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The Architecture of Accountability

for Funders and Other Complex Organizations
(British Mansion Edition)

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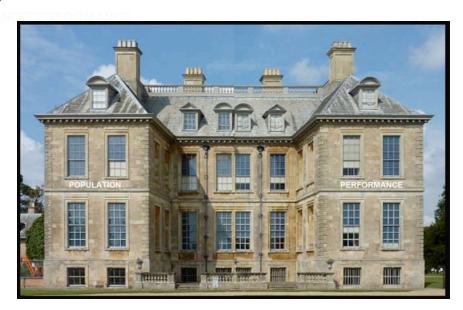
The Architecture of Accountability

for Funders and Other Complex Organizations
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This paper presents a view of accountability based on the relationship between **types** of organizations. This does not replace, but rather complements and contains, the traditional view based on political and organizational hierarchy. The type-of-organization structure allows us to see clearly the corresponding structure of quality of life indicators and different levels of performance measures. Placing these relationships in a physical space takes advantage of the "loci" pneumonic method first developed by the ancient Greeks. The paper will be most useful to funders and other complex organizations where these types of measures are present in multiple forms and easily confused. The paper makes use of the definitions found in the Results-Based Accountability (RBA) framework and includes references to additional detail in the book *Trying Hard Is Not Good Enough*.

At the highest level, the Architecture of Accountability is bicameral. It is a structure with two large wings or halls and connecting hallways.

We could illustrate this with the US Capitol building's House and Senate wings. But let's start instead with one of the great old UK mansions which I have taken the liberty of chopping up and collapsing into a simpler structure with two clear wings and a connecting middle section.¹



The left wing from our point of view is the POPULATION ACCOUNTABILITY wing. And the right wing is the PERFORMANCE ACCOUNTABILITY wing. The middle section houses connecting hallways.

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¹ A separate edition of this paper uses a schematic bicameral structure and is available on resultsaccountability.com/publications.

I'm going to take you on a tour of this Accountability "Mansion." The tour begins with a basic description of each wing and the ways in which they are connected. Then, in the next section, we'll go back and take some common examples and locate them within this architecture.

The Population Accountability Wing is just one GREAT HALL, three stories high. In the center of the hall there is a map of the world. But not just any map. It is a magic map. It can take the shape of a globe suspended in midair with the north pole at the top or the south pole at the top, whichever hemisphere you think deserves that status. Or it can be flattened onto the floor using any of the usual two dimensional projections.

This map shows all the expected boundaries of countries. But it can also show regions, counties, metropolitan areas, cities or towns, even neighborhoods and political and postal districts. It can also show geographic areas by characteristic, for example all rural areas, or all forested areas. It can demarcate any portion of the globe that can be described as a geographical area, whether contiguous or not.

And Population Accountability can address the quality of life of the people who live in that geographic area. Population Accountability can also be used to address the quality of life of any species in a geographic area, e.g. all whales in the North Pacific, all oysters in the Chesapeake Bay and has been used by the National Oceanic and Atmospheric Administration (NOAA) in this way in their habitat renewal sites.

The Performance Accountability Wing has three floors. Floor One is for Programs or Services². Floor Two is for Agencies. And the top floor is for Service Systems and other complex configurations of agencies such as Partnerships.³

The Program Floor: We will define a program as a discrete group of people working together to provide a service. Programs come in all sizes. Where there is only one program in an agency the program and agency are the same.

The Agency Floor: Agencies typically house many programs and other functional units like HR and Finance. In many organizations, there are several layers between the Program level and the Agency level that are often referred to as "divisions." In theory we could make the Performance Wing into four stories, with a separate level for divisions. But it is much easier to treat divisions and subordinate agencies within the larger agency. So agency performance accountability will usually apply equally well to them. The Agency floor contains every type of organization, public, private, for-profit, non-profit from a family farm to the US Department of Agriculture.

