



# The Health Check Big Picture 2016



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## About Bond

Bond is the civil society network for global change. We bring people together to make the international development sector more effective. [bond.org.uk](http://bond.org.uk)

## Acknowledgements

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# Executive summary

The international development world continues to change. The Sustainable Development Goals set out a new agenda, requiring partnerships across a range of issues and a commitment to leave no one behind. With growing roles for southern civil society and the private sector, and challenges to the legitimacy and space of international NGOs, one thing remains constant: the need for organisations to be effective.

This report explores the results of 45 organisations which have completed Bond's organisational capacity self-assessment tool: the Health Check. The Health Check is built around 11 "pillars" which correspond to the core functions found in most international development organisations. This report follows the first *Big Picture* report completed in 2013, and pays particular attention to those aspects of effectiveness that will be most relevant in the era of the Sustainable Development Goals.

Examining the overall results provides valuable insights into how international development organisations view their current effectiveness, including strengths and weaknesses; it highlights common trends and prompts tentative reflections on implications for the broader sector.

Across all 11 pillars, on a scale of 1 (low) to 5 (high) the average scores for organisations range from a high of 3.36 for *Identity and integrity* to a low of 2.62 for *Influencing*. Other low scoring pillars on average are *Partners; Monitoring, evaluation and learning; Beneficiary engagement; and External relations*. Indicators relating to monitoring, evaluation and influencing work tend to score low across all pillars.

The greatest variability in organisational practice is found in the *Beneficiary engagement* and *Partners* pillars. The greatest consistency in scores across organisations is found in the *Identity and integrity* pillar. There is also significant diversity in practice across indicators in the *Influencing, Programmes and Internal communications* pillars. This diversity implies that there are opportunities for shared learning across organisations.

Financial size is related to scores on organisational effectiveness. Small organisations on average score lower than medium and large organisations. This may be because smaller organisations face more limitations in terms of human and financial resources.

However, it should be noted that the higher scores for some indicators in the Health Check require formality in organisational systems and processes, which is more likely to be found in larger organisations and does not always equate to greater effectiveness.

An organisation's main funding sources also affect organisational effectiveness. Organisations with a mix of restricted and unrestricted funding score higher on a greater number of pillars compared to those with either largely restricted or largely unrestricted funding. This echoes the findings in the *The Health Check Big Picture 2013*. This may be because organisations managing any restricted funding have to invest in the systems and processes outlined in the Health Check pillars to meet donor requirements, stay competitive and be accountable, while unrestricted funding is required to make those investments and to provide some flexibility. It is the combination of these, rather than having mainly one or the other, that seems to enhance effectiveness.

Responding and adapting to a rapidly-changing world is an important focus for Bond and its membership. Recognising this, we explore in detail the results for seven pillars of the Health Check. These selected pillars include indicators of organisational effectiveness that are most relevant to being "future fit" such as *Leadership and strategy, Partners, and Influencing*. There is significant room for improvement across these pillars.

Organisations have used the Health Check results for a variety of purposes, including supporting operational and strategic planning and designing capacity-building frameworks. Bond continues to work to improve the tool and diversify the support offered to organisations seeking to take action on the results of the Health Check.

# I. Introduction

The Bond Health Check is an organisational capacity self-assessment tool designed specifically for the international development sector. It enables organisations to assess their performance across 11 key areas, or “pillars”. It was designed in an iterative and participatory way between 2010 and 2012 and launched in August 2012. Since then more than 60 organisations of all sizes have used it.

The 11 pillars of the Health Check are:

1. Identity and integrity
2. Leadership and strategy
3. Partners
4. Beneficiary engagement
5. Programmes
6. People
7. Money
8. External relations
9. Monitoring, evaluation and learning
10. Internal communications
11. Influencing

Scores in the Health Check range from 1 to 5. Each indicator has a descriptive statement of what each score equates to in terms of organisational practice or policy. There is no expectation that an organisation should reach level 5 for all indicators. The Health Check was designed to be used by organisations of all sizes and complexities, and for some indicators the highest levels may be more relevant for larger organisations. Level 3 reflects a good benchmark for any organisation operating in the international development sector and should be attainable irrespective of size.

Organisations' scores are benchmarked against others that have completed the Health Check. The primary purpose of the Health Check is to support individual organisations in their planning and development. However, the aggregated results also provide us with interesting insights into sector trends. A first analysis of the Health Check results was carried out in 2013, with a sample of 21 organisations. *The Health Check Big Picture 2013*<sup>1</sup> reviewed performance across all 11 pillars of the Health Check.

## Getting the most out of the Health Check

The Health Check is a diagnostic tool. The results for an organisation provide interesting data, but data alone does not lead to improved effectiveness: it can, however, help inform and prompt action. Feedback from users has suggested that follow-up action on Health Check results is most likely to occur when:

- There is strong buy-in and commitment from organisational leaders
- Its use is timed to inform strategic or operational planning
- There is a participatory process to discuss Health Check scores and possible actions
- It is used as part of a bigger planned process to increase effectiveness, eg with commitment of time and resources to source support to make improvements that are indicated as necessary
- The organisation chooses to complete only those pillars and indicators of the Health Check relevant to their organisation's work, and ensures that staff understand the meaning of generic terms used in the tool in their specific context, eg *Partners*

<sup>1</sup> Bond (2014) *The Health Check Big Picture 2013*. Bond. Available from: <https://www.bond.org.uk/resources/health-check-big-picture-2013>

The Health Check indicators remain highly relevant to international NGOs as they look to the delivery of the Sustainable Development Goals. Achieving high scores on the Health Check requires organisations to consider mutually-beneficial partnerships with southern civil society, and cross-sectoral partnerships to address complex development problems. It requires a focus on the most marginalised in communities. It encourages robust monitoring, evaluation and learning, as well as innovation and adaptation.

