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WORKING PAPER

MANAGEMENT DEVELOPMENT STRATEGY PAPER:
AID'S RESPONSE TO THE IMPLEMENTATION NEEDS OF 1980'S

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FOREWORD

It is clearly evident that AID is being called upon to give greater attention to how development efforts are managed. This trend should not be surprising. AID policy objectives, reflecting LDC priorities, continue to call for complex project responses which are both management intensive and concentrated within those LDC sectors which traditionally have demonstrated weak management performance.

Since 1978, DS/RAD core staff and cooperators have provided support services to missions, LDC and regional organizations to address problems of management performance. These services have included technical assistance to problem analysis, project design and implementation, evaluation, training, research, and information dissemination. During this period, central funding has averaged approximately \$1 million a year, supplemented by an increasing amount of mission funds.

Based upon comments of Regional Bureau and Mission staff, it is evident that much of the work carried out by DS/RAD core staff and cooperators has been highly responsive to Mission needs for short-term assistance in management development and training and that this work has made important contributions to the Agency's understanding about how to improve the effectiveness of LDC management performance. Since June 1980, DS/RAD staff specialists and consultants responded to 38 requests for field support in the area of management and organization, with missions assuming a proportionately larger share of the costs. It is expected that the number and types of service requests will continue to grow, particularly given the existence of 40 new project starts in FY 81 - 82 which have a major focus or principal element of management development and training.

This paper, prepared by DS/RAD with the assistance of several consultants who have directly participated in management field support over the last three years, represents part of a systematic process within DS/RAD to review AID's past experience in management development, extract the lessons of that experience, and formulate guidelines for AID's future role in the context of LDC requirements for external support and technical assistance. The paper represents the first comprehensive review of LDC management issues since the Hall Group assessment in 1975. Its major purpose is to provide guidelines and recommendations for a management development strategy which is both consistent with AID's policies and role, and responsive to management priorities within LDCs.

EXECUTIVE SUMMARY

Management Training and Development Strategy Statement

A review of the developmental progress achieved during the decade of the 1980's will conclusively demonstrate that the next ten years may be referred to as the Management Decade. The importance of improved management of scarce human and physical resources in the pursuit of developmental objectives is the inescapable conclusion implied by numerous AID project impact evaluations, donor organization sector assessments, management improvement initiatives undertaken by the World Bank, UNDP, ILO and FAO, feedback from AID project officers and host country project directors, and AID programming for FY 81 and FY 82. One of the fundamental challenges to those interested in supporting economic and social development in Third and Fourth world countries is overcoming the gap in managerial resources which now frustrates the aspirations of a large majority of development policy makers.

The attached paper has been developed by DS/RAD to provide some guidance to the Agency in addressing the critical issue of LDC management improvement. In some respects, the early 1980's represents the end of a phase in AID's support of LDC management improvement. By 1983, DS/RAD funded projects in the areas of the Training of Trainers in Management, the Organization and Administration of Integrated Rural Development, Project Management Effectiveness, and Health Management Assessment will have terminated. These projects have grappled with approaches and methods for improving the planning, implementation, and evaluation of developmental initiatives. DS/RAD believes that before planning any new initiatives, it is imperative to review the lessons learned from AID-funded management improvement efforts. The Strategy Statement attempts to broaden the framework in which the issues of management improvement are considered. The Strategy Statement builds on this framework and, given the trends in the developing world and an assessment of prior AID experience, makes recommendations regarding an approach to management improvement and the implications for the adoption of such an approach by AID.

The characteristics of the context in which AID and other development assistance agencies attempt to implement policy are well known to experienced field project officers. Implementation efforts are plagued by short falls, both quantitative and qualitative, in anticipated impact, the failure to sustain benefits after the termination of technical assistance, delays at all phases of the project cycle, slow disbursement rates due to limited absorptive capacity, and poor accountability of funds. In our attempts to address these factors in project design or project evaluation, there is a tendency to confuse these characteristics with causes of poor policy implementation. The analysis presented in the paper reveals that these characteristics are representative symptoms. The underlying causes associated with these symptoms can be described as contextual and managerial.

Policy implementation failures occur, on the one hand, because of the inherent characteristics of the rural development sector. Rural development projects are difficult to implement because, by definition almost, they attempt to change behavior, attitudes, and the value of cultural symbols of the population group least susceptible to change, changing people is more difficult than manipulating physical resources, beneficiary groups are often dispersed, economically disadvantaged, and weakly organized, the technology of social change is nonroutine and unpredictable, and the task structure requires unaccustomed coordination. In addition, the environment of rural development projects is characterized by resource scarcity, over-centralized administrative systems incapable of responding to diverse local needs, complexity in donor requirements, policy frameworks which do not always support the goals of development assistance, and extreme sensitivity to external economic conditions.

The second underlying cause for poor policy implementation can be described as a lack of adequate managerial resources which is both independent of the contextual factors and also interactive with those factors. For example, the implementation of an integrated rural development project requires that service coordinators at the lowest administrative level, frequently county or district agents, possess certain basic managerial skills for planning and implementing fairly simple workplans. Experience demonstrates that these basic managerial skills are normally not widely distributed among administrators at that level. On the other hand, the work of administrators at the lowest level is certainly conditioned by the nature of the task, by the support of higher echelons, and by external factors - world commodity prices or drought - over which he has no control.

Obviously, giving greater attention to management development will not address all of the causal factors underlying poor implementation. It will address directly, the paper contends, weak implementation which is a function of limited managerial resources. It will also have either a direct or indirect impact on some of the contextual factors which effect implementation. In order to clarify the nature of the interaction between management development and implementation, the paper attempts to broaden the definition of management development. First, management is defined as the instrumentality by which available resources are organized and coordinated to achieve the agreed upon development objectives. From this perspective, management includes not only the behavior of individuals in managerial positions, but also the configuration of those positions which permits goal oriented resources flows (this latter concept is usually referred to as structure). Another distinction in this definition is that it emphasizes organizational performance and the accomplishment of development results, rather than the maintenance and functioning of an administrative entity.

Given this perspective, management development is a much broader concept than is usually understood by the use of this term in AID. A review of the comments by more than 45 AID field officers and host country project managers revealed a distinct preference for various types of management development responses to the implementation failures being experienced. Since our definition of management includes specific knowledge and skills of the individuals and the structures and systems in which those skills are utilized, management development as a concept must include more than the notion of training. Training, in the absence of agreed upon goals, appropriate structure, well-designed systems, and linkages to important resource providers both hierarchically above and below the implementing organization, will be ineffective. Management development consists of inter-related sets of activities (process consultation, training, problem solving, systems change and action research) which upgrade the performance of generic management functions within an institution to the level required to achieve policy objectives.

An assessment of a wide range of management development initiatives, undertaken both by AID and other development assistance agencies, points toward an emerging model of combined management improvement techniques. In this paper, we have referred to this model as a "Performance Approach." A Performance Approach is characterized by:

- the use of process consultation to define in a collaborative mode the specific opportunities and obstacles to an organization's successful performance;
- a long-term and continuing focus on implementing organizations and organizational goals as the priority domain of assistance;
- acknowledgment that all purposive organizations must perform effectively certain critical organizing, mobilizing, adapting, functions including objective setting, role definition, and systems development;
- collaborative design of approaches which can seize opportunities or remove performance-related obstacles by external organization consultants, focal organizational decision-makers, and decision-makers in organizations interdependent with the focal organization;
- design of approaches which include adjustments in organization structure, creation or modification of organization systems (financial, logistics, scheduling, and information), establishment of an action research feedback system, and training directly related to the goal-oriented tasks of the organization;

- incorporation of cultural, sectoral, and technological factors into the design of all management improvement efforts;
- organization change efforts which cut vertically throughout the organization, including participation by decision makers at senior, middle and low levels;
- organization change efforts which focus on the actual work of the organization; training, when it occurs, is task-based, goal-oriented, and time-saving;
- inclusion in the change effort of inter-disciplinary specialist teams;
- commitment to the development of changed management roles within the focal organization.

The paper presents a brief description of success stories in which the application of a performance-type approach has led to concrete improvements in organization performance. Specifically, it points to AID and other donor sponsored efforts in Tanzania, Indonesia, Guyana, Philippines, Ghana, Egypt and Zambia as examples where the approach has been tried, and where the initial results are favorable.

While the paper strongly advocates a performance approach, it does not imply that a performance approach is the only means for addressing problems of management improvement. For example, it is expected that USAID's will continue to design into projects long-term, U.S.-based, participant training and short-term, multi-sectoral or multi-organizational in-country management training. Long-term development of management support institutions and of aggregate human resource bases are valid and vital needs in many countries. What the paper attempts to demonstrate is that, while there is a definite role for these type of interventions, the payoffs from them is limited unless they are implemented in tandem with an organization-based, performance approach.

What the paper suggests, then, is not a radical shift in what AID has supported in past management development initiatives. It does imply, however, that "doing business as usual" will not have a sufficient short-term impact on the ability of LDC governments to improve implementation of rural development programs. Rather than dispersing resources devoted to management improvement among a number of intervention techniques, many of which have been proven ineffective, the paper argues that AID must concentrate its management development resources to the extent possible on coherent approaches which promise short-term payoffs in improved implementation within the context of long-term institutional development initiatives. The paper also calls for the Agency to change the levels and mix of resources allocated to management performance as one element in projects and country programs.

A more aggressive role in promoting LDC management improvement would be based on:

- more systematic consideration of management development issues in the preparation of CDSS's, project development documents (PID's and PP's), and sector assessments;
- consideration of management development issues in the planning of any professional development activities for AID direct-hire staff;
- increased efforts to link regional and national management educational institutions to project-related, management improvement efforts;
- increased efforts to consolidate lessons learned and to evaluate on-going experiences in LDC management improvement;
- the establishment of networks for the exchange of innovative experiences in the field of management development, of management development materials and techniques, and results of applied research;
- encouragement of U.S. institutions to develop their own resources for supporting performance-based, management improvement approaches;
- increased efforts to disseminate "the state of the art" in LDC management improvement; currently, we have learned far more in this area than we have been able to put into practice;
- restructuring of incentives within the Agency to reward successful implementation and the development of effective, performance-oriented organizations.
- support for missions which wish to develop more effective, performance-oriented organizations.

The changes recommended are ones of degree, scope, and substance. The Agency should continue supporting management development initiatives which have proven effective, it must progressively narrow the range of interventions to those which are most directly related to organization-based performance and to the creation of institutional capability, and it must seriously consider the changes in its own structure and process which could facilitate the development of effective LDC managerial behavior.

While this paper has deliberately avoided any recommendations regarding sharp increases in the level of resources required to adopt a more aggressive approach, it does imply that the Agency make important decisions

regarding the levels and directions of resources allocated to achieving significant improvements in LDC management performance. In some cases, AID is overspending in this area, relative to the benefits achieved by many previous management development efforts. On the other hand, the burgeoning demand for field support in this area suggests that the declining level of central resources is inadequate to respond to a performance-based approach to management improvement.

In the past twelve months, DS/RAD organization and management specialists responded to thirty-eight different requests for field services, much of which was paid for by mission money. An even greater volume of field support tasks were handled by Regional Bureau human resources and other staff. Resource decisions will be based, in part, on the extent to which a consensus is built within the Agency regarding approaches to the managerial resources gap. Joint-venturing and mission add-ons, resource mobilization strategies already in use, and other creative financing techniques will be required, given the lean budgets for Missions and AID/W alike.

A recent workshop sponsored by DS/RAD on the evolving technologies of project management demonstrated that AID has been closely associated with the evolving state of the art in management improvement during the past ten years. The Agency has programmed over fifty new project starts for FY 81 and 82 in which some type of management improvement is either a major focus or an important component. Yet, the Agency desperately lacks professional specialists who can promote the best use of these resources.

In the last few years, the World Bank, the ILO and the United Nations -- in addition to AID -- have all come to the realization that major improvements in management will be required during the decade of the 1980's. However, among the several donors, AID is in the most favorable position to catalyze improvements in the implementation of LDC policies. Due to its past efforts, AID has de facto intellectual and programmatic leadership in the management improvement technology area. In addition the Agency has begun to develop and link together the institutional resources -- both public and private, domestically and internationally -- which can respond in a cost-effective manner to the management resources gap. Failure to act aggressively at this juncture will contribute to the dissipation of available response capability, and will inevitably consign the Agency to supporting institutional frameworks increasingly incapable of transforming resources into agreed upon developmental objectives.

MANAGEMENT DEVELOPMENT STRATEGY PAPER

I. INTRODUCTION

For the past several years there has been an increasing recognition by the development assistance community that relatively low levels of managerial resources in developing country institutions and donor agencies is one of the single most important constraints to improving the economic, social and political conditions of poor populations. As early as 1975, an AID working group on "Management Improvement and Development Administration" - the Hall Task Force - pointed out that the New Directions mandate for equitable growth and popular participation would require innovative long-term management development and institution building efforts.

In the midst of mounting project implementation concerns including severe time delays, major cost overruns, poor or maldistributed development impact, and insufficient accountability, the new AID Administrator has reaffirmed the need for increased attention to institutional development issues. In the FY 1983 Program and Budget Guidance to AID Missions, Mr. McPherson states:

AID should continue and deepen its commitment to institutional development and technology transfer and adaptation. I would like to see our program in this area increased. Where we do provide financing for the transfer of goods and services, such programs should be supportive of institutional development or putting into place of policies or programs which will significantly increase a country's human and physical productive capacity. In supporting institutional development, we need to be prepared to stay on the course for as long as the process is likely to take--often a decade or more. I define institutional development broadly to encompass not only specific development organizations such as educational and research centers and specialized service agencies but also the program system--the interlinkage of established policies, projects and organizations I also feel that the development of human resources - training - is an important vehicle for accomplishing technology transfer and institutional development. (State 102132, April 1981).

As the development assistance community enters the critical decade of the 1980's, formulating an appropriate strategy for improving the performance of development institutions presents a major challenge. Experience to date has met with mixed results. Even with substantial management improvement support, institutions which could not effectively deliver development services to single sectors have not been reformed, with few exceptions, to provide coordinated services to several interdependent sectors. Likewise, attempts to develop large public administration and training institutes have not proven very effective in producing skilled officials capable of managing competently their countries' development enterprise. Finally major attempts to upgrade managerial skills through both long-and short-term participant training programs have disappointed many of even their most ardent supporters.

