Making a difference?

Evaluating the impact of
The People In Aid Code

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People In Aid 2007

Contents

1. Acknowledgements

This report was researched and written by Alex Swarbrick of the Dialogue Partnership and edited by Ben Emmens of People In Aid.

We would like to thank those without whom this report could not have been produced. Particular gratitude is owed to all those who contributed their time, thoughts, views and experiences.

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2. Introduction

2.1 People In Aid's aim.

People In Aid's vision is of a world in which organisations work effectively to overcome poverty. This research therefore sought to understand the extent of People In Aid's impact through the Code of Good Practice i.e. has it enhanced organisational effectiveness and/or increased the impact of programmes, directly or indirectly, and if so, "in what ways and by what measures."

The research essentially explores three questions:
- How have People In Aid, and specifically the Code, made a difference?
- To whom?
- What are NGOs saying will help them still further?

2.2 Context

This research is undertaken against a wider context of recent studies of the links between people management practices and organisational performance. For example, in the UK, the *People and Performance Model*, developed by the Chartered Institute of Personnel and Development (CIPD) in 2003, illustrates how human resources policies interconnect with line management practices to create employee satisfaction, motivation and commitment and ultimately lead to high performance. [1]

The model proposes that there are three prerequisites for employees to perform to their full potential[2]
1. The **Ability** (skills and knowledge) to perform well
2. The **Motivation** to perform well
3. **Opportunities** to perform well

The inference is that these three will give rise to satisfaction, motivation and commitment, leading to 'discretionary behaviour', i.e. the desire to "do a good job", and therefore high performance for the organisation.

Similarly, UK public sector research, such as that concerning *"Effective Human Resource Management and Patient Mortality"* in the NHS, has also revealed a strong relationship between HR practices and organisational effectiveness, in this case measured against patient mortality. [3]

2.3 HR metrics in Aid and Development

The CIPD maintains that there are no universal HR metrics that are equally indicative of high performance in all circumstances. An organisation's context is therefore the crucial differentiator[4]. So, even given the degree of consistency across the aid and development sector, metrics which are valuable to one organisation, in one context, may be less so to another.

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[1] See References
[2] ibid
[3] ibid
[4] ibid

However, exploring this issue in 2005, the inter agency working group on emergency capacity concluded that there is a critical link between staffing issues and programme performance, and as a result devised a "dashboard" of prioritised humanitarian staffing metrics[5] which it was felt would be equally valid for all 7 of the Inter-Agency Working Group members.

2.4 Methodology

This qualitative research involved:

- a review of relevant organisational documentation and literature related to the issue
- interviewing original pilot agencies and recent implementers, including key stakeholders
- reviewing any relevant or available metrics.

Managers, within and outside the HR function, in a number of development and humanitarian relief NGOs were interviewed during March and April 2007.

The interview outline is included at Appendix 2, and sought specifically to answer the following questions;

- Does implementing the Code make a positive difference? If so, in what areas of organisational performance, and on what evidence is this assertion / belief based?
- What impact evaluation methodologies are adopted by the organisations taking part in this consultancy?
- What is the value of the Code for smaller NGOs, i.e. what motivates smaller NGOs to implement the Code?
- Which benchmarks would be most useful?
- What are the main benefits of implementing the Code? Do responses vary between different stakeholder groups e.g. HR, Operations, Senior Management Team, beneficiaries and other external stakeholders?
- Do the benefits of implementation outweigh the costs?
- Are there ways in which the Code does not appear to help organisations improve their performance, or are there aspects of the Code implementation which reduce organisational effectiveness?

For the purposes if this report, "Impact" is taken to mean "*The positive and negative, primary and secondary, long term effects produced by a development intervention, directly or indirectly, intended or unintended*" (OECD/DAC 2002).

So in looking for evidence of impact, two avenues were explored:

- a linear, cause-and-effect approach identifying internal changes associated with implementation of the Code and looking for external evidence of performance improvement; and
- a more external focus seeking to identify the extent to which any improvement in the NGO's performance is directly or indirectly attributable to implementing the Code, among other factors.

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[5] See references

3. Executive Summary

The research essentially explored three questions:

- How have People In Aid, and specifically the Code, made a difference?
- To whom?
- What are NGOs saying will help them still further?

NGOs who have implemented the Code, committed to doing so or engaged with it in some other way all reported specific differences which had resulted from doing so.

For People In Aid there is clear evidence that agencies recognise the difference the Code has made at several levels: within the HR function, for individuals and at an organisational level.

Organisations also identified challenges facing them in further widening and deepening the impact of the Code. These challenges clearly present opportunities, if not a mandate, for People In Aid to continue to develop specific support for NGO's for example with the development of HR metrics, with ways of embedding HR interventions within NGO's monitoring and evaluation processes, and applying the Code in culturally relevant ways for national staff and partner NGOs.

3.1 The difference the Code has made

Agencies generally believed that improvements they had made and were making to their people management had made a positive difference to their effectiveness.

Some attributed the improvements specifically to the Code and the implementation process. Others maintained that the "difference" was due to their commitment to good HR in general, evidence of which included their commitment to the Code.

3.2 Causal, Correlational or Co-incidental?

Although wider research into the HR value proposition points to "causal" links between people, performance and organisational effectiveness, most agencies contributing to this report were unable to provide evidence of more than "coincidental", or "correlational" links at best.