The analysis shared in the *Big Picture* report draws on the results for 45 organisations that used the Health Check between August 2012 and August 2015.<sup>2</sup> It explores results across size and funding type before focussing on the detailed results for 7 of the 11 Health Check pillars<sup>3</sup>, which cover aspects of organisational effectiveness that are particularly relevant to enabling organisations to adapt to a rapidly-changing world, a key theme for Bond's 2016-21 strategy<sup>4</sup> and Futures programme<sup>5</sup>.

This report is intended to prompt reflection on organisations' performance in areas that are widely considered to be central to effectiveness, and to sensitise NGOs and funders to the need for ongoing prioritisation of areas of weakness.

## Methodology

Each organisation completes the Health Check on the basis of a self-assessment which is not externally verified. In most cases, the self-assessment is done through different staff members completing an online survey anonymously. The individual results are then aggregated and an average score for the organisation is awarded. In a minority of cases, scores for the organisation were agreed through discussion among staff and a single answer provided through the online tool.

The Health Check is intended to be a flexible tool; organisations can choose to complete some or all of the pillars, depending on which are most relevant to their organisation and their intended use of the results.<sup>6</sup> Data was collated and analysed by Bond staff from September to December 2015.

Organisational size is based on annual expenditure levels and defined according to Bond membership categories. Accordingly, "small" is less than £500,000; "medium" is £500,000 to £5 million; and "large" is greater than £5 million annual expenditure. In the sample reviewed in this report, 14 of the organisations are small; 25 are medium; and 6 are large.

To determine funding sources, Bond reviewed organisations' websites and their latest annual accounts. Using this information, organisations were classified according to whether their income was mainly restricted (>70%), mainly unrestricted (>70%), or a mixture of both (ie no more than 70% of funding from either restricted or unrestricted sources). In the sample reviewed in this report, 5 organisations had mainly unrestricted income; 14 had mainly restricted; and 26 had mainly mixed income.

Data was analysed in Excel, using basic descriptive statistics. For the section on findings by pillar and boxed items on individual indicators, we present the average scores. We have also reviewed the frequency and variance of scores to understand the extent of diversity in results across organisations.

In addition to using descriptive statistics, the interpretation of scores in the analysis below draws on the statements describing different scores for each indicator in the Health Check. These statements are also used to indicate what changes in organisational practice or policy would be required to achieve higher scores.

<sup>2</sup> See Annex for the list of organisations. Twenty-one organisations completed an offline, pilot version of the Health Check. These results are not included as changes made to the tool following the pilot mean scores are not comparable. Some organisations have repeated use of the Health Check, and where this is the case, only their most recent results have been included in the analysis.

<sup>3</sup> The seven pillars are: *Leadership and strategy; Partners; Beneficiary engagement; Programmes; External relations; Monitoring, evaluation and learning; and Influencing.*

<sup>4</sup> Bond (2016) Strategy 2016-2021. Bond. Available from: <https://www.bond.org.uk/strategy>

<sup>5</sup> Bond (2016) Futures programme [online]. Available from: <https://www.bond.org.uk/effectiveness/futures>

<sup>6</sup> In the sample analysed in this report, 34 organisations completed all 11 pillars; 2 completed 10 pillars; 2 completed 7 pillars, 1 completed 4 pillars, 1 completed 3 pillars, 2 completed 2 pillars, and 3 organisations completed only 1 pillar.

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## Limitations

The key limitation is the sample size. Forty-five organisations represent just 10% of Bond's membership, and the organisations are self-selected. Relative to Bond's overall membership, small organisations are under-represented among users of the Health Check and medium-sized organisations are over-represented; large organisations are appropriately represented.<sup>7</sup> Thus we cannot claim to have a representative sample of the UK INGO sector.

Another potential limitation is that the data is generated through self-assessment by staff and, in a minority of cases, external stakeholders such as partners. Descriptive statements linked to indicator scores help reduce subjectivity in scoring. The Health Check has largely been used by organisations for internal reflection and planning purposes and is not used by any funders to rate or assess NGOs, so incentives for exaggerating scores are limited. Nonetheless, there remains a risk that self-assessment may produce overly positive results, particularly if self-criticism is not encouraged within the organisation or the wider sector.

Finally, some organisations in our sample took the Health Check during a period of organisational change to deliberately identify and/or explore weaknesses. However, it is not possible to determine whether there is a wider selection bias in the sample towards organisations which perceive themselves as weak, and conversely whether organisations which perceive themselves to be strong have chosen not to undertake the Health Check.

<sup>7</sup> Across all of Bond's members, approximately 45% are categorised as small; 40% are medium and 15% are large. Among the 45 Health Check users in our sample, 32% are small, 55% are medium and 13% are large.

## II. Findings

### Results by pillar

Rank	Pillar	Average score	Standard deviation
1	Identity and integrity	3.36	0.43
2	Programmes	3.35	0.66
3	Internal communications	3.19	0.66
4	Leadership and strategy	3.13	0.58
5	People	3.09	0.65
6	Money	3.05	0.65
7	Partners	2.99	0.68
8	Monitoring, evaluation and learning	2.98	0.55
9	Beneficiary engagement	2.92	0.74
10	External relations	2.79	0.60
11	Influencing	2.62	0.69

The average results by pillar indicate that the highest scoring areas of organisational effectiveness are *Identity and integrity*, and *Programmes*. A number of other pillar scores are clustered close to 3: *Internal communications*; *Leadership and strategy*; *People*; *Money*; *Partners*<sup>8</sup>; *Monitoring, evaluation and learning (MEL)*; and *Beneficiary engagement*. The two lowest scoring pillars are *Influencing* and *External relations*.

