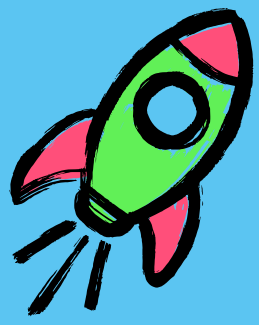
Impact Measurement

A Short Introduction



ONE PLANET LAB

Who is this guide for?

This is an introduction to the topic of impact measurement, intended for use by anyone who is completely new to the topic, and curious to know more about the concept, terminology and process of impact measurement. It is important to understand that this guide is not comprehensive nor sufficient on its own. This guide starts with a couple of key definitions, then outlines how impact measurement works as a process.

What is impact?

The answer depends on whom you ask. Many organisations use the word 'impact' loosely, without a good definition. Here are a few regularly-cited definitions:

"The change in outcomes for those affected by an intervention compared to the alternative outcomes had the intervention not existed" (p.19, Gugerty and Karlan 2018).

"Significant or lasting changes in people's lives brought about by a given action or series of actions" (p.120, Ebrahim and Rangan 2014)

"Impact is a change in an outcome caused by an organisation. An impact can be positive or negative, intended or unintended." (Impact Management Project)

As you can see from these definitions, impact implies causality: it tells us how an organisation, programme or other intervention[1] changed the world around it. As the IMP definition highlights, whilst a positive impact is typically intended by the organisation doing the intervention, impacts, or effects of the intervention, can also be negative and/or unintended.

Read more about impact in this PDF: https://odi.org/en/publications/what-is-impact/

What is impact measurement?

Impact measurement is, simply, the measurement of the change or effect created by an intervention. Ideally, it is done in such a way that both the positive, intended changes are observed and tracked, but also any negative and/or unintended changes can also be observed.

[1] The Cambridge English dictionary defines intervention as "the action of becoming intentionally involved in a difficult situation, in order to improve it or prevent it from getting worse". The word 'intervention' is used here to cover any deliberate change or action that an organisation delivers. In many cases, this is a programme, and throughout the evaluation and impact literature 'programme' and 'intervention' are used interchangeably. However, the rise of social enterprises, many of which design and sell physical products intended to change behaviours or deliver benefits, means that 'intervention' could also include the production and sale of these items, as well as more traditional interventions like educational or health programmes.

The IMP has defined 5 areas where impact can be observed and therefore measured (IMP):

Impact Dimension	Impact questions each dimension seeks to answer
What	– What outcome is occurring in the period? – Is the outcome positive or negative? – How important is the outcome to the people (or planet) experiencing them?
Who	– Who experiences the outcome? – How undeserved are the affected stakeholders in relation to the outcome?
How much	– How much of the outcome is occurring – across scale, depth and duration?
Contribution	– How much change is likely to have happened anyway?
Risk	– What risk to people and planet does not occur as expected?

Table 1: Source: Impact Management Project

Impacts can be classified into different sorts of impact, from the unknown unknowns through to real contributions to solutions of issues.

Classifying an enterprise's impacts into A, B or C

Dimension	Assessment to look for...				
What	Unkown	Important negative outcome(s)	Important negative outcome(s)	Important positive outcome(s)	Important positive outcome(s)
Who	Unknown	Various	Undeserved	Various	Undeserved
How much Depth	Unkown	Various	High degree of positive change	Various	High degress of positive change
Scale	Unkown	Various	Various	Various	For many and
Duration	Unkown	Various	Various	Various	Longterm
Contribution	Unkown	Various	Likely the same or better	Likely the same or better	Likely better
Risk	Unkown	Various	Various	Various	Various
Classification of Impact	**May cause harm**	**Does cause harm**	**Act to avoid harm**	**Benefit stakeholders**	**Contribute to solutions**

Tabelle 2: Source: Impact Management Project

Dive deeper into the IMP dimensions of impact here: https://impactmanagementproject.com/impact-management/impact-management-norms/#anchor3

Note on language around impact measurement

It is important to note that terminology around this topic can vary a lot, and that different sectors understand different things by the term 'impact measurement'. Impact measurement is strongly linked to evaluation. Many organisations in the private sector (e.g. impact investment community, funding organisations) talk about 'impact measurement', but what they refer to would be labelled 'monitoring and evaluation' by the evaluation sector (Reisman and Olazabal 2016). Understanding sectoral/organisational differences in language can help make sure that your impact measurement design process will collect the right sort of data for your context.

