Under Scrutiny: Cooperation Management

Corporate Strategy Evaluation of GIZ’s Capacity WORKS Management Model
Corporate Strategy Evaluations
Evaluating in order to learn and improve as an organisation

On the Management Board’s behalf, the Evaluation Unit conducts corporate strategy evaluations in order to assess how GIZ is placed with regard to key corporate policy and international issues. The findings and recommendations of these evaluations provide the foundation for evidence-based decisions at the managerial and operational levels, which in turn enable the company to deliver more effective and efficient services for commissioning parties, clients and partners. They support the further development of approaches, methods and corporate strategies, and make an important contribution towards company-wide learning.

GIZ selects the topics for corporate strategy evaluations under its own responsibility, and implements the evaluations together with external, independent evaluation experts. A reference group supports the entire process, from the development of the evaluation questions to the agreement of measures for change within GIZ. This ensures that the evaluation can deliver findings that are useful to the company.

The reference group includes representatives of all the sections of GIZ that are affected by the topic under evaluation and that can contribute relevant expertise. A member of top management also acts as sponsor.
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Enabling successful cooperation systems
The Capacity WORKS management model

Be it in health or education system reform, or programmes for environmental and climate protection – if societal change is to be sustainable, the state, the private sector and civil society must work together closely. In some cases, this can even mean across national borders and between continents. This is usually not a simple and straightforward matter. In international cooperation projects it places huge demands on the processes of negotiating and managing these cooperation systems. Through Capacity WORKS, GIZ has created a model for successfully managing cooperation systems. How it is being used in the company, and how effectively, are questions that the Management Board sought answers to through the corporate strategy evaluation it commissioned in 2013.

The challenge:
Managing cooperation systems where interests diverge
Most of the programmes that GIZ supports revolve around strengthening the capacities of our partners. Capacity development is a complex process through which individuals, organisations and societies mobilise their own capacities for initiating structural changes and managing their own sustainable development processes. Projects inevitably operate in a setting where interests, views and demands diverge. This is the case across the board, from the policy-making level of national ministries, to regional institutions, and right down to the local level of civil society and businesses. The motives and rationales of the various actors involved differ, and are sometimes even at opposite poles to each other. The responsible project officers must recognise this as part of societal reality. This means that cooperation between these different actors needs to be mindfully managed.
Understanding how successful cooperation systems work

One of GIZ’s core competences is understanding how successful cooperation systems in societies work, and supporting it by using appropriate instruments. GIZ has systematised this knowledge and its decades of experiences in the management model Capacity WORKS, which was introduced in 2009 for steering projects and programmes.

Capacity WORKS was developed to address the specific issue of ensuring the success of cooperation systems that involve different organisations that are jointly seeking a solution to societal challenges and problems. Management models such as Six Sigma or Balanced Scorecard address issues that arise within organisations, and are therefore not suited to answering this question.

A holistic perspective

Capacity WORKS operates with a systemic approach. It takes into account the complex reality of social systems by looking at the interests and power relations among all the stakeholders, and especially the conflicts and contradictions. Capacity WORKS thus enables users to look beyond the immediate boundaries of a project. For example, systematic analysis of the relevant actors brings cooperation partners into play who might otherwise have escaped attention. GIZ enters into close partnership with the responsible actors. Depending on their needs, it supports them, or facilitates and helps shaping the process.

Questions may include:

On strategy
What strategic options might exist for achieving the objectives and results? How can we design the process of negotiating the joint strategic orientation with all the stakeholders?

On cooperation
How can we link up the relevant actors in order to facilitate change? How can we make clear to all the actors involved that if they wish to achieve the joint objectives they will be dependent on each other?

On the steering structure
What kind of structure do we need in order to ensure that joint decisions can be taken (in relation to resources, strategy or monitoring, for example)?

On processes
Which core processes in the sector do we need to take into account in order to make the necessary contributions toward achieving the objectives and results? What kind of management and steering processes exist within the project?

On learning & innovation
Who has to learn what, and at what level, in order to achieve the objectives and results and to ensure that the required capacities for future development are anchored in the area of social concern in the long term?
Key questions for success: structured, but flexible
To facilitate the management of cooperation systems, Capacity WORKS offers cooperation managers options for action, without providing blueprints. The key questions offered on specific aspects of successful cooperation systems can therefore be used flexibly and according to specific needs. The five success factors are: strategy, cooperation, steering structure, processes, and learning & innovation. Together with our partners, those responsible for GIZ programmes use the success factors to reflect, design, review and correct their strategy and the joint approach. The key questions help the actors concerned to structure their steering approach and avoid dead ends. However, they need to continuously assess and reflect on the ongoing work and make any adjustments needed. To address the questions in greater depth, the management model also provides a set of appropriate tools that range from moderation approaches to results-based monitoring. All activities revolve around the objectives and results jointly agreed with the partners.

