

## Capability Reviews as the key to sustainable performance improvement in the Public Service<sup>i</sup>

**Abstract:** Many governments in developing economies are unable to meet citizens' expectations in the quality of public services. In spite of heavy investments in public service delivery, the citizens' expectation gap continues to widen over time, with the explanation from the public officers always being a vague 'lack of capacity and resources', something that is never properly substantiated. In response governments in the context of Public Sector Reform (PSR) are adopting systemic changes to ensure that the institutional capacity for public service delivery is enhanced and sustained to deliver improved services for citizens. At the core of this approach is *Capability Reviews* (CRs) where Ministries, Departments and independent Agencies (MDAs) undertake a self-assessment to identify the service delivery constraints and capacity gaps that hinder them from delivering quality services. This brief is based on the experience of DAS advisors in undertaking CRs across several MDAs.



### History of poor service delivery: the 'lack of capacity' syndrome

The extent of non-performance by public service institutions is demonstrated by the increasing number of citizens who are engaging private entities to deliver services that are otherwise mandated to public sector institutions. From security to water and sanitation, waste management, basic education and health, citizens are paying private service providers not to augment

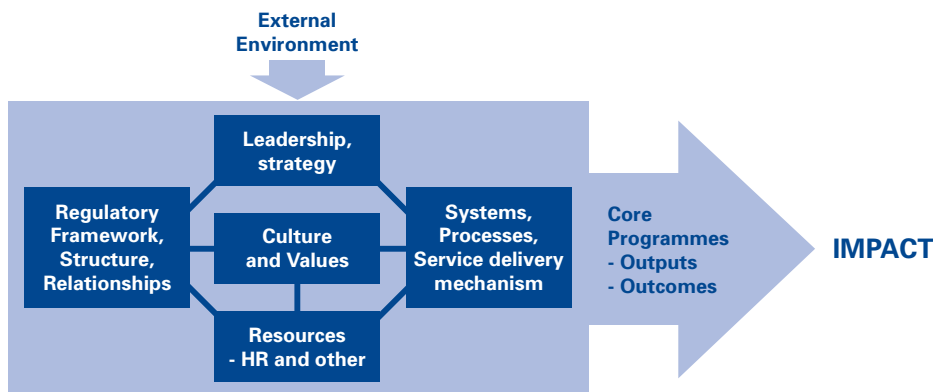
but to substitute what they should be getting from public institutions. In response, public institutions are eager to demonstrate how well they are performing, and they often establish performance improvement initiatives which do not seem to effect transformation in service delivery. The obvious conclusion to draw from this is that public sector institutions are not up to the task. So how to improve their performance?

Public service institutions have always blamed their inability to perform to the expected standards on a lack of capacity and resources. In most instances, this assertion is not properly substantiated, mainly because a thorough interrogation to determine the kind of 'resources' needed to provide the required quality of services is not undertaken. This results in ineffective allocation of scarce resources without corresponding improvements in public service delivery.

A comprehensive capacity assessment to identify where the performance gaps are and consequently what the best performance improvement interventions are is needed before public institutions seek additional resources. It is not impossible for a public sector institution to achieve much better results by applying the same level of resources but by varying the allocations to different expenditure lines and through more effective management and leadership with a closer eye on results.

<sup>i</sup> This is one of a series of short pieces from KPMG DAS Advisors designed to show the practical application of development experience. The series covers Fragile States, Private Sector Development, Governance, and Organisational Development and Performance Improvement. This piece is written by Benson Kavoo, KPMG DAS Senior Manager of the Organisational Development and Performance Improvement unit and edited by Julio Garrido-Mirapeix, Head of DAS and Kate Hargreaves, DAS Advisor.

## Linking institutional capacity to results



### The key drivers of public service delivery

DAS advisors' experience in the implementation of public sector reform in East Africa has shown that sustainable performance improvement in public services can be achieved only when scarce resources are applied to implement the right interventions in the key levers of service delivery.

