analysing and improving performance are available.

The key activities include:

- ❖ Identify the probable causes (done by the work group, or by a group of staff in a brainstorming session)
- ❖ Assemble circumstantial evidence to make the case for the probable causes identified
- ❖ Choose one of the probable causes, the cause which the group feels is the most significant

- Build a plan of action for changing the chosen probable cause. Choose to change things that you feel will produce positive results, and keep in mind the idea that you should concentrate on the 20% of the work that produces the highest return.
- Developing agreement to finalize the causes
  - Develop a probable cause for each area of strength or weakness
  - Ensure that each probable cause is within your agency's control
  - Seek concurrence from the management of the agency and the board of directors
  - Enter in Step 2 – Understanding Cause Summary

Step 2 – Understanding Cause Summary

Vital Few from Step 1	Probable Cause(s)
Strength	**1.**
	2.
	3.
1st Area for Improvement	**1.**
	2.
	3.
2nd Area for Improvement	**1.**
	2.
	3.

Step 3 – Improving Results

With a goal to developing a plan to improve results by building on strengths and improving areas of weakness, the key activities in Step 3 include:

- Define the desired outcome in concrete terms
  - Make it measurable, manageable and realistic

- List ways to change the probable causes and to create the desired improvement using the following methods, as appropriate:
  - Brainstorming
  - Consulting the "Best Practices" of other service providers
  - Discussing possibilities with the MTCU consultant

- Develop a concrete plan with measurable targets, milestones and timelines
  - Start with the formula: **Desired outcome – Current Results= Desired Improvement** (expressed on a yearly basis)

- ➢ Create Milestones that can be broken down into concrete, measurable and manageable pieces so that you can see progress toward the desired outcome as you move through the year. One method is to divide the **Desired Improvement** into 4, and express it as quarterly Milestones.
- ➢ Schedule a review of the milestone at the end of each quarter (June 30, September 30, December 31 and March 31) or at mid-year

- ❖ Create a step by step action plan: select the actions from the choices generated above which have a high probability of achieving the desired outcome
- ❖ Document on the Step 3 chart, below
- ❖ Circulate the Step 3 chart within the agency to ensure agreement, including the Chair of the Board or agency manager, as appropriate.

STEP 3 - Plan for Improving Results Worksheet

Vital Few from Step 1	Agency Current Result	Desired Outcome (i.e. Agency Target)	Milestones	Steps in the Action Plan
Strength			• • •	• • •
1st Area for Improvement			• • •	• • •
2nd Area for Improvement			• • •	• • •

Step 4 – Review the Plan and Adjust

The process of regularly reviewing and adjusting is the key to creating improvements. Progress toward the goal is assessed and corrective action is taken, as necessary. Seeing the actual improvement as it happens will motivate your organization to continue its efforts and will remind everyone of your commitment to quality.

Results are reviewed and conclusions drawn about agency performance. This review of progress is scheduled at, or around, the milestone dates and results in appropriate action:

- Below the target – less than 100% fulfillment of the Milestone – the cause of the difference is determined and a revised plan to achieve the target needed. *Note: Sometimes performance may be so far off target that no adjustment will enable the agency to achieve the original target, and a new target must be discussed with the funder and included in the adjustment plan*
- On the target – 100% fulfillment of the Milestone – no adjustment is needed
- Above the target – greater than 100% fulfillment of the Milestone – no adjustment is needed

Complete the chart below at each milestone date, noting where you have met your targets and making an adjusted plan, where necessary. This will assist your agency to operate more efficiently.

STEP IV - Review and Adjust Action Plans Worksheet

Vital Few from Step I	Milestone Target	Current Result on Milestone	% Fulfillment of Milestone (B) ÷(A)	Cause(s)	Adjusted Action Plan (New milestones as needed)
Strength			%		
1st Area for Improvement			%		
2nd Area for Improvement			%		
	A	**B**	**C**		

APPENDIX A

Possible online ressources:

- www.charityvillage.ca
- http://www.nald.ca/clo/publications.htm
- www.muttart.org
- onestep.on.ca
- npgoodpractice.org
- forbesfunds.org
- www.irdc.ca in the books section a book titled Organizational Assessment – a framework for Improvement, Chapter 6
- http://www.skymark.com free tools with simple explanations of how they are used and in what circumstances. Under management resources, go to Classic Tools.