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PROBLEM-SOLVING MODULES
HEALTH MANAGEMENT APPRAISAL METHODS PROGRAM

GUIDANCE FOR INSTITUTIONAL ANALYSIS
IN DEVELOPING USAID HEALTH PROGRAMS

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## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>v</td>
</tr>
<tr>
<td>I. Objectives</td>
<td>1</td>
</tr>
<tr>
<td>II. Health Services Managerial Assessment Tasks</td>
<td>3</td>
</tr>
<tr>
<td>III. Alternative Arrangements for the Assessment Process</td>
<td>15</td>
</tr>
<tr>
<td>IV. Conclusions</td>
<td>19</td>
</tr>
<tr>
<td>Appendices</td>
<td>20</td>
</tr>
<tr>
<td>Appendix A.</td>
<td>20</td>
</tr>
<tr>
<td>Appendix B</td>
<td>21</td>
</tr>
<tr>
<td>References</td>
<td>25</td>
</tr>
</tbody>
</table>
PREFACE

In 1977 officials of the Agency for International Development (AID) approached the Association of University Programs in Health Administration (AUPHA) because AUPHA's mission to promote education in health administration throughout the world seemed appropriate to AID's need for specialized expertise.

A recurring problem was confronting AID in its funding of health, population, and nutrition programs: how could managers of both relatively new and established programs in host country organizations determine areas of managerial weakness, and how could these individuals subsequently improve managerial processes or structures? Members of the AID Office of Rural Development and Development Administration and the AID Office of Health envisioned a project to study, develop, and test methods appropriate for management assessments conducted in developing country health programs, adaptable to the unique circumstances of individual countries.

This project, the Health Management Appraisal Methods Project, was designed to make available to developing country and international donor agency managers a methodology for self-assessment of the management of health services. The assessment tools which grew out of these efforts are the Management Problem-Solving (MAPS) modules.

The MAPS modules were developed through the worldwide consortium of health management specialists affiliated with AUPHA. Field consultations in developing countries in Africa, Asia, Latin America, and the Near East over a two-year period were carried out to meet three interrelated project purposes: identification of methodology strengths and weaknesses, identification of management problems and solutions, and training of participants in the appraisal processes.
This practical exposure to real and present situations faced by developing country health services managers gives the assessment tools developed from it a relevance and appropriateness in health management which they otherwise could not have. In addition, each of the MAPS modules benefit from a review by an international panel of specialists in the particular management areas.

These management assessment modules were prepared as a result of a four-year team effort by the following participants:

The AUPHA Advisory Committee, chaired by Professor Gordon Brown, Ph.D.:

Gordon Brown, Ph.D.
Gary L. Filerman, Ph.D.
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Diane Wilson-Scott, Associate Director (1978 to 1980)

Project work was coordinated at the Agency for International Development by project monitors on the staff of the Office of Rural Development and Development Administration: Jeanne F. North (1980-1981), Monteze Snyder (1979-80), Dr. Kenneth Kornher (1979), and Dr. Charles Briggs (1978). Their support and encouragement was essential to whatever success we had in these efforts.

Other individuals, including many AID and host country health officials, contributed countless hours of work and support on behalf of the project. The collaboration of all these people enriched every aspect of the work and was greatly appreciated by the project staff.
HEALTH MANAGEMENT APPRAISAL METHODS PROGRAM

GUIDANCE FOR INSTITUTIONAL ANALYSIS
IN DEVELOPING COUNTRY HEALTH PROGRAMS

I. OBJECTIVES

The analysis of institutional capacity may be required during project design, during implementation of a project, or during a formal project evaluation. The tasks described in this document roughly correspond to the managerial and administrative analysis procedures which are required during final design of all Agency for International Development (AID) projects. The official AID requirements for such analyses are reprinted at the end in Appendices A and B for your reference. The objective of this brief report is to assist host country health officials and AID program officers in design of management assessments which both meet immediate operational needs as well as providing a lead to longer term management development of health organizations. The objective is pursued by building on the official documents cited above and extending those ideas based on a four-year action research project to construct better methods of health management assessment. Wherever possible, this document will make reference to ways of using the other reports of the AID-sponsored Health Management Assessment Project in carrying-out management assessments.

