

WHY GOVERNMENTS

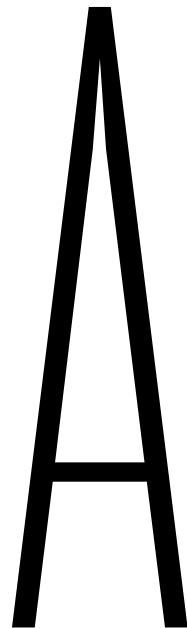
CONTINUE **TO FAIL**

A balanced execution agenda is the key to translating mission and policy into operational terms at all levels.

By M. Muneer

Illustration by Ajay Thakuri





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by the NITI (National Institution for Transforming India) Aayog Vice Chairman hailed his boss, the Prime Minister, for high performance by being the most fiscally disciplined and signalled that as a high moment of the current government's performance. It is akin to saying: I am a high performer because I maintain my blood pressure, glucose level and heartbeat within normal limits. Or, it is like crowning an enterprise for exemplary performance just for keeping its expenditures within its budget. But what about its strategy, revenue, growth, profitability, market share and so on?

Of course, fiscal discipline is necessary and vital just as normal blood pressure and glucose levels are essential for an individual. But just being healthy will not deliver high performance. In fact, it is a wrong metric to judge performance. The failure of governments to execute their respective missions starts with the inability to project what success and performance should be. The government's think tank should have made baby steps towards a strategic change agenda based on what success would look like in five years.

The fiscal discipline is just one

of the many bubbles in a complex execution agenda. It alone will not deliver what the government has promised us. Now that the Modi government has completed its fourth year, it is only appropriate to take a look at why governments continue to fail.

Post-Independent India has not seen a single elected government (at the Centre, states, cities or panchayats) delivering in full what was promised during the polls. This is a dismal record, much worse than the business world where at least one in 10 companies will deliver what it has promised to its shareholders.

NITI Aayog is in an unenviable position, unlike the erstwhile Planning Commission. It is considered as an extension of the PMO, and therefore, it has no specific strategy other than whatever the PMO fancies. It means any success will be hailed as PMO's while all programme failures will be the think tank's fault.

Moreover, it does not have teeth to get things executed by ministries and states. Sun Tzu had famously said in the *Art of War* (an ancient Chinese military treatise) that "strategy without tactics is the slowest route to victory and tactics without strategy is the noise before defeat". Imagine the dilemma of NITI Aayog. Perhaps this explains the loud noises it makes on the natural evolution of the country even where it does not have any role to play.

Our research across the globe shows the following five barriers to execution by governments:

- **There is no generally accepted method** to describe a government's mission other than a long wish list called a poll manifesto.
- **97 per cent of government employees** do not understand its mission and policy/strategy. How do you expect them to do what the gov-

ernment wants to be done?

- **70 per cent of government organisations** do not link planning with budgeting. Essentially, they are monitored for fiscal discipline and not for taking initiatives that may help realise a leader's audacious goals.
- **90 per cent of government employees** do not have any incentive linked to mission achievement.
- **90 per cent of bureaucrats spend less** than one hour per month discussing policy/mission/strategy. The Cabinet Secretary holds monthly meetings with secretaries for budget utilisation, not the quality of spending, programme milestones or drivers.

Any new government wanting to change the dismal failure rate of past governments will have to overcome these five barriers. And it will do well to configure the strategic change agenda with the manifesto reflecting "citizen-jobs to be done" instead of maintaining the status quo of a long wish list and suboptimal allocation of budgets to various ministries. The agenda items could be organised around themes and five perspectives – Mission, Constituent, Fiscal, Processes and Government Capital – to facilitate execution with clear objectives, metrics and targets. All these will point upwards to achieving the overarching mission objective, which can be, for example, something like what the current Kerala government set out to do (but lost focus over the past two years): Building a secular, corruption-free and development-oriented new Kerala. The southern state government could have become the first in India to execute its poll promises in full, but the mindset at the top had somehow shifted from securing the next term to securing survival budget for the

next term sans power. However, it is not too late for the Pinarayi Vijayan government to introspect and correct the gaffe, and break the jinx of anti-incumbency.

A balanced execution agenda, or BEA, is the key to translating mission and policy into operational terms at all levels – from the cabinet to ministries, departments, districts and villages. It is a widely used framework now, and many countries and cities have been flourishing with meticulous adaptation. Just as Botswana fought its many ills, including a high corruption rate and gargantuan AIDS menace with a well-managed BEA, governments here may also do well. Instead of ministry-specific budgeting and monitoring for fiscal discipline, governments should monitor and manage key citizen-focussed tasks, to be done as per themes and perspectives. BEA will also drive shared goals between ministries and ensure alignment of all stakeholders around the mission. A well-constructed BEA will address all the five barriers to execution. Cabinet meetings will undergo a transformation, and a paradigm shift in thinking will be the result. Our quality of life can be as good as that of Scandinavian nations.

The issue is that bureaucrats are prone to follow the status quo of no risk-taking and do not want to wear their thinking caps. They are conditioned by the IT industry and are fascinated by dashboards and drop-down menus instead of applying their thoughts to the change agenda. In essence, their inertia to embrace new frameworks should be shaken.

The Government of India (GoI) has just jazzed up a website with performance dashboards, which are all outcome metrics and unfortunately, not driver metrics, to assess,



INSTEAD OF MINISTRY-SPECIFIC BUDGETING AND MONITORING FOR FISCAL DISCIPLINE, GOVERNMENTS SHOULD MONITOR AND MANAGE KEY CITIZEN-FOCUSED TASKS



improve and manage the processes and government capital. Even if the Opposition boos this as a publicity stunt, it is a great initiative in bringing transparency by publicly setting high targets. Bureaucrats have been shying away from this for fear of getting crucified for falling short of the BHAG (Big Hairy Audacious

Goal) delivery. If the targets are in line with the poll promises and the data is authentic, this is a welcome first step.

Driving execution should be a key competency of NITI Aayog. As a best practice, it should create an exclusive centre of excellence (CoE), driving alignment of GoI mission with ministries and states, and measure, monitor and manage what matters most.

The bottom line: Even if the Modi government fails to fulfil its promises, it is likely to get the mandate for another term in 2019 due to the lack of a convincing narrative from the Opposition. So, the time is just right for NITI Aayog to build its preparedness and set up a CoE for strategic change agendas and BEA. That might reverse the failure curve. **BT**

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