3.3 Organisational size

The research found the Code and the implementation process to be of differing but equal value to agencies irrespective of size. Small NGOs typically found the Code to be invaluable in establishing an HR strategy and policy framework. Larger NGOs typically found the implementation process provided evidence of what was already working well in their people management and what required further attention. Achieving the quality-mark also rewarded their pre-existing commitment to good HR with an additional internal and external credibility.

3.4 Recommendations

The research did not find justification for amending the Code but the recommendations include People In Aid continuing to provide support, practical tools and materials which will help agencies evaluate and demonstrate the impact of HR interventions on their programming.

4. Findings

4.1 How has the Code made a difference?

The semi-structured interviews (Appendix 2) elicited rich qualitative data which cannot easily be disaggregated without compromising confidentiality. Comments and observations have therefore been included in their entirety where possible at Appendix 1. The comments remain anonymous, but are numbered so that those made by any one organisation can be identified.

The table overleaf shows the "difference" that NGOs perceive the Code to have made. Areas where an impact has been observed by an NGO are clustered under the relevant Code Principle. So, for example the table shows that under Principle Two, HR Policy drafting has made a difference to the HR function, to individuals and at an organisational level for NGOs who have been verified compliant, who have formally committed to the Code and others who have engaged with the Code in different ways.

4.2 Overview

The findings highlighted a distinction between the impact of the Code per se, and the impact of good HR practice in general, which was, of course, an original intention of the People In Aid Code.

Respondents were questioned about the implementation process, and although it was found to have provided a ready-made framework and had been an extremely beneficial process, the process itself was not described as instrumental in achieving a change in HR practice nor organisational effectiveness.

Some respondents had good HR practice prior to engaging with the Code and have wrapped the Code around what they were already doing, whereas others' practice was less well developed, and the Code has provided a way to establish good HR practice.

Organisations *believed* that engagement with the Code, through formal implementation or in some other way, had made a positive impact on the effectiveness of their people management, and therefore *believed* it was inevitable that there was at least some indirect impact on the effectiveness of the organisation.

No organisation gave an example of "outside-in" evaluation, i.e. identifying specific improvements for beneficiaries and tracing plausible links back to an internal change in approach to HR. However, many organisations could identify internal changes which they believed had, or would have, an impact on external performance measures ("inside–out" approach). Nonetheless, they provided only anecdotal data to support the perception.

4.2.1 NGO Size

Although no significant difference was identified between humanitarian relief organisations and those involved in longer term development, the size of the organisation was relevant.

In general, for smaller NGOs without an HR department or well established policies and practices, the Code and the implementation process offered a ready-made framework to prioritise their HR strategy, policies and management practice.

For larger organisations with an already well established HR function, the Code offered an evidence based validation of what they were doing well, what required closer attention and additionally offered a new credibility with external stakeholders – donors, partners, recruits.

Table 1. The difference the People In Aid Code has made

What difference?	To whom?				Verified Compliant at least once	Formally Committed	Other engagement with the Code
	HR function	*Individuals*	*Organisation*	*Beneficiaries*			
Guiding Principle Awareness & tools	✓✓✓		✓✓*		☺		
Objective standard	✓✓		✓✓✓✓		☺		☺
Highlight strengths and limitations	✓✓				☺		
Credibility	✓		✓		☺		
Staff feel valued		✓			☺		
Principle One HR framework	✓		✓	**????**	☺	☺	
HR proactive and professional	✓		✓		☺		
Saving money			✓		☺		
Principle Two Policies drafting	✓✓✓	✓	✓✓		☺	☺	☺
Staff policy awareness		✓✓✓		✓	☺		
Principle Three Retention			✓✓		☺		☺
People better managed		✓			☺		

* = Including specific mention of national staff.

What difference?	To whom?				Verified Compliant at least once	Formally Committed	Other engagement with Code
	HR function	*Individuals*	*Organisation*	*Beneficiaries*			
More confident managers			✓				🙂
Better motivated & committed		✓				🙂	
Performance		✓			🙂		
Principle Four Communication		✓	✓	✓	🙂		🙂
Consultation		✓	✓		🙂		
Principle Five Recruitment & Selection		✓	✓✓✓✓		🙂	🙂	🙂
Principle Six Staff training & development		✓✓✓	✓✓✓		🙂	🙂	
Induction		✓	✓		🙂		
Principle Seven Health, safety & security		✓✓	✓✓✓		🙂	🙂	🙂
R & R		✓			🙂		
Better supported staff		✓				🙂	

✓ = Respondents referring to a particular difference the Code has made for them.

? = Respondents who specifically commented on the uncertainty of tracing the link from HR intervention to beneficiaries.

🙂 = NGOs' degree of engagement with the Code.

4.3 Specific findings
Under each area of questioning, key consistent themes and a sample of comments are included below. The comments in full can be found in Appendix 1.

4.3.1 Has implementing the Code made a difference to your organisation's effectiveness?
Respondents generally believed that their engagement with the Code had made a positive difference to their organisation's effectiveness, although the evidence was typically only anecdotal.