On the more positive side, it would be inaccurate to say that donor organizations, particularly AID, have only just now begun to mobilize in response to this critical management resource challenge. Over the past decade considerable attention has been directed to assessing the strengths and weaknesses of conventional management improvement approaches, and to experimenting with more cost-effective ways of supporting LDC management development and training efforts. For example in 1976, AID's Office of Rural Development and Development Administration (DS/RAD) approved a four-year project in Management Effectiveness to address the needs of LDC project planners and implementors. Last year, this project was renewed through FY 83 and its core capability for responding to field requests was expanded. Other recent AID field support and knowledge generation/dissemination efforts include the Training of Trainers in Management project, the Organizational and Administration of Integrated Rural Development Project, and support for regional management development institutes such as the Pan African Institute for Development, CAFRAD, IICA, the Asian Institute of Management, and the East African Management Institute. The results of these recent AID-supported efforts, combined with the experiences of other donors and several LDC management improvement institutions, are encouraging. Recent management improvement interventions in Indonesia, Tanzania, the Philippines, Jamaica, Guyana, and Egypt, to name a few, suggest that a new approach is emerging that is more cost-effective and feasible than conventional approaches.

Overall, based on our working group's assessment of current management resource needs and assistance community experience, the conventional management development approaches that AID and others have primarily relied on appear to be both insufficient and not fully effective for substantially improving the performance of development institutions. On the one hand, the rising level of demand has overwhelmed the limited host country and donor capacities for producing competent managers. On the other hand, many of these capacities are ineffective in their attempts to improve performance in ways appropriate to LDC environments.

On review of a wide range of AID and donor organization documents, one does not find any comprehensive strategy which coherently describes the goals of management development and training, priority areas for attention, and preferred assistance instruments, given AID's broader development agenda. It appears that AID has to date adopted an incremental, largely reactive, and ad hoc response to the management development needs of LDC administrative environments. It is undeniable that within AID there has been an inadequate attempt to coordinate the efforts of the various mechanisms for promoting management improvement.

If it is true that current and projected Agency efforts to deal with management development needs are inadequate, then the Agency should give serious consideration to initiatives which direct its limited resources into areas with more promising payoffs. This paper takes an initial step in that direction by recommending a significant, but not radical, shift in AID's management development and training strategy. The new strategy, referred to in this paper as a "Performance Approach to Management Development," is sensitive to the management needs of the coming decade, and is grounded in the lessons of previous experience. In its most fundamental form, the performance approach emphasizes that the purpose of a management improvement effort is more than the improvement of management. Rather, every management improvement effort should be judged in terms of whether what is done represents a performance improvement, e.g., an improvement which substantially improves the likelihood that joint AID/LDC development policy objectives will be achieved. In actual practice this translates into assistance efforts which give priority to management improvement efforts that:

- o measure success by impact on results;
- o occur in the actual (or close proximity) to the operational setting of development institutions;
- o take place over the long-term;
- o benefit from early and continuous commitment and involvement of key program and support staff;
- o rely on a generic body of management principles, concepts, and tools -- a management technology -- for overall direction recognizing that major adaptations will be required both in each new setting as changes occur in settings over time;
- o are planned and implemented in the context of a comprehensive approach to management development in the sector targeted for improvement;
- o include consideration of socio-cultural and technology factors which impact on the work environment.

The paper begins with an assessment of the implications of current trends and conditions in LDC environments for the practice of management. The symptoms of development shortfalls are analyzed to determine the most appropriate leverage for a management improvement strategy. Next overview of AID's substantial involvement in management development points out the lessons of experience for a more concerted approach to management improvement problems. The paper then defines what is termed the "Performance Approach to Management Development" and defends its selection as the preferred, though not the only approach for AID intervention strategies. Finally, the paper concludes by pointing out the implications of the performance approach for AID management development assistance.

II. A MANAGEMENT PERSPECTIVE ON DEVELOPMENT

In the decade ahead, many countries will be confronted with the necessity of executing development policies under the severe constraints of rapidly expanding populations and increasingly scarce resources. Pressure for additional development services will likely be created by widespread food shortages and social unrest. Concurrently, renewed emphasis on bilateral funding will place additional demands for coordination on development institutions and personnel.

Trends likely to impact on the development process include:

- Further increases in energy prices and the drain of LDC foreign reserves;
- A food-population-natural resource imbalance which has already caused famine in several countries -- aggravated by drought and a depletion of global food stocks, now down to a seven week supply;
- Acceleration of the "time clock" of development so that trends occur more rapidly and with more extensive impact than ever before. Examples include population growth, energy use, and international trade;
- Increasingly complex international economic circumstances characterized by fluctuating commodity prices, interdependencies, recessions, trade deficits, debt service costs, trade protectionism, and complex commodity and trading arrangements;
- Increased political and ideological pressures with particular emphasis on the actual and rhetorical commitment to socialism in the hope it may bring more equitable and just distributions of scarce benefits and resources, but which may exacerbate government capacity to deliver goods and foods; and
- Increased demands on government to be responsible for meeting the demands of a growing population with rising expectations.

The ability of most LDC's to implement effectively development policies under these conditions is seriously in doubt. The administrative systems of many LDC institutions which encompass a wide variety of public, semi-public, and private sector organizations, are already overloaded. Even now, increasingly visible problems related to the impact, implementation and accountability of development efforts signal the ineffective and non-productive use of limited resources. These problems are highlighted in LDC government official planning documents, U.S. Government audit and impact assessment reports, professional publications, various development management surveys and reviews. The following section briefly describes and illustrates the most salient concerns.

A. MAJOR DEVELOPMENT POLICY EXECUTION PROBLEMS

In general, the execution of development programs tends to be deficient along the following dimensions.

1. Quantitative and Qualitative Shortfalls in Development Impact

In development programs such as rural development, family planning, health nutrition, education and agricultural development, it is not uncommon for the actual benefits to fall short of the targeted objectives. This is often referred to as the policy implementation gap -- the gap between plans and results. A study on integrated rural development by Development Alternatives, Inc. reviewed a number of projects and noted that beneficiary responses are often less than intended for a number of reasons, including the project's failure to consider the farmer's perception of his own risk and the excessive technical or administrative complexity associated with integrated projects. (Honadle, et. al., 1980).

2. Non-Continuation of Development Benefits

There is an increasing concern over the sustainability of development benefits, once produced via the project mode. A recent review of AID's experience in this area indicates that benefit continuation issues are inadequately addressed in designing and implementing programs (Ingle and Rondinalli, 1981). In addition, development programs frequently make over optimistic assumptions about the scaling of recurrent resource flows in relation to host country capacity.

3. Implementation Delays

GAO Reports to Congress note the recurrent problem of delays in project implementation. Examples include commodity procurement as part of an agricultural sector loan that was delayed for a number of reasons forcing construction postponements and disbursement extensions for two years (GAO, 1980). A local water development project in the Philippines was delayed for two years because of unrealistic scheduling, supplier delays, and slow customs clearances.

4. Slow Disbursement Rates Due to Low Absorptive Capacity

Even though AID and other donors may provide the full amount of funds called for in loans and grants, it often occurs that various difficulties will cause drawdown delays. In one country, the loan disbursement rate was 68% in 1979 as a result of administrative obstacles within the government. When countries cannot effectively use donor assistance (both financial and technical), this is referred to as "low absorptive capacity." It is another way of referring to a complex of conditions such as lack of ability to plan, implement and control development activities and resources. An internal AID audit report (No-0-625-81-52 of March 10, 1981) notes that from 1974 to 1978 the countries of the Sahel experienced a \$1.2 billion gap between commitments and actual expenditures. This pipeline of unexpended funds is accelerating partially because countries cannot effectively manage development efforts.

5. Accountability for Funds

Another AID internal audit (#81-35, January 29, 1981), reviewing 13 grant projects in the Sahel, revealed that faulty financial management of

AID-provided local currencies resulted in potential serious waste and misuse of funds. Lack of accounting and reporting made it impossible to know whether money was actually spent and whether it went for the designated project uses.

In the coming years, as LDC resources get tighter and as social, political and economic crises mount, the prognosis is that the above problems will become more widespread and affect many more countries -- unless remedial measures can be taken which serve to counter key causal conditions and factors.

In order to place the above into perspective, it is instructive to note the cumulative impact of LDC policy execution problems on food systems. The senior agricultural officers of AID have presented a "Strategy for Focusing AID's Anti-Hunger Efforts" in which they conclude that the major constraint to LDC production of more food is the deficient capacity to implement development programs. The strategy proposed for food, rural development and nutrition programs of AID -- which together comprise about 68% of AID's resource flow -- is to assist selected LDC's in establishing action-oriented, self-sustaining institutions as building blocks for national self-reliance in agriculture.

The problems described in this section are not new to experienced development assistance professionals, although their accelerating and cumulative impact may not be as widely perceived. The more important issue, however, is a critical analysis of the causal factors and selection of those factors whose potential payoff from AID interventions is highest.

B. PROBLEM ANALYSIS

The preceding discussion focused on several policy execution problems that seriously threaten the ability of LDC's to sustain the development process in the coming decade. This section analyzes the major causes of these problems and identifies causes which are suitable for potential resolution by the donor assistance community, particularly AID.

1. Major Problem Causes

Based upon a review of AID's development experience, including recent programs that are concentrated in the rural sector and attempt to both involve and benefit the poor, a pattern of causal factors becomes evident. The fundamental causes can be grouped into three categories: the complex nature of development programs; the harsh context of program implementation; and poor program management.

a. Causal Factor No. 1: The Complex Nature of Poverty Oriented Development Programs

Comparative experience of major development assistance donors indicates that certain types of projects are more difficult to implement successfully due to their inherent complexity and uncertainty. The World Bank indicates that capital intensive and revenue-earning projects such as utilities, telecommunications, agro-industrial enterprises, and highway construction can be carried out with relatively less management problems. Greater difficulty

is apparent where social services are being delivered or where soft technologies are used -- as in small farm production, family planning, health services, rural development, and education programs (World Bank, 1980). It is precisely in the latter category that AID has concentrated its assistance priorities.

Some specific characteristics of these types of assistance activities that make them difficult to implement include:

- Activities aimed at socio-economic development of the poor involve changes in behavior of large masses -- including changes in interactional and exchange patterns, eating habits, personal sanitation, techniques of agriculture, power relationships, etc. The process is slow, unpredictable and complex.
- Geographically dispersed populations are fragmented socially, culturally, politically, economically, and linguistically. This configuration increases cost, time and flexibility required for decentralization as compared with standardized, top-down program delivery systems.
- The project beneficiaries are in the most economically deprived areas -- and sometimes isolated. The needs overwhelm the resources available and the political and economic relationships tend to reinforce the status quo.
- The technologies involved are usually of a non-routine nature and are not easily controlled for quality or quantity -- whether it be health services, family planning, or agricultural extension.
- The assistance activities are typically administratively-intensive. Thus, numerous different organizational units are required to provide services.
- Because of the immense variety of local circumstance and needs, the services must be tailored to local conditions. Hence, this requires flexibility and decentralization rather than standardized, top-down program delivery systems.

b. Causal Factor No. 2: The Harsh Context of Program Implementation

The problems evident in development policy implementation must also be understood within the larger physical, governmental, political, economic, and social-cultural context in which they occur. In most LDC's, the context is beset with numerous constraints which affect potential development results and exacerbate implementation and accountability problems. Some salient features of the context in which development programs are implemented are discussed below.

1) Resource Scarcity

Scarcity profoundly conditions the development policy execution process. The majority of countries where AID is working confront scarcity of physical

infrastructure, experienced and competent staff, adequate facilities, transportation, equipment, operational budgets, and time.

These characteristics produce several effects. First LDC's have a low absorptive capacity for technical and financial assistance, especially in high priority sectors. Second, development managers frequently do not have adequate staff and time to deal with minor concerns before they become major issues -- to operate other than in a crisis mode. Finally, the existence of scarcity makes it easy to enrich a project delivery system to the point where the host country cannot sustain the system with its own resource base after assistance terminates.

2) Government Development Systems

Most LDC development programs are administered by central government units, often in collaboration with other semi-public, non-governmental, and private enterprises. Hence, a significant number of problems arise from the way in which governments operate. Typical characteristics of government operations include:

- Traditional government structures were created to perform maintenance and regulatory functions, but are now being asked to undertake a broad range of development initiatives and to manage comprehensive development programs. The LDC governments (hampered by rigid legislation, inertia, and uncertainty) are finding it difficult, slow, and frustrating to change their modes of operation.
- The urgency for action and the frustration with bureaucratic constraints often results in the creation of new agencies, new public enterprises and new project organizations created precisely to escape the rigidities of the existing public administrations. These new entities, in turn, create problems of duplication, coordination, control and competition for scarce managerial talent and resources.
- Top-down ministry programs are organized as vertical tubes for delivery of services. This leads to problems of overcentralization, lack of local flexibility, and problems of coordination among complementary activities (e.g., health, roads, education, agricultural production, income growth, etc.). Hence, each agency is a potential constraint to an area's development.
- Central government agencies are weakest at their peripheries, precisely where the service delivery needs to be responsive to beneficiary needs. Incapacities of management, resources and decentralization create a chronic inadequacy in the rural areas.
- There is a gap between beneficiary perception of needs and risks and the perceptions of government agencies and donors. The result is often ineffective projects, minimum benefit to the poor, or projects that do not continue after the donor's help ceases.

- Central government's own internal rewards and incentives are not usually aligned to secure qualified and motivated personnel. Moreover, the internal administrative systems of support usually are not adequate or designed to backstop far-flung dispersed operations.
- In addition, regardless of the level at which a program is managed -- local, district, regional or central -- problems surface when other echelons do not perform as they are supposed to. For example, despite million of dollars spent to develop outreach health workers and health outposts, their operating viability depends upon the capacity of higher echelons to authorize posts, get the funds, pay salaries, provide transport, supply medicines, coordinate support from hospitals, supply the necessary supervision and secure cooperation of political leaders and other government organizations. In some LDCs this degree of coordination has required almost ten years to accomplish.

