

EXCERPTS
PN-ABE-740
65444

DRAFT II

DE/1/2/86 .

WORKBOOK FOR
INSTITUTIONAL ASSESSMENT
WATER AND WASTEWATER INSTITUTIONS

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JANUARY 1986

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Chapter I

INTRODUCTION

A. Overview

The purpose of this document is to provide a model which will improve the ability of project designers to diagnose institutional deficiencies in the water and wastewater sector. The recent history of development assistance work indicates that the fundamental problems facing the sector are institutional in nature. Institutional problems are qualitatively different from specific technical or procedural problems. They usually are linked across functional areas of institutional performance and therefore are "cross-cutting." Organizational autonomy is a good example of this. Organizational autonomy is the degree to which an institutional is able to make and carry out a series of decisions which profoundly affect performance in most areas (staff hiring, setting tariff rates, budget development and control, planning, investment etc.) Autonomy is one of many institutional issues addressed in this document.

Because institutional problems are interwoven across technical and functional areas, the process of diagnosing these problems requires a fundamentally different approach to problem identification. Most past efforts have paid insufficient attention to institutional problem diagnosis. Often, deficiencies in an easily identifiable area of institutional output are identified as the problem to correct while ignoring that the deficiency identified is really a symptom of a larger problem. For example, the need to rehabilitate broken down plant systems is often a primary problem identified for many development projects. If taken in isolation as a technical problem (as is frequently the case), this would ignore more fundamental institutional issues: maintenance management systems need to be developed, policies emphasizing operations and maintenance are lacking, systems to develop staff skills in supervision and operations and maintenance are needed, and management provides no leadership to deal with the problem nor sees it as a problem. This is an example of mis-diagnosing the problem by ignoring institutional deficiencies.

The approach used in this document is fundamentally different. It focuses on problem definition and identification in institutional areas; it is interdisciplinary and seeks to identify cross-cutting issues; and it is designed to avoid the temptation to jump to quick-fix solutions while ignoring the more difficult and basic issues. The methodology used for institutional assessment is also fundamentally different. It is based upon team field investigation procedures which identify, define and verify institutional performance using indicators which have been pre-identified. Performance indicators are grouped according to categories of institutional function. These have been developed on the basis of field research conducted by analysing factors of success or excellence in institutional performance by water and

wastewater institutions in two development settings overseas. The output at the end of the institutional assessment procedure is a defined profile of institutional strengths and weaknesses which can be used for designing institutional improvement projects.

B. Purpose and Need

Over the life of the Water and Sanitation for Health (WASH) project, a number of requests have been made for assessing a variety of institutions or diagnosing institutional problems as a first step in the design of an improvement project. Following these assessments, outcomes have taken the form of project designs for institutional development or specific technical assistance in identified problem areas.

These activities represent a growing trend in the donor/lender community in the water and wastewater sector. From September 1974 to March, 1982 ... "905 AID projects were identified that AID had explicitly coded 'institution building' in its automated data base."¹ During the past two years WASH assessment teams have completed institutional assessment activities in Sri Lanka, Egypt, Zaire, Oman, Jordan, and the Philippines. The total project investment (AID and host country) in these interventions is approximately 130 million dollars. All of these assessments have led to project design activities aimed at institutional strengthening in one form or another. During the process of developing this document discussions have been held with project officers from the Pan American Health Organization (PAHO) and the World Bank which substantiate the investment and technical assistance trend towards institutional development in these agencies as well.

To date these efforts have been conducted in the absence of any clearly specified model or guidelines for conducting institutional assessments in the water and wastewater sector. It is with the recognition of the need in the donor/lender community at large and the particular needs of AID that this institutional assessment model has been developed by the WASH project.

C. Concept of the Approach

The following model is based upon the use of pre-identified institutional performance categories. A performance category is a set of related skills, procedures and capabilities which define a particular area of institutional function or performance. Based on research in the sector, nine categories are identified; these are listed below and defined Chapter IV:

¹ "Effective Institution Building, A Guide for Project Designers based on Lessons Learned from the AID Portfolio," March 1982, USAID; Barnet and Engle.