Specifically, it is important to note that impact measurement as understood by the private sector (i.e. monitoring data, as understood by the evaluation sector) is frequently used as a management tool, overlapping with performance management, accountability, transparency, organisational learning and more (Gugerty and Karlan 2018). This sort of data collection is often sufficient for partners, and is not the same as impact assessment as it is understood by the evaluation sector.

Read more about evaluation here: https://www.betterevaluation.org/en/what-evaluation

Read about monitoring versus impact assessment in Chapter 5 of The Goldilocks Challenge or this PDF: https://www.hbs.edu/faculty/Pages/item.aspx?num=47515

So how does impact measurement work?

At its core, impact measurement relies on logic. The intention with any deliberate intervention is that something changes – and so a logical pathway can be traced from the intended change back to the design of the intervention. This approach is often characterised as a 'theory of change', 'logic model' or 'results chain' approach (Ebrahim and Rangan 2014).

A *theory of change* can be captured as a table/flowchart:

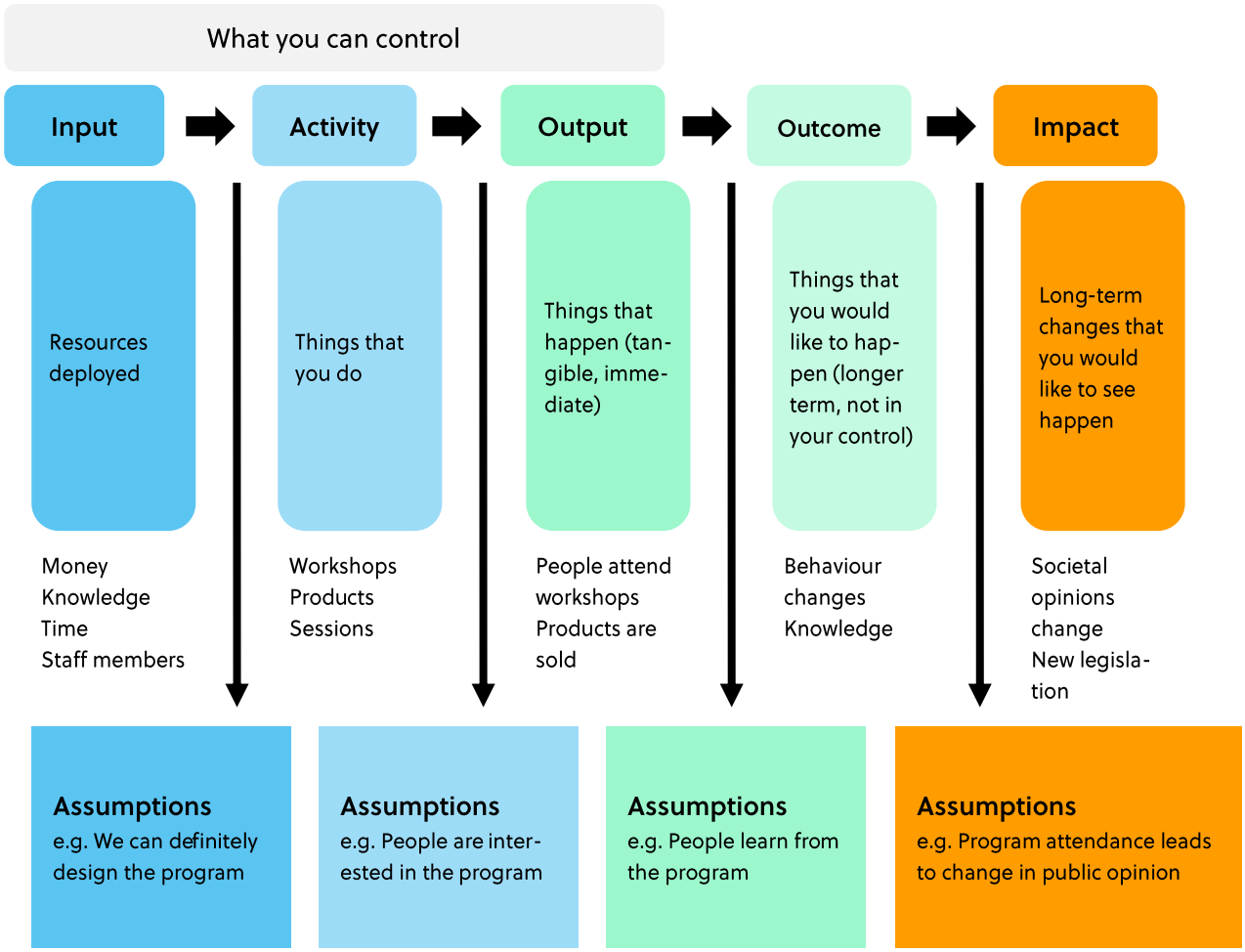


Figure 1: Flowchart Theory of Change. Source: Elsner Research & Consulting E

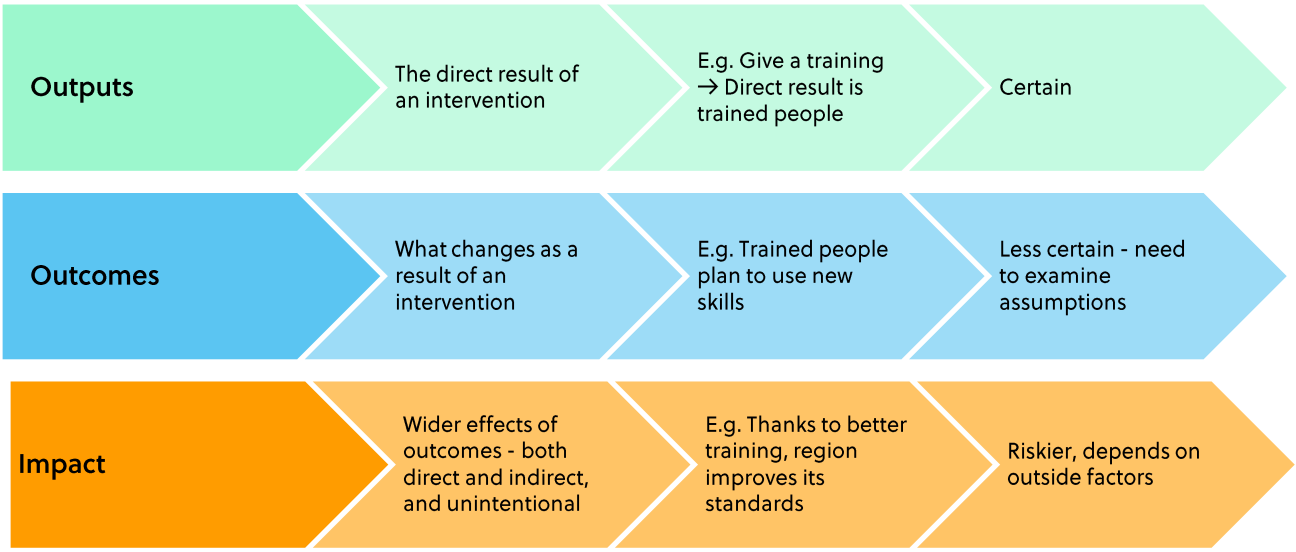
The parts of the *Theory of Change* are as follows:

- **Inputs: Resources deployed in service of (a set of) activities**
- **Activities: Actions that you do**
- **Outputs: Tangible, immediate practices, products or services that are undertaken**
- **Outcomes: Changes or effects on individuals or the environment that follow from the delivery of products and services (intended and unintended)**
- **Impacts: Changes or effects on society or the environment that follow from outcomes that have been achieved, minus what would have happened anyway without your intervention**

An important distinction here is between outputs and outcome:

Read more about designing and implementing theories of change in the Phineo Social Impact Navigator – a very comprehensive resource on defining problems, finding solutions, and tracking your effect on the problem: https://www.phineo.org/en/social-impact-navigator

Outputs vs. Outcomes



Measuring your impact with indicators

Once you have established your *theory of change*, you can begin to focus on **data collection**. The theory of change helps organisations identify what they should
be measuring – the most essential elements, the most critical assumptions, the biggest opportunities for improvement. There are a few key steps in data collection (examples from Gugerty and Karlan 2018):

1. Precisely **define** the thing to be measured.

   For example, if you are talking about 'improving family nutritional practices' then you need to clearly define what a nutritional practice is, and what constitutes an improvement

2. **Develop** a metric to measure the concept – this is the indicator.