3) Role of Donor Agencies

Donor agencies add to the complexity of policy execution in LDC's through their own policies, procedures, and paperwork. As donor agencies seek assurance that the particular LDC projects that they support are moved effectively, they encourage the profusion and fragmentation of organizational entities and activities and increase managerial demands in such areas as project design, procurement, financial control, reporting, personnel, accountability, organizational coordination, etc. These requirements have grown with the evolution of development strategies toward the basic needs approach. These policies greatly increase resource demands at all levels. Moreover, while acknowledging that development is largely uncertain and unpredictable, and that results must be achieved within more participatory, decentralized, and complex political, social and economic situations, donors urge that projects be blueprinted in advance and carefully scheduled and controlled. This posture contributes to unrealistic scheduling and costing, and eventually to some of the problems which LDC's have in executing development policies.

4) Political Systems

Political systems that attempt to guide and control development vary greatly in their dedication to developmental goals, in their interest and knowledge about public management, in their stability, and in their concern over the effectiveness and efficiency of governmental policies. Requirements for political visibility can place unrealistic demands for short-term results on development personnel. Where the spoils systems prevails, it can disrupt ongoing activities and undercut attempts to build a cadre of qualified personnel. Political factions can affect public organizations and the relationships between the legislative and executive functions of LDC governments. Where government executives lack political will or sufficient political power to overcome the resistance of minority elites, or where they show disinterest and lack of executive ability, poor development performance results.

5) Economic System and Policies

The interplay of LDC economic systems with management is intricate. First, LDC economies are usually fragile, depending mostly on a few export commodities for most of their foreign exchange. Disruptions in foreign trade, and primary resource and commodity prices (oil, coffee, tin, fruits, etc.) can produce detrimental effects on revenues and program implementation. Secondly, economic policies that emphasize government versus private sector primacy in development programs tend to overwhelm the capacity of public administration systems. Also, a tendency to give lower priority to the rural poor and social services manifests itself in lower quality management of programs, such as, health service delivery, rural education, and small farmer credit.

6) Social and Cultural Context

The social and cultural context has a profound effect on development -- both the general culture of the society and the particular administrative culture of the institution responsible for program management. The culture refers to the patterns of beliefs, values, attitudes, customs and behavior characteristics of the persons in a social setting. Where patterns of trust and cooperation are based on highly individualistic social, religious, ideological beliefs, then it may be difficult for administrative behavior to follow the cooperative patterns that are so much an integral part of complex development efforts (Waldstein, 1981). Some implementation problems have their roots in the culture -- and these may be the factors most intransigent to change.

c. Causal Factor No. 3: Poor Management

In the donor assistance community, the issue of poor management is frequently conceptualized in very narrow and discrete terms. Management deficiencies are commonly referred to as problems of training, or inadequate procedures, or insufficient staff. For example in a recent DS/RAD-sponsored Management Improvement Survey, a large number of LDC project managers and AID project officers attribute at least a portion of implementation problems to the lack of adequate management capability on the part of the project staff. Responses to the problem are then defined as training activities which can provide to individuals the managerial skills necessary to overcome implementation problems.

A review of the past five years of designing projects and providing implementation technical assistance, however, indicates conclusively that the "Human Resources" conception of management development is overly simplistic. Part of the confusion derives from the definitions which one typically ascribes to various dimensions of the management process. In order to reduce some of this confusion, this section proposes some definitions which may clarify the complex nature of management development. These definitions are helpful in establishing a more realistic conceptual framework for analyzing development problems caused by poor management in LDC contexts and in proposing responses to deal with this weakness.

1) Definitions of Management and Management Development

The first definition deals with the central concept of management. Management is often visualized as what managers do, as an end in itself. Classically, managers are assumed to be principally concerned with scheduling, controlling, coordinating, planning, supervising, and budgeting. If individuals in managerial positions are involved in these activities, we think that management is occurring. In the context of this paper, however, management is defined as the instrumentality by which available resources are organized, directed, and coordinated to achieve the agreed upon development objectives. In this definition, management can only be conceived of in terms of the policy objectives, both stated and unstated, and actual performance contributing to the achievement of desired development results.

From this perspective, then, management includes not only the behavior of the individuals in managerial positions, but also the relationship of those positions to each other and to decision makers external to the program (otherwise known as structure) and the system of information flows which link those positions. Management failures occur, then, when individuals fail to perform their roles effectively or when the program structures do not adequately coordinate the actions of internal and external decision makers in a timely fashion.

Management, as defined here, is distinguished from administration in its emphasis on organizational performance and the accomplishment of development results. Public administration has traditionally emphasized the organization and reform of structures, administrative systems and personnel resources -- that is the development of organizational "stock" or capacity. Although management performance requires that a certain level of capacity exists, the primary focus of management is on objectives (Note: It must be recognized that the term management also has special meanings in various sectors. For example, in agriculture the term "management" often means farm management or management of agri-business rather than public program management.)

The working group prefers the term management over administration because of its orientation toward effective and efficient performance. Notably, there is a similar movement away from the term administration and toward the term management in many U.S. and LDC educational institutions. In the last ten years, many of these institutions have moved toward programs in "Policy Analysis and Public Management" (Klitgaard, 1981). The orientation of these programs is in line with our concept of management: looking at management as a combination of substantive tools and human process; concern for starting with performance problems rather than methods; concern for ethics and practical essentials of governments. Some notable examples of this trend in LDC institutions include the Asian Institute of Management and the Institute of Rural Management in India.

Viewed within the context of development policy implementation, the principal role of management is to translate development policies into operational programs/projects and to guide these development efforts in such a way that policy objectives are successfully achieved. In this process, several interrelated and continuous management functions are performed: objectives are

clarified and agreed upon; organizational roles and relationships are defined and commitments are made within existing or newly established structures; support systems are put into effect; and resources mobilized, guided and adapted. These functions are performed by managers at central as well as local levels, within and across differing forms of public and private institutions, and using a variety of enabling methods and approaches.

Given this view of management, management development refers to an interrelated sets of actions (potentially including process consultation, training, problem-solving, and applied research) which seek to upgrade the performance of generic management functions within an institution to the level required to achieve development policy objectives.

This approach to management development recognizes:

- That management functions are interrelated, and therefore management development efforts cannot be easily separated to focus only on individual managers or pursued as one-dimensional activities such as training;
- That formal structures are important, but not as critical as how managers within these structures define and carry out roles and responsibilities to achieve agreed upon program objectives;
- That some important factors will always remain outside the control of managers - and therefore beyond the impact of management development efforts - but that the range of control will expand as managers improve their performance in a setting by agreeing on objectives, defining organizational roles and relationships, establishing cost-effective support systems, and operating guidance and adaptive mechanisms.

Management development efforts need to be defined, therefore, within the context of a systematic consideration of policy objectives, program priorities, organizational roles and relationships, adaptive mechanisms and specific skill requirements needed to perform all of these interrelated tasks.

2) Generic Functions of Development Management

This perspective suggests that there are several basic or generic functions performed by effective managers across cultures, sectors, and institutions. (Abramson and Halset, 1979; DPMC, 1981; Ingle; 1981; Murphy, D., 1974;). It is important, therefore, to comment on these basic functions.

a) Clear and Agreed Upon Objectives

An important feature of development policy implementation is that it usually depends on the integrated efforts of many different institutions and individuals. Experience in public and private sector organizations has shown that clear and shared objectives are advantageous for several reasons. First, with clear objectives, individuals and groups can assume responsibility for organizing appropriate structure and systems. Second, clear program objectives make the pursuit of individual objectives more difficult. Finally, a collaborative process of setting and periodically revising objectives can

serve to build commitment and establish the basis for aligning incentive systems with high priority program accomplishments.

b) Structural Roles & Responsibilities

Although the notion of organizational structure is well known to most program and project personnel, most of the attention given to it is rather static in nature. In other words, the structure is quickly sketched out in terms of the principal functions of the organization (technical, administrative, logistical and procurement, research) and then laid aside without an adequate consideration of the impact of that structure on organizational performance. In the framework presented here, structure is the distribution of authority and responsibility to positions within a program which permits the coordination of key resources, both material and nonmaterial, between those positions and between the program and important external constituencies. Ideally, structure includes both a consideration of formal aspects of structure as well as informal ones.

In more concrete terms, the structure of a development program or project must provide the opportunity for two interdependent units, for example agricultural extension and applied research, to jointly plan and evaluate their activities. If the interdependent functions are both within and external to the project, then the structure must include some kind of integrating position which bridges the program boundary. The failure of structure to provide for an adequate amount of coordination of organizational resources will inevitably lead to a less than desirable use of resources. It will also lead to a demand, inappropriately labeled, to improve the management of the program.

In dealing with structure, it is important to consider the coordination of both the material and nonmaterial resources. Material resources include obvious things like money, people, material. Nonmaterial resources, which are often neglected in project design, include legitimacy, motivation and commitment, public esteem, operating flexibility, and noninterference. The structure of a program should provide positions with the responsibility of mobilizing and coordinating these latter resources, which can be as salient as material resources in accomplishing objectives. The establishment of advisory committees which include the participation of key resource providers both hierarchically superordinate and subordinate to the project, are structural mechanisms for dealing with nonmaterial resources.

Finally some consideration must be given, where possible, to the existence of informal aspects of structure. No matter how well thought out the formal structure is, it will never be completely responsive to the unpredictable forces in its environment. One of the few universal principles of organizational sociology is that formal structure inevitably leads to the elaboration of informal structure. Informal structure evolves to meet whatever social, functional, or operating needs are not being met by the formal structure. Informal structure can either contribute to or hinder the results oriented performance of an organization. Because informal structure is a secondary result of formal structure, it is almost exclusively the province of the project implementation staff. On the other hand, a project organization team can design in responsive features of the project for dealing with the impact of informal structure as it evolves during implementation.

c) Program Support Systems

Systems are the prescribed set of activities by which the organization mobilizes resources, schedules activities, and makes use of either resources or information within the organization. Concretely, organizational systems may include, inter alia, ordering and purchasing systems, personnel systems, financial systems, decision-making systems, and information systems.

By and large, the concept of systems is well understood by AID project officers. What is sometimes neglected, however, is an adequate consideration of the extent to which the project has the capability for maintaining systems even when they are designed into the project.

d) Guidance and Adaptive Mechanisms

An important subset of support systems are those guidance and adaptive mechanisms which permit a development program to learn based on experience and be modified when important changes occur. In terms of LDC management experience, one of the biggest difficulties has been with the design of systems for collecting and using program progress-tracking and evaluation data. This type of data is critical if managers are to make decisions as a function of what the program is actually accomplishing at the cost of what resources.

e) Management skills

While it is easy to say that program or project staff need management skills training, few are able to articulate with much precision which skills are necessary. There is probably even less real understanding of the relationship between those skills, if they could be identified, and the performance of the management functions for which skill development is targeted. The major point here is that "management skills training" is used to cover a wide range of expectations which are usually poorly analyzed and for which most of the skills training would be inappropriate in terms of improving organization performance.

3) The Management Development Domain

Our framework for understanding the phenomena of "poor" management should now be clearer. Individuals, in this case development managers, fail to perform as one expects for reasons which are frequently outside of their control. In this analysis, we are excluding, of course, contextual factors such as environmental forces (drought), the impact of the world economy, the absence of a minimal degree of technological experience, and political options which constrain the behavior of even the most effectively managed project.

What is conceivably in the control of development managers -- those who have responsibility for formulating policy execution strategies, designing programs/projects, implementing programs/projects, and assuring that benefits are continued -- are the functions of setting and gaining agreement on objectives, designing formal and informal structures, establishing cost-effective support systems, and operating adaptive mechanisms such as

monitoring and evaluation. This of course, includes developing and maintaining the individual group competencies as skills for carrying out these functions.

Thus, a management development strategy should flow from a wholistic or systematic consideration of objectives, structures, systems, adaptive mechanisms, and competencies or skills, even if the strategy does opt disproportionately for one of these aspects (for example, long-term, US-based participant training). Strategies which do focus on one of these key aspects must do so with the knowledge that, as in any social system, management functions and skills are interdependent. Tinkering with one will inevitably produce an effect on the others and on some aspect of performance. Consequences of tinkering may both be intended and positive as well as unintended and negative.

In the next section of the paper, we will pursue the causal analysis to determine the areas of significant leverage for AID intervention. Hopefully, the conceptual framework presented in this section will make the discussion of these issues more understandable, and will point the direction toward a revised Agency strategy.

2. Potential for Problem Resolution by AID

Of the three major problem causes -- the complex nature of development programs, the harsh context of program implementation, and poor development program management -- it appears that AID is in a most favorable position to influence the latter two. In regard to the first cause, the complex nature of poverty programs, AID is largely constrained by legislation to work with the kinds of programs in question. Other development assistance agencies might be less constrained than AID in this area.

a. Addressing Contextual Factors of Program Implementation

There are several ways by which the assistance community can influence the constraints imposed by the context in which development programs are designed and implemented. Areas where resolution is possible include: influencing major alternatives or reforms in the LDC public service delivery systems; influencing key political and economic policies; and making internal changes in the donor community's own management system. These are briefly discussed below.

1) Institutional Reform

The difficulties of converting traditional government organizations and programs into effective programs for the poor is perhaps well illustrated in the experience with low-cost health delivery services. When public health ministries change from clinic-based, passive delivery to a large-scale outreach system, using auxiliary workers, converting nurses to team leaders, doctors to executives, hospitals linked to a system of referrals and a greater degree of decentralized operation, it creates a massive demand for basic system redesign - not simply a management improvement effort. The medical technology has to be simplified and management becomes the crucial component to make the system work. AID has invested millions of dollars in such a

strategy. There has been some progress, but AID-sponsored experience, particularly in Latin America, indicates that it takes about 10 years to establish the management infrastructure for public health ministries to operate primary health care systems.

A newer version of reform in governmental delivery systems is illustrated in the "Bureaucratic Re-Orientation" of the Philippine National Irrigation Authority in which the agency is shifting from building irrigation systems to helping farmers build and operate their own irrigation systems. This process requires extensive change in the internal procedures, personnel system, budget cycles, rewards and human relationships with client farmers. The process may take about six years, but it seems most critical in shifting from government programs that establish dependencies to programs that foster self-reliance. This is an experimental approach but very promising.