- o Organizational Autonomy
- o Leadership
- o Management and Administration
- o Commercial orientation
- o Consumer orientation
- o Technical Capability
- o Developing and Maintaining Staff
- o Organizational Culture
- o Interactions with key External Institutions

All institutions will contain many of the capabilities indicated in each category to varying degrees. The assessment process requires that a determination be made of the degree of successful institutional performance. Each category is ranked using performance indicators as high, medium or low. Each indicator can be measured or validated through field research. [For specific instructions in the use of performance categories, refer to chapter IV.]

The process of assessing institutional performance with this approach is a very powerful tool. It is based upon objectively verifiable indicators which can be looked at by more than one person and verified. It allows several people to participate in the assessment process while using a common framework. It ensures a broad, multi-faceted view of problems. At the end of the process, a complete profile of the institution is drawn which indicates the specific areas of strength and weakness. Essentially, the problem is clearly and comprehensively defined, normally the most difficult and least effective part of project design. And, the problem is defined in relation to a comprehensive picture of the total institution in its external and internal operating environment. This comprehensive picture is provided by systematically investigating each performance dimension using the key indicators, rating the indicators with supporting data and analyzing the data for patterns within and among dimensions. The data analysis process includes a priority ranking scheme for the performance categories. [For specific instructions on how to analyze the data, refer to Chapter IV.]

Once this profile is clearly established, one is in a position to decide whether to proceed with an intervention, and what type of intervention is indicated (a long term or short term project, policy dialogue between the lending agency and the host government, targeted technical assistance etc.).

D. Audience

There are a variety of potential users of this document:

- o Managers of water and wastewater institutions
- o Project development officers who work for donor/lenders
- o Project assessment/development consultants and teams
- o Evaluators
- o Project managers

Generally this document is designed for two groups: those who sponsor institutional strengthening activities and those who conduct field investigations leading to project design. Sponsors include donor/lender agencies, governmental ministries, and top management of water and wastewater or sanitation institutions. Investigators include AID project officers, assessment teams, consultants, and individuals within institutions (such as planning departments, internal management consultants or management officers).

For sponsors, the intended use of this document is to provide information about the institutional assessment process. This will help them understand the appropriateness of an assessment activity in institutions for which they have responsibility and provide information about the pre-work needed before beginning assessment. Sponsors could also use this document for purposes of status review of an institution or project (as a yardstick to determine how the institution is performing). If a decision is made to use external consultants, some data could be collected in advance and the performance dimensions and indicators can be used for this purpose.

E. The Type of Institutions for Which the Guidelines are Suitable

The guidelines were designed specifically for institutions with responsibilities for water supply or wastewater, or both. The field studies on which the guidelines were based were conducted at relatively large urban and state-wide institutions whose primary focus was on urban water supply, with significant responsibility for rural water and some urban wastewater systems. The guidelines may be applicable to:

- o Water supply or wastewater institutions
- o Municipal or regional, state or national governmental authorities
- o Private or public institutions
- o Urban or rural or village entities

The principal measure for suitability is the agency should have a specific and focused responsibility for delivering water and/or collecting and disposing of wastewater. A less suitable example would be a national organization, such as a Ministry of Rural Development, with responsibility for agricultural and other infrastructure elements as well as water supply and wastewater. On the other hand, the guidelines might be useful for evaluating the effectiveness of the water section of a combined water and power institution.

The relative importance of a particular performance category for a particular institution may be debated and decided during the data analysis phase of an assessment procedure; however, the areas of organizational performance to be investigated do not depend upon size or rural vs. urban service delivery. For example, all successful organizations in the sector should be managed, have leadership, possess technical capability, develop and maintain staff, interact with key external institutions, relate to consumers, and address economic efficiencies. Variables such as size, cultural and political orientation are factored into the assessment process.