Ability to respond rapidly to change – thanks to Capacity WORKS
An example – environmental protection in Tunisia
GIZ is supporting Tunisia in creating a more enabling environment for systematic environmental protection. Capacity WORKS was used to integrate the authorities and the Centre for Environmental Technologies into a steering structure. Together with its partners, GIZ defined the cause-and-effect relationships and described the change processes to be facilitated. Steering was performed by tandem teams of GIZ and Tunisian personnel. Up until the revolution, this cooperation system was clearly circumscribed, and was in fact prescribed by the government. Since the Arab Spring, however, autonomously operating local authorities, a self-confident population and more than 100 non-governmental organisations have been gaining an increasing say. So the project re-examined the cooperation landscape once again using Capacity WORKS. Since then it has been working closely with civil society coordinators. They use public gatherings, and debates with opinion leaders such as imams, to discuss issues such as landfill sites and the behaviour of the population regarding solid waste management.
How can we further improve management practice?
The objective and design of the corporate strategy evaluation

When Capacity WORKS was rolled out, one of the aims was also to evaluate the usefulness of the management model after several years. This became all the more urgent when GTZ, the German Development Service (DED) and Capacity Building International, Germany (InWEnt) were merged in 2011, and GIZ’s services were diversified to take account of a broader range of projects, partners and commissioning parties. This new diversity generated a need for an understanding of project management and steering that would create corporate identity. The key question at that point was whether and how Capacity WORKS could become a standard management profile for GIZ, and one that partners and commissioning parties would recognise as such.

The objective
In 2013 a new Management Board initiative entitled ‘Quality assurance in line management’ further standardised GIZ’s management practice. Since then it has been mandatory to apply certain Capacity WORKS tools in all projects and programmes. The corporate strategy evaluation was commissioned at the same time. The results of the evaluation were intended to support this process of continually improving project and programme management. The evaluation flanked the Management Board initiative and supported the updating of the management model Capacity WORKS in a second edition of the manual.

In order to achieve this aim, the evaluation set out to establish how and to what extent Capacity WORKS was being used in GIZ projects and programmes, ascertain which factors were conducive to its use and which were not, and finally to identify possible avenues for improvement. It also set out to determine whether and to what extent using Capacity WORKS was improving the steering of projects and programmes – and thus ultimately their effectiveness.

The design
In order to support the current strategic processes in beneficial ways and generate initial results as quickly as possible, the design was broken down into two phases. The core of the first phase involved conducting interviews and a broad-based online survey of 1,200 GIZ staff members. This produced a broad picture of the views throughout the company. The preliminary results delivered by the first phase were then used to generate more in-depth questions, which were then explored during the second phase in case studies conducted in six countries. This iterative approach enabled the evaluators to gradually narrow down the focus to salient aspects.

The ultimate aim: robust findings
For the case studies, the evaluation results were less representative than for the online survey. The ultimate aim of the evaluation was to guarantee an evaluation of the effectiveness of Capacity WORKS that was as reliable as possible, through intensive triangulation of various methods of data collection and analysis, and different perspectives. This procedure was necessitated by the fact that it was not possible to use a so-called counterfactual evaluation design. That would have required baseline data prior to the use of the management model, it would also have required a control group in similar projects that were steered both with and without Capacity WORKS.
When Capacity WORKS is used systematically, project steering and effectiveness are improved

Findings and recommendations

The corporate strategy evaluation examined three sets of questions: How and to what extent is Capacity WORKS being used to manage commissions? How useful is the management model for steering projects and making successful? What encourages people to use the management model, and what discourages them from doing so?

Major differences in use
Three quarters (77%) of the staff participating in the online survey reported using Capacity WORKS in their projects. However, major differences emerged in the way the management model is used. This ranges from the selective use of specific tools, to the systematic use of the entire steering model in which all five success factors of Capacity WORKS are applied continuously.

In the in-depth analysis, a distinction was also drawn between whether Capacity WORKS was being used implicitly or explicitly – i.e. whether the Capacity WORKS tools used were being clearly specified and documented as such. The evaluation showed that during the period covered, Capacity WORKS was being used largely implicitly.