Assessment of health services management can provide a fresh perspective on operating activities and insights into ways of solving organizational problems and bottlenecks. The information gained in an assessment can guide health project designers to avoid later problems which might otherwise bring failure to a project placed in certain organizations and lead to selection of an institutional arrangement which offers promise of success. Some difficult management and administrative problems can be attacked successfully during the design and development of a project. The early results of an assessment can be used to begin
strengthening of those problem areas. An example of this use of assessment results as an early-warning of needed action was seen in recent AUPHA experience in design of a primary health care project for AID funding. A critical need was identified during early stages of management assessment for sub-provincial health directors with training in supervision, budgeting, and simple logistical control techniques, but no host country personnel were available with such training. Arrangements were started even before the new project design was approved to train a small cadre of people so that they would be ready to begin work at the time the project was implemented (see also: AUPHA Case 1 in References section).

Many other documents are available to provide detailed guidance for long-term management development and institution-building. Each of the detailed management problem-solving (MAPS) modules, for example, contains suggestions about long-term processes. These materials may be of special importance in an organization whose leaders show a willingness to participate in systematic processes for strengthening management.

The remainder of this report is divided into the following sections: (2) procedures which may be used; (3) illustrative examples; (4) and conclusions.
II. HEALTH SERVICES MANAGERIAL ASSESSMENT TASKS

The assessment of health services management can be accomplished only by combining analytical routines with thoughtful expert judgement. The emphasis in these guidelines is on improving local capacity for self-assessment while meeting operational needs for producing useable assessment findings. A great deal is at stake for the host country and AID when a new project is being designed. All participants want a new project to succeed, and officials of each appropriate local organization want their group to be seen as having requisite capacity to implement the project. The assessment effort can and should be designed so as to meet both immediate needs to certify an organization as fit to implement and longer term objectives to encourage more systematic development of management practices.

These materials assume that a USAID Mission is prime sponsor of the management assessment. The joint involvement of host country organizations in the assessment is to be encouraged wherever possible. The importance ascribed to sponsorship extends beyond providing the necessary operational and logistical support for carrying out the assessment (e.g. arranging meetings, transportation, and interviews). There is a heavy reliance on the sponsors for their knowledge of the health sector, its participants and key issues, as well as for the mantle of legitimacy and authority required for managerial assessment in the health sector. The ability to assist in the coordination of the assessment activities among the relevant agencies is always a critical concern.

In assessing the potential joint sponsoring agencies, consideration shall be given to the following concerns:

a. the existence of a stable organizational structure;

b. the existence of qualified personnel within the agency capable of employing the managerial assessment instrument;

c. the availability of adequate political and financial resources for the implementation of the assessment methodology;
d. the centrality or importance of assessing managerial performance to the potential sponsoring agency; and

e. the incentives and disincentives for the sponsoring agency's participation in the managerial assessment process and implementation of suggested reforms.

It is recognized that the selection of in-country sponsors may be heavily influenced by political considerations. The government of the country may, as is its prerogative, simply designate an agency to fulfill the sponsorship role. Likewise, an agency, relying on its political influence may simply come forth to claim the sponsorship role. The above criteria can thus be used internally by either a potential sponsoring agency to determine whether it wished to assume the responsibility for undertaking a health sector managerial assessment or by the national government to mandate such a role to an organization.

The tasks of assessment are divided for purposes of explanation into three major groups:

- Plan and design assessment
- Collect and analyze data
- Identify and prepare findings

To facilitate the use of this framework, the diagram on the following page (see Figure 1) suggests the relationship between these tasks and the products which are created during the assessment. Each of the three groups of tasks is discussed in some detail in the following subsections.

2.1 Plan and Design Assessment

After the sponsoring agency is selected, the planning and designing phase begins. The first group of tasks encompasses a number of interrelated activities. We now turn to a description of the steps involved.

2.1.1 Select Participants

The participants in preparing and planning the managerial assessment would usually be fairly small in number and of specialized
Figure 1. FRAMEWORK FOR HEALTH SERVICES MANAGERIAL ASSESSMENT

<table>
<thead>
<tr>
<th>PHASES</th>
<th>OUTPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Plan and design assessment</td>
<td>1. Design for managerial assessment adapted to sponsor's requirements</td>
</tr>
<tr>
<td>2. Collect and analyze data</td>
<td>2. Management area observations</td>
</tr>
<tr>
<td>3. Identify and prepare findings</td>
<td>3. Integrated report of assessment findings</td>
</tr>
</tbody>
</table>

qualifications. The sponsoring institution needs to ensure that the health management specialists chosen to participate are well aware of the intended uses of the assessment process and that the person or people leading the effort have sufficient stature within the surrounding area involved to lead effectively throughout the work. Expatriate management specialists may be needed if no local candidates are found.

