THE BASICS

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APPROACHING OUTCOMES

A horizon is nothing but the limit of our sight

—Rossiter Raymond

For all the attention on outcomes in the social sector today, the casual observer might be tempted to think that the idea of outcomes and management toward them is self-evident and something that practitioners easily understand, adopt, and use in many or most of the facets of their programs or organizations. Experience, however, tells us a different story, because the fact is that the outcomes idea is not only a relatively recent arrival on the management scene, but that it also runs counter to the ways in which many people and organizations traditionally think about and approach problems, challenges, and even opportunities. To introduce people to the concept of outcomes, therefore, it is often helpful to begin by putting the ideas of outcomes and outcome management into a context that shows not only their evolutionary origin, but also their contrast to some traditional ways of thinking.

To understand the concept of outcomes as a tool, it sometimes helps to think of it as the Third Stage of Management and to compare it to what went before.

The First Stage, the oldest, and one that stretches literally back to the dawn of civilization, was the management of *workers*. In agricultural and early industrial societies, the only management possible was of the workers, who performed the manual and human-powered labor upon which society relied. There were strong workers and weak ones, reliable ones and unreliable ones, smart ones and dull-witted ones. *Management* meant managing these people, seeking the strongest, smartest, and most reliable workers. Beyond this, the only thing a manager could do to increase production was to get his people to work longer, faster, or harder . . . either that or add more workers. The idea of *productivity* as we understand it today had not yet been developed, and, in fact, was not even used in the English language to refer to *work* until 1898![1]

While workers still needed to be managed—obviously necessary, as significant manual and physical labor still remained in the U.S. production system—much of this traditional focus on workers changed during the end of the 1800s and the early 1900s, as the Second Stage of Management dawned. There were two main influences on this development. The first was the appearance of the first truly national commercial systems . . . primarily the railroads. When long distance rail systems first began to emerge in the mid-nineteenth century, they faced problems of organization, administration, and discipline that had

CHAPTER HIGHLIGHTS

Outcomes: The Third Stage of Management
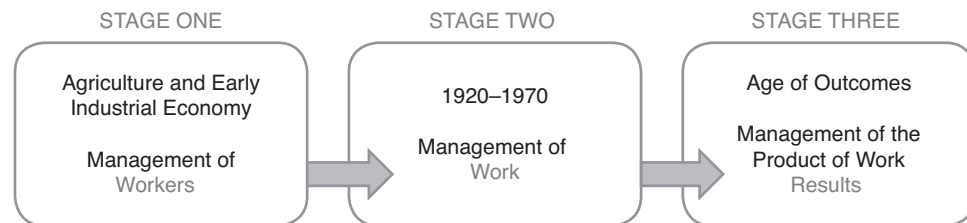
Contrasting the Outcomes Approach with:
- The Problem Approach
- The Activity Approach
- The Process Approach
- The Vision Approach

never been encountered before by any private enterprise.[2] Crucial to the running of such a complex organization was attention to procedure expressly designed to minimize any potential for mishap or miscommunication: Hierarchies of authority were rigid, and procedures and the chain of command strict and unambiguous.[3] It was the beginning of what we would come to call a focus on **process**.

In the early 1900s, when Frederick Taylor defined and began implementing his theories of Scientific Management, this accent on **how** things were done continued and gained new stature and acceptance. Taylor's insight was that there might be something about the **work** itself that could be improved upon. His management method sounded deceptively simple: First, look at a task and analyze its constituent motions. Next, record each motion, the physical effort it takes, and the time it takes. Motions not absolutely needed would be eliminated, and what remained would represent the simplest, fastest, and easiest way to obtain the finished product. Within a decade of Taylor's initial work, the productivity of manual labor began its first real rise in history, and continues to rise to this day.[4] Henry Ford's legendary assembly line was merely an extension of Taylor's principles, Ford's contribution being the limitation of one constituent motion (continually repeated) per worker along the line.