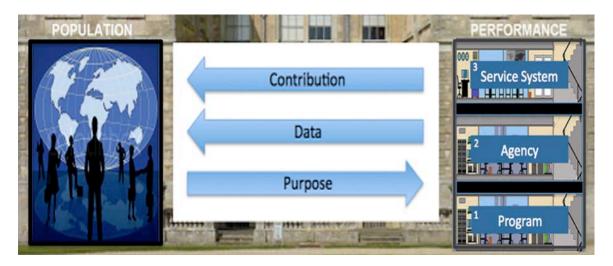
The Service System Floor: This is the most complex floor. It houses commonly known service systems, like the health care service system and the educational service system. These are collections of agencies (from floor two) with common customers and related purposes. The 3rd floor also contains any organizational structure larger than an agency, including partnerships, coalitions, alliances, etc.

² "Service" is the preferred term in Europe, Australia and New Zealand. The rest of the paper uses the term "program. But you will have access to the paper in Word format and substitute "service" for "program" if you like.

³ The words "program," and "agency" are terms of art. There are no universally agreed definitions. Some entities might arguably fall into either category, in which case pick one.

Lesson #1: Keeping things straight: One thing this architecture allows you to do is distinguish between different types of measures. We are able to clearly see the difference between population indicators and performance measures. Within performance measures we can see if we are talking about measures for a service system, an agency or a program. For complex organizations, like foundations and other funders, this is extremely important because funders are themselves (1) agencies on Floor 2. (2) They give grants to other Floor 2 agencies and (3) Floor 1 programs for the purpose of improving the performance of (4) Floor 3 service systems all of which contribute to improvement on (5) Population Hall indicators. If you are having a conversation about data and don't know what part of the Mansion you are talking about, it is likely to get confusing. Dashboards for such organizations might have five different types of measures, that are often mixed up together. It is a good idea to separate them in the document by type, or color code the different types. When are we talking about population well-being? When are we talking about the performance of a service system like the health care service system? When are we talking about grantee performance? When are talking about our own performance as a funder? You have to know.

Contribution Hallways: Finally, in the middle section of the Mansion, we have hallways that connect the Population and Performance wings. Everything that is done in the Performance wing CONTRIBUTES to the well-being of populations addressed in the Population Wing. This contribution relationship also works up the Performance wing, with programs contributing to the performance of agencies and service systems. Another contribution from agencies is the gathering and analysis of the data that populates the global map, including such agencies as the US Census Bureau and the Annie E. Casey Foundation Kids Count Data Center. Finally, the Hallways provide one other function: Purpose⁴. Population Accountability is concerned with quality of life. So when something is not right about quality of life, when the numbers show racial or other inequities, or measures like obesity trending in the wrong direction, these provide a sense of purpose for the work of programs, agencies and service systems. And sometimes with purpose comes inspiration and a sense of urgency.



Before we go any further, we must pause to clarify the language we are using. If you know this stuff already, you can skip ahead to Tour #1.

⁴ See Lisbeth Schorr's book Common Purpose: Strengthening Families and Neighborhoods to Rebuild America.

The need for language discipline: Language discipline is essential to the success of any serious human endeavor. Its importance is easy to illustrate. If a pilot is told by air traffic control to "ascend" or "descend" these words are not open to interpretation. No one would step onto an airplane if it were otherwise. The field of accountability, in all its forms, has a long history of undisciplined language usage. Since words are just labels for ideas, what is needed is a language convention that clearly distinguishes important ideas. Different groups working in different places or with different languages will label these ideas differently, but that is all OK provided they use the label for any given idea consistently. Following is a summary of the key ideas and their labels that we use in RBA and in this document.

POPULATION vs. PERFORMANCE ACCOUNTABLITY We have already established these two essential terms. Population Accountability is concerned with the well-being of a population in a geographic area. Performance Accountability is concerned with how well programs, agencies and service systems are working.

POPULATION RESULTS (or OUTCOMES) are plain language statements of conditions of well-being for a population in a geographic area. (For example: Healthy People, Safe Communities, Clean and Sustainable Environment)

POPULATION INDICATORS tell the extent to which Population Results are being achieved. (For example Rate of heart disease, Rate of crime, Rate of CO2 emissions)

PERFORMANCE MEASURES are measures that tell how well a program, agency or service system is working.

