This paper considers learning in the context of organizations, focussing on two distinct user groups: (1) senior managers and executive directors; and (2) operational staff. Whereas the AfDB’s current evaluation strategy does not clearly identify how different user groups are expected to consume and use evaluative information, the academic literature suggests that organizational learning is distinct from individual learning and is driven by a unique set of processes. In order to better leverage independent evaluation to support institutional learning, it is necessary to critically examine how organizations learn.
Although development evaluation has traditionally been regarded as an accountability function, independent evaluation units are increasingly identifying “learning” as a major objective of their activities. For example, the (2013–2017) Independent Evaluation Strategy of the African Development Bank (AfDB) identifies three complementary objectives for independent evaluation: (1) learning; (2) accountability; and (3) promotion of an evaluation culture. However, beyond ensuring that evaluation reports are made available to potential users and that planned products are relevant to the needs of key stakeholders, the strategy does not clearly identify how learning is expected to take place among the different users of evaluative knowledge. If learning is to be among the core objectives of evaluation, it is necessary to not only identify the targeted user groups for evaluative information but also how they are expected to use this knowledge, and for what purpose.

Given that the AfDB’s independent evaluation function reports directly to the Board of Executive Directors, this paper considers learning in the context of organizations, focusing on two distinct user groups: (1) senior managers and executive directors; and (2) operational staff. Whereas the Bank’s current evaluation strategy does not clearly identify how different user groups are expected to consume and use evaluative information, the academic literature suggests that organizational learning is distinct from individual learning and is driven by a unique set of processes. In order to better leverage independent evaluation to support institutional learning, it is necessary to critically examine how organizations learn.

How do organizations learn?

Organizational learning is distinct from both individual learning and learning within groups. Crossan’s highly influential 4i model of organizational learning suggests that, within organizations, learning takes place at different levels, including among individuals, within groups and across the organization as a whole. Furthermore, at each of these levels, learning occurs through a distinct process. Individuals intuit relationships between events and the outcome of their work, reflecting a personal understanding about the factors which contribute to success or failure. The individual interprets this intuition in the context of his or her working environment and may discuss this interpretation with other individuals to reach a common understanding. Individuals or groups may then decide to integrate this new knowledge into their work. However, in order for learning to take place across the organization, the content of this learning must be institutionalized, meaning that new ideas are incorporated into standard practices and provide clear expectations for behaviour among individuals. The concept of institutionalization, a
Organizations monitor whether or not activities are achieving their expected results. If we accept that evaluation can and should be used to support learning, Crossan’s model suggests that this learning will be expressed differently depending on the user group in question. An individual project manager may choose to apply a best practice to his or her own work, whereas an entire department may decide to adopt a new procedure in order to better manage risk. Finally, a senior management board may identify a new strategic direction for the entire organization which will impact the daily work of all its members.

At all levels of an organization, learning is driven by the need to adapt to changes in the operating environment and ensure the achievement of results. The process of learning can also be multi-directional, such that the observations of individuals may eventually influence organizational policies or new organizational policies may change the way that individuals work. Through feedback processes, organizations monitor whether or not activities are achieving their expected results. A conclusion may then be reached about circumstances where activities must be modified in order to improve performance. However, organizational learning may also occur through feed-forward processes, whereby an organization changes its policies or practices to remain responsive to the operational environment and individuals must learn to work differently in line with these new expectations.

In a management context, feedback and feed-forward processes are implemented through feedback loops – systematic approaches to monitoring and analyzing the implementation of an organization’s activities and the achievement of expected results. These systems allow an organization to respond to cases where results have not been achieved and make adjustments to improve performance. A simple example of a feedback process is a thermostat. Thermostats measure the surrounding temperature of a room and activate heating or cooling systems as required to maintain a desired temperature. At their most simplistic level, feedback processes are most applicable to an assembly-line context, for which the consistency and quality of outputs are important operational goals. However, it is sometimes necessary to pose more fundamental questions about performance beyond identifying adjustments to existing activities. Returning to the example of an assembly line, a simple feedback loop may provide information about the extent to which a particular product is being produced efficiently, but a different type of inquiry is necessary to determine whether that product continues to be competitive. Whereas single feedback loops assess compliance with existing standards, double feedback loops question whether an organization’s policies and standards remain relevant and effective given the operating environment. Double feedback loop processes have the potential to alter an organization’s policies and expectations for behaviour among its individual members, thereby resulting in the institutionalization of knowledge. In the context of the development evaluation, the concept of single and double loop feedback mirrors the distinction between the self-evaluation and independent evaluations.
evaluation. Furthermore, this distinction demonstrates the complementary value added by of these two tools with respect to learning.13