F. Applicability of the Model to Varying Contexts and Cultures

Institutions in the sector throughout the world vary a lot. The model is designed to be sufficiently flexible to take into account variations by analysing the institution within the environment in which it operates. For example, organizational structures vary a great deal throughout the world. An early identification of mission and goals will be a key determinant to organizational structure and function. The way an institution is organized to carry out these functions may vary within the cultural, social and political context for very good reasons. The more important consideration is the effectiveness of institutional performance within the context. This approach does not assume that all institutions should follow a set functional or structural pattern, but it does define success as meeting defined performance indicators.

This assessment model is designed with a focus on organizational performance; it is not designed for broad sectorial assessments. However, with modifications the approach of the model could be used for these activities. It would be necessary to consider broader issues in more depth : e.g., linkages between entities involved in the sector and comparisons among them, national policy environment, sectorial trends, long range demand, manpower supply, sectorial organization, economic climate, beneficiary and social organization and the relative state of current technology. The indicators used within the model presented would need to be amplified, as well, to focus on an entire sector.

Although this model is designed specifically for performance in the water and wastewater sector, nearly all of the categories of analysis are applicable to other sectors if the analysis is focused on the performance of the institution. The category of technical capability would require different indicators for different sectors. Consumer and commercial orientation may require reframing, depending upon the nature of the service provided by the institution. The methodology of the approach, however, is directly transferable.

G. Team Composition

The institutional assessment model which follows is designed to be conducted by an assessment team which is external to the institution. It is assumed that normally a donor/lender agency would sponsor these activities. The following will provide guidance for assessment team selection.

There are many variations in background possible for an assessment team using this instrument. However, there are certain skills and knowledge which all team members must have in order to carry out the assignment. These include experience and/or demonstrated skills in:

- o Interviewing
- o Familiarity with utility operations
- o Development perspective/project development
- o Cross-cultural sensitivity

The assessment procedure will require a minimum of three (most probably four) persons. The combined skills of the team should have the following subject area and background mix represented at a professional level of experience:

- o Organizational/Institutional development and training
- o Utility management
- o Engineering in water/wastewater
- o Economic and financial

Additional supportive or useful skills on the team include social and beneficiary analysis, stores and supplies, evaluation of development projects, policy analysis, management sciences, and health experience.

Chapter II

INSTITUTIONAL ASSESSMENT: AN OVERVIEW OF THE PROCESS

A. The Process of Institutional Assessment: A Model

The following chart represents the major steps in the institutional assessment (IA) model proposed in this document. It will be the sponsor's task to carry out steps 1--3 of the model prior to the arrival of the assessment team. The results of these steps will need to be communicated to the team and built into the scope of work of the team. The team will carry out steps 4--6. A note about terminology in the diagram: sponsor is the donor/lender agency which funds the IA activity; team is the assessment team; institution is the water or wastewater organization which is assessed; organization and institution are used interchangeably.

<u>STEP</u>	<u>TASK</u>	<u>RESPONSIBLE</u>
1. Assess Output Indicators	<ul style="list-style-type: none">o Initial discussions with Institutional leadership/idea promotiono Preliminary data collection of output measureso Analysis of outputso Determine need for IAo Make go/no-go decision	Sponsor
2. Agreement with Institution	<ul style="list-style-type: none">o Explain process in detail to decision makers and get agreement and clarity on expectations of producto Define/explain mission of the team to institution and agreeo Develop written scope of worko Determine team leader & team composition	Sponsor
3. Prepare Institution for Team Entry	<ul style="list-style-type: none">o Explain arrangements to key managers in institution & form review committee with concurrence from top	Sponsor