2) Policy Reform

The second set of variables where change is possible is the LDC policy context within which development takes place. The new AID Administrator has already announced that policy commitments by collaborating governments are a concomitant of U.S. assistance: "I believe strongly that the success or failure of the development process in a given country depends primarily on the policy framework and determination of the country itself." (STATE Cable 102132). The new guidance emphasizes institutional development, increased economic growth with equity, greater use of the private sector for development, and continued emphasis on overcoming hunger and malnutrition through agriculture, rural development, nutrition, and population programs. Thus, concerted efforts at stimulating policy changes are underway.

3) Donor Procedural Reform

The third set of factors concern the internal procedures whereby AID manages its foreign assistance programs. Data collected in the Management Improvement Survey indicates that both AID project officers and host country project managers feel that donor procedures are part of the implementation problem. These issues are discussed in greater detail elsewhere. (See Section IV, D, 3.)

b. Addressing Management Development Factors

The potential for making management improvements is more encouraging in several very important respects, especially for AID.

1) Management-A Critical Constraint

First, there is a rather recent and widespread convergence among development practitioners, assistance agency personnel, and academicians that management is a major, if not the major constraint, to development performance. In our survey of development personnel, in meetings with mission staff, and in official and professional publications, inadequate management is increasingly recognized as a major roadblock to improve productivity and performance. Harvey Leibenstein, in his book Beyond Economic Man (1975) argues, for example, that management improvements in developing country public and private enterprises can improve productivity by 10 to 40 percent, while traditional allocative efficiency interventions usually produce no more than a 1% return.

2) Emergence of the Performance Approach

Second, and perhaps the most important, is the recent emergence of a more cost-effective and workable approach to management development, -- a "performance approach." Although described in a variety of different ways by different donor agencies (including AID, the ILO, and the U.N.), in different sectors (public enterprises, country wide program management systems, agricultural credit institutions, and rural development programs), and in all major geographical regions, these efforts have many features in common. In essence, the performance approach represents a systematic process whereby those in charge of a development effort are directly involved in improving performance along with an external development management team of consultants, trainers and/or action researchers.

The performance approach evolved in the 1970's in a variety of country and sectoral settings. It is characterized by a great deal of variation in part because it is new, but also because it has been rapidly adopted by various consultants and client organizations. The performance approach has been applied in developed and developing countries, in both public and private sectors. It has been used in Ecuador, East Africa, Jamaica, Jordan, Nigeria, Philippines, Sri Lanka, Tanzania, Zambia, and Venezuela by a number of international agencies including AID, the ILO and other U.N. bodies. The sectors in which it has been used include postal and telecommunications, airways transportation, rural credit bank, some 30 public enterprises in Nigeria, customs service, agricultural project management, health education, dairy produce and marketing, irrigation and forestry management.

3) Performance Approach Success Stories

a) The Tanzania Rural Development Bank (TRDB) was assisted in upgrading its rural credit outreach system by an intensive management development and training effort aimed at 70 of its 180 professional employees. The process included training in program planning and implementation for work groups and for management trainers who in turn applied their knowledge in formulating and implementing management improvement plans for TRDB. Trainers developed under this program are conducting additional workshops for other TRDB and related institution personnel. This was done in two six-week sessions and a one week executive seminar during 1980 under the "Training of Trainers in Management" project of AID. (Ingle, Riley, and Wheatley; 1981)

b) A Jamaican "Action-Training" Project sponsored by AID involved establishing a four-person training and consulting team in the Ministry of Finance to assist various operating ministries to prepare and implement development projects. The approach was to combine training with "live" projects so that learning and doing were integrated in actual organizational workflow. In addition to training and consulting with 145 teams, the project developed a government-wide project planning system to facilitate decision-making, and institutionalized the training-consultant function in the Ministry of Finance and Planning. (Kettering: 1981)

c) The Philippine National Irrigation Authority is being assisted by an external team of management and social scientists to change its approach from building local farm irrigation systems to one of assisting local farmer groups

to build and operate their own. The approach involves a central management team working with employees and farmers in a given locale to revamp its procedures and to make the necessary internal changes in budgeting, personnel, reporting, accounting, etc., to accommodate the new delivery system. Careful feedback is maintained to check on performance and impact. Eventually, efficiency and replication goals are added to the approach. (Korten: 1981)

The preceding cases provide some idea of the immediate outputs of the performance approach. Conclusive impact data, however, are yet available.

d) Results of the Performance Approach

The ILO has utilized the performance approach for several years, and it reports that the results are encouraging (Abramson and Halset:1979)

- An East Africa Airline went from a loss to a profit operation within a year. On-time performance went from 75% to beyond 80%; pilot utilization improved by 10%, the equipment utilization goal was 95% achieved, etc.
- A large-scale postal-telecommunications enterprise exceeded its goal of a 12% annual increase in telephone connections. This was related to drastic changes in performance of the Personnel Department in terms of speedy recruitment, appointment and promotion of key personnel.

e) Conditions for Success of the Management Development Performance Approach

Additional confirmation on the appropriateness of the performance approach emerged at the Workshop on "Evolving Technologies for Project Management Improvement" sponsored by USDA and AID in January 1981. (DPMC:1981) The thirty-one participants, with extensive experience in developing countries, arrived at conclusions supportive of the performance approach's premises and methods.

From the experience in applying performance oriented approaches to management development, a number of important conditions need to exist or be developed for the approach to succeed. These are:

- 1) Pressure for change must exist within the organization and its key external environment (supervisory bodies, clients, financing entities).
- 2) Commitment from those at the top who can provide leadership and support for the improvements.
- 3) Participation at several levels of the organizations in the improvement planning and execution -- particularly by those who must carry out the improvements or are affected by them.
- 4) Innovation and openness to new ideas, methods, and solutions. There must be a willingness to experiment and take risks in search for results.

- 5) Follow-up and periodic review are critical to maintain the improvement actions. This requires specific indicators, assignment of responsibilities, feedback and corrective actions. The purpose is to reinforce positive results and ensure the spread of the improvement effort.

Countries and specific institutions will naturally vary in the extent to which these conditions actually exist at the time an improvement is initiated. Whatever the initial conditions, one aim of the performance approach is to start with what exists and build necessary commitment and support by demonstrating highly valued, non-threatening performance results.

3. Conclusions

Based on our analysis of prevalent development problems, of major problem causes, and of the potential for resolving the problems, there are several fruitful avenues which AID may wish to pursue. On the one hand, these actions include influencing major development constraints in the development environment, such as political and economic policies, governmental service delivery arrangements and its own management systems.

On the other hand, the analysis indicates that management improvements are both important and potentially feasible, especially given encouraging results of an evolving "performance approach" to management development. In essence, the interlocking nature of development problems means that an integrated form of management consulting assistance and training is called for -- one that responds in less fragmented and more systematic ways to the actual development situation in client organizations. At the same time, management assistance efforts will need to be streamlined and rapidly disseminated due to accelerating pressures on resources and pressures for improved results. The task of testing and refining the "performance approach" thus becomes a high priority along with the application and dissemination of such methodology to ongoing field programs. The conclusions all point to a decided shift in priorities, pace, and methods of management development for both AID and host countries for which assistance is provided.

III. AID EXPERIENCE IN MANAGEMENT DEVELOPMENT

U.S. assistance programs since the Marshall Plan have included management improvement components. The purpose here is not to summarize all of AID's previous experience in this area, but rather to highlight major strategy and program trends in order to place the principal lessons of this long-term involvement into context. This will serve to illustrate the areas of AID's comparative advantage in management development, and serve as a basis for developing a more concerted and systematic strategy.

A. HISTORICAL PERSPECTIVE

During the 1950's and early 1960's, management development emphasized improvements to the central administrative systems of government - personnel administration, financial management, organization and methods, supply management. The underlying strategy was to export U.S.-based public administration models, together with a variety of education and training programs to transmit the theory, principles, knowledge and skills required to operate these types of systems in developing country contexts.

The experience of U.S. practitioners and AID officials led to a decision in the mid 1960's to substantially cut back on public administration assistance. This was done for several reasons. Such assistance was found to be difficult, sensitive and uncertain when attempting wholesale and frontal attempts at governmental reform. Also, there was no clear and immediate payoff in terms of improved development performance. The desire to reduce this assistance was shared by certain LDC officials who noted that U.S. public administration and management techniques were based on different political premises, cultural values, and resource bases. It was argued also that development administration required a different focus, tools and principles than were being offered by U.S.-based public administrative models. A greater emphasis was needed on the programmatic outputs relating to socio-economic results of LDC development. (Ingle: 1979; Ryan: 1981).

In the early 1960's, AID abolished its centralized technical offices, which included the Office of Public Administration. By the late 1960's, most of the AID field technicians in public administration were also gone. A new Development Administration Division was established in PPC to serve as a small, central policy and technical guidance unit with no operational or programmatic responsibilities. Concurrently, central "War on Hunger" functions signalled a different focus for AID, including strong emphasis on research, 211(d) grants, and an evolution toward sectoral analysis and programming. In 1969, the Development Administration Division was placed in the newly formed Technical Assistance Bureau to participate in an innovative, "key problem" research and development mode to focus AID development administration techniques in selected priority areas. Major themes of local action, sectoral management and project management remain influential in Agency programs to the present.

During the 1970's, a shift to sectoral emphasis had a seriously adverse, but probably unintended, consequence for A.I.D.'s treatment of management development. Section 105 of the Foreign Assistance Act of 1973 covered "Education and Human Resources Development" with "public administration" as a

clearly identified category of activity. But Section 105's label, promptly abbreviated to "Education," dominated not only organization and staffing, but also program guidance which has since then been written by education specialists. Many Agency policy documents completely ignore administration and management issues, or define them it as only a subset of education.

A ten percent compounded annual cut in A.I.D. direct-hire staff from 1968-77 meant that field staffing moved toward greater reliance on generalists, while contractors responded to demands for management services. "Human resources" generalists were almost always chosen from an education background. Small wonder that only the most determined mission directors have retained any administration and management development specialists.

In 1974-75, high level Agency concern for management performance led to establishment of the Hall Work Group which highlighted management improvement needs. The group's work resulted in the 1977 issuance of "Policy Determination #69" emphasizing the importance of management to LDC development. However, calls for added staff and resources came to naught.

By the late 1970's, A.I.D. policy continued to reflect the importance of development administration; however, the staff resources necessary to act on this policy had virtually dried up. Problems of management not only continued to be evident, but, in fact, became increasingly more apparent as management intensive programs were implemented under the New Directions Mandate in order to address the needs of and deliver services directly to the poor.

By the end of 1980, A.I.D. was left with a full-time equivalent of four direct-hire management specialists in the Development Support Bureau and only four more in all field missions. At present, there are no full-time development administration specialists in the Regional Bureaus and no positions for them. Of course, the management expertise of the Agency in various substantive areas such as agriculture, nutrition, health, family planning, and education, has not disappeared, but the number of A.I.D. people who are technically qualified as administration or management specialists within these areas is very small.

B. CURRENT AID MANAGEMENT DEVELOPMENT ORGANIZATION AND NEEDS

Organizationally, the technical base for development administration was merged with the Rural Development Office (DS/RAD) in 1978. Since then RAD's major management development function has been to provide technical backstopping to Regional Bureaus and Missions rather than technical guidance and leadership for the Agency as a whole.

1. The Demand for Management and Organization Field Service

Since 1978, DS/RAD core staff and associated cooperators have provided support services to Missions, LDC institutions and regional organizations to address problems of management performance. These services have included technical assistance in pre-project analysis, project design, implementation, evaluation, management training, action research, and information dissemination. During this period, central DS/RAD funding has averaged approximately \$1 million a year, supplemented by an increasing amount of Mission funds - particularly during FY 1980 and FY 1981.

The major focus of DS/RAD's approach in providing field services has been problem-solving integrated with action-research to identify and pilot-test effective methods to improve LDC management performance. In this respect, DS/RAD-supported efforts have produced notable improvements in management training and consultation methods and strategies. These have overcome a number of problems evident in AID's earlier efforts. DS/RAD has been able to provide its field services principally through cooperative agreements with other government agencies, universities, and private organizations.

a. FY 1981-82 Project Starts

Based on a review of FY 81 and FY 82 projections of project starts, management improvement efforts represent a major area of ongoing and projected assistance funding. During the two year period, 63 projects have been proposed in which management improvement is either an area of prime focus or a principal component. The total AID resources associated with these projects is \$453,000,000. Thirty-four of these projects have training as the major input, and over half are within the agriculture and rural development sectors (see Appendix C).

b. DS/RAD Field Support During Previous Twelve Months

Given the increasing level of AID management development efforts, and the virtual absence of development administration and management specialists on Mission staffs, there will undoubtedly be a continued need for centrally-managed field support services. Indicative of this demand, in the period of June 1980 to June 1981, DS/RAD responded to over 36 field service requests from 26 missions. These requests were filled through three centrally funded management development projects, all of which are currently scheduled to terminate in either FY 82 or FY 83 (see Appendix D).

2. Management Improvement Survey

In an attempt to assess current field mission demand for management development services, DS/RAD conducted a reconnaissance survey. The intent of the survey was to allow field personnel to reflect on and generalize from their project management experience.

a. Methodology

Most of the survey questions used a specific development project of the respondent's choosing as a reference point. Respondents were asked to reflect on successful implementation performance as well as implementation problems. In each case an attempt was made to isolate factors associated with the implementation performance. The questionnaire also allowed for broad generalizations with respect to long-term management improvement needs and the types of assistance that AID should provide in support of LDC management improvement efforts. Survey questionnaires were hand delivered or sent to AID Missions. AID Mission staff were encouraged to complete the survey themselves, and forward copies of the survey to knowledgeable host country and contract personnel. Questionnaires were distributed in English, French, and Spanish.

b. Range of Respondents

To date, a total of 45 completed surveys have been returned. Slightly more than half of the respondents (26) are USAID Project Officers. Other respondents include LDC project managers (7), technicians (3), advisors (3), and various other project related staff (7). The sample includes projects located in 16 countries, covering 15 sectors, ranging from 2 months to 7 years in length, and having funding from a few thousand dollars to \$60 million.

c. Data Analysis

An analysis of the questionnaires suggests several consistent field themes:

- Management must be treated as an integral part of projects along with technical components.
- Most AID and other donor financed projects do not adequately deal with the management requirements.
- Many implementation concerns can be dealt with during the design phase of a project by careful analysis and realistic implementation planning.
- Early and continuous host country involvement and commitment is critical to success.
- There are many successful components of projects, and field personnel identify good management as a major determinant of this success.
- Field staff see good management as having an important role in fully exploiting performance improvement opportunities and resolving implementation problems as they occur.