Overall it seems that for the organisations in our sample, scores are lower when it comes to communicating, engaging and/or collaborating with key stakeholders such as public supporters or beneficiaries. This reflects the findings of the *The Health Check Big Picture 2013*. However, it should be noted that some organisations do not prioritise all of the areas covered in the Health Check. A lower score on a particular pillar may therefore reflect a strategic choice not to prioritise that area of work.

Standard deviation describes the difference in scores across a selection of answers. Calculating the diversity of scores across each pillar offers further insights. High diversity of scores indicates scope to benefit from shared learning between organisations. Low diversity of scores indicates that the sampled group is strong on a particular area (if the average score is high) or that a collective effort may be required to identify ways of improving effectiveness (if the average score is low).

### Diversity of scores

	High standard deviation >0.58	Low standard deviation <0.58
<b>High average score &gt;3.3</b>	Programmes	Identity and integrity
<b>Medium average score 2.8-3.3</b>	Internal communications People Money Beneficiary engagement Partners	Leadership and strategy Monitoring Evaluation and learning
<b>Low Average Score &lt;2.8</b>	Influencing External relations	

Consistently low average scores for a pillar or indicator may also reflect systemic or structural challenges for the sector, which may include an issue or area not being highly valued or well-resourced by NGO leaders or funders. The ideal for the sector would be high average scores, with little diversity in scores among organisations.

*The Identity and integrity*, and *Leadership and strategy* pillars both score well with a low diversity of scores, indicating good performance across the board. The *Programmes*, *Internal communications*, *People* and *Money* pillars all score well but have a high diversity of scores. Meanwhile, the *Influencing*, *External relations*, *Beneficiary engagement* and *Partners* pillars all score poorly and have a high diversity of scores.

*MEL* is the only pillar with consistently low scores across Health Check users. This indicates that poor performance is widespread, and suggests that the sector as a whole needs to prioritise this area by adequately investing in developing areas like staff capacity, MEL systems and creating a learning culture.

<sup>8</sup> The Partners pillar relates to engagement with local/southern partners

## Highest and lowest scoring indicators

Within the 11 pillars of the Health Check, there are a total of 81 specific indicators.

### The five highest scoring indicators were:

- Staff participation (3.71)
- Distinctive contribution (of the organisation to international development) (3.71)
- Identification (of programmes) (3.69)
- Shared values and vision (3.67)
- Programme resources (3.59)

### The five lowest scoring indicators were:

- Monitoring and learning (of advocacy/influencing work) (2.21)
- External relations with the research community (2.28)
- Public mobilisation (in advocacy) (2.40)
- External relations with the media (2.40)
- Planning of advocacy (2.42)

The highest scoring indicators relate to aspects of internal effectiveness, with *Staff participation* and *Distinctive contribution* scoring particularly well. Of the lowest scoring indicators, three relate to *Influencing* and two to *External relations*. This reflects the trend in pillar averages that organisations in our sample tend to perform worse in areas relating to stakeholder engagement. However, as noted previously, a lower score on a particular indicator may reflect a strategic choice rather than an organisational weakness.

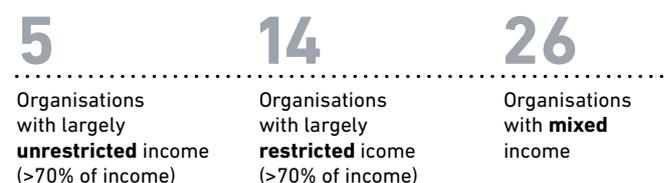
## Results by organisational characteristics

In this section, we explore two factors that we hypothesise might contribute to explaining some of the differences in scores between organisations:

**Organisational size:** the financial size of an organisation might be expected to contribute to effectiveness, for example by having more staff with specialised roles and/or by having economies of scale in developing organisational systems. On the other hand, the bureaucracy of larger organisations may be more complex and lead to less agility.



**Funding type:** we categorised organisations according to the proportion of their income that is restricted and unrestricted to investigate whether greater reliance on unrestricted income might provide an organisation with more flexibility about where and how it spends its money and thus increase effectiveness, or whether the requirements of managing restricted funding might increase effectiveness.



## Organisation size

### Average score per pillar, by size

Pillar	Large	Medium	Small
Identity and integrity	3.46	3.38	3.29
Leadership and strategy	3.37	3.18	2.88
Partners	3.08	3.16	2.61
Beneficiary engagement	3.05	2.96	2.78
Programmes	3.53	3.43	3.13
People	3.33	3.20	2.77
Money	3.34	3.25	2.51
External relations	3.52	2.86	2.26
Monitoring, evaluation and learning	3.00	3.10	2.74
Internal communications	3.10	3.27	3.07
Influencing	2.77	2.73	2.29

In our sample, large organisations score better than medium and small organisations on 8 out of 11 pillars. This may reflect the greater resources and capacity that large organisations can bring to bear on issues. However, the previously-mentioned Health Check bias towards formalisation of policy and specialisation of staff – more common among large organisations – could also be a factor.

Medium organisations score marginally better than large and small organisations on 3 out of 11 pillars: *MEL*; *Partners* and *Internal communications*. *MEL* is the second lowest scoring pillar for large organisations overall and a low scoring pillar across all organisations in our sample. Meanwhile, the scores on *Partners* and *Internal communications* may reflect the increased complexity that larger organisations face in trying to coordinate and achieve consistency in practice across these areas of work.

The greatest differences in pillar scores between large and medium organisations arise on *External relations* and *Leadership and strategy*, and between medium and small organisations on *Money* and *External relations*. *External relations* is the second highest scoring pillar for large organisations, in contrast to medium and small organisations for which it is the second lowest and lowest scoring pillar respectively.