2.1.2 Specify Health Sector Goals and Select Assessment Areas

The second activity is to give consideration to identifying health sector goals and selecting the organizational level(s) and management areas to be assessed. Given the complexity of the management assessment task an early articulation of goals permits an assessment to focus on relevant management problem areas.

The responsibility for goal specification lies with the subject organization. Participants from outside the institution should exercise great care not to state or imply specific goals to be adopted for the health system, but only to provide a structured framework within which goals of the health sector under review can be articulated. Goals of a health services entity might include: availability, accessibility, quality, continuity and cost of care; labor pool utilization; politically visible public services; etc. These would serve as goal categories within the framework. The actual goal framework will be developed early in the planning and preparation phase.

General goal statements are usually found in official decrees,
legislation, agency charters, program proposals, and other types of agency documents. The purpose of this step is to translate these generally abstract goals into specific goal statements which are the ends to which management areas are directed. The translation should be undertaken by the policymakers within the sponsoring agency.

The AUPHA assessment modules contain suggestions about ascertaining organizational goals (see especially AUPHA Module 6). The international network of health professionals has developed many apparent standards and norms—many proposed by World Health Organization and similar bodies. These are more often rallying cries, such as "Health for all by the Year 2000," than expressions of national values and expectations. While these serve other purposes, such external standards are not a substitute for the locally determined goals discussed above.

2.1.3 Describe Organizational Levels and Management Areas

The third activity involves preparing some descriptions of the organization or organizations to be assessed. These descriptions will help during later stages of the assessment to be sure areas are not missed and to see whether the organizations are structured in one or another overall pattern. The work may be carried out by collecting existing documents and organizational charts to a large extent. The important concern here is the development of a good sense for the gross features of the organization. The Management Appraisal Methods Project developed a general framework, which is reproduced in each of the module documents, distinguishing two main types of management activity: guidance systems and support systems. The guidance systems include: leadership, planning, organizational design, and relations with the community. The support systems include, at a minimum: finance, personnel, logistics, and patient services. This structure or some similar one will help to distinguish the main guideposts on the map of management activities.

The purpose of this step is to provide the basic knowledge required for the adaptation of the managerial assessment to the specific organization(s) which shall be assessed. These activities are based on
knowledge of the unique social and cultural characteristics of the local area and the degree of managerial complexity found in the local institutions. Thus within the operational and logistics area, inventory control might be identified as an essential activity in the following way:

Inventory control encompasses a number of related tasks the nature of which require that they be performed in a prescribed order. (Thus for each activity identified, the individual tasks must be elaborated and their prescribed order noted). It is unlikely that a single inventory control model can be appropriately applied to all organizational levels, e.g., hospitals, health posts etc., or even within the same organizational level, e.g. a small rural hospital and a major urban teaching institution. The examination of inventory control in each organization may require a separate approach (see Module 1).

The final activity in planning and preparation is the actual adaptation of any managerial self-assessment instruments for use in field work.

The examination process should focus on three principal concerns, the first being an attempt to ascertain which of the previously defined management activities and tasks are carried out; secondly the organizational structure within which they are carried out. Following closely from this is an attempt to determine the level of complexity at which the specific management activities are being performed.

This description is not perceived as being a comprehensive, in depth study, but rather a moderately detailed mapping of the organization(s) to be assessed. These activities are to be carried out by members of the sponsoring agency.

2.1.4 Adapt Assessment Instruments to the Social and Administrative Region and to the Level of Management Complexity

It is often useful to use prepared questions or simple charts to fill-in numbers showing activity in various parts of the organization. These are the assessment instruments; a useful set of basic working instruments is available in the AUPHA MAPS Modules (see References section). The assessment instrument cannot be employed effectively
unless it is understood by its intended users. This implies that the assessment instrument be culturally and structurally relevant to the organizations to be assessed, that is, employing the local idiom, units of measurement, organizational titles, tribal and other regions, units, etc. This step is carried out by representatives of the sponsoring agency.