The diagram above shows the main levers that drive public services and will lead to significant improvements if the right interventions are focused on them. For each lever a series of questions is provided below that will help assess whether the environment is enabling or frustrating results and impact.

#### The policy, legal and regulatory framework:

- Is the policy, legal and regulatory framework adequate and enabling to deliver the MDA's mandate?
- Is the framework comprehensive (covering all areas of service delivery)?
- Is there flexibility to adapt to emerging issues and a changing environment?
- Is there a conducive environment for efficient and effective service delivery?

#### Strategy/strategic orientation:

- Does the strategic direction ensure a citizen/client focus?
- Is the strategy clear to all departments and are their respective roles understood?

- Are there clearly identified goals, and are objectives geared towards the delivery of specific outputs/outcomes that in turn will contribute to the desired impact?
- Is the MDA pursuing targets that are challenging and yet achievable?

#### Leadership:

- Are the leaders visionary, passionate, enthusiastic and inspirational?
- Does technical and management competence reside in leadership echelons?

#### Relationships and organisation structure:

- Does the institution have the optimal organisation structure/relationships to deliver effectively and efficiently?
- Are departmental roles and relationships clear?
- What about collaborative relationships with other sector MDAs?

#### Culture and values:

- Do staff exemplify the requisite culture and are behaviours in line with what is acceptable in the public service?
- Is there a commonly understood set of core values including (but not limited to): client/citizen focus, passion and commitment, integrity, open and proactive communication, cooperation and teamwork, professionalism, personal responsibility and accountability, innovation and learning, respect for individuals and resources, knowledge and objectivity?

#### Systems and processes:

- Does the institution have in place the requisite systems and processes to support efficient service delivery and the achievement of specific outputs? (These may include financial, HR, procurement, planning, budgeting and reporting, M&E, stakeholder consultations/feedback and accountability).

#### Human resources:

- Does the organisation have required level of technical skills including engineering, accounting, procurement, medical, and most crucially management (including leadership, strategic orientation, envisioning, people management, communication, problem solving and decision making, performance management, networking and relationship management, commercial awareness)?

#### Physical resources and facilities, including technology:

- Does the MDA have the required level of resources for service delivery (besides human resources) including financial, physical equipment and tools as well as appropriate technology?

#### Service delivery mechanisms:

- Is there an adequate service delivery strategy/model employed by the organisation and are resources organised to deliver services to the final consumer?
- Are systems and processes clear and understood?
- Do all players have definite roles and responsibilities aligned to the delivery of the final outputs to the citizen/client? The specific questions to be answered relate to effectiveness, efficiency, adequacy (coverage) as well as quality.

Depending on the mandate of the institution, the emphasis on these levers can be varied and even other aspects introduced to augment or substitute some of the above.

### Poor public services delivery in Kenya

An averagely poor Kenyan suffers countless inconveniences, indignities and dangers in his daily life due to failings in public service delivery. In Nairobi's 'informal settlements' he lives in overcrowded accommodation (due to large-scale urban migration because of a lack of employment opportunities in rural areas) with no running water or electricity, inadequate health services and poor schooling, and non-existent physical infrastructure such as

roads. He pays more for utilities such as his jerry can of water than his rich neighbours in the suburbs.

His journeys by matatu across the city are precarious because roads are in terrible condition and the police are not interested in improving driving conditions or passenger safety.

Meanwhile some government officials responsible for service delivery are not aware of, or choose to ignore, the predicament of the common mwananchi and live on the other side of town, with access to better services at home or abroad.



### Institutional Capability Reviews (CRs) and gap analysis

DAS has successfully used a phased approach aimed at assessing the capability of an institution based on the service delivery levers described above – this is a Capability Review. Key to the review is the identification of the existing capacity under each of the levers and whether the MDA has the requisite capability to deliver the citizen/client expectations based on a qualitative and/or quantitative assessment. This is followed by a gap analysis exercise pitting the ideal capacity situation (should-be) to the existing (as-is) capacity and the identification of any capacity gaps. This key step may be undertaken in a workshop setting for leaders and representation from other levels of the institutional hierarchy. Based on the capacity gaps identified, performance improvement initiatives are then identified. The performance improvement interventions are then prioritised and compiled into a capacity building programme with defined strategies, activities, time-frame, target audience and expected outcomes.