Small organisations score higher than both medium and large organisations on three specific indicators: *Innovation (MEL)*; *Shared vision and values (Partners)*; and *Monitoring and learning (Influencing)*. The first two indicators cover aspects of organisational effectiveness where smaller organisations may have a comparative advantage in terms of agility and connection across an organisation.

## Funding type

Organisational effectiveness is at least partly reliant on funding and resources. This section considers whether the types of funding organisations rely on may have a bearing on effectiveness.

### Average score per pillar, by funding type

Pillar	Unrestricted	Restricted	Mixed
Identity and integrity	3.15	3.53	3.29
Leadership and strategy	2.93	3.12	3.17
Partners	2.49	3.10	3.00
Beneficiary engagement	2.34	3.15	2.89
Programmes	2.88	3.53	3.35
People	2.78	2.98	3.18
Money	2.79	2.92	3.15
External relations	2.32	2.67	2.88
Monitoring, evaluation and learning	2.66	2.98	3.04
Internal communications	2.94	3.18	3.22
Influencing	1.88	2.87	2.60

Exploring the results when categorised by funding type offers some interesting insights. Organisations with largely mixed funding score best on 6 out of 11 pillars while organisations with largely restricted funding score best on 5 out of 11 pillars. Organisations with largely unrestricted funding (who are also more likely to be small in size) score worst across all pillars.

There are a number of hypotheses for why this might be so. Restricted funding is usually accessed through competition based on programming, whereas access to unrestricted funding (mainly from the general public) is more closely linked to factors such as supporter base, loyalty and marketing. Restricted funding also typically has more stringent due diligence, reporting and accountability requirements. On the other hand, as overhead and programme support cost recovery from restricted funds can be limited, a high reliance on this source can constrain investment in systems and processes. Thus a blend of restricted and unrestricted funding may be most useful for building organisational effectiveness.

The most significant differences in scores between organisations with largely mixed and largely restricted funding arise on the *Identity and integrity*, *Beneficiary engagement* and *Money* pillars – organisations with largely restricted funding scoring highest on the first two. It is perhaps surprising that even on *Influencing* and *External relations*, where it might be assumed that more flexible funding would be an advantage, organisations with largely unrestricted funding score particularly poorly in comparison to those with mixed or largely restricted funding.

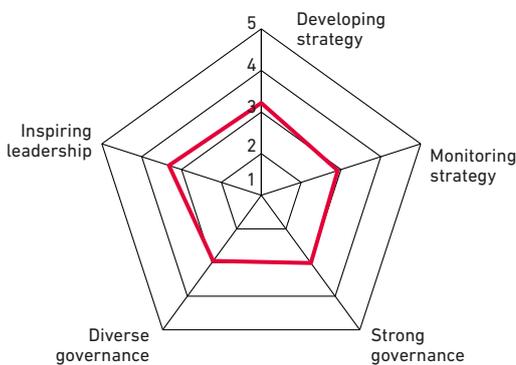
Despite pillar-level averages, organisations with largely unrestricted funding score better than organisations with mixed or largely mixed funding on nine specific indicators. The difference is most significant on indicators relating to innovation, shared vision and values and staff feedback. The difference on innovation may reflect demands within restricted funding grants to produce predictable results, while innovation is by definition risky and thus can be safer to undertake using unrestricted funds. Analysing these trends further to draw more substantive conclusions, however, would require a larger sample.

# III. Detailed results for selected pillars

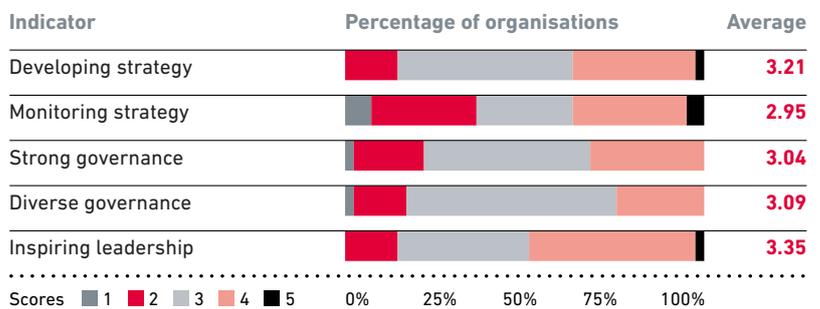
In this section we explore the indicator-level results for seven pillars of the Health Check. The seven pillars have been selected as those most relevant to considering how future-fit organisations are.

## Leadership and strategy

Average score for each indicator



Spread of responses across each indicator



Good systems and processes can only do so much to drive organisational effectiveness. Leadership is critical in building a learning culture that rewards curiosity and experimentation, and encourages shared responsibility at all levels of the organisation. The *Leadership and strategy* pillar captures some of these aspects.

The *Leadership and strategy* pillar is one of the top 5 scoring pillars overall, with an average score of 3.13. *Inspiring leadership* is the highest scoring indicator, with 49% of organisations reporting that leadership set clear strategic direction and delegate responsibilities effectively.

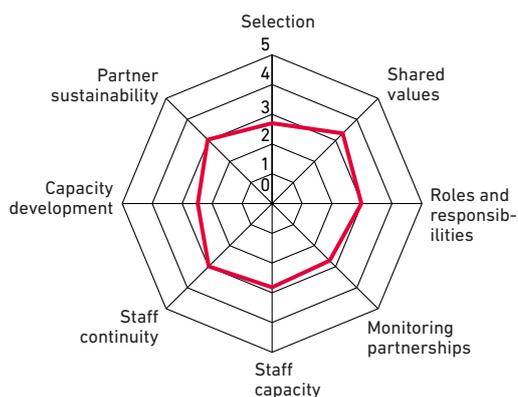
The *Monitoring strategy* indicator has the lowest average score in the pillar, with 37% of organisations reporting that they either do not systematically monitor progress or only track output level change. This reflects the general trend across all pillars for low scores in relation to monitoring activities at any level. Improvement will require organisations to strengthen their monitoring and evaluation processes, including ensuring that data gathered is used to inform periodic review of, and adjustment to, the organisational strategy.