- *"Yes, but no hard measures."*
- *"Has helped us in knowing what we're doing well and not. Very useful process on where we need to improve."*
- *"Personally believe that if code is implemented the result will be a better performance for whole organisation."*

4.3.2 In what ways?
Respondents consistently cited policy development and implementation as the key result, referring particularly to recruitment and selection, health safety and security, performance management, training and development, consultation, and management of national staff.

- *"Ensuring all our staff have access to and understand our polices"*
- *"As with any HR if you get it right it helps people perform better… really helped and helped people feel listened to."*

4.3.3 By what measures?
The research highlighted that measures of what the HR function does well, not so well, and should be doing are clear and well defined.

Measures of the impact of the HR function on the organisation's performance, particularly for beneficiaries, is very much less precise.

- *"Very hard to measure."*
- *"Impact for beneficiaries is unmeasured but hopefully it makes people better motivated and more committed to deliver with more energy. Staff will feel more supported and better equipped."*
- *"Quality people make quality programmes."*
- *"So, as far as the metrics are concerned, it's not so much about where you are as how far you've come"*

4.3.4 And would you say the link is causal, correlational or coincidental?

The general view of respondents is that any link between improvements in HR and improvements in the organisation's performance, especially with regard to beneficiaries, is at best "correlational", and typically "coincidental".

> - *"Coincidental mainly and will vary from country to country and Principle to Principle."*
> - *"The link is probably correlational more than causal, just because a) it's hard to measure and b) there are always other factors."*
> - *"In terms of causality? Very difficult to say. Indirectly yes. But no clear evidence."*

4.3.5 What's the perspective of different stakeholders?

Respondents recognised that different stakeholders would have different views. It was typically believed that HR would have the most well developed perspective on the Code and its impact, with field based managers and staff, both national and international having a less clear view, and beneficiaries little awareness at all.

> - *"Yes, the view of different stakeholders would be different, but they'd have good stories to tell. "*
> - *"Our expatriates working overseas... don't know much about (the Code). HR people know most. ..but we're in the process of decentralising HR. We need to get closer to it so managers in Bande Ache for instance know about it and the staff they manage know about it. So next year is going to see some changes as we expand the awareness of the Code."*

4.3.6 And the benefits for smaller NGOs?

Large and smaller NGOs recognised the benefits available to themselves and each other. Typically for smaller organisations, the Code offered a framework for policy development, whereas for larger organisations the benefit was more an endorsement of current good HR practice and a challenge to improve in other areas.

> - *"The size of the organisation matters. For (us) as an organisation already committed to excellent people practice the Code didn't offer much new. For a small organisation trying to establish a people management strategy, the Code would be the best thing since sliced bread."*
> - *"(As a small NGO) the benefit (for us) was in helping us set our HR strategy up. And implementing and prioritising."*
> - *"As a smaller NGO… we can say to people that we may not be able to offer a huge salary but we can offer compliance with the Code and x, y and z as a result. "*

4.3.7 Would you say the benefits of implementing the Code outweigh the costs?

Respondents without exception found that the benefits of engaging with the Code outweighed the costs.

> - "Yes. The benefits outweigh the costs".
> - "12 months ago it seemed rather daunting; would take a huge chunk of time, and it has, but once we started it has been fine. Cost versus benefit? Since we are not spending 25-30k on an HR manager spending time and cash on this is cost effective. "

4.3.8 Were there particular Principles which presented more of a challenge?

As expected, different Principles posed different challenges to respondents, dependent on a range of factors.

> - *"Biggest HR challenge is about distance management. (1)*
> - ***Principle 4** – Consultation and communication – we were always good at this but now we have become more focussed and have clarity on what we consult on and what we don't.*
> - *"Staff survey showed that training & development was area people wanted most improvement in."*

4.3.9 Were there particular challenges associated with implementation process?

Respondents typically described the time and people investment required as the greatest challenge of the implementation process.

> - *"It requires a lot of investment – up front – in time and people. You need to expect that if you're to do it well it will take a long time. E.g. introducing a new policy framework and doing the appropriate consultation will take time, years not months. We have done this over a 3-4 year period". (6)*
> - *"Trying to get broader ownership beyond HR a real challenge…. also…we underestimated how long the internal evidence gathering would take; 18 months plus…" (9)*

4.3.10 Are there any ways in which implementing the Code doesn't appear to improve your effectiveness, or has even reduced it?

Although some respondents restated some of the obstacles associated with implementation, typically the response was that there are no ways in which implementing the Code reduces organisational effectiveness.

> - "No. It helps with our own credibility internally and external." (7)

4.3.11 Any other comments?

A number of respondents offered additional comments, some regarding metrics, some raising specific questions for People In Aid.

- *Regarding metrics…"there are some things which deserve measurement, then fine. Indicators would be useful for some parts of the HR function which lend themselves to that." (1)*
- *People In Aid is part of a suite of standards we are working to. It has "**gentle teeth**"…*

4.3.12 Question to People In Aid

- ***"**Has the code really got beyond International staff? E.g. what about national staff in field and UK staff in UK? Also, there are big cultural issues because HR is western and individualistic."*
- *"People In Aid …need to change the offer, so you are not either audited or not. There's something in between".*
- *"…is there a way People In Aid can offer a line to the big organisations who don't go for accreditation, but that it can be known they are good at people management? "*

5. Conclusions

What can be learned from this research?