Of the management improvement needs identified by respondents, those receiving most frequent mention include:

- Upgrading management ability of mid-level project personnel including management staff and personnel.
- Increased attention to the management component of all development efforts.
- Restructuring the institutional arrangements used to promote development.
- Restructuring internal incentive systems so that organizations make more productive use of available human resources.

Recommended areas for AID management assistance most frequently included:

- Mid-level job related management training

- Action-oriented "learning by doing" training.
- Support of LDC institutions to provide job related management training.
- Technical assistance for better management assessments.
- Technical assistance to deal with developing effective program management systems.

While training was most frequently mentioned as an appropriate area for AID involvement, it was clear from many of the responses that greater emphasis needs to be given to assessing the impact of previous training strategies and to relate training needs more effectively with organizational requirements and follow-on support and consultation. There is growing evidence that training alone, focused on what trainers regard as the skill and knowledge requirements of individual managers, does not produce the performance results hoped for among managers working within organizations. Thus, there is a need to define training requirements within the context of performance outcomes and the ability and commitment of organizations to support managers in achieving these outcomes.

C. Lessons of AID-sponsored Experience

Despite some self-searching concerns regarding the relevance of U.S. administrative models in different cultures, the fact is that A.I.D. efforts to help build viable institutions over the years have produced results. An assessment in the area of agriculture indicates that insitutional development by A.I.D. has achieved some notable successes in Brazil, the Philippines, India and Korea. In other countries A.I.D.'s institution building efforts have been interrupted and sometimes seriously set back, yet many of these institutions could be rehabilitated rather quickly (Strategy on Anti-Hunger, p. 18-19).

Another example lies in the extensive network of more than 100 institutes of public and business administration and a host of in-service training programs that have received A.I.D. assistance in many countries. These institutes survive and provide the basis for a training, consultation and dissemination capacity within their particular countries or regions. Some outstanding examples of such organizations are the Getulios Vargas Foundation in Brazil, the Central American Institute for Business Administration in Costa Rica, the Asian Institute of Management in the Philippines, and the Pan African Institute for Development established in three African countries. These organizations are important resources and service centers which are providing needed assistance for improved management performance and which deserve continued support. Others, such as the Inter-American Institute for Agricultural Sciences and the Agriculture Projects Service Center in Nepal, are moving to incorporate mangement concerns into sectoral service efforts.

The 1970's evolution from R & D to pilot-activities to field service by TA/DA and DS/RAD has demonstrated that effective methods do exist for improving

management performance while avoiding or overcoming some of the major shortcomings which affected earlier efforts. More important, systematic concern for management improvement has been incorporated into major mission programs in a few countries, notably the Philippines, Indonesia, Ghana, and Thailand. This broader approach may also emerge in Egypt. Other missions have supported substantial, though less comprehensive, efforts that have produced significant valuable lessons in the context of more complex, multi-sectoral, and locally-based programs which increasingly characterize the portfolio of A.I.D. assistance.

The more recent pilot activities supported by DS/RAD and some missions have focused primarily on management improvement in operating agencies, particularly those engaged in agricultural and rural development programs. Those activities demonstrate, at least initially, that the most favorable results have had the following characteristics in common:

- Organizational consultation is intergrated with training in order to jointly assess management needs, determine improvement priorities, define a workable strategy, and establish means for follow-on support and assistance;
- They are based on clearly defined objectives for organization change, as well as specific requirements for knowledge, skills and behaviors of individual managers within the organizations;
- The structure or responsibilities for and commitment to, developing and implementing the efforts is shared by client organization(s), individual managers, and outside consultants;
- Management tools and technologies are adapted to existing program systems and program context, with the direct involvement of local managers;
- The improvement strategies build upon management knowledge, perceptions and skills already within the environment.

In general, these more recent efforts have emphasized organizationally-based, simplified and integrated methods which draw upon the U.S. knowledge-base but stress the joint adaptation and development of management concepts and techniques directly relevant to the program and organization. This emphasis on syncretic approaches, developed through consultation with client organizations and through the direct involvement of managers, has demonstrated initial success in establishing organizational support for continued management improvements.

D. Key Management Development Issues

Before recommending a management development strategy for a given context, one should address several outstanding issues. While this paper makes no systematic attempt to resolve these issues, it will be clear that certain trends are evident based on experience to date:

1. Transferability of a Generic Management Technology.

It has been argued persuasively by Moris (1978) and others that Americans imperiously assume that the management technology which has been so successfully applied to an industrializing society can be effectively transferred to non-industrializing societies. Moris bases much of his argument on the non-applicability of Weberian-type rationality to systems which do not value that rationality. Two important considerations in this debate are the extent to which there are generic organizing requirements of any purposeful system, regardless of the nature of the objectives (and whether American management technology addresses, effectively those requirements) and the appropriateness of "transferability."

Lessons on this issue are emerging from more than two decades of U.S. development assistance activities. While learning and codification are part of a continuing process, a substantial body of literature now exists on the management and administration of development. Also relevant is the experience of U.S. businesses abroad, as well as that of public and private agencies involved in domestic development in resource poor areas. This experience suggests that a generic body of management knowledge -- a management technology -- does currently exist which is transferable from one country to another if differences in culture and scale are appreciated and if these differences are used in selecting what concepts and techniques are applicable and in adapting the technology to the culture and the local needs.

While a generic management technology may exist, it is recognized that there is no one "correct way" in a narrow improvement intervention or instrument sense. Management development efforts must use, as well as continue to formulate, multiple strategies, methods and tools which reflect policy, organization, program, time and culture-specific requirements. Efforts to apply a single model or set of tools frequently result in ineffective attempts to fit performance problems to methods rather than the methods to the problems.

2. The Development Sector Imperative.

This issue addresses the extent to which management development strategies of the Agency should be sector-specific or whether it is advisable to organize that strategy around some common or generic core of management knowledge and expertise. The question which must be investigated is how or in what way agricultural management, for example, may be different from health management. If there is a common core, which was suggested earlier, in what ways should the sectoral distinctions be integrated in its management development approaches. The evidence available on this issue suggests that the commonality in management functions and implementation problems across various development sectors far exceeds the unique management characteristics of various sectors.

Although there may be a commonality in management functions, the actual application of management improvement technology is conditioned in very significant ways by the substantive program technology and context. Hence, both the management knowledge and the technical specialists involved develop into specialized sub-fields such as health management, agricultural research management, educational administration, etc. For the purposes of an AID strategy, the approach to facilitate multi-disciplinary approaches, and

work-teams is to take advantage of both generic and applied management expertise. The implication of this principle is that AID needs both technical specialists and generic management knowledge -- within technical program offices and in development positions -- at field and AID/W levels.

3. Hierarchical Level.

The issue is whether or not AID management development strategies should focus predominantly on a given level in the public management hierarchy. Levels are generally referred to as high or senior, middle, and low. Senior levels typically include top policy officials of the central management. Middle level relates frequently to the management of major functions of the administration including regional and sectional management. Low levels include management or administration in villages or countries. If there is a predominant focus, what are the implications for the other levels? While most management development efforts have targeted senior and middle levels, the increasing tendencies for decentralization and local level participation indicate the increased importance of focusing on lower levels.

4. AID Mission Level Issues.

Management development requires more careful attention at the field level. Not only are the AID-supported projects management resource intensive, but the sectors of concentration -- agriculture, health, rural development -- are traditionally those in which LDC management is the weakest. Within this context, several factors affect how and the extent to which missions can impact on LDC management performance.

With few exceptions, management development is carried out within specific projects -- most frequently focusing on skills training. One result of this approach is that management improvement efforts are fragmented among related projects as well as different projects involving similar management functions. While the mission probably has not defined the separate activities as a coherent approach to dealing with management development, the separate activities constitute a non-negligible investment in attacking the management resources gap. The problem here is that the mission does not know the extent to which some aspects of its management improvement portfolio may be the most appropriate and to what extent some valuable complementarities are being foregone. A notable exception to this is occurring in the Philippines mission where a "core program" is being developed aimed at improving management performance in all agriculture and rural development projects.

Within projects, management is most often regarded as an implementation issue. In-depth management analyses frequently are deferred from project identification to the project paper stage, where more often than not they end up as assumptions. While AID has formulated a policy framework that continues to provide a valid basis for management improvement, economic and technology considerations at the field level have dominated the attention of planners. As a result, that critical organizational and management concerns are given only cursory attention.

Administrative analyses also commonly emphasize issues of present institutional capacity, and gloss over important factors such as past

institutional performance, institutional relationships, incentives, and the demands which the proposed project will impose on management resources. In the absence of such analyses, it is difficult to integrate management improvement strategies into project designs. Moreover, given the continuous rotation in mission personnel, only a limited knowledge of local management development resources is retained within missions. Consequently, there is an over-reliance upon external management improvement assistance, even in countries where local institutions have existing or potential capability to provide relevant, continuing and much-needed management assistance.

Finally, there is an important concern over leverage. The present and projected levels of AID assistance in many countries are becoming increasingly insufficient to leverage policy and organizational changes which are implicitly or explicitly called for in many development project designs.

5. Evaluation of Management Improvement Initiatives. The lack of evaluative data in the management development area is very significant. On the one hand we must be sanguine about the state of art in management improvement evaluation. Even in the U.S., sound evaluation reports which demonstrate a convincing linkage between a particular management improvement technology and better results are not very much in evidence. Given the relatively low levels of organizational performance in many LDC settings, however, one could expect a more visible payoff from appropriate management improvement interventions and a demonstration of that payoff in competent research designs. There is no question that more can and must be done in this area. Blind allocation of resources to any management improvement salesman is too expensive in this era of scarcity.

6. Broader Context of Management Skills Development. Systematic attempts to improve the management capability of LDC organizational entities requires more than a narrow focus on skills transfer. In the conceptual framework introduced earlier, it was asserted that management improvement comes about from attention to objectives, structures, and systems, in addition to skills. We must recognize that the domain of management skills development is now far broader than what originally posited by classical management theorists. In addition to the basic planning, organizing, and control functions, we have come to recognize team building, joint problem solving, organization design, organization change, information systems design, role negotiation, and coalition and relationship management, action research, and resource mobilization as critical skills for public service managers.

E. CONCLUSIONS FOR AID MANAGEMENT DEVELOPMENT EFFORTS IN THE 1980'S

This summary review of AID's experience and key issues has been derived from Agency reports, studies prepared by development administration specialists familiar with AID activities, questionnaires completed by AID program personnel in Washington and the field, and consultant visits to five missions in Africa and Asia. While incomplete in some areas, the information does reveal a large and increasing need for management improvement assistance, especially given the serious implementation and accountability problems which beset AID supported development efforts. What then are the major conclusions that can be drawn from this review, and what do these conclusions suggest in terms of priorities for AID in the coming years? The following areas appear

to be the most appropriate directions for AID in supporting LDC management development improvements during the next few years.

1. In order to bridge the gaps of possible cultural misfit between U.S. and host country management techniques, there is the need to encourage systematic perspectives, generic approaches, and consultation efforts in tandem with local organizations that can adapt these techniques to the specific culture and needs of the host country. To avoid irrelevancy, such cooperation should be part of an AID project involving assistance to some host country organizations or programs. To develop, test and refine this approach, AID should evaluate existing arrangements similar to the above and/or encourage new projects to incorporate such features. DS/RAD should monitor and instill lessons learned from these experiences and disseminate the results throughout the Agency. Experiences from other donors should be included where appropriate.

2. Conscientiously search for, encourage and assist LDCs to utilize modified governmental or private sector insitutional arrangements for carrying out development tasks. For example, AID should devote more attention to the following:

a. Help communities and rural groups create their own management competence for self-help and influence over the kinds of services they receive from governments. The emphasis should shift to community, cooperative, and self-help organizational development.

b. Encourage private sector and private voluntary organizations to do more by providing appropriate incentives, including more "contracting out" of host country government operations.

c. Assist central governments to decentralize, re-orient bureaucracies and innovate with para-statal organizational forms for the delivery of government services. Alternatives are needed to local delivery by central technical ministries. There is already experimentation by various donors and LDCs to find more effective organizations -- but it is urgent to speed up and to share experience in how to change the government delivery systems. Such innovations can vary by sector, country, objectives, and circumstances -- but periodic assessment of results will contribute to the adaptive learning process.

3. Develop a management technology for effective organizational and programmatic change. Viewing organizations as open social systems rather than a collection of legal and administrative functions and working toward mutually shared outputs of values, should provide a basis for a variety of intensive and extensive organizational reform strategies. To this end, there already is a considerable body of experience in various AID projects, but there is a need for consciously guided action-research, built into assistance projects to refine lessons of experience and formulate action guidelines for project personnel.

4. Many effective societal transformations are brought about by a small but critical mass of mutually supporting individuals, sharing common goals and values, usually nurtured in one or more institutional bases and in both

centralized and decentralized settings. A similar approach can be developed and tested in a number of situations, perhaps using an Executive Management Development approach aimed at the most senior officials, and concerned with both general and major sectors of development. Cooperating institutions in the U.S. and host country would focus not on individual career development, but on solving clusters of development management problems. The focus would be on generic management skills, problem solving, innovative management designs for results. This approach may be critical for some emerging areas of concern such as food security where rapid, effective responses are essential.

5. More cost/effective technologies for management skill development are needed. Methods and materials are needed for training of trainers, self-learning, continuing education programs, simplified principles, application exercises. These should be translated and adapted by host country centers for local use. Action-training modes as used for project management in Jamaica need to be developed and tested elsewhere for various sectoral applications. Competency-based management models like those recently applied in Tanzania and Zaire also deserve further refinement and support.

The final section of the paper focuses on the implications for AID of adopting a more systematic, concerted, performance-oriented approach to management development.