The importance of the role of trustees in organisations has received increased publicity as a result of high-profile scandals in the charity sector in the UK.<sup>9</sup> On both governance indicators that relate to the role of boards and trustees, most organisations scored a 3 and, unlike the other indicators, no organisations scored a 5. These scores could therefore be improved through investment in developing governing boards that are appropriately skilled, representative of all key stakeholders and hold the executive to account.

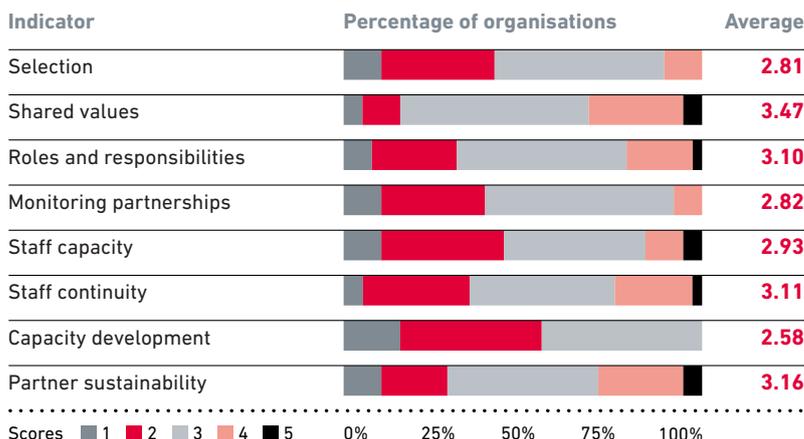
<sup>9</sup> See, for example, House of Commons Public Administration and Constitutional Affairs Committee (2016) *The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission, and regulators*. House of Commons. Available from: <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpublicadm/431/431.pdf> and House of Commons Public Administration and Constitutional Affairs Committee (2016) *The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall*. House of Commons. Available from: <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpublicadm/433/433.pdf>

## Partners

Average score for each indicator



Spread of responses across each indicator



Shifting global trends and an influx of new actors is reshaping the development landscape. Recognising this, a growing number of international NGOs are exploring new models that shift power to local partners. This requires new structures, systems and processes, and ways of working. The *Partners* pillar captures a number of these aspects.

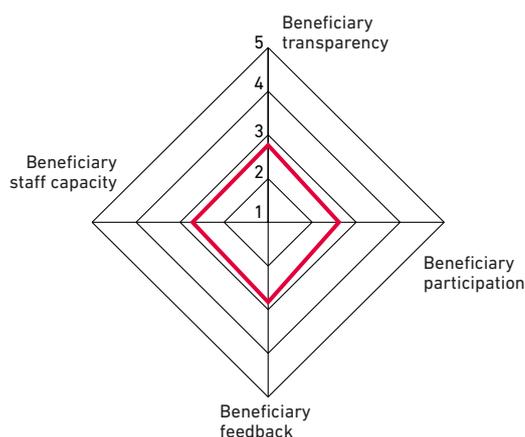
The *Partners* pillar has an average score of 2.99, placing it around the mid-range of all pillars, but there is relatively high diversity in scores both across indicators and across different organisations for each indicator. The scales for indicators in this pillar typically reward high scores for partnerships that are strategic, long-term, balanced and mutually-accountable. Lower scores tend to reflect more contractual and less strategic approaches to partnership. *Shared values*, *Partner sustainability*, *Staff continuity* and *Roles and responsibilities* all had average scores above 3. *Shared values* was the highest scoring indicator, with 68% of organisations stating that their partnerships are based on a shared vision and values, as well as recognition of mutual strengths.

However, lower scores on the remaining indicators highlight that most organisations need to strengthen their internal systems and processes for partnership management. *Capacity development* was the lowest scoring indicator, with nearly 50% of organisations reporting that their support to partners typically has a narrow focus on project implementation rather than wider organisational needs or priorities identified by the partners themselves. In other contexts, this type of challenge has been linked to the nature of much restricted project funding, which can stifle opportunities for a long-term, balanced approach to capacity-building.<sup>10</sup> As no organisation scored above 3, this is an area where collective action is required to drive improvement

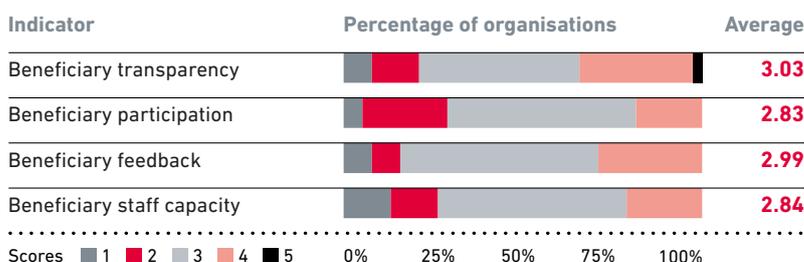
<sup>10</sup> See, for example, Dichter, T (2014) The Capable Partners Learning Agenda on Local Organization Capacity Development. USAID. Available from: [https://usaideallearninglab.org/sites/default/files/resource/files/LA-Complete-Final-Report-to-USAID\\_2.20.14.pdf](https://usaideallearninglab.org/sites/default/files/resource/files/LA-Complete-Final-Report-to-USAID_2.20.14.pdf)

## Beneficiary engagement

Average score for each indicator



Spread of responses across each indicator



Listening and responding to beneficiaries is widely recognised as a key driver of effective and accountable development programmes, in addition to being a principle and value underpinning much NGO work. However, to do this systematically requires appropriate systems and processes, capable staff and organisational commitment. The *Beneficiary engagement* pillar captures many of these aspects.