The HR value proposition in the aid and development sector is continuing to develop. Across all sectors, and within the HR profession the measurable link between people and performance, between HR and organisational effectiveness continues to be debated, but continues also to be demonstrated, albeit with varying clarity and conviction.

5.1 Causality in the link between HR and performance

While research points to "causal" links, most organisations participating in this review are as yet unable to show evidence of links which are more than "correlational" at best. Nonetheless the research found a consistent conviction that the improvements to HR and management practice which have followed engagement with the Code have resulted in corresponding improvements in organisational effectiveness.

The agencies interviewed generally found the Code to have made a positive difference to their effectiveness. Although organisations differed in size, purpose, activity and the scope and development of their HR function, some common benefits and common challenges were recognised. Associated with implementing the Code, the core positive differences respondents perceived included:

- Clarity about what aspects of their people management were done well and where improvement was needed;
- Foundation for a robust policy framework;
- Improvement in the performance of the organisation. *"Quality people make quality programmes".*

The evidence base for the improvement in people management was clear when defined in terms of policy, procedure, management practice, training, health, safety and security for instance. The evidence base for plausible links to improved programming was variable.

There remained in the perception of some organisations a distinction between the positive difference which was attributable to implementing the Code per se, and the difference in effectiveness which was attributable to their ongoing commitment to good people management, one indicator of which was their commitment to the Code.

6. Recommendations

The research highlighted a number of challenges for NGOs associated with maximising the benefit of the Code, and which offer opportunities for People In Aid. The challenges facing NGOs include:

- embedding good people management across the organisation;
- embedding awareness of the Code across the organisation and securing the "buy-in" of all internal stakeholders;
- preparing for the investment of time, human and financial resources needed for implementation;
- raising aspects of their people management to the standard required by the Principles and Indicators.

Additionally the research highlighted the very weak evidence available of links between HR interventions and organisational performance improvement. Picking up these in turn, 6.1 below expands on the opportunities available to People In Aid to provide further specific support to agencies.

6.1 So, looking to the future, what else are organisations saying People In Aid could do to help them?

From the research there is no clear justification for amending the Code or the implementation process, some agencies having specifically acknowledged the improvement in the revised compliance process.

6.1.1 Impact evaluation and metrics

- There is a clear request for People In Aid to continue supporting agencies with practical tools to develop their effectiveness in both demonstrating and evaluating the impact of improved people management on their programming.
- It is recommended that People In Aid continue to develop guidance on generic and specific metrics for NGOs across the sector

6.1.2 Cultural challenges of the wider application of the Code

- The research supports the recommendation that People In Aid continue to support organisations in embedding the Code in culturally appropriate good people management practices in relation to national and UK based staff as well as international staff. This will continue to be of particular relevance as agencies seek more and more to pursue benefits of good HR practice with national staff, and capacity building in partner NGOs.
- Some organisations would also value support facing the challenge of managing people across great distances.

6.1.3 Size of NGO

- While People In Aid continues to provide practical support, tools, materials and workshops for agencies of all sizes, particular attention should be given to the specific challenges and opportunities agencies face which are associated with their size as an organisation.
- Attention should be given to the specific needs of smaller NGOs who engage with the Code directly or through the capacity building work of larger partners.

6.1.4 Compliance and the quality-mark

- Some contributors recommended that People In Aid consider a level of recognition, between "committed" and "compliant", particularly for larger NGOs who, for a variety of reasons, choose not to pursue the full implementation process, yet which wouldn't diminish the value of the quality-mark and all that's involved in achieving it?
- It is recommended that People In Aid continue to strengthen their "brand" and reputation worldwide, thereby adding value to the quality-mark and, by association, to the reputation of organisations who comply with it.

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The People In Aid Code of Good Practice Implementation Manual 2006

http://www.fsn.co.uk *What KPI's would you use to measure employee performance in the OFR?* Angela Barron of the CIPD quoted in FSN 13th June 2005

Contributors comments

Has implementing the Code made a difference to your organisation's effectiveness?

- "Yes, but no hard measures." (1)
- "Haven't got detailed records to show a benefit ". (1)
- "Positive but demanding experience." (6)
- "The Code certainly gave us an awareness and the tools to move forward in it." (6)
- "Has helped us in knowing what we're doing well and not. Very useful process on where we need to improve." (9)
- "Personally believe that if the Code is implemented, the result will be a better performance for whole organisation. "(16)

In what ways?
- "Ensuring all our staff have access to and understand our polices ".(1)
- "Now have a policy handbook" (2)
- "Also now we can hold our staff accountable." (2)
- "Security varied from country to country. Some were great, others less so. Ensuring all our staff have access to and understand our polices. "(1)
- "Not yet done the auditing but from the handbook we've created, probably about staff development, health and safety and security plus recruitment. "(2)
- "Drove us to think about our ad-hoc practice for national staff, basing it on the Code as a motto running through." (3)
- "Massive commitment to it and put HR on the map. "(3)
- "We tell all our staff about Code and monitor ourselves against it. "(3)
- "Because we now have good recruitment and selection we have the right people for the role. Also good performance management we have quality. So good benefits…" (3)
- "Training budgets (we budget 3% of all salaries for training) has increased the training we can do and this motivates staff to remain with (us). Our retention rates in this programme are therefore very high!" (5)
- "For expatriates the R&R and the care we give them means that the average length of time (they) have remained (for instance) in the Darfur programme is 19 months. This is considerably higher than most NGOs where the average is often nearer 6-12 months!" (5)
- "Code gave us some objective standard." (6)
- "It was positive because it was reasonably affirming, we were OK – but it also highlighted gaps where we needed to work." (6)
- "It also raised the profile of good people management within the organisation." (6)
- "…, compared to 10 yrs ago, we have better quality of staff on the field, we're fully staffed, have better quality of managers etc." (6)
- "In broad terms we've used it more as a planning tool…. so Code set the standards and the handbook became the tool for management." (7)
- "What the Code has done is its set the standards we aspire to and has triggered the process of getting a framework for our HR policy and practice." (7)
- "Tangible things which came out of first review were handbook and a review of terms and conditions of field staff and London staff." (7)