When the model is used systematically, project steering and effectiveness are improved
The majority of respondents reported finding Capacity WORKS highly relevant and beneficial in their day-to-day project work, particularly when they used the model systematically. Respondents who use Capacity WORKS systematically reported it to be more effective than those who only use it selectively. This link is statistically significant.

Overall, the evaluation thus provides robust evidence that a systematic application of Capacity WORKS – even if only implicit – helps improve the quality of project steering, and thus raises project effectiveness. When used implicitly, however, there is a risk that existing knowledge may not be adequately transferred, for instance when people switch jobs.

Partner involvement could be improved even further
Some two thirds (67%) of respondents of the online survey reported using Capacity WORKS together with partners. However, the interviews revealed that the involvement of partners is often confined to participation in large-scale events, such as planning workshops. Though, where partners do to a large extent steer their projects jointly on a day-to-day basis, positive results were expressly reported by the respondents. They indicated that working together constructively on these ‘foundational elements’ of the project was conducive to the dynamics of cooperation and to forging a joint understanding.

Factors influencing the use of Capacity WORKS
Overall, the evaluation demonstrates that project staff possess a high degree of managerial expertise. Whether and to what extent they use Capacity WORKS, however, depends very much on their previous experience and their professional self-understanding. Among staff members who have experience with systemic approaches, the philosophy of the management model is likely to be met with a higher degree of acceptance than is found among experts with a largely technical and sector-specific background.

Furthermore, the evaluation found that staff training, coaching and motivation are important factors affecting the use of Capacity WORKS.
Key recommendations

Make using the management model Capacity WORKS mandatory
To raise the quality of project steering and thus the likelihood of project success, the evaluation recommends that the strategic importance of Capacity WORKS for the company should be further underlined, and that using the management model in projects should be made mandatory.

Increase joint participation in steering
The findings show that although Capacity WORKS can make a good contribution to joint project steering with partners, this potential is not yet being fully exploited. It is therefore recommended that partners be more closely involved in project steering.

Pay greater attention to managerial capacities
The evaluation comes to the conclusion that in order to use Capacity WORKS effectively in projects, GIZ teams must build together their managerial expertise. It is therefore recommended that when individuals are selected, greater attention should be paid to establishing teams that possess complementary capacities for leadership, line management, steering and technical tasks. This means that staff members should be trained and advised systematically and continuously rather than just selectively. It also means that an ability to perform the different managerial tasks arising in connection with line management (e.g. business development, as well as human resources and financial management) and project steering should be understood and treated as a single and coherent skill set.

Improve incentive systems
The evaluation also showed that the majority of staff members believe that good project steering is not rewarded sufficiently, as compared for instance with the achievement of key results in financial management. With this in mind, it is recommended that incentives systems be reviewed.
Learning from the evaluation process and taking appropriate action
Consequences for our approach to Capacity WORKS in the future

Every corporate strategy evaluation is supported by a reference group. The reference group includes representatives of all the sections of GIZ that are affected by the topic under evaluation and that can contribute relevant experience. The reference group discusses the results, conclusions and recommendations, and develops ideas for specific measures to operationalise them – the latter being referred to as the management response. On this basis, GIZ’s top management level has decided on the following measures to promote a more systematic use of Capacity WORKS, in order to further increase project effectiveness. The results generated by operationalisation of these measures will be reviewed after one year.

Communicate key messages
Capacity WORKS operationalises key aspects of GIZ’s Corporate Principles – a holistic approach, shared responsibility for objectives with partners, managerial expertise, flexibility and innovation, and results orientation. Consequently, to underline the importance of Capacity WORKS both within and outside of the company, key messages have been formulated that will be communicated both internally and publicly, and to partners and commissioning parties, as we continue working with Capacity WORKS.

Ensure managerial expertise is in place
The concept for induction and training of seconded experts during the first year of assignment will be revised in order to communicate a better overall picture of management tasks, and implemented accordingly. During the first year of their assignment, project staff will be required to take part in obligatory management workshops. National experts and managers will also receive systematic training.

Increase the sharing of lessons learned
To facilitate the sharing of lessons learned when using Capacity WORKS and to answer questions, management workshops will be held for project staff who use the model. Regular meetings will also be held between the operational departments and the Sectoral Department, and appropriate platforms will be developed with the managerial levels.

Monitor results systematically
To continuously obtain a systematic and aggregated overview, the annual cross-section evaluations of project evaluations will also monitor and assess the quality of project steering.
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