*Beneficiary engagement* is a relatively low scoring pillar, with an average score of 2.92. The two lowest indicators are *Beneficiary participation* and *Staff capacity*, with nearly a third of organisations scoring a 2 or below. Improvement will require organisations to invest in supporting beneficiaries to take the lead throughout the project cycle, and to build staff knowledge and skills to facilitate this process.

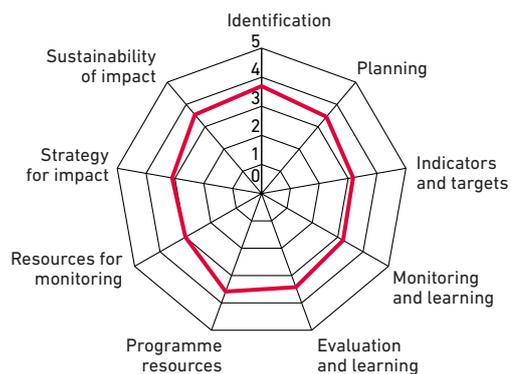
*Beneficiary transparency* and *Beneficiary feedback* are the highest scoring indicators; for both, around a third of organisations scored a 4 or above.

However, only one organisation reports systematically providing beneficiaries with the project-related information they require. Meanwhile, no organisations report systematically collecting and responding to feedback from beneficiaries, including the most marginalised.

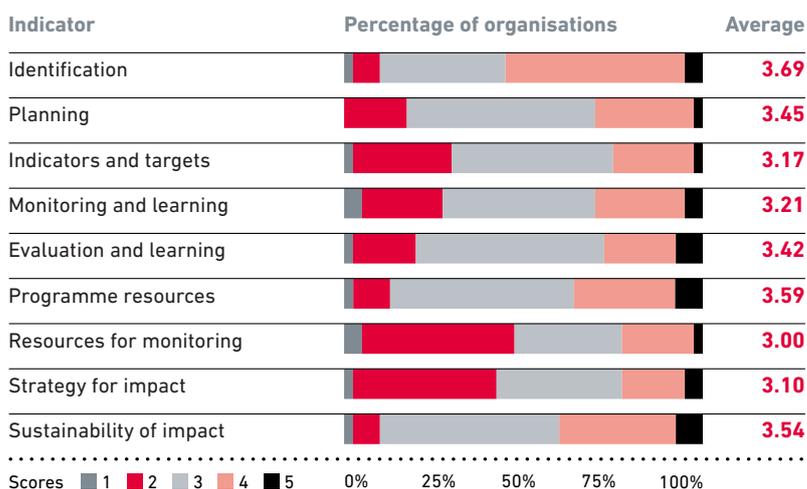
Across all the indicators in this pillar, improving scores will require organisations to move from ad hoc to systematic engagement of beneficiaries. For the *Beneficiary transparency* and *Beneficiary participation* indicators, scoring 4 or 5 specifically requires organisations to engage with the most marginalised within communities. With the adoption of the Sustainable Development Goals and the commitment to “leave no-one behind”, there should be added impetus to improve practice in this area. Greater alignment of funder and beneficiary interests would help organisations to make improvements.

## Programmes

### Average score for each indicator



### Spread of responses across each indicator



To be effective, programmes must respond to shifting local needs and interests. This requires planning and design processes based on rigorous context analysis, with a clear theory of change that draws on past learning and is regularly reviewed. The *Programmes* pillar captures many of these aspects.

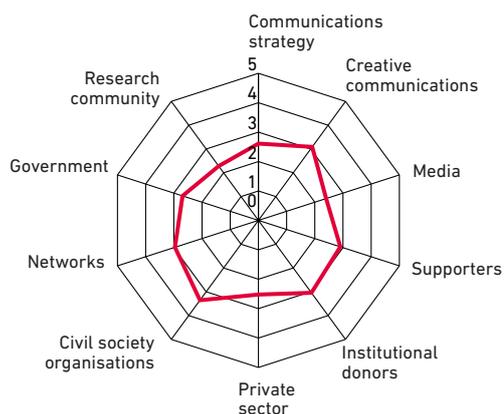
The *Programmes* pillar is the second highest scoring pillar, with an average score of 3.35. All 9 indicators in the pillar score 3 or above on average, with *Identification*, *Programme resources* and *Sustainability of impact* all scoring above 3.5. Furthermore, for each indicator at least one organisation scored a 5, demonstrating that there are examples of sector-leading practice.

The two lowest scoring indicators are *Resources for monitoring* and *Strategy for impact*. It is a concern that 48% of organisations report they cannot effectively monitor and evaluate their projects due to lack of resources. Meanwhile, 44% of organisations report that they either do not have a strategy for ensuring sustainability or are only just beginning to explore approaches to ensuring sustainability of their work.

Improvement against this pillar will require organisations to work more closely with partners and beneficiaries throughout the programme cycle. It will require organisations to change the way they develop their budgets for monitoring and evaluation activities and how funders resource monitoring, and further work to develop a clear strategy for ensuring programme sustainability that is tailored to the project context.

## External relations

Average score for each indicator



Spread of responses across each indicator



Achieving the Sustainable Development Goals, and tackling the complex development challenges that they reflect, demands new partnerships, alliances and coalitions. These need to bring together diverse actors from the private sector and the media, to local civil society organisations. Effective collaboration requires clarity on shared goals and a framework for measuring progress towards these goals. The *External relations* pillar captures a number of these aspects.

