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What difference does CLA make to development?

KEY FINDINGS FROM A RECENT LITERATURE REVIEW

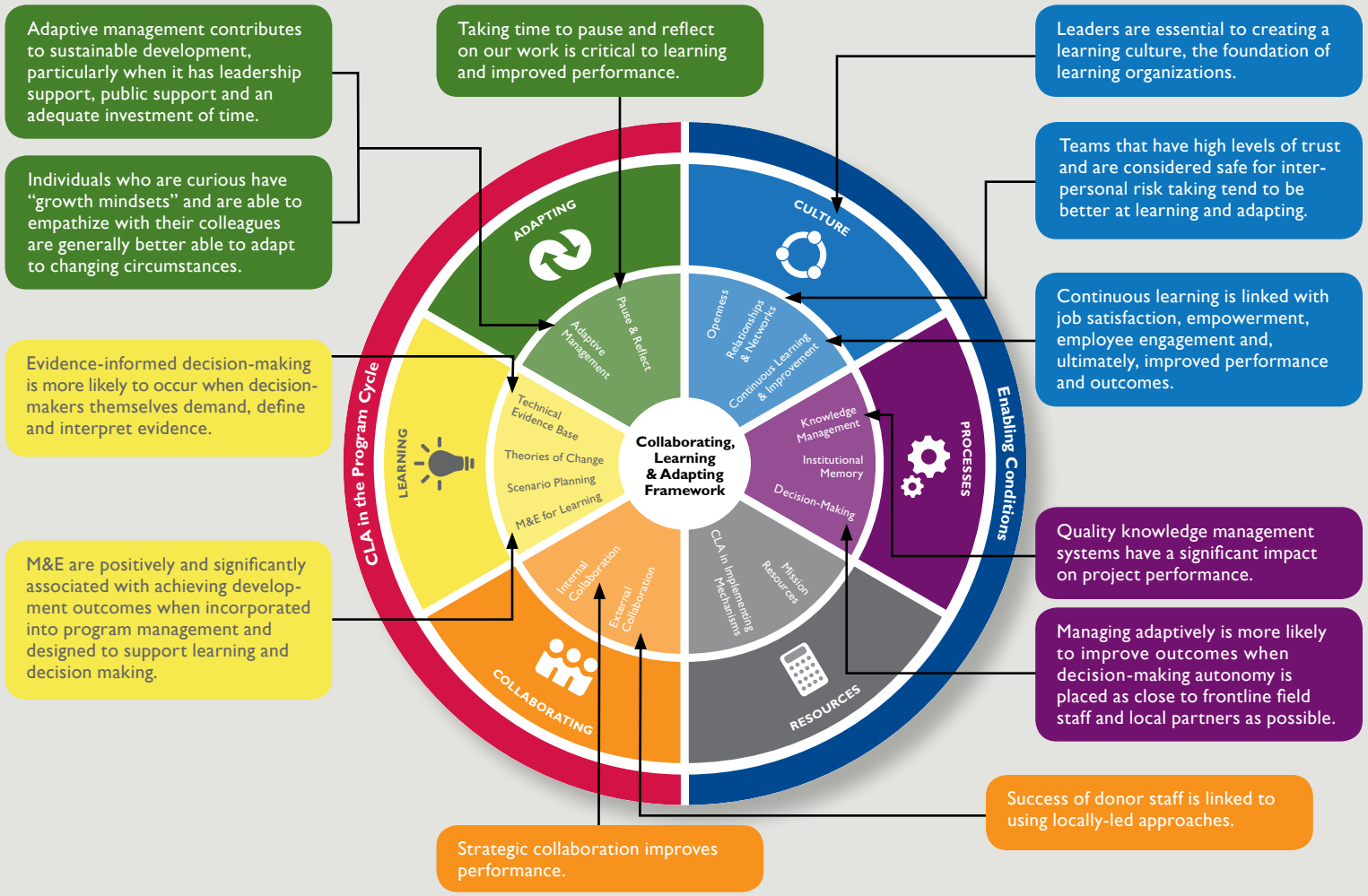
OVERVIEW

USAID's Bureau for Policy, Planning and Learning and its LEARN support contract are working to integrate systematic, intentional and resourced collaborating, learning and adapting (CLA) throughout program planning and implementation to achieve more effective development programs.