### 2.1.5 Adapt Assessment Instrument User's Manual to Local Requirements

As was the case in the previous step, the purpose here is to develop a manual which is comprehensible to the user. Attention must be given to the cultural and structural relevance of the document. The latter concern being particularly critical in assuring that the appropriate individuals within the organization to be assessed are designated to fulfill pertinent roles in the overall assessment process. The activity is carried out by representatives of the sponsoring agency in concert with any other participating agencies. The bulk of the activity involved in adapting the user's manual can proceed concurrently with similar types of activities described in Section 2.1.4. It should be emphasized however, that the identification of the relevant actors and the elaboration of their specific roles in the overall assessment process is contingent upon and thus must ensue from decisions reached in the preceding step.

### 2.2 Collect and Analyze Data

The collection and preliminary analysis of data concerning specific management areas, as well as relevant environmental factors which influence the performance of the organization, follow completion of preparations and plans.

The first type of data describes the manner in which the organization to be assessed is actually being administered. In addition to providing data for the actual assessment, the collection of management data fulfills a second purpose; it suggests management activities
which should be performed by the organization. Thus, for example, by inquiring how specific aspects of inventory control are accomplished, the need for such activities is suggested.

As noted a second type of data is collected which chiefly relates to the external environment of the organization. The purpose being to identify the social, political, and economic factors which influence managerial performance.

The specific types of environmental data to be collected are determined by the particular social, political, and economic conditions within which the organization to be assessed operates. The collection of environmental data need not be as formal nor detailed a process as that for the collection of management area data (see Module 6).

For each management area a great deal of data will be available to be collected—some useful and some not so useful. In some cases, the assessment instrument will provide for collecting only certain key indicators which can provide sufficient insights to guide later stages of the assessment. In other cases, the data collection routines will require a fairly large amount of data which later will be reduced on the basis of selected criteria of usefulness. Criteria for judging assessment data will include the following questions:

- Does the exposure to data have an instructive value to participating health management specialists?
- Is there doubt as to validity of the available store of information?
- Do the data contain great variations and are otherwise difficult to understand?

In any event, only existing sources are used to assemble the data and in no event is fresh data collection employed where any reasonable alternative is available.

The individual tasks for the data collection and analysis activities are described in the remainder of this section.
2.2.1 Select Participants

The participants in the data collection and analysis activities will be a combination of people who helped to plan the assessment, discussed above, plus the addition of certain people who are familiar with the location and assembly of health management data. In many cases, it is necessary to prepare the data from a variety of secondary sources, comparing materials from several viewpoints. A person should be available during this work who is aware of basic statistical tools although no especially elaborate statistical computations are required in use of the assessment instrument.

2.2.2 Design Data Collection and Analysis Procedures

The type of management data which is collected and therefore the design of the data collection and analysis procedures flows from the selection of specific activities and tasks as noted above (see Section 2.1.4). Quantitative data will include: accounting records, personnel control records, etc. Qualitative data will be incorporated through such methods as: illustrative case studies, analysis of reporting forms and records, and flowcharts. It is assumed that some of the activities, particularly the identification of existing data, additional data needs and those responsible for its collection will be undertaken concurrently with instrument adaptation activities (see Section 2.1.5).

2.2.3 Gather Data Elements

The required data will be collected based on procedures developed in the preceding step (see Section 2.2.2) by the relevant organization personnel in concert with the sponsoring agency.

For all data gathered and data systems developed an assessment shall be undertaken in terms of their relevance and importance to the information needs for ongoing managerial assessment. The assessment should focus on all three types of data needs:
a. Data to be routinely collected and reported; 
b. Data to be collected from special but periodic studies; 
c. Data to be collected from special, non-repeated studies.

The assessment of management information will continue throughout the managerial assessment. It is anticipated that this data collection and interpretation will expose each level of decision maker to data and the uses of data in management decision.

2.2.4. Organize and analyze data

In most cases, the processes of data collection, organization, and analysis will be repeated several times during an assessment as successive attempts are made to understand better the managerial processes. The steps of organizing and analyzing data will require a variety of quantitative and qualitative methods to sharpen the materials collected. The plan for data gathering and analysis maybe revised somewhat by participants as the analytical effort proceeds along.

2.3 Identify and Prepare Assessment Findings

The basic approach to evaluating management will be to develop and integrate environmental and management data with information gathered from a broad range of management and non-management people in the organization. The steps discussed in this section describe how that data will be integrated with the more subjective determination of management performance, and finally related to the goals which have been articulated for the organization.