TYPES OF PERFORMANCE MEASURES: RBA provides three types of performance measures which account for all known performance measures, and serve to replace the complex jargon used in the past. They are: *How much did we do? How well did we do it? Is anyone better off?* For example: a utility company's number of customers (How much?); a police departments average response time (How well?); a hospital's rate of recovery from heart surgery (Better off?).

TURN THE CURVE THINKING: Turn the Curve thinking is a results-driven data-driven talk to action process that can get you to the **beginning** of an action plan in an hour. Used on a longer term basis, this process can be used to structure management, budgeting and strategic planning systems. It operates within both Population and Performance Accountability.

TOUR NUMBER 1: An Environmental Advocacy and Action Group: For our first tour of the Mansion, let's just wander the halls and see what we find. We'll start in the Population Hall where we encounter board members and staff of an environmental advocacy organization (Friends of the Globe) concerned about achieving a population result "Clean and Sustainable Environment." Part of their advocacy and action work focuses on climate change and specifically the rate of CO2 emissions. As everyone knows, the steady increase in atmospheric CO2 is a major driver of climate change which is expected to increase the severity of storms, displace populations and threaten food supplies. This is a worldwide problem, of course, but this group is primarily concerned with one country, the United States. So they touch the map of the US and immediately the map provides access to all the historical data on CO2 emissions in the US. This is a remarkable feature of the Population Hall map. By touching any part of the map area, you instantly have access to whatever data exists for quality of life conditions (Population

Results) in that geographic area. The group can use this data to create a report card on US CO2 emissions.

The group gathers up the data they need on CO2 emissions, and heads for the Contribution Hallways. But one member of the group stops and goes back to the map. She has an entirely different interest in the endangered elephant population in Africa. She touches the map for Kenya and gets the most recent data on the number of elephants in that country, which shows a continued alarming rate of decline.

They then all cross the Contribution Hallways and stop first on the Third Floor. Here it is possible to see all the service systems we are accustomed to thinking about including the Health Care Service System and the Education Service System.⁵ In this case the group is most interested in the US Energy Production System (EPS) and a particular performance measure for that system, the percentage of renewable energy in the US energy supply. The data shows that this percentage is growing but not fast enough.

The group then moves down one flight of stairs to the Friends of the Globe agency offices on the Second Floor of the Performance Hall. The first thing they do when they get back there is run the Population Turn the Curve Exercise (see Appendix E). This allows them in one hour to agree on a FORECAST for US CO2 emissions, discuss what they know about CAUSES, think about PARTNERS with a role to play, brainstorm about WHAT WORKS to turn the curve, and come up with their best ideas and the beginning of an ACTION PLAN. These are the essential elements of the Turn the Curve Thinking Process. This first hour leads to a beginning draft strategy and action plan for the group, specific to turning the curve on US CO2 emissions. Each time the Turn the Curve Thinking process is repeated the knowledge of causes improves, engagement of partners improves, and the strategy and action plan get better. They agree that they will put the Turn the Curve process on the agenda of next month's meeting of the National Environmental Partnership Steering Committee on the third floor to help strengthen that organization's advocacy and action agenda, and clarify and simplify their strategic planning process.

One of the ideas from the Turn the Curve Exercise is a proposal to put solar panels on buildings in low income rental housing. This will affect CO2 emissions and will also reduce the utilities costs for low income families in that rental housing. They're going to need money for this work. So they craft a grant proposal and take it to the Community Foundation, another agency also located on the second floor. If the foundation funds this proposal, Friends of the Globe will contract with three agencies in three neighborhoods. These three agencies will then operate a program on the First Floor to facilitate and in some cases finance the installation of solar panels on low income rental properties in their neighborhood. This program will influence the Energy Production System on the Third Floor and make a small contribution to turning the curve on the CO2 emissions indicator in the Population Hall.