As part of this effort, USAID is exploring several approaches to understand whether and how strategic collaboration, continuous learning and adaptive management make a difference to organizational effectiveness and development outcomes. To begin this work, we have undertaken a foundational literature review of academic and gray literature to answer our key learning questions:

- Does an intentional, systematic and resourced approach to collaborating, learning and adapting contribute to organizational effectiveness? To development outcomes?
- If so, how? And under what circumstances?
- How do we measure the contribution?

The 12 key findings, mapped to the CLA Framework on the next page, are described in greater detail below:



KEY FINDINGS AND IMPLICATIONS



FINDING: **Strategic collaboration improves performance.** In 2009, McKinsey and Company found that private sector companies with better collaborative management capabilities achieve superior financial performance. This has implications for overall effectiveness for organizations in all sectors, including NGOs and government agencies. Collaborative organizations were found to be more successful because collaborative relationships among individuals and groups are important for innovation and the creation and distribution of knowledge. By collaborating effectively, groups and teams develop "transactive (or shared) memory systems," which enable better group goal performance. However, research also shows that collaboration is not a panacea. It has to be strategic, or else it can lead to wasted time, high interaction costs that can slow decision-making, interpersonal conflict and loss of motivation.

IMPLICATION FOR USAID STAFF: **Identify areas of strategic internal and external collaboration.** Based on the literature, the aim here is not to get USAID missions to collaborate more often with more organizations or stakeholders, but rather to think more strategically about collaboration: who should we be collaborating with, why and what form should that collaboration take. A Collaborating, Learning and Adapting plan, as part of the PMP, is a good starting point for the Mission to consider how to strategically collaborate with others (ADS 201 guidance, page 128). For more on strategic collaboration, see here.



FINDING: **Donor staff success linked to using locally led approaches.** Emerging research emphasizes the need for approaches that are embedded in the local context and negotiated and delivered by local stakeholders. This type of development emphasizes learning partnerships between donors and local actors that are based on trust and transparency and where differences in power between actors are acknowledged and addressed.

IMPLICATION FOR LEADERSHIP AND STAFF: **Facilitate, rather than create, development.** Locally led development has far-reaching implications for USAID staff and partners. It begins with adjusting our expectations about how quickly results can be achieved in order to allocate the time required to build relationships and facilitate local actors in defining their agenda. And it requires greater collaboration with local actors during the early stages of project/activity design to ensure approaches are locally driven, as emphasized in the updated ADS 201 guidance (page 12). It also means taking a facilitative approach—one that focuses on indirect interventions at strategic points within a system—during implementation to ensure sustainability of results.



FINDING: **Monitoring & Evaluation (M&E) are positively and significantly associated with achieving development outcomes when incorporated into program management and designed to support learning and decision making.** A June 2016 World Bank study analyzed large sets of data to determine if there was a correlation between the quality of M&E and project outcomes. It found that good-quality M&E that informs decisions during and after implementation is positively and significantly associated with achieving project outcomes. In addition, several cases in the literature underscored the importance of using evaluation for learning to enable adaptive management and improve performance.

IMPLICATION FOR USAID STAFF: **Design and invest in M&E systems and approaches that enable learning and thereby inform programmatic decision making.** This means determining whether your M&E systems are merely serving a reporting function, and if so, re-designing them to enable learning to be applied in real time. This is why USAID's updated ADS 201 guidance (page 108) highlights the need to integrate monitoring, evaluation and learning (MEL), starting with a CLA plan in the PMP and extending to the creation of MEL plans at the project and activity levels. For more on effective learning, see here.



FINDING: **Using evidence to make decisions is more likely to occur when decision makers themselves demand, define and interpret evidence.** The literature identifies a number of principles for ensuring the use of evidence when making decisions. These include assessing the needs and identifying specific demands of users, understanding and engaging with target audiences throughout, and ensuring ongoing engagement with and between users and producers of evidence. Even when good-quality, relevant and reliable research is available, straightforward application is difficult. Several studies suggest that successful implementation of research necessitates the interest and involvement of decision makers and an explicit focus on ideas, practices and attitudes specific to the context of users.

IMPLICATION FOR USAID STAFF: **Gather and present evidence in a way that is most useful for the reader.** This would entail investing more strategically in collaboration with relevant stakeholders when designing and carrying out monitoring, evaluation and learning efforts. Specific questions to consider include: who are the end users of this evidence-gathering exercise (including local communities and stakeholders), how will they apply this evidence, and how should the evidence-gathering process be designed to most likely encourage the application of learning? Approaches like utilization-focused evaluation and learner-driven reflection opportunities could be employed to this end.