2.3.1 Select Participants

The first step in the preparation of assessment findings is the selection of those to participate in the analysis. The self-assessment instrument will guide the process of selecting participants, with regard to types, numbers, and nature of involvement. It is expected that for the assessment of most management areas, those participating in the
assessment will be people who are directly involved in the management area within the organization. Participants in the assessment could represent a wide range of positions and levels in the organization, from the chief executive officer to clerks and secretaries. It is also anticipated that the professional clinical staff, including medical doctors, nurses, and technicians could also participate in the assessment of many, if not all, management areas. It is further expected that patients and community representatives may be involved in the assessment process, but not with respect to all management areas. The areas of community and policy and governance should include participation from these groups. There may also be experts in other sectors who could contribute valuable insights to the process.

2.3.2 Present Management Performance Information

The second step in preparing the Assessment findings is to develop basic descriptive information on the performance of each management area. It is not anticipated that this information will be used as a basis for developing management performance norms but as information to guide the questions asked of those participating in the assessment process. The type of information presented will depend on the management area being assessed and shall be drawn from the data collected in preceding activities.

2.3.3 Assess Management Activities

There are four alternatives to the assessment of management activities. First, is the group dynamics involving managers and staff identifying, discussing, and attempting to resolve management problems. For this activity, it is not essential that the group arrive at any particular conclusion about the appropriate level of performance.

The second alternative assessment is the analysis of data gathered from questionnaires administered to managers and staff. These data will be tabulated and analyzed to reflect how the management area is assessed by those in the process.

These data will be presented along with the descriptive information
for the analysis by expert panels. The third alternative assessment consists of the use of the expert panel to receive the information on management performance and to assess the overall structure and strategy concerning each management area. Depending on the procedures adopted, the information presented to the expert panels may include information developed at any of the various stages of data collection and analysis. Recommendations from the expert panel will be made to the appropriate political bodies, administrators, and national and international financing agencies.

Accompanying the recommendations will be a statement noting the projected impact of the proposed changes or alterations in the management area. Among the areas addressed in the statement will be the following:

1. The specific problem the intervention is meant to ameliorate
2. The estimated financial, social and political costs involved
3. The time required to realize effects of the intervention
4. The effects of the proposed interventions on the performance of other management areas
5. The effects of the proposed interventions on the articulated institutional or sector goals.

The use of an expert panel could be useful in viewing and analyzing the overall structure of each specific management area in the institution and health sector, and to relate the specific management area to both the overall management task and the relevant institutional and/or health sector goals. These findings can then be taken under consideration by the users and sponsors at appropriate points in the assessment. Questions such as the following could be considered:

How effective is the structure of the system for importing, transporting, purchasing, and supplying material to the institutions? Is it too centralized, too disjointed, are there internal conflicts? In addition, how does the structure for operations and logistics relate to it, i.e., how does it affect and how is it affected by other management areas such as the financing system and finally how does it contribute to the realization of the articulated goals.
These questions, dealing with the structure of a management area and the strategy for carrying it out can be addressed through the use of expert panels.

Of course, a variety of other approaches is also available to arrange participation by experts in the work of the assessment; these are described in the User's Guide section of each module.

The fourth alternative assessment entails an assessment of the actual changes brought about through the implementation of the suggested recommendations. This involves a return to the data gathering and analysis activities noted in Section 2.2. In undertaking this aspect of the assessment the emphasis is upon the data that is routinely collected and reported. Consideration however is given to the need for data collected from both special periodic and non-repeated studies. Upon completion of the data gathering and analysis activities, one then turns to the activities noted in Section 2.3. In essence, what is being suggested is that the managerial self-assessment can be a continuous ongoing process that could be repeated at regular intervals.

2.3.4 Evaluate the Self-Assessment Process

The development of the managerial assessment method is conceived of as being an iterative process to be assessed and thus continuously altered and refined based on the knowledge gained from its use.
III. ALTERNATIVE ARRANGEMENTS FOR THE ASSESSMENT PROCESS

A number of approaches to the use of the managerial assessment instrument were suggested in earlier sections of this framework. Yet, regardless of the approach adopted, the nature of the management area or organizational level to be assessed, the following process will be employed to describe and assess the management task.