- o Make arrangements for team's entry meeting with top management
- 4. Collect Data
 - o Use Variety of Methods: interview, observation, job audits, reading, survey instruments T e a m
 - o Take diagonal "slice" of organization
- 5. Analyze Data
 - o Independent Analysis Team
 - o Team Analysis
 - o Look for major patterns and themes
 - o Share initial analysis with organizational review committee/leadership
- 6. Diagnose Strengths and Weaknesses
 - o Compare patterns/themes against performance
 - o Prepare written profile
 - o Present Analysis to appropriate decision makers and organization Team

-----POST ANALYSIS: NEXT STEPS-----

- 7. Design Project or Development Activity
 - o Plan with client institution the type of project or improvement activities based upon diagnosis, priority problems and resources Sponsor/
Follow-up
Team
- 8. Implement Institutional Strengthening Activity/Project Sponsor/
Inst./
Consultant

As indicated by the dotted lines in the chart, steps 7 and 8 of the model are in fact design/implementation steps and, as such, go beyond the scope of the institutional assessment model. They are included here to show the sequence and relationship between institutional assessment and intervention. However, throughout the rest of the document, the focus will be mainly on the steps involved in institutional assessment (steps 1 through 6 above).

The remainder of this subsection is intended to provide an overview of each of the IA steps outlined in the above model. Some of the steps

will be more explicitly spelled out later in the document.

E. Performance Categories

The performance categories to be assessed are listed below. This is followed by a definition, performance indicators and worksheets for each category. Each performance category is presented under a separate tabbed section for ease of reference.

- o Organizational Autonomy
- o Leadership
- o Management and Administration
- o Commercial Orientation
- o Consumer Orientation
- o Technical Capability
- o Developing and Maintaining Staff
- o Organizational Culture
- o Interactions with Key External Institutions

ORGANIZATIONAL AUTONOMY

DEFINITION

Organizational autonomy is the degree of an institution's independence from the national government or other governmental or regulatory bodies. While not unrestrained, this independence must exist to the extent that the institution is able to conduct its affairs and meet its responsibilities in an effective manner with minimum interference and controls by other entities.

Effective organizational autonomy is characterized by the power to make decisions about the following important matters: budget, revenues, hiring levels, pay and incentives, control of personnel, institutional policies, planning and construction of projects and organizational goals.

An adequate level of autonomy is a prerequisite to the success of institutions in this sector.

INDICATORS OF HIGH PERFORMANCE

1. Sets own organizational policies and goals and changes them as necessary to provide guidance and direction in achieving the objectives of the institution.

Very Low	Medium	Very High
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2. Conducts such studies as may be necessary and carries out long term planning to meet the expected demands on the institution; approves and acts on such studies and plans, including the construction of recommended facilities.

Very Low	Medium	Very High
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3. Prepares annual capital and operating budgets consonant with needs and available revenues; successful in obtaining approval.

Very Low	Medium	Very High
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4. Establishes and implements levels of tariffs and service charges sufficient to meet costs.

Very Low	Medium	Very High
----------	--------	-----------

5. Maintains control over all revenues generated and collected.

Very Low Medium Very High

6. Establishes and maintains staffing levels sufficient to meet needs.

Very Low Medium Very High

7. Employs, discharges, disciplines and promotes personnel, within established and approved guidelines adequate to institutional needs.

Very Low Medium Very High

8. Establishes levels of employee compensation, including salaries and benefits, sufficient to attract and maintain capable staff.

Very Low Medium Very High

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Work Sheet

Organizational Autonomy

Hints for Gathering Data

The indicator questions in this dimension can be answered by gathering data from interviews and observations. Interviewing individuals outside the organization (for example in the parent ministry) as well as inside may provide important information in this category. Suggested questions are presented for each indicator.

Typical Questions

[For Indicator 1.]

1. How are organizational policies and goals set? To what extent are they set by the institution alone, by others or jointly?
2. What procedures are required to obtain the approval of others to change policies and goals?
3. What does the "legal charter" of the institution say in regard to its own autonomy?

[For Indicator 2.]