- "As with any hr if you get it right it helps people perform better… really helped and helped people feel listened to." (8)
- "Training and capacity building in our staff. I keep revisiting our values one of which is "professional" which means we need to be better equipped." (8)
- "Consultation is an issue for us for instance, and the Code has helped focus our attention." (9)
- "We have a set of our own good practice standards. Cross referenced to the Code." (12)
- "Taken the Code to shape our HR and training policy." (13)
- "Decided Code was not only valuable for expatriates …but also a charter for UK workforce, so important in establishing an HR framework for the organisation." (14)
- "Use it to position organisation against Code." (14)
- "Don't subscribe to Code to make life better for refugee. I subscribe to it so the guys we deploy aren't going to be treated badly, go nuts, and not being managed in a way that is appropriate." (14)
- "I can genuinely demonstrate that the lot of an expatriate worker is better since doing the Code…We can show changes in behaviour…" (14)

By what measures?
- "We do programme evaluation at various stages in programme cycle but as yet nothing touches on the links to HR." (2)
- "Impact for beneficiaries is unmeasured but hopefully it makes people better motivated and more committed to deliver with more energy. Staff will feel more supported and better equipped." (2)
- "Very hard to measure." (3)
- "Quality people make quality programmes. It's about morale and commitment, so we can look at retention, morale, going the extra mile. Staff feel valued." (3)
- "Directly in terms of policy clarity and focussing on communication etc we have had a good impact on work to beneficiaries." (7)
- "Whole thrust of our HR is capacity building, and now we have evidence of what we're doing well and what we're not."(8)
- "HR is not really integrated into programme monitoring and evaluation, we're a bit of an add-on, but that's changing and the Code could be one way of achieving that more." (10)
- "Main argument would be that we'd have more effective programmes, trained appropriately, better at what they do, also we'd save money. We spend a lot of money on international deployments which don't work out, so we want to get it right first time and keep people for a reasonable length of time." (10)
- "Not done anything formal (Evaluation). Have done figures in basic HR stuff like appraisal, recruitment turnover but too early to identify trends or causes." (11)
- "Internally can see benefit e.g. our training provision is improving, selecting, inducting better. Beginning to get informal feedback from people about recruitment, and giving candidates feedback. So yes there's a link there." (11)
- "Genuinely do think there are improvements." (11)
- "…we are a lot more proactive and professional. Managers and others are getting what they need rather than what we thought they needed. …feedback is that what HR are doing is better than it used to be." (11)

- "We have a traffic light system on HR standards in each country, so some pressure to move out of red into green. Audit/tick sheet covers recruitment, communications, health & safety, salaries etc. Aim to meet certain percentage." (12)
- "… we do know non-HR managers are a lot less reticent to …(choose and use appropriate policies and procedures)... Does that make them excellent HR managers? Not yet. So still do some qualitative assessment and few hard measures." (13)
- "…we do track some things. E.g. we track retention, our ability to attract, recruit and retain good people." (13)
- "Can't demonstrate that a refugee is getting better deal." (14)

And would you say the link is Causal? Correlational or Coincidental?
- "Coincidental mainly and will vary from country to country and principle to principle." (1)
- "The link is probably correlational more than causal, just because a) it's hard to measure and b) there are always other factors." (6)
- "In terms of causality? Very difficult to say. Indirectly yes. But no clear evidence." (7)
- "Very hard to say that because of better conditions people are working better." (7)
- "Link through to programming's hard to see…" (9)
- "Hard to trace it back to the Code, but as a result of doing it we are now doing some things better…" (9)
- "Great difficulty aligning impact with any one particular input." (14)
- "Don't know because we don't have the evidence." (14)
- "Assumption would be (that it's) better for beneficiaries" (14)
- "Would have to guess…but generally not due to (Code) but because we recognise the need to have good people practice. So, coincidental." (17)

2. What's the perspective of different stakeholders?
- "Anecdotal evidence from others in the organisation is good." (1)
- "Talk to partners and its quite a sophisticated Code to get round. Most don't even have an HR department, but it's a good model to get there." (3)
- "Yes, the view of different stakeholders would be different, but they'd have good stories to tell. We've reduced the number of international staff and increased local staff. International staff would have a different perspective from London staff. But there are some common issues." (7)
- "Field people would say that they see change is coming in the organisation but that communication is not good, to and from London. E.g. We've just had a global conference and some regions were saying "we don't know what other regions are doing.… so we need to work more on communication" (8)
- "International staff are now tracking some aspects of HR, so get feedback from induction for instance." (9)
- "Beneficiaries? Too hard to know at this stage. Other non HR managers, yes, (they now have more confidence in …(choosing and using appropriate policies and procedures.) Beneficiaries will come later. National staff may notice (an improvement) e.g. training - we have been able to get into training plans in our own missions, oriented to our national staff. We commit to investing in capacity building and commit to putting resources behind it. So heads of mission and admin staff have … selected training and selected mission training plans for national staff." (13)

- "Our expatriates working overseas... don't know much about (the Code). HR people know most. ...but we're in the process of decentralising HR. We need to get closer to it so managers in Bande Ache for instance know about it, and the staff they manage know about it. So next year (we're) going to see some changes as we expand the awareness of the Code." (14)

And the benefits for smaller NGOs?