   For example, if you want to collect data on improved nutritional practices, you might decide that an indicator would be 'the number of meals in the past 7 days that included green vegetables'

3. **Assessment of credibility** of indicator. This is according to two elements:

   Does the indicator capture the essence of the concept (output or outcome) that you want to measure? (Construct validity)

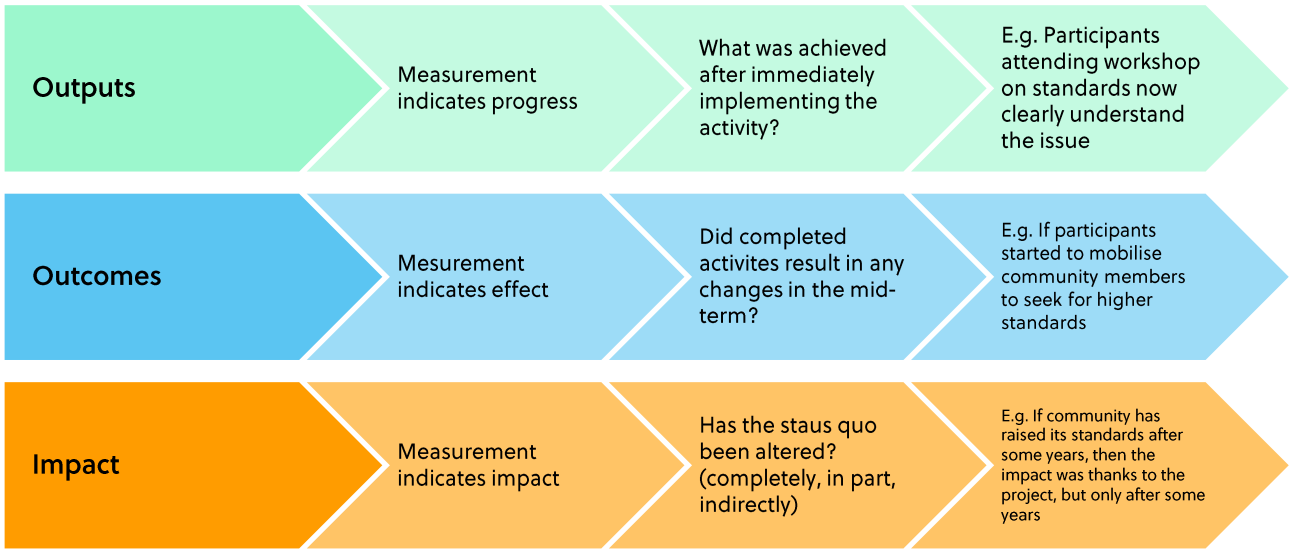
   Is the indicator good at predicting an output/outcome now or in the future? (Criterion validity)

4. **Collect, analyse and visualise** data

   There are many decisions you will need to make around which method to collect data, frequency of data collection, storage, handling and analysis of data, etc. The decisions you make will be influenced by factors such as your budget, your data handling skills, your knowledge of data collection methods, etc. It is important to understand the whole data collection and analysis process before committing to a specific approach.

As a general rule, indicators follow this sort of Pattern:

Good Indicators



→ Explore more about data collection on the Better Evaluation website: https://www.betterevaluation.org/en/rainbow_framework/describe/collect_retrieve_data#info_observation

→ Dig into the more academic side of data collection, analysis and design via this book: https://methods.sagepub.com/Book/research-basics (and the many, many other books available on this topic)

→ Understand more about data visualisation here: https://guides.auraria.edu/c.php?g=528873&p=3964258 and https://www.linkedin.com/pulse/popular-techniques-visualizing-qualitative-data-adam-long/

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