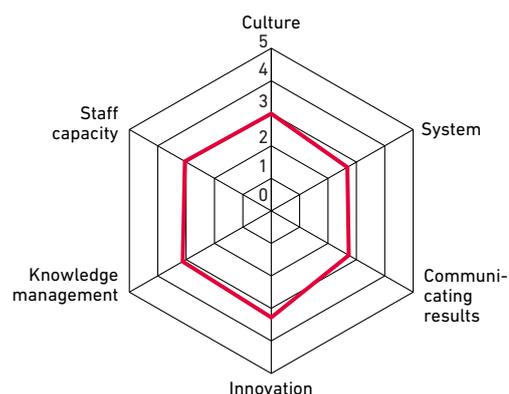
The *External relations* pillar was the second lowest scoring pillar, with an average of 2.79. It includes a number of the lowest scoring indicators across all pillars. However, it is important to note that organisational priorities in terms of stakeholder engagement will differ and this is likely reflected in the scores.

Organisations scored highest on average in relation to engagement with civil society organisations, followed by institutional donors. Engagement with the government, private sector, networks, media, research community and supporters all scored below 3. Only 5% of organisations have a private sector engagement strategy, 24% of organisations are yet to consider engagement with the research community, and 73% of organisations are yet to develop clear procedures for engaging with the media.

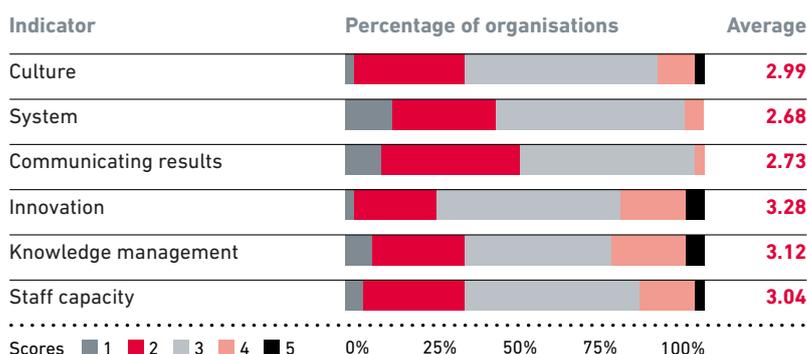
Most of the organisations in our sample report that their external communications are a two-way process and increasingly involve creative use of social media. However, 65% of the organisations do not have a clear strategy underpinning their communications. Improving scores against this pillar will require organisations to invest in relationship-building, and to develop clear strategies and systems for guiding, and measuring the results of, their external engagement.

## Monitoring

Average score for each indicator



Spread of responses across each indicator



A key aspect of organisational effectiveness is the ability to reflect, learn and adapt. This requires flexible monitoring systems that generate real time data, as well as the skills, interest and opportunity to use this data to inform continuous improvement. The MEL pillar captures many of these aspects.

The pillar has an average score of 2.98, placing it 8 out of 11 pillars. It is the only pillar with a low standard deviation and a low score, highlighting relatively poor performance across the board and indicating that a collective effort is needed for improvement.

*Innovation, Knowledge management and Staff capacity* are the highest scoring indicators, all with average scores above 3. The majority of organisations in our sample report that they promote new approaches, share learning with a range of internal and external stakeholders and have staff with basic monitoring and evaluation skills. However, there is considerable diversity in practice. Around a third of organisations do not have staff with even basic monitoring and evaluation skills and the same proportion only share some learning externally through personal contacts.

Organisational culture can be a key determinant of effective monitoring and evaluation practice. However, only 3% of organisations say that learning is a strategic priority and modelled by senior management (ie score of 5). Meanwhile, 33% of organisations say that time for learning and reflection is not prioritised.

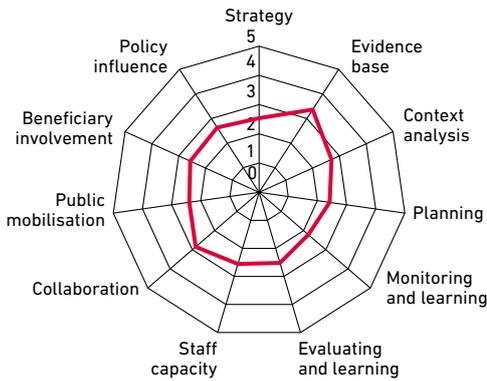
*Systems and Communicating results* are the lowest scoring indicators. No organisations report that their monitoring and evaluation systems enable them both to meet the information needs of different internal and external audiences and to demonstrate the overall impact of their work (ie score of 5).

Improving scores in this pillar will require organisations to invest in developing a more systematic approach to reflecting and learning from their work, which may in turn require greater resourcing<sup>11</sup> and incentivising of this area by funders and NGO leaders.

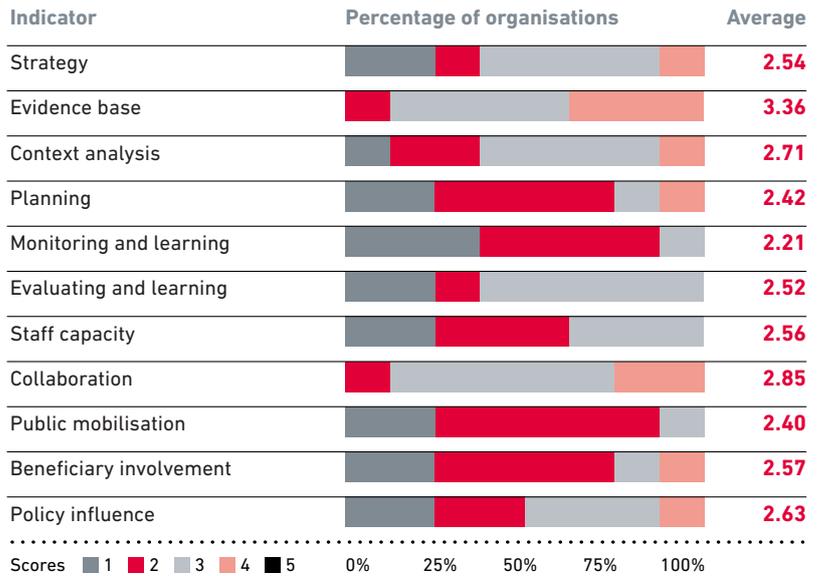
<sup>11</sup> Note that *Resource for monitoring* is the lowest-scoring indicator under the *Programmes* pillar.