The Self Evaluation Function and Organizational Learning

As part of the self-evaluation function, project teams conduct evidence-based assessments to examine the performance of projects or programs and identify lessons to apply to future activities.14 The independent evaluation function implements a similar process; however, the design, management, implementation and reporting processes of the evaluation are carried out independently of project staff and management. By working outside of existing management structures, independent evaluation can consider a broader range of activities which cut across existing reporting lines and, as a result, is well-placed to consider an organization’s corporate policies and practices.

In the context of a single development project, the self-evaluation function has high potential to contribute to individual and group learning due to a high level of individual familiarity with the context of a project as well as ownership of the evaluation process.15 Self-evaluation, conducted with appropriate rigour, may be better placed to identify the factors which contribute to success or failure for a specific project. Furthermore, it may be more likely that the project team, as owners of the evaluation process, will accept and adopt the recommendations.16 Conversely, the lessons from self-evaluation may only be relevant to specific circumstances. The extent to which these lessons lead to changes in behaviour is dependent upon the extent of their communication to like-minded peers as well as the extent to which these peers then have the opportunity and willingness to apply these lessons to their own work.

Recent reviews of the self-evaluation function at other development finance institutions (DFIs), including the International Monetary Fund (IMF) and World Bank, suggest that self-evaluation is often not leveraged to its full potential. An Independent Evaluation Office (IEO) review of the self-evaluation function at the IMF noted several challenges, including the lack of an organizational policy governing the timing, use, quality and content of self-evaluation reports.17 Furthermore, challenges were observed with respect to gaps in coverage and vulnerability of the self-evaluation function to budget restrictions.18 In its report on the self evaluation system of the World Bank Group, the Independent Evaluation Group (IEG) found that self-evaluation tends to emphasize accountability issues and performance ratings rather than opportunities for learning.19 Opportunities for genuine learning were further limited by a “compliance mindset” among staff as well as weak monitoring and optimistic reporting.20

Both of these reports identify limitations regarding the use of the self-evaluation function to support organizational learning. Whereas the IEO report found that self-evaluations had identified useful and relevant lessons for future operations, these lessons were often country-specific, with little communication of findings beyond the country in question.21 Furthermore, most interlocutors at the IMF felt the Board was not active in taking up lessons from the self-evaluation function and applying them to future decision-making.22 The IEG report similarly concluded that self-evaluation reports were not regularly mined for information outside of the independent evaluation function and that self-evaluation reports could be more valuable to inform implementation if there were incentives for management to acknowledge problems and raise “red flags”.

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The Value of Independence for Organizational Learning

Development evaluation, be it either self-evaluation or independent evaluation, has traditionally been used as an accountability tool. Evaluation naturally supports accountability by identifying: (i) what was achieved (i.e. what was implemented); and (ii) to what end (i.e. the achievement of results). Whereas the self evaluation function is capable of providing this information, it is not always well-positioned to do so strategically and independently.

Ebrahim further argues that disproportionate emphasis on accountability may contribute to an “accountability myopia” wherein the need to justify activities and the use of resources overshadows the potential to examine the complex factors underlying performance, identify opportunities to innovate and learn from failure. One example is that of a non-profit institution which must provide an evaluation to their financial contributors in order secure additional resources for future projects. This context creates a series of perverse incentives which may limit the objectivity of the evaluation and also limit its value as a source of learning. In such an environment, implementers face pressure to: (i) design projects using conventional strategies, even if sub-optimal; (ii) focus on “low-hanging fruit” as opposed to more complex development problems; and (iii) under-report on project elements which did not work as anticipated.