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⁵ These floors are like the phone booth (Tardis) in Doctor Who, where the interior is vastly larger than the exterior would suggest. There are millions of agencies and programs on floors one and two and a smaller but still substantial number of service systems and partnerships on floor three.

TOUR NUMBER 2 Foundation or other Funder: On this tour we will take on one of the most complex of all accountability challenges, the work of funders. This work is complicated because it often touches **every** part of the Mansion. We'll follow the work of a large foundation with a complex grant-making agenda, one part of which concerns the well-being of children and families in the United States.

In the Population Hall, the foundation has set forth a set of Population results in their statement of well-being for children and families. "All Children are born healthy, live in safe and supportive families, succeed in school and become happy, productive, contributing adults." They have identified a set of headline indicators that track the well-being of children and families, organized by Population result. All of the work of the Foundation is geared to contribute to "turning the curve" on these indicators of well-being.

The principal work of the Foundation is organized into INITIATIVES, which are made up of grants to AGENCIES and PROGRAMS. Often these grants are designed to improve the performance of SERVICE SYSTEMS. So the Initiatives operate on all three floors of the Performance Hall. One of the Initiatives is designed to reduce the number of children in foster care by keeping children safely in the homes of their natural parents or relatives. The Family Support Initiative advocates for policy and practice changes in state and county child welfare service systems (on the Performance Hall third floor), specifically providing family preservation and other support services to families with children at risk of entering foster care. The success of this effort can be judged by whether the curve turns on child welfare service system performance measures in the jurisdictions receiving grants: specifically the number and rate of entry into foster care (as a measure of family stability) and the rate of repeat child abuse (as a measure of safety). The Foundation work involves active collaboration with other funding agencies and many partners, including community residents.

In addition to this, the Foundation itself is an Agency with many component parts. It is therefore possible to talk about performance measures for the Foundation as a whole and performance measures for the management of the component parts.

The Foundation's Performance Dashboard includes measures from all parts of the Mansion

- 1. Population Results and Indicators to which its efforts are designed to contribute (e.g. Safe and Supportive Families and the associated rate of confirmed child abuse).
- 2. Service System Performance Measures for the service systems it seeks to improve (rate of entry into foster care, rate of repeat child abuse).
- 3. Performance measures for its **Grantee agencies** (percent of grantees implementing family preservation and support services).
- 4. **Grantee programs** the family preservation effect on foster care entry (as measured by research and evaluation studies).
- 5. Performance measures for the Foundation as a whole (e.g. rate of endowment growth and rate of return) and its organizational components, including administrative units like HR (e.g. average time to fill a vacancy and staff morale)

6. Performance measures for the management of the Initiatives (percent of Initiatives actively using performance management practices and most important: percent of states and counties using Foundation-advocated family support policy.)

At any given time, all of these measures are in play in the work of the Foundation but they are sometimes not clearly distinguished. The Dashboard color codes the different types of measures to help the Board and others clarify the conversations about Foundation performance. Most important to this conversation is the ability to identify those measures for which the Foundation "owns" performance, and those measures where accountability is shared. The most common mistake is taking population indicators and service system performance measures (shared) as if they were performance measures for the Foundation (owned). The Foundation can use the Turn the Curve thinking process to engage partners, refine the strategies and action plans in each of the Initiatives and manage and improve the performance of its grantees and internal units.⁶

Note about measuring advocacy: There are special challenges that go with measuring the effectiveness of advocacy (UK campaigning). There are many steps along the way to the realization of advocated changes in policy and practice. Laws are often introduced many times before they are finally passed. Changes in attitude, like attitudes toward same-sex marriage, take years to change before marriage equality becomes a constitutional right. Sometimes these steps along the way can be measured. How many states or counties have proposed changes even if they are not yet adopted? What do public surveys tell us about changes in public opinion? It is important to think about how we know if we're making progress short of the ultimate goal. This is not always about numbers but often about the other two ways of gauging progress discussed in RBA, accomplishments and stories.

TOUR NUMBER 3: Child Care Center: Child care service providers operate in a vortex of political conflict, inadequate funding, unrealistic expectations, and an underpaid constantly changing workforce.⁷ One must admire the people who make careers of this essential work.