## Influencing

Average score for each indicator



Spread of responses across each indicator



*Monitoring and learning* was the lowest scoring indicator for the *Influencing* pillar and the Health Check overall. The related indicator, *Evaluating and learning*, also scored very low. Improvement in this aspect of influencing work will require organisations to strengthen the way they collect, analyse and use data on the outcomes of their advocacy work to inform decision-making.

Organisations also scored particularly poorly on *Public mobilisation*, with no scores above 3. Improvement in this aspect of influencing work will require organisations to increase and diversify their supporter base so that they are better able to influence decision-makers.

## IV. Conclusions

The 45 organisations included in this analysis constitute an interesting cross-section of UK-based development NGOs. We cannot claim that these results are representative of the sector as a whole; however, the findings offer some useful insights, particularly as we look to the future role of UK-based INGOs and the delivery of the Sustainable Development Goals.

- Particularly low scores across a number of pillars relating to stakeholder engagement such as Partners, External relations and Influencing indicate a sector weakness. It will be interesting to see whether and how this trend changes as UK-based INGOs reconsider their role as development actors. Already an increasing number are positioning influencing and partnership-building as central to their work.
- The diversity of scores across a number of areas of organisational effectiveness suggests that improvements could be made through greater sharing of skills, knowledge and best practice between organisations, and learning from the practice of leading organisations. Equally, however, scores on indicators relating to leadership and resourcing suggest that while there may be potential to learn from one another, it takes commitment, in the form of willing leaders and resources both from within NGOs and among funders, to drive real, long-term improvements and to address sector-wide challenges.
- As hypothesised in *The Health Check Big Picture 2013*, the nature of funding – not just volume – has an influence on effectiveness. A blend of restricted and unrestricted funds seems to provide the flexibility and the external pressure for accountability required to best drive greater effectiveness. It would be interesting to explore these trends further, including looking more closely at the indicators where organisations with largely unrestricted funding do score more highly.

The results also raise a number of questions:

- Monitoring and evaluation remains an under-resourced area for many of the organisations in our sample. This is reflected in poor scores across a range of indicators, from monitoring strategy to budgeting for baseline studies and leadership support for learning and reflection. What will it take to drive improved practice?
- Organisational size seems to be a determinant of effectiveness, with smaller organisations outperformed by large and medium-sized organisations across all pillars. However, higher scores on a few specific indicators such as innovation and shared vision and values indicate that there are areas where smaller organisations may have the comparative advantage. How can this be leveraged?
- A number of aspects of organisational effectiveness we explored in relation to being “future fit” are particularly low scoring. This includes internal learning processes, leadership priorities and partnership capabilities. How can the sector be encouraged to prioritise these aspects of organisational effectiveness?

We hope that these results will provoke further discussion in the sector. Meanwhile, Bond will continue to provide and develop a range of services to help members increase their effectiveness, and to act as a convenor and facilitator of discussions and learning across UK-based INGOs.

## Next steps for the Health Check

Organisations have used the Health Check results for a variety of purposes, including supporting operational and strategic planning and designing capacity-building frameworks. Bond has curated a set of accompanying resources to assist organisations that are seeking to strengthen different aspects of organisational effectiveness.

Developments in the Health Check tool mean that it is now possible to disaggregate results across country offices, teams and levels of seniority. This allows organisations to identify perception gaps in performance and examine potential biases, as well as see differences in strengths in performance across country offices.

Future analysis of the Health Check results will focus on the pillars unexamined in this report – focusing on Identity and integrity, People, Money and Internal communications. As the number of repeat users of the Health Check increases, we also hope to be able to explore comparisons across time.

Finally, there is potential for the results from the Health Check to inform Bond's futures programme, in particular by highlighting which areas organisations are best equipped to deal with in a changing environment and where they may need support.

### **The Health Check is free to use for Bond members**

To find out more, to download the offline version of the health check and to make enquiries about using the online tool within your organisation, visit the Bond website. [bond.org.uk/health-check](https://bond.org.uk/health-check)

# Annex

## Organisations included in the analysis

AbleChildAfrica

Act4Africa

ADRA

African Outreach

Anti-Slavery International

APT Action on Poverty

BMS World Mission

Build Africa

Canon Collins Trust

Cecily's Fund

Chance for Childhood

Childreach International

Children in Crisis

Commonwealth Human Ecology Council

Concern Universal

Disability and Development Partners

Emerge Poverty Free

Find Your Feet

Just A Drop Appeal

Keeping Children Safe

KwaAfrica

Lifeline Network International

Medair UK

Motivation

Penal Reform International (UK)

Plan UK

Population Matters

Power International

Pump Aid

Responding to Conflict

Restless Development

Retrak

Riders for Health

Self Help Africa

Shared Interest Foundation

Street Child Africa

Street Kids International UK

SURF Survivors Fund

The Britain Nepal Medical Trust

The Kambia Appeal

Theatre for a Change

Transaid

Village Aid

War Child

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