- "The size of the organisation matters. For (us) as an organisation already committed to excellent people practice the Code didn't offer much new. For a small organisation trying to establish a people management strategy, the Code would be the best thing since sliced bread." (1)
- "For a larger NGO, it costs more; for smaller NGOs it's easier to implement." (3)
- "For smaller organisations, like some of our partner NGOs, we are committed to it because it's part of our capacity building approach anyway, because we want our partners to be getting better at managing themselves. The biggest challenge is getting started. So my advice would be "Get on the journey". One danger in introducing too many metrics which carry a pass/fail measure, is that for smaller NGOs who are already in awe of the big ones, it will develop a fear of failure which prevents them ever getting to start with the Code. So there's more value for smaller NGOs in it being framed as continuous improvement. So, as far as the metrics are concerned, it's not so much about where you are as how far you've come". (6)
- "Gut feeling ...possibly more use to small ones. Large (organisations) tend to have the resources to employ an HR person anyway ...Smaller or medium size organisations like us can't afford that nor to do the research about good practice so People In Aid doing that is essential. So if People In Aid wasn't there, we'd have to rely on networking and tap into others' expertise or hire someone ourselves or use a consultancy. But the good thing about People In Aid is that they are specialists in the sector and are facilitating the sharing of learning among organisations in the sector." (7)
- "For a small organisation, it's less onerous but also less achievable. And for a smaller NGO, meeting the standards depends on the resources available. Bigger organisations will be better able to meet the standards." (9)
- "Small NGOs don't have dedicated HR people, don't have the expertise. But for us it's easier. The incentive is they know they have to get this in place. The disincentive is the cost etc. but even the small agencies just have to be bitten by a couple of (HR) things (going wrong) to get them serious about HR." (10)
- "(As a small NGO) the benefit (for us) was in helping us set our HR strategy up. And implementing and prioritising." (11)
- "...It is a fantastic thing for smaller agencies. My encouragement to People In Aid is to make the Quality-mark something people really want to get because of the reputation of People In Aid. No big incentive for big agencies to sign up other than image and that depends on People In Aid's own reputation. ...Need strong brand that people want to be associated with. People In Aid's reputation is not only about the Code but all the other good stuff they are doing. ...Small agencies need the tools; the big ones need the new insights, and stretching and challenging." (12)
- "Any NGO big or small wants to staff itself with the best people, if it's not just a hobby. The best people, apart from having a humanitarian commitment will ask to be professionally managed, and the Code does that." (13)
- "As a smaller NGO that doesn't have huge amount of money or resources there are other areas in the Code which are not about money but about participation, good

management etc. So we can say to people that we may not be ale to offer a huge salary but we can offer compliance with the Code and x, y and z as a result. "(17)

Would you say the benefits of implementing the Code outweigh the costs?
- "Gut instinct says yes…" (1)
- "Yes. It makes you accountable and gives you the right to hold staff accountable too." "We want to link it to our mission so this is not just because we want to be nice to our staff – it's because we want to do our mission better" (2)
- "Yes, because it's put us on the map. We would compare ourselves with bigger agencies now, whereas we wouldn't have once-upon-a-time. We look serious to donors. DfID funding People In Aid helps when we put in extra bids for money." (3)
- "Yes. The benefits outweigh the costs". (6)
- "12 months ago it seemed rather daunting; would take a huge chunk of time, and it has, but once we started it has been fine. Cost versus benefit? Since we are not spending 25-30k on an HR manager spending time and cash on this is cost effective." (7)
- "Yes. It's been a good discipline, to focus on what we're not doing well. …Also get credibility in being willing to be audited, involving key stake holders. Says a lot about our commitment to good HR." (9)
- "Yes. Apart from staff time, it's not an expensive process for us. We're well established and part of a global network." (10)
- "Yes. What I'm not sure about is the value of Quality-mark but as a management tool it's invaluable." (11)
- "To (us) there is no cost other than the subscription because the Code is part of what we are trying to achieve anyway. The benefits therefore certainly outweigh the costs. For smaller NGOs the backup and support they can get is phenomenal." (14)
- "Yes. It's a reputational thing, in that once you've become verified it would send a different message if we don't re-verify…" (17)

