

## THE FIVE STAGES OF MANAGING FOR RESULTS<sup>1</sup>

1. The implementation of managing for results follows a sequence of stages common to all organizational transitions. These are conceptual stages that describe the predominant behaviors of the organization at a particular point in time. A critical point to bear in mind is that no organization fits perfectly into any one stage. A key feature of the more advanced stages is the increasing use of outcome data to supplement activity and output information used in decision making. The stages are as follows:

(i) **Awareness.** The organization is aware of, but not committed to, managing for results. In this stage people in the organization recognize that what they have been doing is inadequate and that there must be a better way of proceeding. Managers may express a broad commitment to managing for results, saying that they wish to be in line with broader public policy, but their statements lack conviction. This stage can involve a sense of fear, guilt and unhappiness with past performance. It can also lead to attempts to place blame as various organizational stakeholders become frustrated with parts of the organization that do not implement managing for results practices. With increased exposure to the idea of managing for results, groups become more open to the possibility of change, leading to the next stage.

(ii) **Exploration.** The organization begins to commit to managing for results and explores different approaches. During this stage, people begin to pick up on new ideas from a variety of sources. The exploration may take the form of learning groups, benchmarking studies and pilot projects. One problem at this stage is that people may prefer one technique or system over others, without having given them a full trial. Another problem may be that too many different ideas are tried at once, resulting in practices that are never fully explored. During the exploration stage, enough people across the organization develop a sense of the benefits of MFR and want to explore it in a broader context. This willingness leads to the next stage.

(iii) **Transition.** The organization has committed itself to managing for results and attempting to make the transition from previous systems. In this stage, people begin to make a commitment to the new practices required. They drop old practices in favor of new ones because the old practices can no longer solve the organization's day-to-day problems. This stage can be characterized by hard decisions on what to keep and what to discard in terms of managing for results strategies. For example, the conversion to a set of results-oriented performance measures is likely to mean that some old measures need to be dropped. As more people see the benefits provided, managing for results becomes more widespread throughout the organization.

(iv) **Full implementation.** The organization fully implements managing for results in all areas. In this stage, groups across the organization begin to see and look forward to the real benefits of the new management approach. Resources are allocated and plans are designed to support new practices, not to maintain old and outdated ones.

(v) **Continuous learning.** The organization periodically adjusts and updates existing tools, methods and processes that support the use of managing for results information in the organization, including training tools, new approaches to planning, experimentation

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<sup>1</sup> This material has been taken from: Treasury Board of Canada Secretariat. *The Managing for Results Self-Assessment Tool*. Available: [www.tbs-sct.gc.ca/rma/account/transmond/tm02\\_e.asap](http://www.tbs-sct.gc.ca/rma/account/transmond/tm02_e.asap)

with advanced measurement tools, and development of reporting mechanisms that further align internal and external reporting.

2. Consistent with the 'Exploration' stage, in 2004 ADB made a formal commitment to the introduction of MfDR and began practicing 'learning by doing.' More recently ADB has introduced new tools and policies to support MfDR and a new corporate performance management system is currently being developed. This is consistent with ADB being in the 'Transition' stage. Given that managerial decisions within ADB are not routinely informed by relevant outcome data, the organization has not yet reached the stage of 'Full implementation.'