We start our tour with the director of the Happy Days Child Care Center on the first floor of the Performance Hall. She is one of these heroes to whom we entrust our most vulnerable children. We have many stops on the second floor. We start by visiting the state and local funding agencies that provide direct subsidies for parents of the children in the center. We take a brief stop a the IRS offices where subsidies are provided through the tax system.

What might be the most important stop on the second floor is the local elementary school, where a strong partnership has been formed between the principal and the child care director. They both serve as part of a state-level School Readiness Partnership on the third floor working to assure that all children are ready for school across the state. The third floor also houses the Early Childhood Education Service System which incorporates direct service providers and child care supported by various federal, state, and local government agencies and private corporations.

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⁶ See Results-Based Grantmaking, pp 125-127 *Trying Hard Is Not Good Enough.*

⁷ At least that's the way it is in the US.

All of these entities contribute to the population result: All Children are Ready for School⁸ in the Population Hall. A growing number of school districts administer survey assessments in the early days of kindergarten and provide an assessment of readiness in different developmental domains. The aggregation of this data populates the map in the Population Hall and allows state and local partners to create baselines telling if things are getting better or worse. These data fuel the Turn the Curve Thinking Process and can be used by the School Readiness Partnership to generate strategies and actions. Performance measures for the child care center on the first floor and funding agencies on the second floor can be used to improve the delivery of services and the overall performance of the Early Childhood Education Service System on the third floor.

TOUR NUMBER 4: Take your own tour. 1) Start in the Population Accountability Hall and identify the geographic area or areas central to your work. Then identify the population quality of life condition(s) to which your work makes the most direct contribution (e.g. Healthy people). Think of at least one population indicator curve your work contributes to turning. 2) Then move over to the Performance Accountability Hall and stop first at the top floor. 3) Identify the service system that your work will contribute to improving. Think of one service system performance measure your work will directly impact. 4) Then go down to the agency and program floors and think of at least one performance measure for which you currently have data, that tells you if you are making a difference in the lives of your customers. You are now at the starting point of Turn the Curve Thinking, which can help you develop a strategy and action plan to make any of these numbers better. Now, step back and see how all these pieces fit together.

Lesson #2: **Parallel work:** The architecture of the Mansion allows us to see how work in one part of the Mansion can proceed without any connection to related work in other parts of the Mansion. Work on performance can proceed independently of work on community quality of life. Work on program, agency, and service system performance is frequently disconnected. One purpose of the architecture is to show how these pieces **can** and **should** be connected.

Organization Charts: Why are organization charts so important in Performance Accountability? Just as population indicators follow geography, so performance measures follow organizational structure. An organization chart is a diagram that shows how people are accountable to other people for their work. This relationship is what creates the containers for performance conversations. While there are no universally accepted ways of talking about how governments and nonprofits are organized, it is almost always possible to create a diagram using solid and dotted line relationships. And these relationships provide a roadmap for implementation of Performance Accountability across the organizational structure.

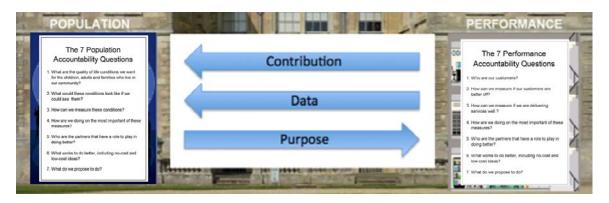
Partnerships: Partnerships belong on the third floor with service systems. They are usually made up of a group of agencies from the second floor. Often they are designed to "impact" community quality of life in the Population Hall, and the

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⁸ This population result used to be widely phrased as "All Children are Ready to Learn." Advocates in many communities rightly argued that children are naturally learners. What they are often not prepared for is the transition into school.

performance of service systems on the third floor of the Performance Hall. A common mistake that partnerships make is to treat population indicators and service system performance measures as if they were the same thing. Partnerships can also benefit from color coded dash boards. Partnerships can use the Turn the Curve thinking process to develop strategies and action plans. Performance measures can be used to measure the effectiveness of their advocacy work, and also to track how well their action plans are being managed and implemented.