It was not long, however, before Ford and other manufacturing barons realized that, despite appearances, they were not actually in the business of **making** cars, thimbles, shoes, or widgets. Rather, they were in the business of **selling** those cars, thimbles, shoes, and widgets . . . and unless those products met consumer needs, tastes, and expectations, the barons realized, they would not be in business for long. This was the beginning of a radical shift in thinking away from the traditional concepts of success, previously defined mostly in terms of "more" (more flour milled, more yards of textile produced, more widgets made) and toward the elusive notion of "better."

Outcomes: The Third Stage of Management

STAGE ONE	STAGE TWO	STAGE THREE
Agriculture and Early Industrial Economy Management of Workers	1920–1970 Management of Work	Age of Outcomes Management of the Product of Work Results

Gaining strength with the modern post-industrial economy, as more and more work involved less and less physical labor, the accent of management shifted from work to performance.[5] For this shift to be complete, however, the starting point had to be a new definition

of "results," for it was the *results* and not the work itself that now had to be managed.[6] In other words, **if we want better, we must first define what *better* is.**

Of course, manufacturing steps and processes that continued to require manual labor still received the attention of management thinkers. But the new accents on the finished product and "better," and their influence on customer buying decisions was the key to a new perspective that allowed for the eventual development of Outcome Thinking, because it was the beginning of an examination of *outcomes* and of the Third Stage of Management—the management of ***results***.

Exercise

In the spaces below, think of your program or organization. First, think in terms of how you manage any staff who work under you. What are the things you consider and do? Write them down in the space below. Next, think of the work this staff does. In the adjacent space, write down the things you consider and do to manage their work and workflow. Finally, in the third space, think of the outcomes, targets, or goals your program or organization has, the quality question concerning your program or organization's outputs. In the adjacent space, write down the things you think you might consider or do to manage toward those ends.

MANAGING WORKERS

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MANAGING WORK

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But appreciating where Outcome Thinking came from, how it evolved, and how it differs from what went before does not really tell us what it is as a discipline. We are still forced to ask, *What is an outcomes approach*? How does an *outcomes mind set* differ from the ways most people naturally and instinctively approach challenges, situations, programs, and projects? Maybe the best way to answer this question is to start by offering examples of other approaches as a contrast, to better illustrate what makes up a truly outcomes mind set.

As you read these examples, keep in mind that few people or organizations use any one of them exclusively or all the time. Instead, most individuals and organizations, particularly those who have never practiced applying an Outcomes Approach to situations, seem to naturally fall back on two or three accustomed, comfortable, and almost instinctive methods for facing situations, analyzing them, and responding to them. More to the point, most people and organizations will keep reacting in these ways, even if these responses do not bring about desired results, unless they are shown **and come to believe in** a better way to meet and respond to challenges and new situations.

We'll call these examples the Problem Approach, the Activity Approach, the Process Approach, and the Vision Approach.

The Problem Approach

> **Martin Luther King Jr.'s greatest speech was not called "I Have a Complaint"**
>
> —Van Jones

The Problem Approach to challenges is a natural and difficult-to-avoid perspective that focuses most of its attention on what is wrong with a given situation, how big or bad the situation is, who or what is responsible for the negative condition, how much work needs to be done to fix things, and what stands in the way of applying that fix. Because of this, the questions the Problem Approach triggers tend to be *Why do we have this problem? What or who caused it?* and *What obstacles exist to solving it?*

While the Problem Approach *does* often lead to answering the *Why?* questions—an important consideration where there is a person or entity that can be held liable for remediation of the problem—and while it can serve as a short-term motivator by operating

upon people's sense of outrage and injustice, it can also be a trap. A focus on the enormity of the problem, the insurmountable nature of obstacles standing in the way of correcting it, and the Problem Approach's tendency of keeping us focused on blame can all be depressing and demotivating. **Most importantly, however, the Problem Approach often limits our ability to envision success, and the outcomes that describe it, in any terms other than that the problem no longer exists**. As an example, faced with a population of children who cannot read, the Problem Approach (after fixing responsibility on the host of reasons that contributed to the children's lack of reading skills) suggests that the desired outcome is to have children who *can* read. Unfortunately, this not only dictates the mental, emotional, and tactical approach that we might take to the problem, but limits what we (and the children!) will ever see as the reason for learning to read.

