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MAXIMIZING THE CONTRIBUTION OF INTERNAL EVALUATION UNITS

ALAN WINBERG

Treasury Board Secretariat, Federal Government of Canada

ABSTRACT

The author contends that for internal evaluations to be useful evaluators must take a management perspective and deliver technically adequate, timely, and politically astute evaluation products. One way of doing so is to adopt a phased approach to evaluation studies which demands that information be shared frequently and incrementally with the client as the evaluation study proceeds. The nature of this phased approach is discussed in detail as a means by which the impact of internal evaluation can be maximized.

INTRODUCTION

To be effective as a management tool, an internal evaluation unit must focus on the information needs, concerns, and priorities of senior management. Evaluators must adopt a management perspective in planning and executing evaluations. Doing good technical evaluation studies is only part of the job—evaluation studies must be marketed (presented, explained, and defended) within the organization and to stakeholders. On-time delivery of promised studies is essential. Using a phased approach to studies has been an effective method of meeting information needs on a timely basis. Under a phased approach, preliminary findings are reported as soon as they are available. Therefore, management does not need to await completion of the full evaluation before getting useful decision-making information. Innovative ideas for change can be introduced at an early stage in the decision-making process and given in-depth study in later phases of the evaluation. This paper will discuss the principles of a phased approach and consider a variety of roles evaluation can play. These will be illustrated by examples of evaluation studies conducted by the Departments of Indian and Northern Affairs and Consumer and Corporate Affairs of the Canadian federal government.

SENIOR MANAGEMENT IS THE PRIMARY CLIENT

Often, evaluations are carried out to meet the concerns of a number of audiences including managers, legislators, stakeholders, the "expert" community, and the general public. For an internal evaluation group, however, the primary client is generally the senior manager of the organization. Internal evaluation units always need sensitivity to other audiences for the study, however, just as the senior manager will be sensitive to these audiences when reviewing plans for potential studies.

Internal evaluation groups should strive to be in tune with management concerns and priorities in at least the following ways:

1. Ask the Right Questions—To be valuable as a management tool for decision makers, an internal evaluation unit must identify potential projects and plan studies that are consistent with the concerns and priorities of the senior manager (Patton, 1978; Rutman, 1980).
2. Call It Like You See It, They'll Want the Answers—The *results* of a study (the actual measurements taken) would not be expected to differ, whether it was conducted by a reputable internal or external evaluator. Both provide an independent and objective assessment of whatever is studied.

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Requests for reprints should be sent to Alan Winberg, Director of Administrative Management Policy and Evaluation, Administrative Policy Branch of Treasury Board Secretariat, F10 East Tower, 140 O'Connor Street, Ottawa, Ontario K1A0R5, Canada.

3. Shared Ownership of the Plan—For internal evaluation units to flourish (produce work that is used for management decision making), senior management must be involved in selecting projects, the issues to be considered, and the timing for reporting results. For this to occur, a direct communication link is essential (Rutman, 1980).

Further, I would contend that evaluators must have a management perspective. In planning, designing, and carrying out studies, evaluators must put themselves in the senior manager's place, trying to see how what they are proposing or doing will be perceived by the senior manager and program stakeholders. The type of issue or issues, as well as the breadth and depth of the study proposed, can be ranked and assessed only in terms of the value of this information (or reduced uncertainty around an issue) for senior management.

To be of maximum value, evaluations must focus on pressing issues. Some information is essential and thus of very high value to management; other information is not vital, but just useful or interesting. All information collection and analysis has a cost attached. Thus senior managers and evaluators must decide carefully what information should be collected and analyzed to ensure that evaluation resources, expertise, and energies are not squandered on reports that may be interesting but not essential.

Simply taking management as the primary client does not ensure maximum utility of internal evaluations, though. Internal evaluators must also *market* evaluations. Doing excellent technical studies is the first step to producing work of value. But an excellent technical study that gathers dust on a bookshelf, that few read, and fewer still understand or believe, is of little value to an organization (Carey & Posovac, 1985; Rich, 1981).