4. What studies and long term plans have been prepared in the past five to ten years? Are these studies and plans adequate to meet the needs of the institution (give reasons)? To what extent do others review and approve these studies before they can be acted upon? Are additional outside approvals needed before works can be constructed (describe the procedures)?

[For Indicator 3.]

5. How are annual operating and capital budgets prepared? To what extent are others outside the institution involved in this process? Are they adequate, reasonable and consonant with needs and available revenues (give reasons)?
6. What is the budget approval process? Who must approve it? What is the record of the institution in obtaining approval of the budget it prepares?

[For Indicator 4.]

7. To what extent do the present tariffs meet operating costs? All other costs?
8. How many times have tariffs been increased in the past 10 to 15 years? What was the percentage increase?

9. How do present tariffs compare with those of similar institutions in the country (or region with similar countries)?

10. Who must approve proposed increases in tariffs? What has been the record of obtaining tariff approvals which the institution has submitted?

[For Indicator 5.]

11. Does the institution retain and control the revenue it collects? If not, what are the procedures for disposition of all revenues generated and collected? To what extent does the lack of control over revenues cause problems for the institution (give reasons/examples)?

[For Indicator 6.]

12. To what extent is the institution able to set and maintain staffing levels? If not, what restrictions exist and who imposes them? What problems arise from this situation?

[For Indicator 7.]

13. To what extent is the institution able to employ, discharge, discipline and promote personnel in accordance with internally set needs and policies? If not, what restrictions exist and who imposes them? What problems arise from this situation?

[For Indicator 8.]

14. To what extent is the institution able to provide salaries and benefits to its employees in accordance with its needs and policies? What restrictions exist and who imposes them? What problems arise from this situation?

LEADERSHIP

DEFINITION

Leadership is the capability to inspire followers to understand the institution's mission, to commit themselves to that mission, and to work toward its fulfillment. As such, leadership goes well beyond proficiency in management skills. In order to perform its functions in a competent manner, an institution in the sector needs to have effective leadership at many different levels.

Effective leaders serve as positive role models. They provide motivation for managers and staff to perform their functions in often difficult and sometimes apparently unrewarding contexts. Effective leaders help transform the institution by making it active, energetic and visionary, by making the sum of the parts greater than the whole. In effective institutions, such leadership does not only reside with the top manager. Elements of it can be seen at various levels of the organization, from the foreman level, to the general manager level, although these elements may differ slightly from level to level.

The indicators below are generally written from the perspective of a generic leader who can be at any level of the organization.

INDICATORS OF HIGH PERFORMANCE

1. Provides clear sense of mission; articulates mission; involves people with mission so they get sense of ownership of mission; gets people excited about mission, believing in it.

Very Low	Medium	Very High
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2. Serves as positive role model (e.g., honest, hardworking, balances people needs with organizational needs, visibly believes in work, enthusiastic).

Very Low	Medium	Very High
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3. Has a sufficient level of operational knowledge to evoke trust.

Very Low	Medium	Very High
----------	--------	-----------

4. Works hard, works overtime as required; gets out in the field or visits other offices, is visible to the rank and file.
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5. Demonstrates competence, visibly interested in work.

Very Low Medium Very High

6. Oriented towards producing results which move work towards meeting goals.

Very Low Medium Very High

7. Identifies clear performance standards and is strict but fair; gives positive and negative feedback where due; disciplines where necessary based on performance.

Very Low Medium Very High

8. Listens as well as instructs.

Very Low Medium Very High

9. Active, has "we can do it" attitude; assertively makes decisions, moves things.

Very Low Medium Very High

10. Maintains sense of balance between future vision and everyday operational matters ("keeping nose to the grindstone and eyes to the hills").

Very Low Medium Very High

11. Demonstrates personal integrity (i.e., does not claim false overtime, take money, or cut corners for personal gain); instills sense of integrity in others.

Very Low Medium Very High

Very Low Medium Very High

5. Managers regularly set goals with staff and have a sense of priorities. goals are limited and realistic and mesh with organizational mission and priorities.