Were there particular Principles which presented more of a challenge?
- "Biggest HR challenge is about distance management." (1)
- "Because of differing situations in different countries, it's been difficult to come up with a policy for all countries." (2)
- "**Strategy** is a big one, and bringing HR in early is a big one. **Managing people** we picked up on really early, and **remote management** also an issue. " (3)
- "**Principle 2** – policies and practices - significant difference even for national staff
  Principle 3 – Managing People – this too made a significant difference
  Principle 4 – Consultation and communication – we were always good at this but now we have become more focussed and have clarity on what we consult on and what we don't.
  Principle 5 – Recruitment & Selection – Procedures have improved – partly because we have introduced clear job grading scheme so we know the level of jobs. We are also now recruiting far more effectively overseas.
  Principle 6 – Learning, training and development – higher focus, people come over to UK for training at different times." (6)
- "…conditions of service for international staff working abroad, partly about communication of policies and practices … Training & development were also possible issues at the time." (7)
- "Consultation and communication plus training." (8)

- "Consultation and some aspects of training and development" (9)
- "Staff survey showed that training & development was area people wanted most improvement in. Took a fair investment. Other principles were hard and fast rules i.e. more clear cut, whereas who would ever say they'd had enough training?" (11)
- "Some areas we are still a bit too casual. E.g. recruitment. We have very thorough recruitment and selection, but we're not very diverse…" (14)
- "…training. Staff say we don't have a training strategy; implementation of programmes always seems more important. Hope (implementing the Code) will give more to field officers…and …hope it will improve their performance." (16)

Were there particular challenges associated with implementation process?
- "Took a huge amount of time. It was a full time role." (1)
- "The commitment stage took time – we needed to work on policies because the audit focuses on policies." (2)
- "It requires a lot of investment – up front – in time and people. You need to expect that if you're to do it well it will take a long time. E.g. introducing a new policy framework and doing the appropriate consultation will take time, years not months. We have done this over a 3-4 year period". (6)
- "…audit process is of course time consuming but it has been a very important exercise for us so having the Code and the need to do the review from time to time is a good discipline… found very useful indeed, especially as we don't have a dedicated HR person." (7)
- "Trying to get broader ownership beyond HR (is) a real challenge…. also…we underestimated how long the internal evidence gathering would take;18months plus…" (9)
- "Thought it was scary, but now it's OK. The challenge will be getting internal support and information. Workload will also be an issue –because it's on top of a full-time job…" (10)
- "…it was great and we felt well supported by Ben and The Work Foundation …took it as a process to unite people…" (11)
- "HR is not top priority among some of our people because we prioritise action in the field. So implementation has been a slower process" (13)
- "Time is going to be a challenge, setting up the right stakeholder group and managing expectations." (17)

Are there any ways in which implementing the Code doesn't appear to improve your effectiveness, or has even reduced it?

- "No. We've used it as a guidance tool. And you have to be aware that it won't work perfectly in every overseas situation." (3)
- "No. It helps with our own credibility internally and external." (7)
- "Only if the process becomes too onerous like the first version of Investors In People. Whole process has been really good for us as an organisation. I could at last go to the board with evidence that we are not as bad as everyone thought we were, so now have much more focus, know what we're good at and what we're not." (8)
- "No…Even the guidance manual has got better." (9)
- "No. New Code is broad enough to be useful and helpful and direction giving". (11)

- "It's just about the length of time it takes to improve. One step at a time. This is not about an HR thing; this is about helping the people in the organisation to manage their people well." (13)

Any other comments
- Regarding metrics…"there are some things which deserve measurement, then fine. Indicators would be useful for some parts of the HR function which lend themselves to that." (1)
- "The evidence is hard to quantify." (3)
- "People In Aid is part of a suite of standards we are working to. It has "**gentle teeth**" which is more than say, SPHERE." (6)
- Regarding metrics …"We record other metrics concerning recruitment and induction e.g. how many people we recruit … Not so interested in traditional things like absence rates etc." (9)
- **Question to People In Aid**: "Has the Code really got beyond International staff? E.g. what about national staff in field and UK staff in UK? Also, there are big cultural issues because HR is western and individualistic." (9)
- "People In Aid …need to change the offer, so you are not either audited or not. There's something in between". (14)
- "…is there a way People In Aid can offer a line to the big organisations who don't go for accreditation but that it can be known they are good at people management." (17)

Semi structured interview framework

1. Tell me about you and your organisation.
    a. What it does?
    b. Best thing about it?

2. Tell me about your involvement with the People In Aid Code
    a. How its worked for your organisation
    b. Best thing about it?

3. How recently has your organisation engaged in impact monitoring / evaluation?
    a. By what methodology? Quantitative? Qualitative? Outside-in or inside-out?

4. Do you believe there is a plausible association between any aspects of your organisational impact and implementing the People In Aid Code?
    a. What aspects of organisational performance would you say have been most affected?
    b. Directly or indirectly? Coincidental? Correlational? Causal?
    c. What is the evidence?
    d. How clear is the evidence?

5. What are some of the Most Significant Change stories -

    a. Do they vary between different stakeholders? E.g. HR? Ops? SMT? Beneficiaries? Partners? Staff and potential staff? Volunteers? Other external stakeholders?
    b. Particular Principles?
        i. What specifically was the greatest challenge? On which areas did you have to work hardest? What HR issues required the biggest changes internally?

6. How was the implementation process?
    a. Best thing about it?
    b. Greatest challenge? Resources?

7. Would you say that the benefits of implementing the Code outweigh the costs?

8. Are there ways in which implementing the Code does not appear to help improve your organisations performance, or even reduces your effectiveness?