IV. THE PROPOSED AID MANAGEMENT DEVELOPMENT STRATEGY: A PERFORMANCE APPROACH

Despite the increasing recognition of the role that management plays in the development process, and the encouraging results of several field based management improvement attempts, there is little evidence that AID's current level and type management development activity will be able to address significantly the management problems in LDCs. Doing "business as usual" means that AID experience in this area will remain fragmented, will not achieve the types of results produced by concerted efforts, will not rapidly shift the state of practice to the state of art (e.g., we know more about LDC management improvement than we are currently putting into practice), will continue to confuse symptoms with causes, and will become increasingly frustrated with the poor use of resources made available for pursuing development objectives.

It is important, therefore, that the Agency reconsider in what ways and with what means it will address the pressing management development needs of LDCs. The issue here is one of strategy, e.g., a general plan which defines major objectives, lines of action and overall resources requirements, not one of basic policy. The AID policy framework for management improvement, as recently reaffirmed in principle by the Administrator, is articulated in AID Policy Determination #69. This policy emerged from the late Ambassador Hall's Work Group report in 1975 and provides a well-conceived and comprehensive policy base for the Agency's support for management development activities in the coming decade. The key policy principles articulated in PD #69 are:

- AID will assure the existence of competent management of country institutions responsible for AID -financed programs.
- Attention will be given to managerial factors both early in program/project design and in successive phases to facilitate assistance and corrective measures.
- Managerial assistance will emphasize achievement of results under priorities of the Foreign Assistance Act in agricultural and rural development, family planning, health, nutrition, education and human resources development.
- Managerial assistance is authorized beyond the boundaries of the immediate project or institution with which AID collaborates.
- AID will expand its efforts to mobilize and apply relevant knowledge and methodology to help developing countries solve their management problems.
- AID will foster increased acquisition, application and transfer of management skills by its staff, contractors and grantees via selection, training, contracting and information exchange among AID, LDC and developed country personnel.

Given this policy, the remainder of the paper will present the management development strategy which we recommend that AID follow in improving the development impact, implementation, and accountability of LDC development programs. This strategy takes into account the pressing development needs of LDC's, AID's experience and areas of comparative advantage and, to the extent possible, key issues in management development.

A. AID'S STRATEGIC FOCUS: A PERFORMANCE APPROACH

A primary concern of the Agency is that development efforts are not achieving intended results. Management weaknesses, at least in part, undermine the success of development activities. The urgency of present and future management needs and changing project characteristics suggests an increased emphasis on management performance and on the actual results of development-funded activities. Sharpening a focus on performance requires an agency re-orientation with distinct programming implications for DS/RAD. This re-orientation does not require a radical shift of DS/RAD involvement, but it does require a focusing of limited resources to maximize the impact of the new strategy along with selective support for those management development efforts which can be most closely identified with the performance approach. These activities will be those which most clearly capitalize on the lessons and experiences of successful management development and which are closely allied to productivity and performance.

The critical management needs of AID Missions and host countries argue for a sharper focus on performance improvements than is usual in the conventional capacity building approach which past as well as present AID efforts emphasize. These efforts focus on numbers of managers trained, forms of organizational structures established, and types of systems installed. The assumption implicit in this approach is that increased management "stock" will lead to improved performance, i.e., greater effectiveness and/or efficiency in accomplishing development objectives. In practice, the capacity strategy emphasizes the development of individual and institutional capability. It assumes that capacity, once developed, will be fully and properly utilized. Experience has repeatedly demonstrated, however, the fallacy of this assumption; individuals once trained frequently cannot apply their knowledge and skills in operational settings, management institutes once upgraded have a difficult time developing linkages with operational units, and management training units established in public organizations typically exist as low-status enclaves of irrelevant activity in the midst of serious implementation problems.

In contrast to a focus on management development as capacity building, a performance approach begins with a strong emphasis on desired policy objectives or results.

Translated into an AID program context, the approach emphasizes undertaking no management improvement intervention only for its own sake but rather judging every management development intervention in terms of whether what is done improves the probability that development policy objectives will be successfully achieved

In this sense, the performance strategy does not discard the capacity strategy but views it in a broader and more dynamic context. Capacity building can be viewed as a continuous learning and adaptive process whereby donor agencies, host country organizations, management educators, and external resource persons work together to affect socio-economic improvements.

B. KEY PREMISES OF A PERFORMANCE APPROACH

The fundamental premise of the proposed strategy re-orientation is that management development can and must result in improved development performance. This premise becomes the guideline for developing management development programs and providing management assistance. Additional premises upon which the strategy is grounded include the following:

- Management deficiencies are serious in developing countries. These deficiencies will continue to inhibit the successful performance of public and private sector institutions and agencies in LDC's;
- AID will continue its program emphasis in agriculture, rural development, health, and population - areas where management needs are the greatest and resources the weakest.
- AID's increased emphasis on technology transfer (including management technology) and the building of local institutional capability will necessarily be carried out in tandem with further reductions in overall resources and field personnel;
- AID has been acutely aware of the important development role played by management for a number of years and has supported the development of several new management improvement approaches that are yielding encouraging results;
- Many developing countries and other donor agencies look to the U.S., and specifically to AID, as a predominant source of management technology.
- The complexity of the management context in LDC environments argues strongly for a multi-faceted, long-term management development strategy that builds on short-term success. Sustained management performance improvements will need to be brought about through a series of individual or combined technical assistance modes carried out over relatively long periods of time.
- It will be necessary to combine conventional modes of management development assistance in new and mutually supporting ways. For example, training will need to be action based; management consulting will need to be technically oriented; and systems development will require on the job applications and adaptations.

C. MAJOR ACTION ELEMENTS IN A PERFORMANCE APPROACH

1. Focus on Host Country Needs and Responses

The needs of development beneficiaries, and the organizations that serve them, should provide the focus of management improvement efforts. These needs are

best reached by host country organizations, and only indirectly by AID programs. A sharp focus on host country needs will orient and guide management development efforts. To accomplish this, the use of design and implementation teams should be stressed. People from three sets of institutions will be involved in management development - (1) communities, local organizations and other grass-roots organizations that serve or articulate needs of the people; (2) "action" organizations that deliver services, facilitate resource flows or make development decisions; and (3) supporting organizations that deliver such services as training, consulting and research. Development of host country leadership and management in government and non-government organizations is a critical variable in performance. The idea that we are saving time by doing all of it ourselves is simply illusory.

2. Undertake Expanded, Long-Term Efforts

Development management improvement must be seen as a long-term task. Both training and consulting for immediate results, and education and institutional change for future benefits are essential ingredients of effective programming for management improvement. The dichotomy between specific skills development and long-term knowledge building is false. Both are essential and complementary and can be operationally modeled to fit the characteristics of the performance approach. The real dichotomy is between relevance and irrelevance to local conditions, needs and performance. There is no quick-fix.

3. Integrate Management Development Into All Efforts

The proportion of AID resources devoted to management improvement should reflect its critical role in realizing development objectives. As resources decline and program complexity increase, the importance of management becomes critical. Management development should involve specially designed projects as well as be an integral part of the analysis, design and funding of sector project activities. Management development must not be viewed as an additional cost external to the technical project inputs but as the key resource to achieve technical and cost effectiveness. A reduction of foreign capital and demands for more complex projects with broader grass-roots impact will mean an increase in management requirements at all levels. The alternative to capital intensive development is labor intensive development where essential management skills are often concentrated at the lower levels.

4. Apply and Adapt Proven Management Technologies

The greatest short-term gains in LDC management development are to be made by concerted application of known and proven management development technologies, rather than heavy expenditures for more knowledge-building and R & D efforts. Transferable technologies of management are emerging which combine "hard" technologies (like economic analysis, project planning, and financial management) with "soft" technologies (like process consultation and organization development). These technologies must be applied in complementary ways to focus on relevant structures, systems, knowledge and skills that contribute to outputs and performance. The transfer of management technologies must take into account the project task environment and systems of both the managers and the target groups. Well-proven technologies can be transferred if the process permits appropriate modes of trial and adaptation before practices become institutionalized. Generic concepts and skills,

especially those of management functions, must be presented in a form appropriate to the immediate organization and society.

5. Refine and Rationalize Use of Interdisciplinary Teams

The need for interdisciplinary design and implementation teams has been established within AID, and its practice is increasingly accepted. The effective combination of differing perspectives is indispensable to project success. Inclusion of more and better management development people, or persons with background and experience in management, on AID teams will bring about better integration of perspectives represented by other disciplines and better incorporation of management concerns into project implementation.

Management is also a key to the success of interdisciplinary teams. To be effective, interdisciplinary teams need, for example, preparation time and management-planning experience to establish a common frame of reference. Commitment to interdisciplinary design and behavior by AID teams will promote the desired results for LDC projects. Sound interdisciplinary team building is not automatic, and we should not expect to achieve this cohesiveness within project efforts if we do not achieve it on corresponding AID-sponsored teams.

6. Use Action-Oriented Approaches

Action-oriented management consulting and training approaches have proven to be effective in a variety of situations. When technical assistance or training is integrated with actual assignments in the real organization, it is highly acceptable at all organizational levels. The action-orientation can combine inductive and deductive learning on generic and situation-specific skills and processes. Desired changes are achieved based on actual work accomplishment with explicit attention to what is needed and what works in the operational setting. This approach is responsive to its operational setting and needs; rather than fixed "knowledge-packages," problems and assignments are used as the foundation for learning. Performance and production, rather than certification, are the basis for evaluating management development.

7. Work with a Variety of Organizations

Most current management development has been too restricted to government organizations. There is a wide range of indigenous and external organizations which are involved in the delivery of development services and benefits, of which government agencies play only partial and limited roles. There must be a deliberate effort to develop the organizational performance of all organizations and to encourage management development in those organizations which prove most effective in achieving results. This will require broadening the management development intervention activities to include modified bureaucratic structures, non-government organizations, and private sector and grass-roots organizations which make up the total constellation of organizations.

D. AREAS OF MANAGEMENT DEVELOPMENT CONCENTRATION

Implementation of the proposed performance approach to management development should be targeted in three areas.

1. AID-Funded Projects

AID projects present the most obvious area for management development support. New projects or project add-ons should be designed with explicit management development components. Ongoing projects often encounter management problems which can be addressed through training-consultancy assistance aimed at immediate performance results while developing capacities for self-sustaining problem-solving. The integration of management with technical and disciplinary expertise must occur throughout the project cycle, e.g., in team selection, orientation, implementation, evaluation, and institutionalization. To improve upon past performance, early consideration should be given to management issues. This will help overcome many of the problems encountered during implementation. Management development components may be designed in AID projects to handle the management requirements particular to, and generated by, AID projects. More attention needs to be given to management development as a critical part of the CDSS. Where necessary, special management development projects should be carried out on multi-project, sectoral and national basis and should be designed around proven methodologies and approaches of management development.

2. LDC Operational Organizations

Management development efforts carried out in operational institutions involve those units, divisions or agencies that have traditionally provided general development services as well as those performing specialized supportive functions or project specific activities. In this area skills and concepts training need to be integrated with organizational systems and development activities to carry out actual work assignments and responsibilities. Individual training should be linked with organization development that is performance oriented. Although much of the work in this area has been confined to government agencies, there is a broad area of non-government organizations in which management development can be promoted to improve development performance. Management development here can most effectively be characterized by comprehensive, long-term management development projects aimed at total organizations or sectors. Interdisciplinary teams performing combined training and consultancy roles provide the opportunity for having immediate performance impact as well as long-range institution building results.

3. Management and Development Support Institutions

AID has a long-term involvement with management and development support institutions. The benefits of these relationships and earlier institution-building efforts can provide the basis for a re-orientation from a capacity-building approach to a performance approach. Regional institutions, training and educational institutions, and other support organization can become involved in the design, execution and evaluation of actual development efforts by moving toward more action-oriented approaches which link training and consultancy with development organizations and on-going projects. Educational approaches can be strengthened by the realistic application of knowledge and skills to real problems, indigenous systems building, institutionalization and diagnosis. AID efforts in this area need not be decreased, but modified. New efforts should be characterized by a removal of distinct boundaries between training and doing.

E. PROPOSED MANAGEMENT DEVELOPMENT ACTIVITIES

Clearly AID, and particularly DS/RAD, cannot effectively address all problems nor adequately provide services to all projects, sectors or client organizations. It is critical at this time, therefore, for AID to focus its resources more narrowly on particular services where experience demonstrates that performance results are potentially the greatest. Given AID's limited resources, it may be appropriate for AID to see itself primarily as a facilitator or catalyst. Three complementary sets of activities are proposed which meet these criteria. While additional analytical work must be effected to determine the specific priority of each activity, the general types of support services are evident.

1. Multi-Dimensional Field Support Activities for Management Development

In regard to field services, support should be continued for centrally-funded projects which have an action oriented and learning by doing focus. This includes expanded support for AID cooperators with proven experience. It is quite likely that the development of additional U.S. institutional resources, which are currently very limited, will need to be nurtured.

Types of field support services that deserve high priority include:

- Joint AID and host country management performance analysis and assessment efforts. These need to be carried out at the various stages and the policy execution process, e.g., development strategy formulation, program/project design, and implementation.
- Training of trainers/consultants in management. This is a critical element in the development of self-sustaining ability of host countries to eventually provide their own management improvement services.
- Development and maintenance of multidisciplinary project design and implementation teams. This includes working with various project actors to clarify project objectives, gain consensus on roles and responsibilities, develop realistic implementation schedules and budgets, and build in guidance and adaptive mechanisms such as monitoring and evaluation systems.
- Increased efforts to link regional and national management educational and training institutions with development project-related management improvement efforts.

By the same token, AID will have to be more selective in its support efforts by not directly focused on performance gains. Experience in this area suggests that the most appropriate approach to building capacity is to work on actual development problems in the institutional context where they occur. AID should reduce its support, therefore, for efforts which are solely capacity building in nature.

2. Support to Management Knowledge Generation and Dissemination Systems

A discrete set of activities can be identified which develop and strengthen management related knowledge generation and dissemination systems. This set

of activities would result in specific structural and material outputs such as an institutional memory, the consolidation of lessons learned, realistic evaluations of management development efforts, action-research and networks for the exchange of innovations, experiences, materials, and techniques. In this area, priority attention should go to:

- Developing new, more generic performance oriented materials for use by trainers and consultants in developing country contexts.
- Sponsoring a series of workshops on management technology for donor agency, LDC, and contract personnel. The aim of these workshops would be to disseminate best practices, and can gain widespread commitment for pursuing a performance approach.
- Make a concerted effort to codify AID's widespread experience with management technology and institutional development efforts. AID should support a central resource/information center on management technology. This center would have responsibility for exchanging innovative management experiences, developing materials and techniques, and assimilating lessons of applied research.
- Encourage U.S. institutions (public, private and voluntary) to develop their own resources in support of performance-based, management improvement efforts.