An Outcomes Approach, by contrast begins by not only envisioning the potential benefits of children who are able to read—doing better in school, opening their minds to new subjects and possibilities they had not before considered or recognized, having them develop into informed and thoughtful citizens and voters, to name but three—but also manages toward and measures progress and success by these standards. Where the Problem Approach devotes its energies toward children with functional reading skills, an Outcomes Approach seeks to produce children who thrive as readers, enjoy reading, and benefit from the doors it opens to them.

The Activity Approach

Characterized by an accent on *getting started*, the appeal of the Activity Approach is that it gets us moving and makes us feel productive right away. The problem, however, is that what follows an Activity Approach is often more about the journey than the destination.

By focusing early attention on the question of *What should we do? Who can do it?* and *When can we start?* the Activity Approach suggests responses such as *Let's form a committee . . . And then write a plan . . . And assign the job to someone . . . (And get somebody to fund it)*, but doing this often robs us of an examination of, and an answer to the question of where we are going.

Beyond this, the Activity Approach strongly tends to equate activity with results. Asked what we are accomplishing, the Activity Approach prompts us to relate how busy we are, how hard we are working or trying, and how much yet remains to be done. At best it might move us to answer in terms of how many classes we have held, clients we have passed through in-take, letters our advocacy group has written, or people we organized for a demonstration. But all of these measures are *outputs*, and miss the question of outcomes entirely.

The Activity Approach is perhaps most harmful to the programs and organizations where it takes root because its accent on doing not only has a bias against taking the time to reflect and learn, but can actually encourage and/or enforce a practice of not doing so. Comments such as "We learn as we go along," or "We're too busy to stop

and reflect on what we're doing," suggest that organizations that operate according to an Activity Approach are not only missing an opportunity to improve the performance they offer their stakeholders, but could very well be wasting precious resources on efforts and directions that are not as effective as they might otherwise be.

Finally, the Activity Approach to challenges—and even to opportunities—often ends up being characterized by a lot of start but very little finish. Where efforts are designed by an Activity Approach, resources are often expended too quickly, energy dissipates, and staff and supporters burn out well short of a desired goal.

An Outcomes Approach, by contrast, seeks a well defined outcome (or set of outcomes) as the target before an action plan is drawn up, before activity begins. As opposed to the Activity Approach, for an Outcomes Mind Set it is always the destination, and not the journey, that is most important.

The Process Approach

If the Activity Approach is about the journey instead of the destination, the Process Approach is focused on the details of that journey. Largely a product of concerns regarding compliance and inclusion, the first question the Process Approach urges us to answer is *What are the rules?*

The attraction of the Process Approach is that it can be extremely useful in helping programs and organizations steer clear of mistakes, regulatory violations, charges of discrimination (or worse), and the resultant negative publicity that all organizations seek to avoid. Typical Process Approach questions include:

- ◉ Is our process/organization correct?
- ◉   Are we in compliance?
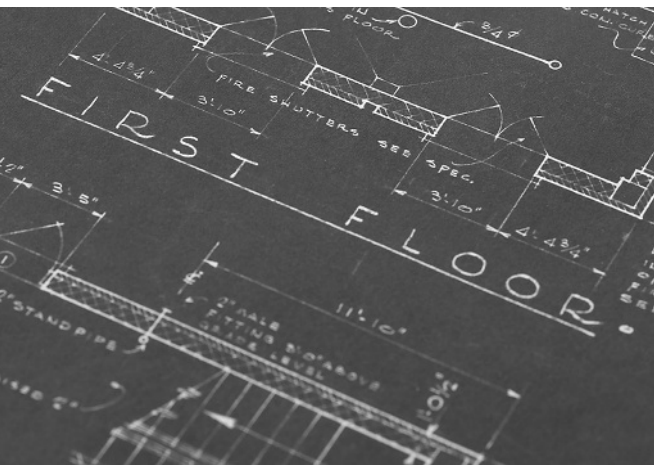
- ⊙ Have we followed all the rules?
- ⊙ Have we had sufficient reviews?
- ⊙ Have all possible stakeholders been canvassed and/or contributed to the plan?