Very Low Medium Very High

6. Departmental/organizational objectives are clear and understood at many levels.

Very Low Medium Very High

7. People are held accountable for getting work done.

Very Low Medium Very High

8. Follow-through on task assignments is done consistently.

Very Low Medium Very High

9. There is good communication within and among all levels; information is shared openly.

Very Low Medium Very High

10. Managers set and use performance indicators (standards) to evaluate work performance. They are understood at appropriate levels.

Very Low Medium Very High

11. Management maintains a climate of teamwork and cooperation among the staff.

Very Low Medium Very High

12. Communication flows freely within and among departments at all levels.

Very Low Medium Very High

13. Managers at all levels use and are well informed of the administrative systems.

Very Low Medium Very High

Management/Administrative Systems

14. Administrative systems for the following functions have been developed and are regularly used [note: rate each system for effectiveness]:

a) budgeting

Very Low Medium Very High

b) commercial

Very Low Medium Very High

c) accounting

Very Low Medium Very High

d) procurement

Very Low Medium Very High

e) management information

Very Low Medium Very High

f) personnel

Very Low Medium Very High

g) maintenance management system

Very Low Medium Very High

h) stores, supplies and inventory control

COMMERCIAL ORIENTATION

DEFINITION

The commercial orientation of an institution is an indication of its attention to cost effectiveness and operating efficiency in the performance of its functions, guided and disciplined by a strategy to achieve financial self-sufficiency at an appropriate stage of growth. This orientation can be viewed at both operational and policy levels. Commercially oriented institutions structure and stage investments, expenditures, and revenues to achieve financial equilibrium annually.

Everyday activities are guided by quality standards and by constant attention to cost factors. The institution strives to establish a reputation as a financially well run business in the eyes of the financial and outside community in order to obtain the financial support for growth and maximize financial and operating autonomy.

[note: Commercial orientation may be more readily achievable by water institutions but it is also highly desirable for wastewater institutions, even if significant revenues are routinely derived through subsidies.]

INDICATORS OF HIGH PERFORMANCE

1. Maintains yearly balance between expenditures and revenues. Revenues may be partly drawn from subsidies which are phased out according to a planned schedule.

Very Low	Medium	Very High
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2. Requires economic and financial feasibility for projects and other institutional activities.

Very Low	Medium	Very High
----------	--------	-----------

3. Staff actions throughout the institution are guided by cost effectiveness as well as quality standards.

Very Low	Medium	Very High
----------	--------	-----------

4. Takes into account cost effectiveness when individuals and groups plan and organize work.

Very Low	Medium	Very High
----------	--------	-----------

5. Monitors expenditures against approved budgets.

Very Low	Medium	Very High
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CONSUMER ORIENTATION

DEFINITION

Consumer orientation is organizing and directing the services of the institution towards consumers. People who staff an effective institution in the sector see serving consumers as their primary function. All work, all programs, all innovations are directed towards greater efficiency, effectiveness and equity in service to the consumer. Staff at every level are aware of this consumer orientation, and see it as positively governing their important daily, operational decisions and actions.

Effective institutions in the sector have workable means wherein consumers can interact with them; these may include emergency outlets or "hotlines" when there are crises, clearly identified places where disputes about bills or service can be arbitrated, ways that interested consumers can make input into overall policy, and so on. Creative and cost effective ways are sought to inform and educate the public. Where consumerism is not present, appropriate, politically acceptable means are employed to attain an effective level of consumer protection in the institution.

INDICATORS OF HIGH PERFORMANCE

1. Staff at every level demonstrate they are oriented towards serving consumers; when observed, their decisions and actions are clearly driven by what is best for the consumer.

Very Low	Medium	Very High
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2. There are identifiable mechanisms for consumers to interact with key areas of the institution over important matters (e.g. emergency hotline, bill disputes, service problems).

Very Low	Medium	Very High
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3. There is clear evidence that the institution responds to complaints, emergencies and suggestions which consumers make.