The programming implication of support for an applied learning and dissemination system focuses on one key issue: The critical problem confronted by AID in the area of management development is more one of disseminating the best practices of available management technology than of expending limited resources to research new solutions. The primary focus of AID in this area should be on making workable practices available to developing country management personnel and AID staff. Included in this service orientation should be acknowledgement that the state of management practice is rapidly evolving. Any serious effort to improve field practice must be accompanied by a sustained approach to codifying successful practice and learning from ongoing experience. This will involve a substantial redirection of current emphasis away from literature reviews and toward the assembly and dissemination of what currently works. This will probably require a facilitation, assessment, and memory function to be performed in a central location, probably within DS/RAD. It may also require the consolidation and/or reduction of these functions in external organizations.

Communication about the "state of the practice" of management development must also be increased with and among: (1) regional bureaus; (2) missions; (3) external resource-providers; (4) host country and regional management development centers, and (5) LDC operating agencies. It must be recognized, however, that "dissemination" is not a free good. It is invariably costly in direct-hire staff time as well as in money. Synthesizing materials for easy utilization is hard, time-consuming work; travel and publications costs have risen dramatically in recent years, and relevant targeted distribution requires continuing thought and attention. Interesting discussion of the dissemination issues associated with DS/RAD applied research and consulting activities can be found in recent evaluations of DS/RAD projects and in the overall assessment of the DS/RAD portfolio.

3. Internal AID Management Improvement Activities

These first two sets of activities, discussed above, are considered to be within the mandate of the consideration of future directions for DS/RAD management development. The third set of activities is generally considered beyond DS/RAD's mandate but is relevant in that AID's internal management system has direct and indirect impact on LDC management performance. Program implementation needs to become a more central feature of AID's own agenda. A recognition of need is reflected in some present initiatives, such as discussions with donor agencies, CIDA in particular, to develop simplified reporting and accounting formats. As in other areas, appropriate ways of dealing with this concern appear to exist. The issue is more one of recognition and commitment than research. An internal AID management improvement effort would focus on raising, in tangible ways, AID consciousness and understanding of the value added to development activities by good management. Such an effort would also be reflected in the nature of AID collaboration with host country officials. Major initiatives that AID should consider in this area include:

- Give more attention to management development issues in the orientation and professional development activities of AID direct-hire staff, both U.S. and developing country nationals.
- Restructure incentives within the Agency to reward successful program implementation and the development of viable, performance-oriented organizations.
- Support Missions which wish to adopt a management performance approach for all of their AID financed development activities.

F. STRATEGY IMPLEMENTATION ISSUES

1. Internal AID Resource Mobilization

AID, through DS/RAD, has evolved a field support and applied research role in recent years that provides a tested and effective format for external resource mobilization, prompt responses to USAID needs, development and dissemination of appropriate technology, and professional interchange through a growing network of "new generation" management improvement professionals. Given growing LDC needs and the acknowledged absence of specialized regional bureau management development response capabilities, it will be essential for DS/RAD's management improvement role to grow in coming years, even in the face of shrinking AID resources.

Realistically, such expansion will have to take place with modest growth in numbers of direct hire staff and moderate increases in program budgets. Meeting a growing service demand with lean resources will require innovative forms of resource mobilization, creative and cost-effective use of external resources, and a variety of "joint ventures" with Missions, regional bureaus, and other offices of DSB. The feasibility of joint funding of field work and of Mission add-ons to DS/RAD cooperative agreements for specific Mission services has already been demonstrated. A recent combination of small amounts of USDA and AID monies produced an excellent workshop on Evolving Technologies of Project Management. DS/RAD has also done some joint programming with DS/HEA and DS/AGR, and explorations have been initiated with other DSB

offices. This "joint venture" idea should next be expanded to include among regional bureau offices with which DS/RAD shares field support responsibilities so that resource mobilization can be focused on common geographic and sectoral needs that cannot be met adequately from either set of resources alone.

In recent program evaluations and regional bureau meetings advisors to DS/RAD have emphasized the need for continuing production and wider, more systematic dissemination of DS/RAD applied research and state of the art products. These same advisors have urged a stronger DS/RAD role in Agency staff development and more influence on Agency procedures and management, at least as they affect field projects and programs. DS/RAD has consistently held that its primary responsibility is for LDC management development and rural development, not for Agency management improvement. However, participation in efforts to address these Agency matters should be increased. DS/RAD should especially step-up its discussion with Agency offices responsible for the key functions of program management--design, implementation, evaluation and staff development.

2. External Resource Mobilization

External resources available to AID for management development - both domestic and international - have increased significantly in recent years, but those that can operate at top quality levels are expensive and limited in number. The regional bureaus and DS/RAD should increase their contact with these organizations, better define their respective qualifications and comparative advantages, and foster further development of high-quality resources. If projections of management development needs and demand have any validity, there is likely to be substantially greater reliance on such organizations in the coming decade.

G. CONCLUSION

Improving development performance requires judgement as well skills, is the result of experience as well as knowledge, and depends upon teams and processes in the organizational context as well as individuals. Many times in the past, AID-assisted management development efforts have attempted to package the content and process of management in discrete, non-integrative ways and to transfer this package through conventional training or consultation instruments. Too few attempts have been made to expand the range of learning situations and to unify these with actual work experience. The performance approach to management improvement is an objectives-oriented, organizationally - focused strategy which is practical, effective and productive. As expressed simply in a recent World Bank briefing paper:

Learning to be a better manager is really very simple; as each step is mastered, another can be taken in the upward spiral. The oft repeated procedure is - define the job to be done, list the achievement expected, select the know-how required, and present it in an effective learning situation. (Smith, 1981)

The performance approach helps ensure that a capacity building experience is unified with work experience and that learning and responsibilities reinforce each other so as to build confidence through successful management performance.

In the management improvement area, AID already has a clear policy statement. In addition, based on the evidence that is currently available, many valuable lessons are emerging about the "how to" dimension of making cost-effective management improvements through a "performance approach." The outstanding issue for AID is the nature and expression of its commitment to the performance approach at this critical juncture. Given the evolving trends in LDC environments, the status quo is clearly inadequate. If LDC management improvement is to become a successful activity for AID, then Agency decision makers must act forcefully to provide the framework for effective resource mobilization and policy execution. Failure to do so means that AID will have relinquished its leading role in providing valuable management assistance services to LDC development institutions.

APPENDIX A

GLOSSARY

ACTION RESEARCH: A cyclical process of research-change-research-change, etc. The results of research produce ideas for changes; the changes are introduced into the same system and their effects noted through further research. The number of cycles may be infinite. Increasingly, the phrase is used to describe what any action-taker in an organization does.

CULTURE: The cumulative body of assumptions and knowledge developed and shared by a group of people and expressed in their symbolization systems -- particularly in their language, laws and rituals.

EVALUATION: An orderly examination of past experience in order to predict and better influence the future. Examines validity of hypotheses, challenges relevance of objectives, and results in redesign and replanning actions.

FEEDBACK: Technical term from systems theory, used primarily to describe one person's report to another of the effect of his or her behavior on the reporter. "Negative Feedback" is a disapproving report. "Positive Feedback" is the opposite. The term is also used for larger-scale systems; e.g., feedback from the market to an organization; information about the effect of an action that is relayed back to the control center for guidance on the next action.

IMPLEMENTATION: The process of carrying out policies and plans to achieve the desired results within resource constraints under conditions of partial control and uncertainty.

MANAGEMENT: The process of directing activities and the use of resources to accomplish desired outputs and impact.

MANAGEMENT BY OBJECTIVES: A management strategy developed by Odiorne which makes the establishment and communication of organization objectives the central function of a manager. It is based on the assumption that supervision and leadership will work best under conditions in which both superiors and subordinates have prior "contracts" (i.e., agreements about directions, priorities, and objectives).

MANAGEMENT DEVELOPMENT: A set of activities which attempts to improve the results-oriented performance and/or efficiency of a project, program or institution.

ORGANIZATIONS: Social systems designed to accomplish certain objectives and functions. Organizations comprise interrelated sub-systems including the technology for the major production or service rendered, the human/social system and the support and guidance system.

ORGANIZATIONAL STRUCTURE: The distribution of authority and responsibility to positions within an organization which permits (facilitates) the coordination of key resources, both material and non-material, between those positions and

between the organization and important constituencies external to the organization. Ideally, structure includes both a consideration of the formal aspects of the structure as well as the informal ones.

PERFORMANCE: System achievement in accordance with effectiveness or efficiency criteria that have been established. Thus a "performance improvement" approach for an organization, program, or sub-system is a focus on that system's inputs, outputs and impact.

PLAN: A statement of proposed future actions usually including goal, activities, resource requirements and responsibilities.

POLICY: A general guide to thought and action concerning a given subject.

PROCESS: The manner in which a procedure or interaction between two or more people is played out, e.g., how a problem is solved as contrasted with the content of the problem.

PROGRAM: A system of interrelated projects all contributing to the same goal(s). A program has specifications of resources; timeframe and responsibilities.

PROJECT: A set of interrelated activities designed to achieve specified results to within specified resource constraints and time period. Projects have definite starting and termination dates.

ROLE: A position in a Social System with certain responsibilities and functions. A role may be established in the Formal system, or it may have emerged from operations and to be Informal. It is used in a huge variety of phrases, such as: "helper role," "dependent role," "role conflict," "role ambiguity," and "role integration."

STRATEGY: An overall plan specifying major goals, approaches, and major lines of action. There may also be indicative estimate of resource needs and implementing agents.

SYSTEM: Interrelated activities and events organized to perform a specific function(s) — e.g., produce certain output(s). A system may comprise any number of elements but the interrelatedness of those elements is that required to perform the system function(s) or to achieve its output(s). No system exists without connections to other systems.

TEAM: (Building/Team Development): The process by which work relations are improved among members of some Task Group in an organization. Various techniques from the behavioral sciences may be used.

TECHNOLOGY: Branch of knowledge that deals with applied science; the application of knowledge for practical ends. Usually a process to make a product or render a service.

APPENDIX B

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APPENDIX C

Fy 81-82 Project Starts
with Management Development Focus or Component

TITLE/PROJECT NO.	DURATION	FY 81 FUNDS (\$ millions)	LIFE (\$ millions)
1. <u>The Gambia</u> , Rural Development Project II 635-0204	81-85	2.35	6.0
2. <u>Mauritania</u> , Arid Lands Inst. 682-0213	81-86	.50	5.20
3. <u>Mauritania</u> Alternative Energy Project, 682-0223	81-84	.25	3.0
4. <u>Niger</u> , Evaluation Assistance, 683-0229	81-84	1.0	1.0
5. <u>Niger</u> , National Co- operative Training Center, 683-0236	81-83	1.13	1.55
6. <u>Upper Volta</u> , Regional Food Production, 686-0244	81-82	2.0	10.0
7. <u>Kenya</u> , Family Plan- ning II, 615-0193	81-86	3.65	3.65
8. <u>Kenya</u> , Community Water Systems, 615-0177	81-86	5.2	10.17
9. <u>Tanzania</u> , Coordinated Rural Service, 621-0158	81-84	1.0	5.0
10. <u>Tanzania</u> , Training for Rural Development II 621-0161	81-85	1.26	15.0
11. <u>Liberia</u> , Health Sector Support 669-0165	81-86	1.16	10.5
12. <u>Liberia</u> , Improved Rural Services, 669-0161	81-85	.549	2.9
13. <u>Cameroon</u> Cooperative Developments, 631-0014	81-85	.50	2.8

14.	<u>Botswana</u> , Education Management Improvement 633-0222	81-87	1.4	3.8
15.	<u>Swaziland</u> , Cropping Systems Research & Extension Training, 645-0212	81-85	1.98	6.66
16.	<u>Swaziland</u> , Swaziland Institute of Management and Public Administration, 645-0202	81-86	1.38	4.47
17.	<u>Southern Africa Regional</u> , Technical and Managerial Training 690-0208	81-83	3.5	3.5
18.	<u>Egypt</u> , Business Management Training, 263-0099	81-84	5.0	5.0
19.	<u>Egypt</u> , Manpower Planning and Training, 263-0125	81-85	5.0	10.0
20.	<u>Egypt</u> , Income Generation for Women 263-0134	81-83	4.0	4.0
21.	<u>Egypt</u> , Industrial Pro- duction II, 263-0141	81-83	(L) 25.0	25.0
22.	<u>Caribbean Regional</u> Environmental Management 538-0024	81-85	.40	3.0
23.	<u>Latin American and</u> <u>Caribbean Regional</u> Environmental Training Facility, 598-0610	81-85	.70	8.0
24.	<u>Bolivia</u> , Conservation and Environmental Protection I, 511-0509	81-84	2.80	3.40

25.	<u>Bolivia</u> , Human Resources Development 511-0512	81-84	.90	2.9
26.	<u>Costa Rica</u> , Local Development, 515-0144	81-85	5.0	5.0
27.	<u>Dominican Republic</u> Natural Resources Management, 517-0126	81-86	13.5	13.5
28.	<u>Ecuador</u> , Forestry and Natural Research Conservation 518-0023	81-85	2.3	3.0
29.	<u>Haiti</u> , Strength. Rural Credit Institut. 521-0121	81-84	.50	.95
30.	<u>Haiti</u> , Forestry Management 521-0122	81-86	.30	3.05
31.	<u>Panama</u> , Development Planning and Management 525-0209	81-84	3.5	3.5
32.	<u>Burma</u> , Technical Transfer, 482-0002	81-83	2.0	2.0
33.	<u>Sri Lanka</u> , Water Management, 383-0057	81-84	.50	9.80