Success in an internal evaluation unit requires skillful marketing of planned, continuing and completed work. Two-way communication is essential. First, evaluators must understand management needs and design practical studies to address them. Next, evaluators must communicate with managers (and others) to explain what they intend to do, why and, in practical and comprehensible terms, what it will mean to managers. As the work proceeds, it is always a good idea to ensure that managers (and other interested parties) are briefed as work progresses. Early reporting, as soon as credible information on the evaluation issues is available, is always welcome.

At the concluding stages of the study, evaluators must see that findings are presented in a clear manner, discussed and understood, and that the analysis and recommendations are practical and relevant (Carey & Posovac, 1985; Patton, 1978). Reports must be "sold" at all levels of the organization. Often analysis and recommendations can be improved and sharpened during these final stages of the work. To be good communicators, evaluators must have excellent listening skills as well as good presentation skills. Once the work is completed, the marketing of findings must continue with management and stakeholders, depending on the role of each particular piece of work. Often this task continues well into the phase when recommendations are being implemented.

One way to meet these goals for successful internal evaluation is through the use of a *phased reporting approach* in evaluation (Winberg, 1986). In the phased approach, evaluation studies are broken into discrete phases, and reports are issued at the conclusion of each phase. To be of maximum value, information collected in evaluations must be available when needed for decisions. Internal evaluators must dare to provide early reporting of results. Management does not need to wait until completion of the entire study before receiving timely information and analysis of key issues. Completion of each phase provides a decision point on whether to proceed with the next phase and, if so, in what specific manner.

Experiences to date using this approach indicate each phase of an evaluation study has served typically to narrow the focus of evaluation efforts in the next phases of the study. In turn, this has allowed either more in-depth treatment of the highest priority issues or a reduction in the resources required to complete the work as planned. This has been particularly true in cases where the evaluation was planned, through systematic data collection and analysis, to produce timely and credible information on key issues for decision making, rather than to provide scientific-type proof on some aspect of a program or policy issue (Chen & Rossi, 1983; Datta & Perloff, 1979).

From the perspective of using evaluation results, early reporting and multiple-staged reports allow interested parties to anticipate the study's eventual findings and recommendations. Early introduction of an innovative idea may serve to ease its absorption by the system while the rest of the study continues (Patton, 1978; Rich, 1981). If it helps decision making there is nothing wrong with reporting interim results, as long as they are presented as such and as long as the range of uncertainties is clearly set out.

Phased reporting also allows a nonresearcher audience to appreciate the meaning of confidence intervals and uncertainty. If a more precise measure is required before decisions can be taken, then the next phase of the study should proceed. The cost of undertaking the next phase (in terms of both money and having to delay a given management decision) can be weighed against the expected value of the additional information in terms of reduced uncertainty. The client may have difficulty making such a trade-off any earlier, for example, in the planning and approval phase of the study.

Evaluation has the potential to play a number of valuable roles in the management of public programs (Patton, 1978) if used as a strategic management tool. Much of what is presented here draws on the experience of internal evaluation units. However, external evaluators could be brought in by management to carry out these roles. Both internal and external evaluators could view these roles as potential marketing opportunities.

In addition to the traditional roles of providing reliable measures of program outputs and information about the results of programs, evaluations can be used by senior management to generate new ideas, to make desired changes happen more quickly, and to consult in a systematic and rigorous manner with a variety of audiences both inside and outside the organization (Carey & Posovac, 1985; Patton, 1978; Rich, 1981).

The key reason why the evaluation unit can be useful in these cases is that the evaluation team provides a framework for rational, detached, and systematic analysis, using techniques that may differ from those commonly used in day-to-day management. Carrying out an evaluation is a way to focus senior management attention on a program or issue. It creates a window of opportunity for new ideas to be considered in depth.