FINDING: **Taking the time to pause and reflect on our work is critical to learning and improving performance.** Harvard Business School researchers found that "… purposeful reflection on one's accumulated experience leads to greater learning than the accumulation of additional experience." This means that to learn, we can't just consume information and then turn around and implement it. We have to stop and ask ourselves how our efforts are progressing, why and what we should do differently to learn and be more effective.

IMPLICATION FOR USAID STAFF: **Build in reflection points throughout all phases and levels of the Program Cycle.** We often feel we are too busy to pause and reflect on our work, but not reflecting and making necessary changes can affect our performance and ultimately prove more costly. That is why, for example, USAID's updated ADS 201 guidance (page 50) requires missions to conduct a mid-course stocktaking of their country- or regional-level strategies. USAID staff can also operationalize this finding by facilitating portfolio reviews so they move beyond "what is happening" into "why" and "what should we change and how." For more on pause and reflect, see here.



FINDING: **Adaptive management contributes to sustainable development particularly when it has leadership support, public support and an adequate investment of time.** There is a growing body of evidence suggesting that aid agencies are most successful when they are able to operate flexibly and manage adaptively. In many ways, insights from the business and natural resource management sectors parallel much of the debate in development practice. One study recently found that companies that apply more data-driven and adaptive leadership practices perform better compared to those that focus less on those practices. Another study found that change brought about by adaptive management can be achieved, but it can only be achieved slowly, with an adequate investment of time and it requires key ingredients of: leadership, data, patience and public support.

IMPLICATION FOR USAID STAFF: **Continue to build in time and budget space for adaptation through pilot/inception phases of projects that enable a range of strategies to be tested in "small bets."** In addition to agile and integrated operations, adaptive programming also requires collaborative teams, time for reflection on data, responsive decision-making, and trusting and flexible partnerships in order to be a successful development approach. In the development context, adaptation is more likely to occur on teams that keep organizational boundaries between implementing partners and donors permeable and have flexible and transparent contracting mechanisms.



FINDING: **Individuals who are curious, have "growth mindsets," and are able to empathize with their colleagues are generally better able to adapt to changing circumstances.** Ultimately, it is individuals who take on the work of collaborating, learning and adapting within organizations and across partner organizations. Individual personality traits, habits and competencies can affect who is more likely to take on these behaviors. The literature reviewed found the ability to be flexible and adaptive is highly related to individual personalities, which in turn drive office culture and institutional appetite for change. Across sectors, the literature found that hiring those with "adaptive mindsets" (inquisitive by nature, able to ask the right questions, flexible skillsets) and those that show sensitivity to the feelings and needs of their colleagues had a direct impact on a team's ability to learn and adapt to effect change.

IMPLICATION FOR USAID STAFF: **In hiring for key positions, place value on adaptive mindset, soft skills and change management experience.** Habits and competencies that make an individual more likely to learn and adapt need to be considered and intentionally nurtured through coaching and training in order to incentivize behavior change. As with any change effort, intentionally seeking out CLA champions with a high propensity to promote and model learning behavior will be critical for CLA uptake. If these behaviors are desirable, then clear signals need to be given to indicate that (praise in meetings for changes based on new information, leadership encouragement of trying new things, etc.).



FINDING: **Leaders are essential to creating a learning culture, the foundation of learning organizations.** The literature discusses how organizations that encourage honest discourse and debate and provide an open and safe space for communication tend to perform better and be more innovative. Leaders are central to defining culture and "learning leaders" are generally those who encourage non-hierarchical organizations where ideas can flow freely.

IMPLICATION FOR USAID STAFF: **Mission and implementing partner leadership must model strategic collaboration, continuous learning and adaptive management.** As we know from experience and confirmed by the literature, leaders are essential in creating an "enabling environment that encourages the design of more flexible programs, promotes intentional learning, minimizes the obstacles to modifying programs and creates incentives for learning and managing adaptively" (ADS 201 guidance, page 11). But achieving this enabling environment begins with leaders who truly lead by example and create the space for staff to collaborate, learn and adapt more effectively. Leadership training and coaching can help leaders at all levels within the organization improve their skills and create a culture that supports CLA.