The Turn the Curve Thinking Process: The RBA Turn the Curve (TTC) Thinking Process has already been referenced many times in the sections above.



This process is fully explained in the book *Trying Hard Is Not Good Enough* (2005, 2015). The Population TTC process is described in Chapter 3. The Performance TTC thinking process is described in Chapter 4. The simplest version of the Turn the Curve Thinking Process takes the form of 7 questions for Population Accountability and 7 Questions for Performance Accountability. (See Appendix D for larger more readable versions of these questions.) These questions are displayed above with their respective halls in the mansion.

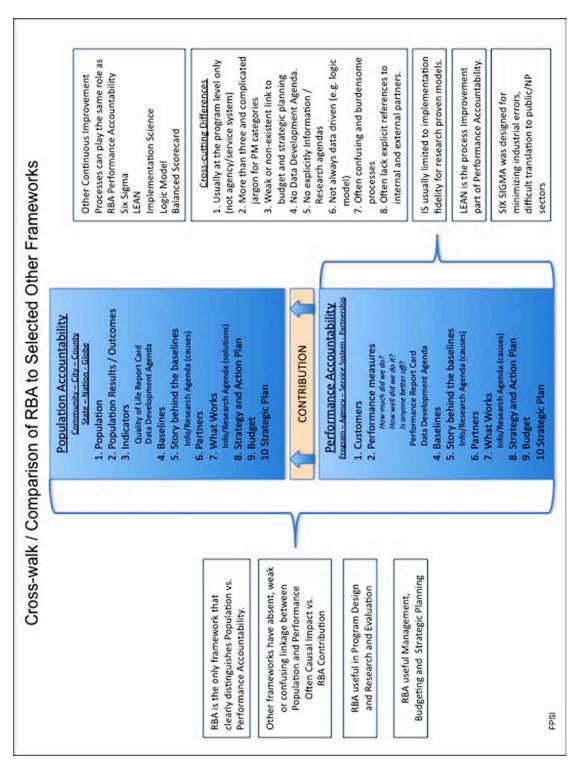
The population Turn the Curve thinking process starts with a Population Result and indicator. The choice of the result and indicator is one of the most important the first acts of the group and can be arrived at by means of one or two simple questions: "If you could change one number in the next few years, what would it be?" An alternative and equally powerful starting question is: "If our work together is successful, what number gets better?" The process then proceeds to graphing these measures with history and forecast, telling the story about causes, thinking about partners who have a role to play and finally deciding on an action plan.

The Performance TTC process starts with customers and the most important measures of whether customers are better off. The process proceeds in the same way to graphing these measures, telling the story about causes, thinking about partners who have a role to play and finally deciding on an action plan.

The turn the curve thinking process can be used as a framework around which to align management, budgeting, and strategic planning within organizations. It can also be used to structure performance reports to boards and stakeholders on the effectiveness of the organization (See Appendix C).

