

H4 Consulting Brief

Effectiveness

Balancing finite resources with seemingly infinite demand requires publicly funded organisations to consider actively and often whether their resources are delivering as much public value as possible. Critiques tend to focus on inefficiencies due to waste or excessive bureaucracy, but there are also opportunities to deliver more value by identifying effort that is ineffective, and shifting resources to more effective ways of delivering better outcomes.

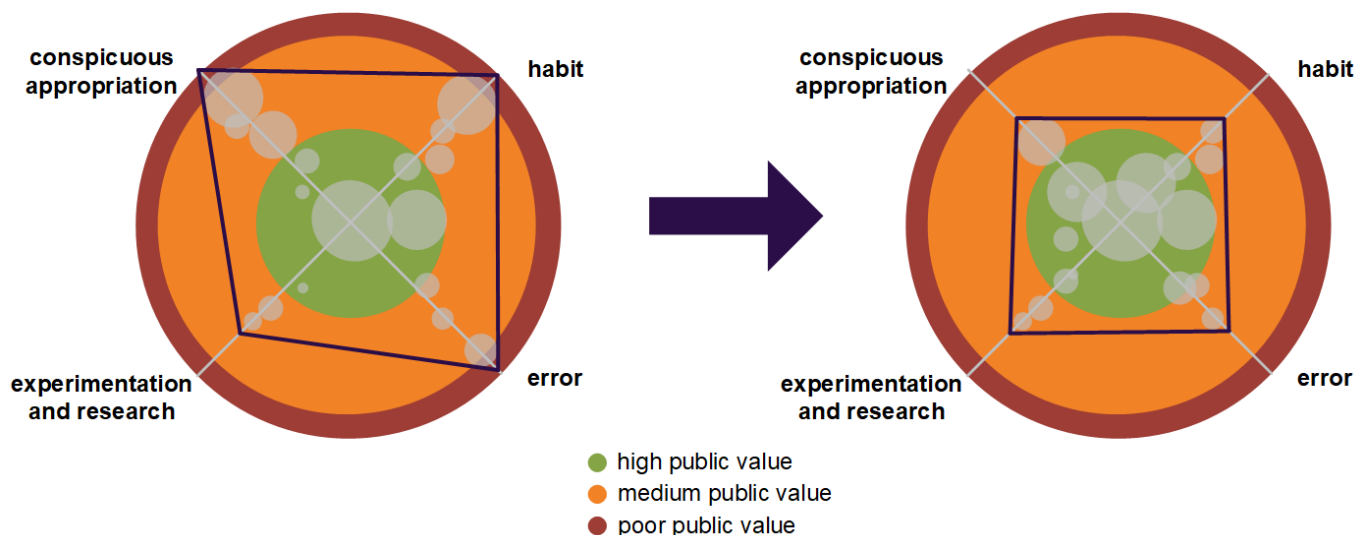
Stewards of public funds must allocate resources in ways that maximise public value. This means being efficient by minimising the resources used in ways that do not contribute to target outcomes and effective by maximising the outcomes achieved by the activities delivered. Efficiency comes from doing things well. Effectiveness comes from doing the right things.

Reducing inefficiency is commonly accepted as a valid objective for publicly funded organisations, routinely expressed in public discourse and through top-down targets such as efficiency dividends. The goal of identifying, measuring, and eliminating ineffectiveness, however, is much more complex and contested.

People working in publicly funded organisations understandably focus on the public good that their efforts create. It is much more difficult to compare the relative merits of current activities and outcomes with possible alternative investments, particularly when the alternative is in a different domain, such as comparing between health, education, and transport outcomes.

Members of the public find it even more difficult to objectively evaluate the value of current activity compared with alternatives, particularly if they think alternatives might offer them fewer individual benefits.

Current investments also tend to have at least some vocal supporters who will oppose change.



This makes it difficult for publicly funded organisations to stop allocating resources to current activities or programs, even if they are ineffective. Defensive reactions from stakeholders, combined with the challenges of measuring and comparing effectiveness, can make it difficult to even consider reallocating resources to higher value activities.

There are four common drivers of ineffective effort: habit (doing the wrong thing because it is what we usually do); conspicuous appropriation (doing the wrong thing to be seen to do something); error (doing the wrong thing while believing it to be right); and experimentation and research (doing the wrong thing temporarily to find out whether it is right or wrong).

Efforts to reduce ineffectiveness often focus on better measurement, such as rigorously evaluating outcomes achieved by activities and programs. These are valid and valuable ways to support experimentation and research and to identify errors. Compiling evidence that an activity or program is ineffective is necessary, but seldom sufficient to prompt a decision to change or to overcome objections to reallocating resources to more effective efforts, particularly when current activity is driven by habit or conspicuous appropriation.

Recognising the drivers of ineffective effort can help to identify and build support for acting when opportunities arise to refocus, targeting more of our finite public resources on effective efforts to deliver public value.

To find out more about how you can use this approach in your organisation, contact us: info@h4consulting.com.au
Find additional resources at www.h4consulting.com.au/resources