FINDING: **Continuous learning is linked with job satisfaction, empowerment, employee engagement and, ultimately, improved performance and outcomes.** A growing body of evidence from both private and public sector organizations recognizes that having a strong organizational learning culture increases psychological empowerment and sense of autonomy, which drives a collaborative team culture, high levels of commitment and employee retention. In the USAID context specifically, CLA is strongly related to staff empowerment, engagement and job satisfaction.

IMPLICATION FOR USAID STAFF: **Leaders should model CLA.** In addition to missions using CLA approaches to improve strategy, project, and activity design and implementation, CLA can also be seen as a leadership tool for creating more effective organizations where employees are more satisfied, engaged and empowered. We are already seeing CLA being used to improve staff engagement in USAID missions, including Uganda and Senegal, as well as in the Office of Afghanistan and Pakistan Affairs



FINDING: **Quality knowledge management systems have a significant impact on project performance.** People act as nodes of knowledge. As such, human interaction is the basis of knowledge sharing and utilization. The literature reviewed found that knowledge management (KM) processes that are people-centric and facilitate reflection and learning are positively linked with improved outcomes. A recent study conducted by RWTH Aachen University in Germany quantitatively tested the proposed relationship between KM and performance. The researchers found that KM has a significant effect on the success of projects. This is a big deal and has implications for overall organizational effectiveness. It means that when teams follow the steps of the knowledge cycle in order, they are more effective at learning from past experience and achieving their goals.

IMPLICATION FOR USAID STAFF: **Follow each step of the Knowledge Cycle in a linear fashion.** We often feel we are too busy to follow all four phases of the Knowledge Cycle (generate, capture, share and apply) in an intentional and systematic way, but not practicing good knowledge management can affect our performance and ultimately prove more costly. Research shows that following the Knowledge Cycle—without missing any steps—improves project performance. Research also shows that the most important indicator for improved performance is knowledge accumulation. That is why, for example, it's important to provide both formal and informal opportunities for staff to continuously gather knowledge and learn from one another.



FINDING: Teams that have high levels of trust and are considered safe for interpersonal risk-taking tend to be better at learning and adapting. Managing adaptively requires a level of group tolerance for risk-taking, which by extension is contingent on teams having trusting relationships. The literature reviewed found that high trusting teams generally tend to be high-performing. Why are high trusting teams higher performing? Because they also tend to have high levels of "psychological safety," which is the shared belief that the team is safe for interpersonal risk-taking. This means they are more likely to participate in risk-taking learning behavior, and by extension proactive learning-oriented action, which positively impacts results.

IMPLICATION FOR USAID STAFF: **Create space and time for team members to develop trusting interpersonal relationships.** Activities that build mutual understanding and shared trust—such as group reflection moments, team problem-solving and equal conversational turn-taking—aid collaboration and evidence-based decision-making and should be prioritized. Informal opportunities for information sharing and practicing social sensitivity are also important for building team trust and psychological safety. This is especially important in the context of partnerships with local actors.



FINDING: Managing adaptively is more likely to improve outcomes when decision-making autonomy is placed as close to frontline staff and local partners as possible. This evidence also echoes findings from the broader public management literature that decentralized authority is associated with better performance. Evidence from aid agencies and developing country governments supports this conclusion, suggesting that greater autonomy helps project adaptability and flexibility.

IMPLICATION FOR USAID STAFF: **Empower staff to make decisions and manage adaptively.** USAID staff could review decision-making processes within teams and organizations to ensure decision-making authority is as close to frontline staff as possible. Achieving more autonomy is not simply about changing decision structures. It involves multiple "levers" of change, such as promotion systems, performance management, job design, recruitment, motivation, etc. For example, designing jobs that are aligned with the level of decision-making autonomy needed to carry out the responsibilities of the position effectively. These factors will also need to be considered to enable USAID and partners to manage more adaptively.

You can find the full literature review as well as additional citations here.

This analysis is part of a larger effort known as the Evidence Base for Collaborating, Learning and Adapting (EB4CLA) to understand whether and how strategic collaboration, continuous learning and adaptive management make a difference to organizational and development outcomes. For comments and questions, please reach out to learning@usaid.gov or info@usaidlearninglab.org.

Disclaimer: This report was produced for review by the United States Agency for International Development (USAID). It was prepared by the LEARN mechanism out of the USAID Office of Learning, Evaluation and Research (LER) in the Bureau for Policy, Planning and Learning (PPL). LEARN is managed by Dexis Consulting Group.

10/17 – VERSION 3