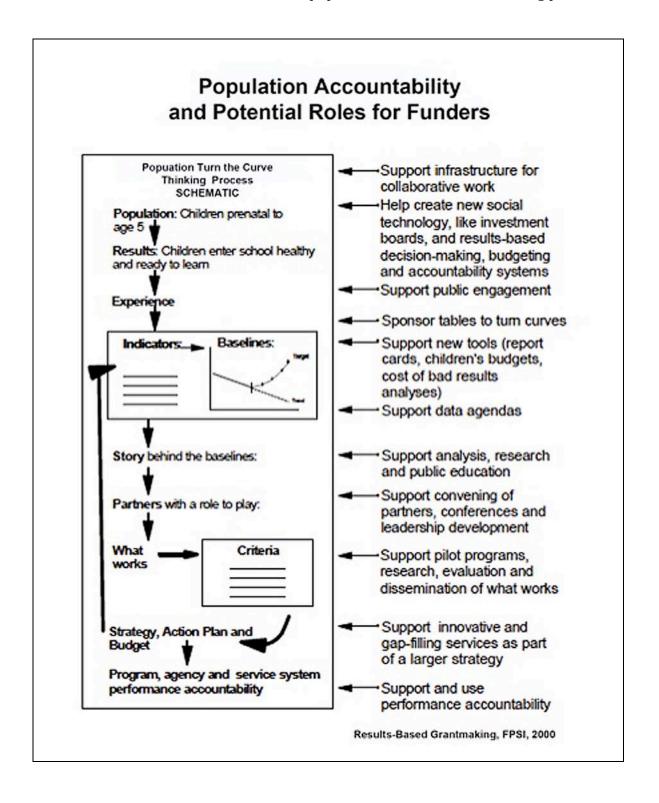
Conclusion: The work of improving quality of life in communities and running large organizations is inherently complex. The difference between population and performance is not widely understood. The different types of measures for programs, grantees, contractors, agencies, service systems and partnerships can be difficult to keep straight. The Accountability Mansion provides an easy-to-remember physical space showing how the various parts of this structure fit together. I hope it is a useful tool in your own personal work and in teaching these concepts to others.

Appendix A The Turn the Curve Thinking Process is shown below in more detail in this diagram. Population Accountability is stacked on top of Performance Accountability in the traditional hierarchical way. The Accountability Mansion is a break with this long top down tradition, but this display also has its benefits. RBA is the only framework that completely covers both Population and Performance and the relationship between them. The notes in the crosswalk show how other frameworks fit with RBA. Most other frameworks deal only with Performance Accountability for programs and agencies, and these can be used as substitutes for RBA Performance Accountability methods if any of them work better for you. The "Major Differences" box shows some of the considerations that go with making that judgment.



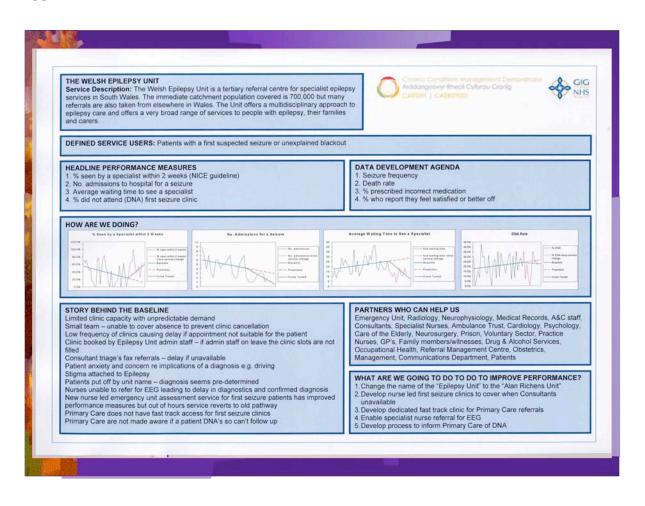
Appendix B (from the FPSI paper Results-Based Grantmaking, FPSI, 2000)

This chart was developed in 2000 to show the ways in which funders could support Population Accountability efforts in communities, cities, counties, states and nations. It is built around a schematic version of the population turn the curve thinking process.



Appendix C:

This is an exemplary one-page performance report from the Welsh Epilepsy Unit of the National Health Service in Wales. There is a long history of over-complicated performance reporting requirements from funders. Grantees often spend an inordinate amount of time on long narrative reports that are rarely read and are not useful in managing the grant or service. To compound the problem, different funders have different reporting requirements and formats, often on different schedules. This creates an enormous workload for nonprofit organizations where management resources are already stretched thin. The Welsh Epilepsy Unit developed a simple yet powerful way to report on performance. Any information that does not fit on this one page can be provided in appendices.