There is also a risk that project staff will turn monitoring into an administrative task rather than a management tool by seeking to report against a long list of compliance-related, output-level indicators. A review of results-based management within the United Nations development system found that pressure from donor countries to quantify the exact contribution of agencies to development outcomes encourages the implementation of complex monitoring systems without enough consideration of the their relevance or value. These practices oversimplify the development process and encourage the identification of targets which are easily measured and achieved, but do not provide an indication of whether an intervention has contributed to a meaningful change in behaviour.

The management literature provides similar examples which underscore the drawback of relying solely on self-evaluation and single-loop feedback. Argyris cites the example of a new product which is underperforming. Operational staff may understand that this product is not competitive and be cognizant of the serious challenges which remain before the product can be profitable. As this issue is communicated to different levels of management, however, there are increasing incentives to minimize the scale of the problem while overestimating the degree of “control over the situation”.

As a result, operational staff and management face a double-bind due to the nature of their reporting relationships. Staff may face negative consequences for signaling that a process is not working but may also face negative consequences for failing to alert management to the problem. To be clear, the double-bind does not suggest that self-evaluation cannot be objective, but that there are often strong organizational incentives which influence its objectivity. By virtue of its impartiality, the independent evaluation function is able to avoid the downside of self-evaluation because it is not subject to the perverse incentives which discourage a frank discussion of challenges and failures.

Aside from promoting accountability, part of the value of independent evaluation lies in “enhancing the credibility of...”
The independent evaluation function is subject to the traditional reporting hierarchies. As such, the value of independence lies in the additional scope to challenge the status quo of an organization and identify challenges and failures without facing the pressures of the double-bind. For example, independent development evaluation is better placed to determine when a specific line of programming which is not working as intended or identify an important contextual factor which has been consistently overlooked in the project appraisal process. Furthermore, independent evaluation can validate the results of self-evaluation and provide further justification to adopt a specific best practice. These two functions need not be duplicative or contradictory; they are complementary.
Creating Demand for Evaluative Knowledge – Promoting the use of Evaluation for Organizational Learning

Whereas evaluation has an important role to play in organizational learning, the extent to which evaluative evidence is used to inform changes to organizational policies and practices has been difficult to identify concretely. Failure to leverage evaluative knowledge from both the self and independent evaluation functions is not only a missed opportunity, but raises concerns regarding the use of resources – one might question the utility of undertaking rigorous evaluations when a commitment to use this information in order to enhance the achievement of results is absent.

A variety of tools have been implemented at the AfDB to promote the use of evaluation to support learning, including: (i) an Evaluation Results Database (eVRD), which provides both the Bank staff and the general public with access to lessons and recommendations from self and independent evaluations; (ii) publication of independent evaluation reports both in both hard and soft formats; (iii) launching of events and conferences to share lessons learned; and (iv) dissemination of evaluation reports and briefs via the IDEV website and electronic mailing lists. In addition to these learning tools, the AfDB has also developed a tool to track the implementation of management actions and responses from evaluations (MARS) and has instituted a formal requirement that lessons from past evaluations be identified and considered in the appraisal reports for new projects.

However, these activities have not necessarily been effective in promoting the use of evaluation. The eVRD faced initial challenges regarding the quality of lessons from project completion reports which had to be validated before being included in the database. Furthermore, although the database has been used by some external users, it has not been widely used by AfDB staff. This limited internal use suggests that the eVRD has not yet had a major influence on the design and implementation of the AfDB’s projects. Despite considerable communications initiatives, it is not possible to track the extent to which evaluative information is being used by targeted stakeholders or how they are using it, if at all. Finally, it is unclear how the MARS will contribute to assessing the impact of management actions on the Bank’s operations and performance.

As established previously, organization learning is a deliberate activity through which new expectations for behaviour are codified within corporate policies and practices. Whereas learning can occur spontaneously among individuals, complex organizations lose the ability to learn spontaneously while remaining coherent. The need for deliberate action underscores the importance of demand for evaluative information and buy-in for the evaluative process. Deliberate use of evaluative knowledge can be seen through: (i) the incorporation of evaluative knowledge into the design of new policies, programs and projects; and (ii) changes to organizational policies and practices in response to evaluation recommendations.