To its credit, the Process Approach often contributes to broad buy-in and support on the part of stakeholders, lends itself to thorough review of all steps taken, often leads to the identification of oversights and missed steps, and enhances regulatory and/or contractual awareness on the part of managers and staff. Unfortunately, with all the checking and rechecking of procedures and specifications, often lost is the *reason* for the project or effort in the first place. But also potentially lost can be the resources and energy needed to bring the project to a successful end.

During the Civil War, General George McClellan drove President Lincoln to distraction and despair with his meticulous and endless preparation for battles he was never quite ready to fight. In much the same way, **the Process Approach gobbles up time and resources, evaporating the energy and enthusiasm of staff and volunteers waiting for a green light that never comes.** In the worst cases, an entire contract period and/or budget can be consumed in planning, leaving little or no time, enthusiasm, energy, or resources for implementation.

While the Outcomes Approach certainly calls for necessary attention to be paid to regulations and contractual obligations, these do not become the overriding, time consuming, and resource-depleting focus that often results under a Process Approach. **The contrast is simple: Under a Process Approach, the effective outcome often turns out to be an effort in compliance; under an Outcomes Approach the goal is effectiveness on behalf of those stakeholders our programs exist to serve.**


Never quite ready

The Vision Approach

The attraction—and the trap—of the Vision Approach is its focus on the big picture, on ultimate ends, and on issues beyond the scope of most programs and organizations. **Motivated by the Vision Approach, organizations do not focus upon clearly defined, well formed outcomes, but rather upon those goals and aspirations better reserved for mission and vision statements. In fact, for organizations and programs mislead by the attractions of the Vision Approach, the mission statement and action plan are often virtually the same.**

The Vision Approach can be very motivating, inspiring to staff, volunteers, contributors, and to other activists. It mobilizes people around the concept that an organization will eradicate or solve the problem at hand.

But the questions prompted by this approach are usually not directed at the best method for attaining achievable goals, but rather focused upon broader issues such as:
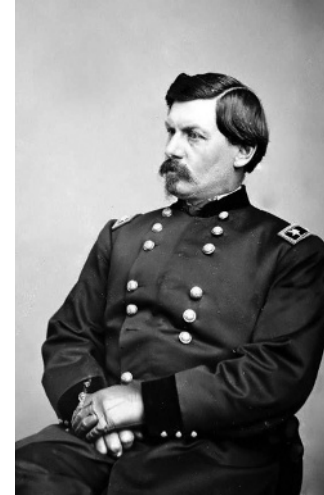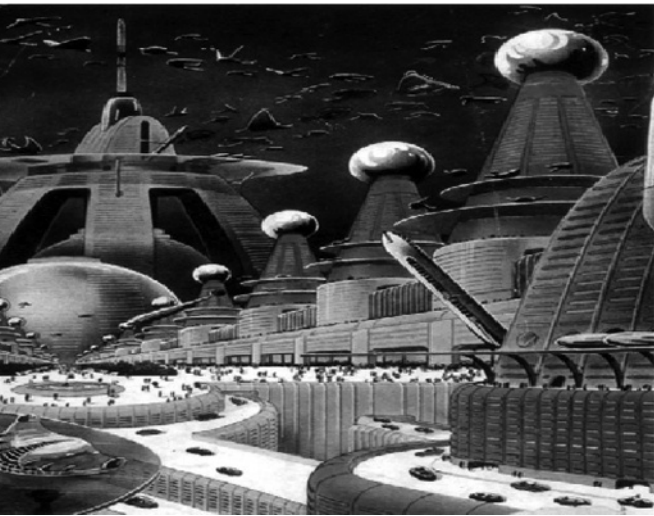
- Why doesn't everyone see things this/our way?
- What's wrong with those who don't?
- How can we make everyone see things this/our way?