### Making CRs sustainable

Various initiatives can be recommended for enhancing the effectiveness and sustainability of CRs including:

1. Identification, validation and adoption of specific initiatives to catalyse the implementation of the agreed action plans;

2. Consideration of launching Rapid Result Initiatives (RRI) to fast track implementation;
3. Continuous monitoring, reviews, lesson-learning and incorporation into future institution planning;
4. Incorporation of recommendations/activities in institution annual work plans, monitoring and evaluation and reporting framework, both internal and external coordinator or facilitator (within Government);
5. Preparation and validation of a liaison framework with the coordinating department within Government;
6. Institutionalisation of the linkages to performance management systems including the achievement of MDA objectives, goals and performance contract targets; and
7. Formation of alumni 'coaches' or 'champions' within the Public Service bringing together all institutions that have undertaken the CRs.

The effectiveness of Capability Reviews has not been widely evaluated to-date. However, based on DAS experience, they are a **necessary but not sufficient condition** for sustained performance improvement in public service delivery.

Broader public sector reform measures are required but even more important is the leadership and commitment of the MDA towards change. We have seen in many MDAs the difference that leadership can make – appointing appropriate professionals to fulfil that function is one of the most important roles of the government.

Appointing appropriate professionals to fulfil service delivery functions is one of the most important roles of the government. Advisors and donors can also achieve results by assisting MDAs to define effective service delivery strategies as well as by facilitating the implementation of performance improvement programmes.

### Specific examples of the CR process: the existing status of the infrastructure sector and its impact on service delivery

For most of the institutions that DAS has worked with, it has been evident that a major constraint was insufficient human resources capability. Their performance was far from the expectations of Kenyans. The infrastructure sector institutions attributed the dismal performance in the development and maintenance of roads and establishment of public buildings to a variety of challenges including:

- the lack of a comprehensive policy and regulatory framework,
- poor service delivery mechanisms and strategy,
- non-responsive systems and processes,
- inadequate human capital,
- poor culture and values.

Most participants in the stakeholders' workshops narrated how the **procurement procedures** were limiting as they were lengthy and frustrated officials from outsourcing the establishment and maintenance of infrastructure facilities.

Participants also observed that the **existing policy and regulatory framework** does not permit innovative service delivery initiatives including Public-Private Partnerships (PPPs) in infrastructure projects.

The **inadequacy of technical staff** with the right culture and attitudes led to less than optimal value from the resources allocated to the sector institutions. The 'as-is' situation translated to inadequate infrastructure facilities leading to high costs of transportation of agricultural produce and cost of living, and poor health as citizens have limited access to health care institutions.

The Capability Review workshops encouraged detailed analysis of the root causes of institutional problems by participants and helped them identify specific interventions to effect improvements. The interventions targeted closing key gaps and developing the requisite capacity to deliver the desired results to Kenyans.

**The key interventions** identified in this sector included:

1. improvement of institutions' policy and regulatory processes,
2. retention strategies for the optimal levels of staff,

3. revamping the performance management systems and interventions to improve the attitudes and productivity of staff,
4. overhauling service delivery mechanisms through technology uptake and enhancing the planning functions in order to improve resources allocation and monitoring
5. overhauling of support systems and processes across the institutions.

The implementation of these interventions is expected to deliver the required levels of infrastructure development and maintenance and positively impact the lives of Kenyans. This will be manifested through enhanced communication and market access, access to quality health as a result of increased health facilities and the availability of health professionals and drugs and improved nutrition resulting from enhanced agricultural productivity and market access.

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