By contrast, the knowledge management activities tend to increase the supply of information without clearly addressing either the demand for the information or its ultimate use. Furthermore, formal requirements to use or consult evaluative information, including the requirement to identify lessons from evaluation in project appraisal reports, become symbolic rather than substantive if staff have no incentive to implement these mechanisms as they were originally intended. Expectations for the use of evaluative information must also consider an organization’s
Operational context: In the ongoing push to increase approvals, it is unlikely and perhaps irrational that a proposed project not be approved at the highest levels simply because a review of evaluative evidence was less than thorough.

The importance of demand for evaluative information to facilitate learning is well established in the available literature. John Mayne and other authors cite demand for evaluative information as a crucial component of an “evaluative culture” whereby an organization deliberately seeks out objective, evidence-based information about performance and uses this information to inform decision-making, adjust its practices and, ultimately, improve performance. The UNDP similarly emphasizes the importance of buy-in among senior management for results-based management, indicating that “senior management sets the tone and gives a general signal as to what is important and what is not”. Without such support, even formal requirements to review and cite evaluative knowledge are at risk of becoming a “check the box” exercise.

Use of Evaluation to inform Project Design – Independence, but not isolation

With respect to use of evaluation to inform the design of projects and policies, Mayne envisions that senior management should serve as champions of evaluation and should be directly involved in challenging the logic and assumptions of projects as well as the evidence gathered on performance. In the context of a DFI, an independent evaluation group might provide senior management with regular and targeted briefings to support upcoming reviews of proposed projects.

However, this approach underestimates the strong incentive to approve projects, expressed as an “approvals culture”. The rejection of a proposal due to such scrutiny would undoubtedly encourage project teams to more thoroughly consider evidence from evaluation in the project appraisal process in order to avoid a similar outcome. However, the inefficiencies which would result from the rejection of a proposal after a lengthy appraisal process may ultimately reduce buy-in for the use of evaluative knowledge if these rejections are seen as too disruptive. There is a need for such scrutiny to take place earlier in the process of designing and approving projects. A better approach may be to encourage closer collaboration between operations and evaluation departments in the early stages of project design.

A recent external review of the IEG notes that “the effectiveness and capacity of an evaluation unit to influence change requires strategic engagement and a close relationship with management and staff”. However, the need to maintain the independence of the evaluation function places limits on the degree to which these interactions can take place. Whereas consultation with senior management on the content of the evaluation work program is recognized as an appropriate means of ensuring that reports are relevant to the needs of the organization, there is concern that input from the evaluation function to inform the design of projects will create a conflict of interest when a project is evaluated.

This concern has been overstated for two reasons: First, any role played by the evaluation function would be advisory. Accountability for project design choices would continue to rest with operations departments. This advice would be a means of achieving due diligence by ensuring that all relevant evidence is considered, without either dictating the details of the final design or guaranteeing the achievement of results. Secondly, independent development evaluation would...
continue to be free of the double-bind facing operations staff. If an evaluation reveals that best practice at the time a project was designed failed to address one or more important factors for the achievement of results, there is no real incentive for the evaluators to either obscure this fact or provide an overly optimistic view of performance.

Furthermore, independent development evaluators possess subject-specific knowledge which may benefit not only project design and implementation, but also self-evaluation. One common issue regarding the quality at entry of projects is the lack of a clear intervention logic and a realistic results measurement framework. Even without influencing the content of the project design itself, evaluators may have a role to play in ensuring that the project logic is coherent and that meaningful performance indicators are identified. Although there is already a process in place at the AfDB for ensuring that the design of each project meets minimum standards for quality at entry, the current process considers multiple elements of the project design aside from the monitoring of results and is similarly placed under considerable pressure by the “approval culture” of the Bank. There may be some value in receiving independent advice which exclusively targets project logic, performance measurement, evaluability and key lessons from the self and independent evaluation function.

Moreover, greater use could also be made of formative and prospective evaluation processes to address issues of performance while a project or program is still being implemented. The use of prospective impact evaluation could be particularly useful in providing proof of concept for new lines of intervention. Such initiatives could identify relevant lessons and test our assumptions about how and why certain initiatives achieve their expected results.

The potential to encourage buy-in and demand for evaluative information by enhancing ownership of evaluation among operations staff, while also leveraging the independence and expertise of the independent evaluation function.