Unlike the program managers or any set of stakeholders, senior management can expect the evaluators to be detached in their data collection and analysis. After all, the evaluators have no stake in the outcome of the study and no history of ownership of the program. For national programs, evaluators can integrate the views of field personnel with headquarters staff in a credible manner. Also, evaluators can take an overview or corporate perspective in order to produce a balanced analysis on issues that may overlap departments within the organization. When used as a consultative tool, evaluations permit the ideas of staff and stakeholders to surface and to be assessed in an organized, systematic way.

To illustrate how evaluation can perform these roles, and the use of a phased approach, four evaluation studies will be described briefly. The first example, the study of the Indian Minerals Program, illustrates how evaluations can be used to generate new ideas about improving programs. The example of Canada's Metric Commission illustrates how a phased approach focuses evaluation on key issues, and the land claims example illustrates the use of internal evaluation as a tool for management to consult with stakeholders. The last example illustrates the role evaluation can play in identifying "best practices" for future program development.

INDIAN MINERALS PROGRAM EVALUATION

A dramatic example where the phased approach concepts were applied was the Indian Minerals Evaluation (Department of Indian and Northern Affairs, 1987b). This program was designed to promote the development of mineral resources on Canada's Indian reserves. Although the program had existed for more than a decade, results achieved, in terms of the establishment of mining operations, were extremely limited.

Program management had limited suggestions as to how better results could be achieved within the existing program budget. To help generate some fresh ideas, an evaluation was requested. The first phase of the study was based on a documents review, interviews with key program staff, and a 2-day focus group with participants from industry and the federal government. This phase was designed to get a better understanding of the issues and to prepare a list of potential deterrents to mineral development on Indian reserves and a set of action-oriented hypotheses as to how these obstacles could be overcome. In the following phases of the study, these ideas would be tested through a survey of Indian band officials and a sample of mining company executives. In the next planned study phase, a workshop or a series of regional workshops would be held to measure the extent of consensus that could be expected for any given set of suggestions for action.

The report completed at the end of the first study phase provided sufficient information to senior management for decision making, so that no further elaborate or expensive data collection efforts were necessary. An important factor that improved understanding of the report and its use within the department was that program management was involved at every step in the undertaking. The senior manager (to whom the head of the program reported) made a presentation at the beginning of the focus group session. His key message was that the government was prepared to consider new and innovative ways to promote mineral development on reserves and welcomed the ideas that would be generated in the evaluation study. From the evaluation team's perspective, this participation increased senior management's commitment to the evaluation process and this increased significantly the likelihood that the study findings would be used.

Over a 2-month period, the evaluation produced an impressive list of action-oriented recommendations, which were acted upon immediately following the study. Had the study proceeded to the field work stages, each successive phase would have entailed more elaborate and expensive data collection efforts. The purpose of this study was to generate ideas for improving the program, not to document the problems. The experts invited to the focus groups, and the application of logic and plain common sense, gave senior management the information they needed to make decisions.

Senior management was impressed with the results of the exercise, the speed with which the report was delivered, and the practical approach taken by the evaluation team (whose goal was to provide timely input for these decisions, not to produce an elegant, elaborate, formal study). They understood fully the basis upon which the report was founded and the cost to undertake further evaluation work in the field. Immediately upon completion of phase one of the evaluation, an internal task force was created to act upon the evaluation findings and recommendations, which were written into program workplans for the following year.

EVALUATION OF CANADA'S METRIC COMMISSION

Unlike the Indian Minerals Evaluation, in an evaluation of Canada's Metric Commission, carried out in 1982 and 1983, the complete study was undertaken as planned (Department of Consumer and Corporate Affairs, 1983). However, phased reporting served to narrow the range of issues to be addressed in the latter phases of the study. This permitted data collection and analysis to be focused more intensively on the highest priority areas, with consequent savings of time and evaluation resources.