9. (For smaller NGOs) – From your experience, what would you say is the motivation for smaller NGOs to implement the Code?

10. Anything else?

Thank you

Evaluating the effectiveness of the People In Aid Code Terms of Reference

1. Purpose of Consultancy

The purpose of this qualitative research is to understand the extent of People In Aid's impact through the Code of Good Practice in order to improve the Code and our support to implementing agencies. The specific aim is to ascertain whether implementing the People In Aid Code* has made (or is making) a positive difference to 'implementing agencies', ie has it enhanced organisational effectiveness and/or increased the impact of programmes, and if so, in what ways and by what measures.

* The People In Aid Code, 2003, comprises a guiding principle, 7 principles, and their respective indicators)

2. Background

People In Aid's vision is of a world in which organisations work effectively to overcome poverty. A key question for us is therefore 'has implementing the People In Aid Code enabled organisations to work [more] effectively? Or, in other words, have the organisations that have implemented the Code seen improvements in effectiveness or performance which they believe can be attributed wholly or in part to implementing the Code, and/or have they seen increased impact of programmes, or enhancements in programme quality which again have a plausible link to implementation of the Code?

This piece of qualitative research is intended to shed light on that, by engaging with original pilot agencies and recent implementers, interviewing key stakeholders (see Methodology), and reviewing the relevant or available metrics. Eventually, it is hoped that the relevant metrics will become key benchmark areas for implementing agencies, and that agencies will use a process of benchmarking to help measure improvements to organisational performance.

The piece of work is essentially retrospective. It is anticipated that the consultant will engage with the majority of the original pilot agencies, with a particular focus on the two that have been re-audited (Concern Worldwide and the British Red Cross), as well as recent 'verified' agencies, for example Mission East and the Leprosy Mission.

People In Aid has developed (or is developing) a number of tools to help organisations take tangible steps towards enhancing the effectiveness of their

HR management. There are 3 main components to this 'effectiveness' work and this consultancy will help us strengthen the third component:

(1) An HR audit (also referred to as a self assessment e-tool) currently being developed.
(2) Full implementation of the People In Aid Code (comprising a stakeholder engagement and independent external audit)
(3) Benchmarking and special interest groups. We run special interest groups which facilitate ad hoc benchmarking between agencies. We also have some metrics from other sectors which can help our members benchmark performance.

3. Objectives

The objective is to produce a succinct report containing insights and comments from implementing agencies on the difference that implementing the Code can be demonstrated or is perceived to have made. Such comments will be anonymised to maintain confidentiality, but it is hoped that, among others, answers to the following questions will be obtained:

- Does implementing the Code make a positive difference? If so, in what areas of organisational performance, and on what evidence is this assertion / belief based?
- What impact evaluation methodologies are adopted by the organisations taking part in this consultancy?
- What is the value of the Code for smaller NGOs, i.e. what motivates smaller NGOs to implement the Code?
- Which benchmarks (from engagement surveys) would be most valuable / useful? Can we identify any actual benchmarking data during the course of this work, particularly from the two re-audited agencies?
- What are the main benefits of implementing the Code? Do responses vary between different stakeholder groups eg HR, Operations, Senior Management Team, beneficiaries and other external stakeholders?
- Do the benefits of implementation outweigh the costs?
- Are there ways in which the Code does not appear to help organisations improve their performance, or are there aspects of the Code implementation which reduce organisational effectiveness ?

4. Inputs into the paper

The consultant should assume the following inputs will be made available:
- Access to implementing agencies' implementation reports
- Sight of key employee survey data
- Contact details and introductions to key stakeholders within agencies, though some further work will be required to obtain contacts outside of the HR or senior management function

5. Outline methodology

"Impact" has been defined as "*The positive and negative, primary and secondary, long term effects produced by a development intervention, directly or indirectly, intended or unintended*" (OECD/DAC 2002). Therefore where, how and with what intention we look for evidence of, and define the value of, that "impact" determines the usefulness of the evidence.

So in terms of a methodology for this project, a linear, cause-and-effect approach would start by identifying internal changes associated with implementation of the Code and look for external evidence of impact. An alternative approach would take a more external focus and seek to identify the extent to which any improvement in the NGO's performance is directly or indirectly attributable to implementing the Code, among other factors.

Given the objective of this consultancy, plus the time and budget constraints, the methodology will draw on both approaches, but with external stakeholder perspectives being derived largely from the findings of recent impact evaluations already undertaken by the NGO. Data from internal stakeholders will be obtained by interviews and documentary evidence.

Estimated time investment, 20 days, to be confirmed,

0.5 days – Briefing and project planning
1.5 days – Review reports from implementing agencies
0.5 day – Identify key internal and external performance indicators
1 day – Plan semi-structured interview around key indicators
0.5 days – Review
6-8 days – Research and information gathering and preliminary analysis
4 days – Detailed analysis and report drafting
3 days – Preparation of final report
1 day – Report presentation / review

6. Consultancy Outputs

A report (maintaining confidences) presented to People In Aid, outlining the benefits of implementing the Code, the difference implementation has made, and thus enabling People In Aid to begin evaluating the effectiveness of the People In Aid Code. This work is likely to influence the future direction of the Code in terms of the content revision, audit process and importance of, and process for benchmarking, so any recommendations or reflections for People In Aid in this respect should be clearly identified within the report.