Evaluating the Evaluators – Demonstrating the Credibility of Independent Evaluation

The second means through which use of evaluation can contribute to organizational learning is where organizational policies or practices change as a result of evaluation recommendations. Although tools like the mARS can be used to assess self-reported implementation of recommendations, there are serious concerns about whether the implementation of evaluation recommendations result in an actual change in behaviour and whether new practices are actually enforced.

Furthermore, the impact of evaluation recommendations is not always apparent. Although it is often assumed that the incorporation of lessons and recommendations into ongoing activities will improve the achievement of results, this assumption is rarely tested in an objective way. This lack of evidence raises the question of “who evaluates the evaluators?” One means of improving demand for evaluative knowledge would be to more clearly identify how the use of evaluation contributes to the achievement of results.

Existing systems such as the mARS address this issue from accountability perspective by detailing the actions which have been taken. The system does not consider either the usefulness of the recommendations themselves or whether their implementation has had any tangible impact on performance. Furthermore, the mARS does not currently allow for analysis of persistent issues which are identified in
multiple recommendations over time. As the operational environment constantly changes, there is a need to continuously revisit recommendations and management actions to ensure that they continue to be relevant. The system could be better leveraged to identify and prioritize cross-cutting challenges that the AfDB is currently facing, and revisit the actions that management had implemented to address previously identified challenges, thereby promoting continuous organizational learning.

As indicated by an external review of the IEG, the independent evaluation function “should develop a theory of change around users’ needs and the demand for its work”, and follow up on recommendations should entail, “not just a report of action plans, but also a discussion of outcomes”. In this regard, regular external reviews of the independent evaluation function would demonstrate that: (i) evaluation activities remain aligned to the needs of the organization; and (ii) evaluation reports provide relevant and credible guidance based on evidence and best practices. Most importantly, follow-up on evaluation recommendations may encourage more meaningful collaboration with management by clearly demonstrating how the use of evaluative knowledge has contributed to the achievement of results.

Conclusion

By virtue of its independence from operational hierarchies, the independent evaluation function is in a unique position to ensure that policies and practices remain relevant to the operating environment and that they are promoting the achievement of results. Furthermore, independent evaluation can enhance the credibility of other evaluative functions within the Bank, most notably the self-evaluation function, thereby encouraging the identification and adoption of best practices.

Organizational learning is distinct in that it necessitates that behaviour is changed on a broad scale, thereby leveraging the knowledge of individuals, ensuring consistency and improving performance. Independent evaluation has the potential to contribute to organizational learning by influencing the design of new policies and projects and by changing existing practices and behaviours as a result of follow-up actions to evaluation recommendations. However, if this potential is to be leveraged, knowledge management practices must go beyond increasing the supply of information or tracking the implementation of evaluation recommendations for accountability purposes. These activities must be complemented by strategic initiatives to increase demand for evaluation among targeted user groups. Such initiatives should be rooted in a clear understanding of the needs of these user groups as well as how they will potentially use evaluative information.

As a result, evaluation units may need to rethink what it means to be independent, collaborating more closely with operational staff and management to provide relevant inputs into the design and implementation of projects and programs. This approach may require the adoption of new tools, including formative evaluation and prospective impact evaluation. Finally, independent evaluation units should critically assess both the relevance and impact of the lessons and recommendations they produce. Such initiatives would promote the credibility of the independent evaluation function by demonstrating an understanding of the operational context. But most importantly, these initiatives could increase demand for evaluative knowledge, thereby promoting organizational learning and enhancing the achievement of results.
Endnotes


3 Ibid.


5 Ibid.


7 See Crossan & Berdrow (n.ii); Crossan et al. (n.ii); Lengnick-Hall & Inocencio-Gray (n.iv).

8 Ibid.


10 Ibid.

11 Ibid.

12 Ibid.


15 IEO (n. 14).

16 Ibid.

17 Ibid.

18 Ibid.

19 IEG (n. 14).

20 Ibid.

21 IEO (n. 14).

22 Ibid.


24 Ibid.


26 Ibid.

27 Argyris (n. 9).

28 Ibid.


30 IEO (n. 14).

31 Lengnick-Hall & Inocencio-Gray (n. 4).


35 World Bank (n. 13).


37 World Bank (n. 13).
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