Canada's Metric Commission was established in 1970 to serve as a catalyst facilitating conversion of Canada's system of measurement to the international or metric system. Following senior management review of the evaluation study plan and the key issues to be assessed, terms of reference for a phased study were approved. The first evaluation report (issued about 6 weeks after the study was initiated) recommended clarification of the role, strategies, and operational objectives of the Commission. The basis for the work of this initial phase was a file review, a documents review, and interviews with key respondents. While no definitive answers were provided on the substantive evaluation issues, clarification of the objectives in this phase served to reduce the number of variables to be measured in the rest of the study.

The next phase of the evaluation measured the achievements of the Commission and recommended new program priorities. Methods of data collection included in-depth file reviews, a documents review, a literature review, a large number of face-to-face interviews, telephone surveys, case studies, expert opinion, and focus group meetings. As a basis for considering program priorities, five options were set out where the Commission could target its work to achieve the greatest expected results over a specific time frame. Although all five options were presented in the report issued at the end of this phase, one option appeared to stand apart from the others. The report recommended that in the next phase of the evaluation, the consequences of implementing this option be considered fully, and that the other options be considered in less detail.

The report was accepted by senior management; as a result, the final phase of the study, an "implementability analysis," could be focused productively. This work involved the preparation of draft action plans and extensive interviewing and focus group meetings to ensure that the recommendations could be carried out. As a result of this work, the evaluation found that there was significant momentum for conversion to the metric system of measurement in Canada and that the foundation had been laid for successful completion of the conversion. The study identified the tasks to be carried out by the Metric Commission up to March 31, 1985 and concluded that the Commission could be phased out by March 31, 1985 without affecting the pace of the conversion process in subsequent years. The study recommended three priority areas where the Commission should concentrate its efforts over the phase-out period. All the recommendations were accepted and implemented over the recommended time frame.

Much of the data collection for this evaluation was undertaken by external consultants, working under the direction of an internal study director. Several reports were produced by the various external consultants. The internal study director was responsible for weighing the various pieces of evidence and the findings of the external consultants, then writing the report at the completion of each phase of the study as well as the final evaluation report.

IMPLEMENTATION OF A LAND CLAIM AGREEMENT

Evaluation can be an excellent tool for consultations as it is a neutral way for senior management to collect the views of stakeholders. A major land claim agreement was signed in 1984 with the Inuvialuit, the original inhabitants of a part of Canada's northern territory at the mouth of the Mackenzie River. An evaluation study was conducted in 1987 (Department of Indian and Northern Affairs, 1987a) to assess progress in implementing the terms of the agreement and determine funding requirements for federal and territorial governments of the Yukon and Northwest Territories.

The evaluation consisted of reviewing the agreement and background documents and conducting face-to-face interviews with representatives of the parties involved in and affected by implementation of the agreement. The evaluation product was a systematic description of all the implementation tasks and a rigorous description of achievements to date as they were perceived by the various parties. The terms of reference for this study stated clearly that no mediation was to be undertaken by the evaluation team; the report was to contain no recommendations. The purpose of the evaluation report was to produce a common base point, agreed upon by all participants, from which negotiations could proceed.

All the parties considered this evaluation a valuable exercise. The perception of the parties was that the evaluation accelerated the negotiation process considerably. Although there were no specific recommendations, the study did highlight areas where it would be in the interests of all parties to reallocate funds among implementation tasks, thereby improving the benefits derived from the agreement.

In addition, the report provided an excellent communication document, used by all parties to the negotiations to explain their activities to interested outside parties, including their finance and treasury departments.

Canada has a number of continuing claims negotiations. A follow-up evaluation study was completed 1 year after the Inuvialuit negotiations to ensure that knowledge gained during the implementation of the Inuvialuit Agreement is used in preparing future northern claims agreements (Department of Indian and Northern Affairs, 1988b). This report built on the work done in the 1987 evaluation and included a complete list of recommendations, stated in general terms so that they could serve as guidelines for future claims agreements.