Very Low	Medium	Very High
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4. There are identifiable, ongoing and effective measures to educate consumers about institutional services and requirements.

Very Low	Medium	Very High
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5. The institution makes efforts to invite and evoke an effective level of consumer participation (e.g. consumers bring concern/complaints to the institutions).

Very Low Medium Very High

6. There are concerted efforts made to project a positive image of the institution to consumers.

Very Low Medium Very High

7. The level of complaints from the public is relatively low.

Very Low Medium Very High

DEVELOPING AND MAINTAINING STAFF

DEFINITION

Developing and maintaining staff includes those activities directed toward recruiting staff, providing skills to do the jobs and grow professionally, and providing adequate job satisfaction and wages and benefits to maintain personnel.

Effective institutions develop and maintain personnel. Developing personnel includes both formal training programs and the informal training that occurs through on-the-job training, apprenticeships, and job rotation. In addition to a regular process of skill transfer, effective institutions maintain staff through providing sufficient incentives, compensation, employee benefits, and promotion opportunities so there is a minimum of unwanted turnover. Institutions that develop and maintain staff feel that people are their most important asset. There is a constant emphasis on learning.

INDICATORS OF HIGH PERFORMANCE

1. Mechanisms exist and are utilized to promote skill transfer.
 - a. Organized skill transfer training programs are designed and used to meet institutional goals.

Very Low	Medium	Very High
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 - b. An informal process exists which effectively transfers skills

Very Low	Medium	Very High
----------	--------	-----------
2. A clear process for determining skill needs exists and is the basis for designing training programs.

Very Low	Medium	Very High
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3. Managers are actively involved in skill transfer, regularly acting in a training capacity as a supervisor or through delivery of courses.

Very Low	Medium	Very High
----------	--------	-----------
4. Personnel express an interest in learning new ways of doing things.

Very Low	Medium	Very High
----------	--------	-----------
5. A system exists for developing competent managers and supervisors.

Very Low Medium Very High

3. Employees are able to articulate the history and legends of the organization in positive ways.

Very Low Medium Very High

4. Continuity in the organizational culture is maintained (even with staff turnover at high or low organizational levels).

Very Low Medium Very High

5. Staff place a value on maintaining the physical plant (offices, treatment plants, grounds) of the organization. Facilities look clean, well maintained and attractive.

Very Low Medium Very High

6. Power and status are defined as something the entire organization shares in varying degrees, especially the status associated with doing a good job.

Very Low Medium Very High

7. Sub-groups and alliances within the organization serve as a positive means of informal communication and serve to rally around to protect in the organization in positive ways during periods of crisis, or to support healthy change.

Very Low Medium Very High

TECHNICAL CAPABILITY

DEFINITION

Technical capability is the measure of the institution's competence in conducting the technical work required to carry out the responsibilities of the institution. Most of this technical work is performed directly by skilled, qualified employees but outside specialists whose work is supervised by the institution's staff may be used where appropriate.

INDICATORS OF HIGH PERFORMANCE

1. Consistently makes sound technical decisions and effectively serves management by conducting technical studies and planning as requested.

Very Low	Medium	Very High
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2. Ensures effective control of the quality of the end product and all other technical operations.

Very Low	Medium	Very High
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3. Successfully completes projects which meet their intended objectives in a timely and economic manner.

Very Low	Medium	Very High
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4. Ensures that technical tasks at all levels are completed properly.

Very Low	Medium	Very High
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5. Develops and maintains staff with adequate technical skills to perform needed services; promotes broader knowledge of aspects of technology other than individual's specific area of expertise.

Very Low	Medium	Very High
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6. Uses or adapts technology which is suitable for the specific needs of the institution, and avoids temptation to use more exciting--but not appropriate--technologies learned by staff who were trained in other settings.