Appendix D: Population and Performance Accountability 7 Questions

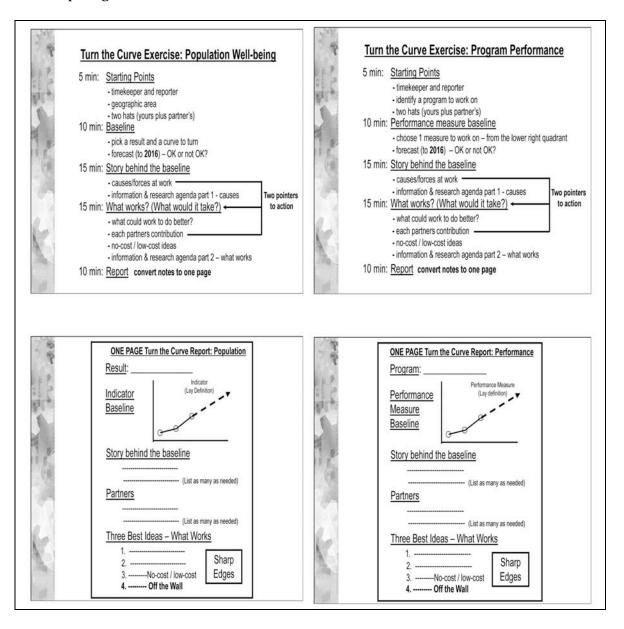
These questions take you through the talk to action thinking process for Population and Performance Accountability. *Trying Hard Is Not Good* enough provides a detailed description of each question. The Population 7 questions are discuss on pages 39 to 48. And the Performance 7 questions on pages 81 to 84. Clear Impact has derived a set of 5 core questions from the seven population and performance questions. For more information on this go to https://1r65612jvqxn8fcup46pve6b-wpengine.netdna-ssl.com/wp-content/uploads/2016/12/Clear-Impact-Results-Based-Accountability-Brochure.pdf

- 0 0	The 7 Performance Accountability Questions 1. Who are our customers? 2. How can we measure if our customers are better off?
4	services well ? 4. How are we doing on the most important of these measures?
L)	5. Who are the partners that have a role to play in doing better?
0	6. What works to do better, including no-cost and low-cost ideas?
7	7. What do we propose to do?

The 7 Population Accountability Questions 1. What are the quality of life conditions we want for the children, adults and families who live in our community? 2. What would these conditions look like if we could see them? 3. How are we doing on the most important of these measures? 4. How are we doing on the most important of these measures? 5. Who are the partners that have a role to play in doing better? 6. What works to do better, including no-cost and low-cost ideas? 7. What do we propose to do?

Appendix E: Population and Performance Turn the Curve Exercises

These are the 7 Questions in exercise form. Appendix E of *Trying Hard Is Not Good Enough* provides detailed instructions for managers or workshop organizers who wish to run these exercises. The core of the exercise runs 55 minutes and the exercises typically take about 90 minutes, with time for setup and debriefing. Some people interpret this as suggesting that all the work of developing an action plan can be completed in 55 minutes. This is wrong. The exercises teach the principles of this way of working. They can be used to get groups started on action planning. And they can be used to structure the on-going meetings of the group. Each time the Turn the Curve Thinking Process is repeated, the action plan gets better.

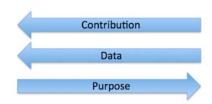


Appendix F: Create your own Accountability "Mansion"

For those who wish to use a different building image in the body of this paper, the images below are all you need to create alternative graphics. In pdf this will require the images to be selected off the screen. Find a partner who knows how to use Photoshop. They should be able to produce a new version of the paper pretty quickly.







The 7 Population Accountability Questions 1. What are the quality of life conditions we want for the children, abuts and families who live in our community? 2. What would these conditions look like if we could see them? 3. How can we measure these conditions? 4. How are we doing on the most important of these measures? 5. Who are the partners that have a role to play in doing better? 6. What works to do better, including no-cost and low-cost ideas? 7. What do we propose to do?



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Mark Friedman is the author of *Trying Hard Is Not Good Enough: How to Produce Measureable Improvements for Customers and Communities* (2005, 2015) and *Turning Curves: An Accountability Companion Reader* (2015). He is a Senior Fellow with the Center for the Study of Social Policy in Washington DC, and director of the Fiscal Policy Studies Institute in Santa Fe, New Mexico.