ASSISTING INDIAN ENTREPRENEURS THROUGH EVALUATION

In organizations where national programs are delivered through regional offices, a valuable contribution of evaluations has been to identify the best practices in use. Study results are then used to redesign aspects of the program, building on the most effective regional program delivery practices. In such a case, evaluation is a way senior management can obtain systematic and rigorous comparisons of variations in results. In addition, the evaluation report can serve as a communication vehicle for disseminating effective practices to be adopted and pitfalls to be avoided.

In 1986, Canada's Federal Department of Indian and Northern Affairs put into place an experimental program to provide training and seed equity for aspiring Indian entrepreneurs to help them set up small businesses. Funds were provided for training in preparing business plans, to finance start-ups of promising businesses, and for some consulting support after the businesses were set up. The headquarters unit established a clear, results-oriented objective and identified the basic activities to be undertaken in the program. In addition, headquarters set general guidelines for each group of activities. When the program designers reached the stage of establishing specific decision rules and operational features, it was clear in initial meetings with headquarters and regional staff that there was a range of ideas about how the program should be delivered. As this was a new program, there was no empirical information about which approach would be most effective. After discussion, it was decided to take advantage of the decentralized operations of this branch of the department by undertaking discrete pilot projects. Regional staff were asked to submit proposals that met the general guidelines. The branch retained the seven ideas that appeared most promising on paper, which had been advanced by staff in four of the department's regions.

Regional staff were accountable for the success of their pilot projects. The atmosphere was one of friendly competition; everyone was trying to put his or her ideas into effect while recognizing that experimentation was acceptable because it was unlikely that every project would be equally successful. From the outset it was clear that making mistakes is part of learning; no one would be blamed if something went wrong. Regional staff knew that an evaluation was to be done on the efficiency and performance of each pilot project. Projects that did not work well were to be compared with more successful approaches. Regions were asked to keep records on a number of indicators that would be used in the evaluation. When the evaluators visited the regions, the data collection was almost done, allowing the evaluation to be completed quickly and at low cost.

Each project was evaluated using the same instruments and evaluation criteria. Criteria were related to the design of the program, the delivery methods used, cost, and results. The evaluation methodology consisted of a review of program files, a review of the file of each program participant, interviews with the delivery agent and other groups involved, and interviews with trainers and participants. A report, using a common format, was prepared for each pilot project and discussed with an evaluation committee established in each of the four regions. An overview report was then prepared comparing the projects on the basis of standard criteria (Department of Indian and Northern Affairs, 1988a). Pilot projects were ranked using those criteria.

At a meeting held to review the evaluation report, all concerned were pleased with the result: The best practices from the pilot projects were identified and an excellent understanding of the workings of the projects was achieved. This permitted the design of an entrepreneurship program with a high level of confidence that it would be effective. Regardless of whether best practices had been identified in their specific project, all staff felt ownership of the new program design because it was based on shared understanding of what worked best. It was as important to identify the best practices as it was to identify pitfalls to avoid in the future.

Because the results of the pilot projects had been evaluated in a rigorous manner, credible forecasts of the program's cost effectiveness could be advanced in support of the program. This allowed an informed decision to seek support for continuing the program (with a design modified as recommended in the evaluation). In establishing this program, evaluation was used as a strategic management tool to focus on results achieved and effectiveness. Evaluation information was used in turn to design an effective program, targeted to the needs of its clientele.

CONCLUSION

To maximize its value as a strategic tool for senior management, internal evaluation units must:

1. Listen—ensure they are in tune with the priorities and concerns of senior management (by establishing a direct communication link that works);
2. Sell—market the unit so that senior management understands the potential roles evaluation can play (by keeping the antennae up and pointing out opportunities where evaluations would be valuable); and
3. Produce—deliver evaluations that are relevant because they look at the right questions; are of sufficient rigor that they are credible; are timely, that is, available when needed for decision making; and are well understood by managers and others expected to use the evaluation work once it is completed.

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