TITLE/PROJECT NO.	DURATION	FY 82 FUNDS (\$ millions)	LIFE (\$ millions)	
34.	<u>Malawi</u> , Health Man- Power Training, 612-0209	82-87	1.06	5.00
35.	<u>Burundi</u> , Rural Public Health, 695-0109	82-84	.68	3.134
36.	<u>Ghana</u> , Primary Health Care Support, 641-0082	82-89	.90	15.6
37.	<u>Mauritania</u> , Agriculture and Human Resource Development 682-0224	82-88	1.30	23.0

38.	<u>Upper Volta</u> , Health Planning and Management, 686-0251	82-85	1.0	3.0
39.	<u>Upper Volta</u> , Management and Technical Skills, 686-0253	82-87	5.0	10.0
40.	<u>West Africa Economic Community</u> , Management Training CEAO 625-0945	82-86	.3	2.5
41.	<u>Kenya</u> , Training for Development, 615-0178	82-85	1.50	4.5
42.	<u>Sudan</u> , Southern Rural Infrastructure Phase II 650-0043	82-85	20.0	20.0
43.	<u>Ghana</u> , Training for Development, 641-0100	82-87	.70	8.0
44.	<u>Botswana</u> , Research Planning and Management, 633-0207	82-87	.60	6.0
45.	<u>Zimbabwe</u> , Education and Manpower Development, 613-0208	82-86	5.0	25.0
46.	<u>South Africa Region.</u> , Manpower Development, 690-0208	82-85	4.00	12.0
47.	<u>Guyana</u> , Management Development, 504-0092	82-85	.078	1.0
48.	<u>Honduras</u> , Public Sector Administration, 522-0174	82-86	1.7	2.0
49.	<u>Nicaragua</u> , Rural Health Service II, 524-0184	82-86	15.5	16.0

50.	<u>Nicaragua</u> , Nicaraguan Recovery Program III, 524-0202	82-85	20.0	20.0
51.	<u>Peru</u> , Municipal Development, 527-0239	82-85	.25	.75
52.	<u>Bangladesh</u> , Rural Finance 388-0037	82-87	8.0	60.0
53.	<u>Indonesia</u> , Provincial Area Development Program 497-0320	82-88	13.5	38.0
54.	<u>Nepal</u> , General Training and Consulting Service, 367-0142	82-85	.40	1.5

APPENDIX D

FIELD ASSISTANCE
JUNE 1980 - JUNE 1981

Project # 936-5300
Organization and Administration of Integrated Rural Development

1. Botswana: February - March 1980; project- Rural Sector Grant Review of Planning for second year of sub-project activities and an assessment of the institutional arrangement for coordinating sub-project activities.
2. Jamaica: May 1981; project- Integrated Rural Development Project Assistance to the ministry of agriculture in implementation of second IRD project.
3. Ecuador: March - June 1981; project- Integrated Rural Development Assist in implementation planning of the IRD project with MOH to design coordinating structure between USAID's new health project and Ird project.
4. Egypt: December 1980, project- Decentralized Administrative Training Needs assessment planning for a project designed to improve administration and management skills of GOE officials at regional and district levels.
5. Egypt: March 1981, project- Decentralized Administrative Training Preliminary design of pilot administrative training program for project implementation authorities at the village, district and provincial level.
6. Egypt: June-December 1981, project- Decentralized Administrative Training Organization and conduct of basic training in general managerial skills in needs assessment, project design, implementation, monitoring and evaluation.
7. Indonesia: September 1980, project- Provincial Development Project Institution consultancy in support of mission's Provincial Development Project.
8. Sudan: January 1980; project- Abeyi Integrated Rural Development Project Evaluation of the IRD project (ADP) which is an effort to test through action research activities designed to meet basic human needs of subsistence pastoralists.
9. Indonesia: January 1981, project-Provincial Development Project Institution-building consultancy in support of mission's Provincial Development Project.
10. Philippines: May 1981; project- BICOL projects Evaluation of BICOL projects.
11. Panama: May 1981; project- SONA Integrated Rural Development project Planning, implementation and evaluation of the project at national, provincial and local levels.

25. Egypt: October-December 1980; (DPMC)
Industrial R&D and vocational training.
26. Mauritania: December 1980 project- Rural Assessment/Manpower Survey I (DPMC)
Preliminary programming arising from country needs analysis under Rural Assessment/Manpower Survey I project.
27. Guatemala: November 1980; (DPMC)
Consulting service for country plans to develop project monitoring systems.
28. Mali: October 1980; (DPMC)
Review and support for USAID-MOA evaluation of project funded technical assistance.
29. Barbados: September 1980; (DPMC)
Assist mission with analysis of alternative implementation arrangement for it's project development assistance project.
30. Guatemala: July 1980; (DPMC)
Design of project under which MOF established program to monitor and facilitate implementation of development projects.
31. Ecuador: June-July 1980; (NASPAA)
Evaluate an OPG and also help the GOE write an RFP and implementation work plan for setting up a training unit in the national directorate of personnel.
32. Zaire: July 1980, (NASPAA)
Collaborative analysis of field data in preparation of a provincial training program.

Project # 926-0055
Training of Trainers in Management

33. Morocco: July 1980
A four-week Training of Trainers in Management Seminar (TTM)
34. Barbados: (CARICOM) August 1980
A three week regional Executive Management Seminar (EMS)/Strategy Workshop
35. Bolivia: January 1981
Management counseling and training for Ministry of Planning including a one week Executive Management Seminar and a six week mid-level TTM seminar.

36. Zaire: February 1981

Management training for indigenous PVO's to help them produce better project proposals and gain a greater knowledge of AID procurement and contract procedures

37. Portugal: March 1981

Workshops to present management principles, concepts, tools and technology to public and private sector participants. Also to assist Ministry of Agriculture develop implementation plans for a \$200 million production program.

38. Togo, Guinea, Zaire: January to June 1981

Women in agribusiness pre-feasibility studies on TTM seminars

APPENDIX E

Agency Experience

Agency management development experience can be broadly divided into three categories. The first category represents attempts to develop large, prestigious, public administration institutes, a strategy which has largely been abandoned. Public administration institutes proved very effective mechanisms for producing administrative elites who occupied senior posts in an LDC's civil service. They did not prove very effective, however, in producing skilled officials capable of managing competently their countries' rural development enterprise.

The second category, which now constitutes the majority of current AID management development activity, includes the following activities:

- a. Long-term, degree-oriented, U.S.-based participant training
- b. Short-term, U.S.-based participant training
- c. Support for regional management development institutes (which may conduct degree programs or short-term training)
- d. Support for the development of in-country training capability
- e. Short-term, in-country training (usually non-project oriented)
- f. Short-term, project(or organization)-oriented training

All of the above activities have in common that they involve some type of training.

There also exists a third category of activities -- performance improvement interventions -- which are not normally identified in the Agency as management improvement initiatives. However, these activities do contribute directly to the management capability of the organization and, as such, these activities constitute a category of management improvement distinct from traditional training activities (even though training of frequently occurs in conjunction with these performance interventions. These activities include any management analysis of host country organizations conducted by or for USAID's, the design of management systems for new or on-going projects, the administrative feasibility analysis of Handbook Three, or a process consultation activity designed to improve implementation. This perspective enlarges the domain of management improvement to include management consulting as well as management training.

A description of the types of AID-supported management training initiatives follows.

Long-term, U.S.-based Participant Training. This activity includes sending participants to U.S. institutions for degree programs in management or public administration. A proto-type example of this type of management development activity is the Mali Leadership Development project whose outputs are some sixty Malians who have attained advanced degrees in management from U.S. universities. Other missions have participant training projects which will include advanced degree training in management for a few of its participants but will largely concentrate on technical areas. Such an example is the Guinea Bissau participant training project now being designed with support from DS/RAD.

Short-term, U.S.-based participant training. These activities include sending nationals to participate in short-term management skills development seminars in a range of U.S.-based institutions. Perhaps the most prevalent of this type is the series of management seminars organized and conducted by the U.S. Department of Agriculture. Seminars typically last from two weeks to three months and are almost always conducted in English. A notable exception to English language seminars is the Francophonic African Management Seminar conducted completely in French by the University of Pittsburgh's Graduate School of Public and International Affairs.

Support for Regional Management Development Institutes. The prototype example here is the Pan African Institute for Development (PAID), whose headquarters are in Douala, Cameroon. AID support to PAID includes technical and financial assistance provided by Africa/Regional Affairs for PAID's mid-level, two-year administrative training program, for short-term seminars organized and conducted by PAID, for research related to rural development implementation strategies, and for the development of training materials (this latter provided by DS/RAD).

Support for the development of in-country training capability. The development of in-country capability occurs when AID attempts to create or upgrade resources which will be, or have been, institutionalized for the purpose of providing primarily short-term management training services. Prototype examples of this sub-category would be the National Planning Project in Jamaica or the ERDM (Economic Rural Development Management) project in Ghana. In Jamaica, a Project Development Resources Team was created in the Ministry of Finances to train Jamaican officials in project preparation and project implementation. In Ghana, a team of 27 management trainers was created to provide general management skills training to local government officials. Zaire's Manpower Development Training project is designed to provide a mechanism for organizing and coordinating administrative training in critical sectors of the Zairian economy.

Short-term in-country training (non-project). This type of training usually occurs when external resources are called on to organize and conduct a management skills development seminar. The training event is most typically sponsored by a local institution, although that institution is not necessarily a training institution. Participants in these training events usually represent a range of organizations. The Training of Trainers in Management project, now sponsored by DS/RAD, was designed to provide host-countries with six-week seminars in general management skills development. The Pan African Institute for Development offered a series of project management seminars in West and Central Francophone Africa designed for middle and high-level officials in ministries of Rural Development, Planning, Agriculture, Education, Health, Social Affairs, and Economic Affairs.

Short-term project (or organization)-oriented training. This type of training is distinguished from the prior activity in that the training is organized either within the context of a given project or for the specific uses of one organization (see William Berg's popularization of the term "one-organization" training). For example, the second phase of the Niamey Department Design project (an integrated rural development project) explicitly includes a management training component for all level of administrative personnel. The Professional Development Resources Project in Indonesia attempts to create in-house capability for management training in seven different GOI ministries (in this case, the activity corresponds partially to a prior sub-category). The Training of Trainers in Management project has also been used for this purpose in Bangladesh, Tanzania and Bolivia.

monitoring and evaluation. This of course, includes developing and maintaining the individual group competencies as skills for carrying out these functions.

Thus, a management development strategy should flow from a wholistic or systematic consideration of objectives, structures, systems, adaptive mechanisms, and competencies or skills, even if the strategy does opt disproportionately for one of these aspects (for example, long-term, US-based participant training). Strategies which do focus on one of these key aspects must do so with the knowledge that, as in any social system, management functions and skills are interdependent. Tinkering with one will inevitably produce an effect on the others and on some aspect of performance. Consequences of tinkering may both be intended and positive as well as unintended and negative.

In the next section of the paper, we will pursue the causal analysis to determine the areas of significant leverage for AID intervention. Hopefully, the conceptual framework presented in this section will make the discussion of these issues more understandable, and will point the direction toward a revised Agency strategy.

2. Potential for Problem Resolution by AID

Of the three major problem causes -- the complex nature of development programs, the harsh context of program implementation, and poor development program management -- it appears that AID is in a most favorable position to influence the latter two. In regard to the first cause, the complex nature of poverty programs, AID is largely constrained by legislation to work with the kinds of programs in question. Other development assistance agencies might be less constrained than AID in this area.

a. Addressing Contextual Factors of Program Implementation

There are several ways by which the assistance community can influence the constraints imposed by the context in which development programs are designed and implemented. Areas where resolution is possible include: influencing major alternatives or reforms in the LDC public service delivery systems; influencing key political and economic policies; and making internal changes in the donor community's own management system. These are briefly discussed below.

1) Institutional Reform

The difficulties of converting traditional government organizations and programs into effective programs for the poor is perhaps well illustrated in the experience with low-cost health delivery services. When public health ministries change from clinic-based, passive delivery to a large-scale outreach system, using auxiliary workers, converting nurses to team leaders, doctors to executives, hospitals linked to a system of referrals and a greater degree of decentralized operation, it creates a massive demand for basic system redesign - not simply a management improvement effort. The medical technology has to be simplified and management becomes the crucial component to make the system work. AID has invested millions of dollars in such a

strategy. There has been some progress, but AID-sponsored experience, particularly in Latin America, indicates that it takes about 10 years to establish the management infrastructure for public health ministries to operate primary health care systems.

A newer version of reform in governmental delivery systems is illustrated in the "Bureaucratic Re-Orientatation" of the Philippine National Irrigation Authority in which the agency is shifting from building irrigation systems to helping farmers build and operate their own irrigation systems. This process requires extensive change in the internal procedures, personnel system, budget cycles, rewards and human relationships with client farmers. The process may take about six years, but it seems most critical in shifting from government programs that establish dependencies to programs that foster self-reliance. This is an experimental approach but very promising.

2) Policy Reform

The second set of variables where change is possible is the LDC policy context within which development takes place. The new AID Administrator has already announced that policy commitments by collaborating governments are a concomittant of U.S. assistance: "I believe strongly that the success or failure of the development process in a given country depends primarily on the policy framework and determination of the country itself." (STATE Cable 102132). The new guidance emphasizes institutional development, increased economic growth with equity, greater use of the private sector for development, and continued emphasis on overcoming hunger and malnutrition through agriculture, rural development, nutrition, and population programs. Thus, concerted efforts at stimulating policy changes are underway.

3) Donor Procedural Reform

The third set of factors concern the internal procedures whereby AID manages its foreign assistance programs. Data collected in the Management Improvement Survey indicates that both AID project officers and host country project managers feel that donor procedures are part of the implementation problem. These issues are discussed in greater detail elsewhere. (See Section IV, D, 3.)

b. Addressing Management Development Factors

The potential for making management improvements is more encouraging in several very important respects, especially for AID.

1) Management-A Critical Constraint

First, there is a rather recent and widespread convergence among development practitioners, assistance agency personnel, and academicians that management is a major, if not the major constraint, to development performance. In our survey of development personnel, in meetings with mission staff, and in official and professional publications, inadequate management is increasingly recognized as a major roadblock to improve productivity and performance. Harvey Leibenstein, in his book Beyond Economic Man (1976) argues, for example, that management improvements in developing country public and private enterprises can improve productivity by 10 to 40 percent, while traditional allocative efficiency interventions usually produce no more than a 1% return.