Very Low	Medium	Very High
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7. Maintains levels of in-house technical skills adequate for its routine technical responsibilities and sub-contracts to outside specialists those

ORGANIZATIONAL CULTURE

DEFINITION

Organizational culture is the set of values and norms which inform and guide everyday actions. The culture forms a pattern of shared beliefs and assumptions which translate into behavior which can be observed.

An organizations culture is conveyed in a number of intended and unintended ways. Although often unstated, cultural beliefs, behaviors and assumptions serve as a powerful means for defining and justifying organizational operations. This will sometimes be expressed by introductory explanations given by staff with the message "this is what we are about here." It will be unintentionally expressed in the tone of the message (excited, bored, harassed, organized). It will also unintentionally be expressed in the way facilities look: are they clean, kept up or in a shambles.

Another factor in corporate culture is how the institution has dealt with change or crisis. When a major change has been introduced (new technology, organizational restructuring, a new billing system, new leadership or influential staff), people are often required to alter the way they operate. It is important to know how the organization has responded to these changes: no change, only the appearance of change, superficial change, short term change, distorted change, or a positive realignment of forces to support innovation.

An unhealthy corporate culture will be highly resistant to any change; forces will line up to protect narrow self interests (such as graft or petty bureaucratic authority) at the cost of overall organizational health.

The organization with a positive culture has a clear sense of mission and identity. This is often expressed by a majority of the employees in the form of "corporate myths" or messages about "who we are." In positive terms, this often takes the form of a sense of pride in belonging to the group and a sense of the history of the organization which is passed on from old to new.

In the analysis of this section, indicators of a strong and health corporate culture are: Many beliefs, assumptions are shared by people. The beliefs are consistent with behavior patterns. People believe that the organization does not give mixed or contradictory messages about working there. The self-concept of the organization is strong and positive. A strong culture is influential in developing and maintaining consistency in the way people operate.

INDICATORS OF HIGH PERFORMANCE

1. An observable team spirit exists among the staff.

Very Low

Medium

Very High

2. People express a sense of ownership and pride about working that is communicated by such statements as "this is a good place to work."

Very Low Medium Very High

3. Employees are able to articulate the history and legends of the organization in positive ways.

Very Low Medium Very High

4. Continuity in the organizational culture is maintained (even with staff turnover at high or low organizational levels).

Very Low Medium Very High

5. Staff place a value on maintaining the physical plant (offices, treatment plants, grounds) of the organization. Facilities look clean, well maintained and attractive.

Very Low Medium Very High

6. Power and status are defined as something the entire organization shares in varying degrees, especially the status associated with doing a good job.

Very Low Medium Very High

7. Sub-groups and alliances within the organization serve as a positive means of informal communication and serve to rally around to protect in the organization in positive ways during periods of crisis, or to support healthy change.

Very Low Medium Very High

INTERACTIONS WITH KEY EXTERNAL INSTITUTIONS

DEFINITION

The institution's capability to positively and strategically influence those institutions which affect its financial, political and legal survival is the essential characteristic of this category.

Many entities in the external environment affect the performance of a water/wastewater institution. These include the political (parent ministry and legislative bodies), financial (lending sources and budget/finance ministry), and regulatory entities (municipal government, state government, health ministry) which have influence over operations. A capable institution has the ability to effectively influence and adapt to these external entities to achieve their goals. This is accomplished by anticipating activities which might affect the institution and establishing strategies to deal with them.

INDICATORS OF HIGH PERFORMANCE

1. Top management stays well informed about external policy, financial, and regulatory issues and actions.

Very Low	Medium	Very High
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2. Management maintains direct contact with the key actors in all important external entities.

Very Low	Medium	Very High
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3. Specific strategies are formulated to influence policies, legislation and other activities to obtain necessary approvals and resources.

Very Low	Medium	Very High
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4. Programs are developed to influence the public in support of institutional goals.

Very Low	Medium	Very High
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5. Management creatively adapts to obstacles (e.g., supplements inadequate salaries with other kinds of incentives).

Very Low	Medium	Very High
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