Social Impact Measurement:
The Practical Wisdom Approach

Introduction

Social Impact Measurement (SIM) has been defined by Malin Arvidson as:

> *the process by which an organisation provides evidence that its services are providing real and tangible benefits to people or the environment.*[1]

SIM is not a precise science or a clearly-defined and value-free set of tools but can be better seen as a general approach or process that requires a series of choices and involves a range of assumptions. Practical Wisdom aims to assist organisations to make the necessary decisions at each stage of the process to ensure that SIM best meets their organisational requirements.

The key stages are: clarifying the purpose of using SIM; identifying what to measure; working out how best to measure it; choosing the best methods of gathering information; analysing the information; and using the results.

The Process

1. Step One: Clarifying the purpose of using SIM

There is a tendency to treat SIM as essentially a better way of undertaking an evaluation of the work of voluntary organisations, but it is also used as an internal management tool and a means of influencing relationships with funders and other external partners.

Internally it can be used for:

- More effective planning based on improved evaluation;
- A better approach to managing performance;
- A means of putting the mission at the centre of what the organisation does;
- A way of making explicit the key values of the organisation; and
- A means of influencing board members and motivating staff.

Externally SIM can be used as:

[1] M. Arvidson (2009) *Joining the dots: Measuring the economic and social impact of local services* (Southampton: Third Sector Research Centre).

- A means of shaping organisational visibility and legitimacy; and
- A tool for communication and negotiation between organisations and their stakeholders.

SIM can also be seen either as a form of regulation imposed by external funders or as a kind of entrepreneurial behaviour which can provide organisations with the power to influence others.

2. Step Two: Identifying what to measure

There are obvious – and often quite severe - limitations on the resources that organisations can devote to SIM and choices therefore have to be made about what kinds of impact it is more or less important to measure. Identifying what is to be measured needs to be based on two sets of considerations.

2.1 Revisiting the mission:

Essentially measuring social impact involves asking:

- What changes have occurred as the result of the organisation's intervention – and these include both positive and negative and intended and unintended changes; and
- Why and how have they come about?

Operationally, these broad questions need to be placed in context and provided with a narrower focus. The starting point is the organisation's mission and its values and any strategic planning associated with them. What difference (or differences) does the organisation exist to bring about? How has it operationalised this overall purpose and translated it into broad aims and narrower objectives? This leads to some helpful questions:

- What changes is the activity intended to bring about?
- How do these contribute to the achievement of the organisation's wider purpose?
- What is the expected effect of each of the intended changes?
- How important is each change? What will be its long-term consequences?
- To what extent can the consequences of the long-term changes be credited to the activity alone or as a contributory factor?

2.2 *Considering the stakeholders*:

The second set of considerations relates to the extent to which the organisation will measure the kinds of impact that best match the needs and interests of its key stakeholders. Organisations need to review:

- The identity of its key stakeholders – such as funders; other partners; users; staff; and volunteers – and their interests and objectives;
- The relative weight to be given to each of them; and
- The extent to which their interests and objectives coincide with those of the organisation.

2.3 *A sense of proportion*:

The resources needed to carry out a comprehensive measurement of social impact inevitably will be far greater than an organisation is able to devote to the task. The questions set out in 2.1 and 2.2 will help to select what can be measured within the resources available and help to ensure we address the key questions:

- What intended impacts is it *essential* for us to measure for our internal needs and to satisfy our key stakeholders?
- What intended impacts is it *desirable* for us to measure?
- How is it possible to measure the unintended impacts and negative consequences of our actions?

3. Step Three: Working out how best to measure impact

Having identified the kinds of impact it most needs to measure, the organisation's next challenge is to choose the indicators it will use to show that something has happened or changed. We recommend the compilation of a long list of every possible indicator for each of the areas in which the organisation is seeking to measure impact. This will include a range of signs or symptoms by which changes can be identified and may be measured.

They will include

- *Quantitative* indicators which are generally straightforward and provide answers to questions like: Who? How many? How often? How much?
- *Qualitative* indicators which typically capture people's ideas, opinions and attitudes and can be the key to understanding what has changed. They can also measure *distance travelled* – an indication of relative improvement measured against a baseline that answers the question '*to what extent* has something changed'.

SIM typically involves the use of both kinds of indicators.

Suggested criteria for selecting from the long list of possible indicators have been summarised by the acronym AIMS. They should be:

- *Action-focused* – will understanding this impact and how it happens enable the organisation to do things more effectively in future?
- *Important* – is it a priority for the organisation or its stakeholders?
- *Measurable* – to what extent can it demonstrate the effects your organisation has had?
- *Simple* – is it easy to collect the information and will it provide you with a clear and easily understood message?

4. Step Four: Choosing the best methods of gathering information

Having selected the indicators to be used, the organisation then needs to choose its methods for collecting the relevant information. Broadly speaking, these can be grouped into *quantitative* and *qualitative* approaches, and these reflect the distinction made above between the different kinds of indicators.

Quantitative methods involve conducting surveys – by post, telephone or internet-based methods – of all those in a particular category – say, staff or volunteers or users (census) – or a sample of them to establish the answers to questions about numbers – who, how many, how often, how much? They can also be used to collect information about people's perceptions by using scales of 1-5 or 1-10 to ask to what extent people agree/disagree with certain statements. Surveys in which the characteristics of respondents cannot be analysed in terms of their representativeness of the group as a whole, the response rate is low (say, less than 20 percent) and the number of respondents is small (say, less than 100) are not useful for purposes of statistical analysis.

Qualitative methods use one-to-one interviews (face-to-face or by telephone) and focus groups and other group discussions to explore in a more open-ended way and in greater depth people's perceptions of their experiences and the ways in which they explain what has happened to them and around them. Information gathered in this way from a comparatively small number of informants can be tested for reliability by the use of survey questions based on their responses.

Qualitative methods tend to be labour-intensive and thus costly but can provide answers to important questions not susceptible to quantitative approaches. A combination of both methods is often the most effective way of collecting data for SIM.

5. Step Five: Analysing the information

The complexity of the process involved in analysing the information collected varies according to the questions to be addressed and the nature of the information. In some cases a simple spreadsheet is sufficient to bring together straightforward statistical material but the analysis of qualitative data can be more challenging. Repeated interrogation of the material may be useful, and it is often valuable to involve more than one person. In any case it is useful to test the quality of the analysis by sharing emerging findings with participants and colleagues before finalising any report.

6. Step Six: Using the results

Organisations often fail to give as much attention to disseminating the results of their SIM activities as they give to the collection and analysis of information. Unused information is useless (and costly) information.

This includes the way they use findings internally in order to improve governance, administrative structures or front-line services. In disseminating findings to internal audiences it is necessary to be frank, sometimes brutally so, since recognising problems is the first step to solving them.

It also includes the way they use findings externally in order to communicate with service users, stakeholders, funders and potential funders and government. In disseminating findings to external audiences it may be sensible to do so in a tailored fashion – different messages in different formats (for example, on websites, in newsletters, in meetings) for different audiences.

PWR2Z/CR/2012

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