Assuming that the assessment has three main types of participants:

- sponsors (often national or international agencies or high level officials)
- analysts (experts in specialized areas of health services management)
- users (health services managers, directors of health services agencies)

there are many different configurations of the process which could be used. In some settings, the sponsor, analyst, and user of the results will be the same, single individual. At the other extreme, a far-flung analytical effort could be sponsored by an institution of national stature and range over a wide variety of health sector programs involving a multitude of analysts and users of the results. The instrument is designed to accommodate this range of options and (while a little strenuous as a single-handed effort) should be of value in this breadth of arrangements.

The more complex configuration suggested above is instructive for our purposes here in that it permits the assembling of multiple viewpoints under circumstances where vested institutional interests may make it difficult otherwise to compare and integrate assessment findings.

The alternative paths for including various participants in the procedure (Alternatives A, B, and C) must be decided in the context of the local situation (see Figure 2). The determination of a specific path is governed by a variety of political, economic, and technical factors.
Figure 2. ILLUSTRATIVE PARTICIPATION ARRANGEMENTS

<table>
<thead>
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<th>Options</th>
<th>Active Participants</th>
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<tbody>
<tr>
<td>Option A</td>
<td>Sponsors only (Sponsor often same also as Analyst and User)</td>
</tr>
<tr>
<td>Option B</td>
<td>Sponsors, Analysts</td>
</tr>
<tr>
<td>Option C</td>
<td>Sponsors, Analysts, Users</td>
</tr>
</tbody>
</table>

which are considered during the planning phase of the assessment. In the following sections, approaches available to carry-out the most complex arrangement, Alternative C, are discussed.

3.1 Roles for Users as Participants

The users of the findings—the health service managers and program specialists—can be usefully involved in a variety of ways. To the degree that they can spare the time to be actively involved in data collection, analysis, or other such tasks, they will have a greater appreciation for the nature of the findings and the feasibility of using those results. One interesting approach used in recent experiments in Colombia uses several specialized techniques to gather and arrange the views of management area users:

All individuals or a sample of individuals in each organization are administered a questionnaire asking for their ratings on a scale of 1 to 7 on how they assess the level of performance concerning relevant elements and activities in their organization and in the sector as a whole. A range of performance alternatives is presented
in order to standardize responses. Respondents note what they perceive to be the causes of the level of performance observed, the manner in which such performance could be improved, and existing or potential impediments to such improvement. Furthermore, they identify those individuals and/or roles within the organization most concerned with each function.

In any attempt to marshal users' attitudes and suggestions, the specific process would be designed so that a range of feelings and judgments about management performance could be gathered. Through the process, key people in the organization would be brought together to discuss problems and start to deal with them. In a sense, then, it would be possible to begin consideration of solutions to managerial problems at the point of identifying the problem.

The collections of groups most concerned with each function would meet and discuss standards and levels of performance. The group would arrive at some consensus as to the actual level of performance, the appropriate standard of performance, the manner in which performance could be improved, the effect of improved performance on other functions and specific organizational goals, and the potential impediments to implementation. This process would produce a narrower range of responses for analysis and would also get groups together to think about and start to resolve management problems.

3.2 Roles for Analysts as Participants

Technical experts and other analysts can play an active role in the assessment. Their involvement is dependent, clearly, on the general availability of such people at the time the assessment work is being conducted. The problem is to gather the best of their opinions while not permitting undue distortion of their recommendations on the basis of interpersonal conflicts among the experts. Certain techniques have been developed that permit the gathering of expert judgements about complex
problems under circumstances where several competent specialists may have differing opinions.

3.3 Roles for Sponsors as Participants

Depending on the type of approach used, the sponsors of the assessment may represent any of a variety of points of view: external donors, national policy makers, other top level officials. These participants may engage in a variety of supportive activities to ensure the timely completion of the assessment, as explained in Section 2 above. Toward the end of the assessment, it is often the case that the sponsoring institution or person is also the receiver of the digested findings from the assessment.

Throughout the design of the assessment process, the objective was to insure that a variety of managerial styles and structures could make use of the instruments and procedures. Where there is the interest in understanding how management contributes to the operation of health services, the managerial assessment process can provide valuable long-term perspectives or opportunities for appropriate organizational design to meet local priorities.
IV. CONCLUSIONS

The AID Managerial and Administrative Analysis is a relatively straightforward process of risk assessment for new project designs. The intent of this brief report is to suggest strengthening the risk assessment and extending the usefulness to host country officials of the assessment process. There are now available from the AID/AUPHA project and from other materials suggested in the Reference section of this report a number of useful, field-tested approaches to this type of analysis.