The Vision Approach has several unfortunate side effects:

- By confusing the elements of a good mission or vision statement with those of a well-defined outcomes statement, it often fails to identify achievable goals that are within the scope and reach of the program or organization.
- It defines effort in terms of ultimate progress against problems that are too large or deeply rooted to be easily eradicated; as such it is almost doomed to failure.
- It tends to rely upon assumptions that are rarely examined, challenged, or tested.
- Its theory of change is more an article of faith than a well thought out chain of demonstrable cause and effect.
- It tends to lead to burnout and disillusionment on the part of all but the most committed staff, volunteers, and supporters.
- It tends to demonize any and all opposition.

An Outcomes Approach, whether applied to program design, budgeting, communications, or administration, begins by asking not "What can we do?" or "How much money do we have and where is it needed?" but rather "What do we want to accomplish?" Whatever plans or allocations are made, whatever steps are taken, **when an Outcomes Approach is used, everything starts and is based upon this statement of "what we want to accomplish" . . . our well-defined outcome.**

An Outcomes Approach, having established a set of realistic goals, then asks:

- What is the best way to get to where we want to be?
- What resources will we need?
- Why do we think this approach to the problem will result in tangible benefits?

Finally, the Outcomes Approach challenges our comfort levels by confronting our assessment of our capacity, the validity of our assumptions, and the theory of change underlying the program or initiative we have in mind.

Only when these questions are answered does the Outcomes Approach give the green light to action.

In Summary

In the preceding few pages, we have tried to define the Outcomes Approach in terms of management evolution, and by contrast to other approaches people and organizations have to challenges, situations, programs, and projects. It goes without saying that both of these avenues to describing an Outcomes Approach are inexact: Modern managers may be largely focused on results, but that does not mean that they no longer have to manage their workers. Similarly, the several approaches we described are not mutually exclusive. A person who employs one approach on one occasion may very well rely upon another in another situation; an organization, meanwhile, may employ two of these approaches in combination. Nor are we suggesting that none of these approaches have any value or should ever be used.

As we have said, the Problem Approach *does* lend itself to a historical perspective of an issue, it does lead to answers to the *Why?* questions, and it can serve as a motivator. The Activity Approach does lend a sense of early accomplishment; the Process Approach is a good check against regulations and requirements; and the Vision Approach is inspirational, serving to remind staff, volunteers, and stakeholders of the larger issues involved in their efforts. All of these have a use; but each by itself can be a trap, a box canyon of sorts, out of which a program or organization, once having entered, will find it difficult to escape. Our aim in presenting these perspectives on the various approaches is largely a caution to enable the reader to recognize them in her own thinking, and in that of her organization. When this recognition occurs, we recommend that the best approach is a combined approach . . . an Outcomes Approach that is strengthened by the insights natural to the Problem, Activity, Process, and Vision perspectives that may be more natural and intuitive to many managers and practitioners . . . just as an Outcomes perspective can temper the excesses or blind spots to which these other avenues can lead.

As we stated at the outset of this chapter, these various approaches are natural, accustomed, comfortable, and almost instinctive methods for facing situations, analyzing them, and responding to them. They are, for the most part, ingrained responses informed by individual personality and organizational culture. We also said that we recognize that most people and organizations will keep reacting in these ways unless they are shown **and come to believe in** a better way to meet and respond to challenges and new situations. So that is our task, our challenge—to show that an Outcomes Approach *is* a better way. And we begin that effort with the next chapter.

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