Perhaps the key element needed to prepare a successful analysis is willingness of operating managers to support and, if possible, participate in the assessment of their organizations. The AID sponsorship and fiduciary responsibilities may require that one of the analysts be independent of all connections to the subject institutions. But, there is no purpose served by requiring that all participants be drawn from other organizations—as external examiners, so to speak.

The experience in conducting health management assessments in numerous countries over the past several years suggests that most managers and other staff members in most organizations are motivated to want strong, viable operations. These people can and will offer the most critical, insightful comments if provided an opportunity to do so. These guidelines and the others are intended to facilitate and encourage that process to work.
APPENDIX A

AGENCY FOR INTERNATIONAL DEVELOPMENT OUTLINES FOR

DETERMINING "ADMINISTRATIVE FEASIBILITY" IN PROJECT PAPERS*

1) Project officers should discuss in this section [of the Project Paper] the organization(s) which is(are) to carry out the project. Such an entity might already exist, might be a combination of entities, or might be an entirely new organizational unit. In all cases assessments must be made of: the capability of these organizations to carry out their responsibilities; the mechanism by which the activities of the various organizations will be coordinated; the ability of the organizations to select, award, and administer contracts with both local and foreign firms; and the administrative arrangements made to reach and involve the target population. Appendix 5H [see: Appendix B of this report] to this chapter provides guidance on assessing these managerial and administrative factors.

*Reprinted from: Agency for International Development. Project Assistance. Washington, D.C.: AID, 1978. (AID Handbook 3, Part I, Pages 5-6 to 5-7). NOTE: these regulations are reprinted here for the convenience of the user; AID may have amended or revised these regulations since preparation of this report.
A. A critical element in development projects is the organization (or organizations) which will be responsible for implementing project activities. AID experience indicates that erroneous assumptions about project organizations and management/administrative factors have been a major cause of failure or lack of complete success of many development projects. A full and frank analysis of the managerial administrative environment can contribute to reducing this problem through: (1) Avoiding the initiation of projects where the managerial capability of the implementing organization(s) is inadequate to satisfactorily implement the project, or (2) provide meaningful timely assistance to overcome the identified administrative problems. While (2) is to be preferred, if there are management/administrative problems, in some situations the impediments are such that they cannot be resolved through foreign assistance, and the project must be abandoned.

B. Timing of Administrative Analysis

1. As particular sectors of emphasis are identified in the Country Development Strategy Statement (CDSS) and sector assessments are prepared, these assessments should cover the administrative capability of the leading organizations in the particular sector. These assessments should provide a sound and adequate basis for the analysis of the administrative organizations identified for implementation responsibilities.

2. Improvements in administrative capabilities normally require substantial time, so it is normally unreasonable to expect that significant inadequacies can be corrected in the time between submission of the Project Identification Document (PID) and execution of a project. However, there is adequate time for addressing particular elements which may be identified as needing improvements. Actions to improve administrative competence should

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*Reprinted from: Agency for International Development. Project Assistance. Washington, D.C.: AID, 1978. (AID Handbook 3, Part I, Pages 5H-1 to 5H-4). NOTE: these regulations are reprinted here for the convenience of the user; AID may have amended or revised these regulations since preparation of this report.

**The Country Development Strategy Statement (CDSS) replaced a former AID analytical document, known as: Development Assistance Program (DAP).
be initiated either prior to submission of PID or during the project development process, and should not be delayed until project authorization. However, where improvements require AID assistance, this may be provided for in a prior project or in the first phases of the project being developed.

C. Elements of Analysis

In assessing the administrative capability of an organization it is important to look at several different elements. These include leadership, commitment, structure, resources, outside administrative environment, and grass roots managerial considerations.

1. Leadership

In most cases the development project is proposed by the host country or institution because of a recognition of a problem or need by the leadership in a particular organization at a particular time. In many cases the leadership is articulate and convincing as to the appropriateness of the need for devoting additional resources to solving a specific problem. It is important, however, to look both backward and forward as to capabilities and source of prior leadership and the probability of continuity of the current leadership. In many situations the tenure of leadership is short and often unpredictable. What are the normal sources of leadership of the organization? Do leaders normally come up the ladder in the particular technical field or are they transferred in from other organizations? Are they political figures or tecnocrats? How important are family, tribal, or interest group links? Development projects often last a minimum of 5 to 10 years, hence, assumptions must be made about the future leadership of the organization, and these assumptions should be based on a review of the past and an estimate of the future.

2. Structure

a. What is the legal basis for the organization? Is it reasonably permanent? Does it have legal authority to carry out the activities contemplated in the proposed project? Does the legal base cover the selection of leaders from within the organization? If so, what does it provide? As innovations are implied in most projects, can these be accomodated within the present legal structure?

b. What is the pattern of internal organization? Are there significant weaknesses in divisions essential to the project? If decentralized operations will be needed are they likely to work? Will project implementation involve roles for several organizations? If so, do all of them have minimal administrative capacity? How will they work together? How will their efforts be coordinated?
c. In viewing the structure of organizations, it is of course necessary to look at the informal as well as the formal structure. What is the pattern of behavior within the organization on such matters as coordination, appointments, transfer, or removal of personnel, allocation of resources, communication between separate units? How strong are the patterns and traditions? Are they in a state of flux, or do they constitute a rigid pattern of behavior?

3. Role and Commitment

What is the current role of the organization, its primary purpose, as viewed within the organization and by others? Are the activities proposed in the development project compatible with this role, or will this be a wholly new activity? Are the project activities endorsed as relevant and important by personnel in higher and lower levels within the organization? Is it particularly important that the activities contemplated in the development project be known and endorsed by more than the top leadership? What are the incentives? In what way does pursuing the project activity result in benefits to the personnel in the organization? Will the personnel have expanded responsibilities and staffs, increased promotional opportunities, increased travel allowance, etc.? Incentives are as critical to administrative behavior as to economic behavior and need to be so recognized.

4. Resources

What resources does the organization have—both human and material? From what sources? Do these provide an adequate base upon which to build project activities? Has the organization been supported through provision of adequate resources in the past or has it been understaffed and underfinanced? Will the project resource inputs reinforce and complement the organization's regular flow of resources? If field activities are contemplated, what is the situation on travel allowances, vehicles, etc.? Do the projected activities require a major expansion of resources for the organization? If so, is such an assumption reasonable after assistance is terminated? Is the salary structure sufficient to attract competent personnel, or does the organization suffer from high turnover and transfer out to other organizations? What is the source of recruitment for new personnel? Does the organization have the salary status or other inducements to obtain necessary qualified personnel?

5. Outside Administrative Environment

In addition to the above, it is important to assess the public environment in which the organization is operating. Is the organization generally looked upon as one of the more competent and dynamic institutions carrying out a function which is regarded by the political and bureaucratic leadership as important? In other
words, does the organization have a high degree of relevance on the current and projected political scene?

6. Grass Roots Managerial Considerations

How will managerial/administrative arrangements help to improve the capability of the people to share the benefits of development? What will be the role of local organizations and management (formal, nonformal, traditional, modern)? Can the activities become self-sustaining in the local environment? Is there provision for the development of managerial/administrative skills among local people? Is there an institutional and talent base on which to build such skills?

D. Analytic Talent Needed

The analyses outlined above can best be provided by a person or person who are not professionally involved in the project, but have a thorough knowledge of the administrative culture and the political forces within the recipient country. To be worthwhile they must be objective and frank and this will require sensitivity and diplomacy of a high order. Their purpose is to identify the strengths and weaknesses of particular organizations in relation to activities contemplated in a development project; to allow the recipient country(ies) and AID to identify the most appropriate organizations; and to build in assistance or other elements which will strengthen the probability of success, or abandon the project if the risks are too high. In order to be fully useful the analyses should be completed prior to and be the basis of selection of implementing institutions.

E. Project Design and Evaluation

Present AID requirements for design and evaluation can be fully successful only if they are jointly used by recipient country and AID personnel. Consideration should therefore be given to identifying host country personnel at the post-[CDSS] or PID stage who will have a leading role in project development and/or implementation and exposing them to AID seminars in project design and evaluation. Where appropriate, such personnel should be encouraged and supported in participating in the training courses conducted in Washington. Where the number of personnel is significant (15 or more) special training programs may be arranged in the field. This initiative should be taken as early as possible and would most appropriately take place after [CDSS] sector assessments and prior to submission of project identification documents.
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