

# Social Impact Assessment: Organizational & Community Dimensions

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Symposium on  
Capacity Building for the NGO Sector: Challenges & Opportunities  
Hong Kong University, November 21 2011



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## Social Impact Assessment (SIA)

- What is it?
- What does it involve?
- Why is it important?
- Taking a closer look at the challenges
  - For NGOs and civil society organizations
  - For policy makers
- Steps to strengthen SIA capacity
  - The role of universities



## SIA: What is it? What does it involve?

- **Origin** in environmental impact assessment of 1970s
  - Originally: sustainable, equitable biophysical & human environment
  - But now broadened to include variety of planned interventions
- Several **definitions** available, but generally involves the....
  - Processes of **analyzing, monitoring** and **managing** the...
  - **Social consequences** (intended or not, positive or negative) of ..
  - **Planned interventions** (policies, programs, plans, projects) & the..
  - **Social change processes** invoked by those interventions

(Source: [www.socialimpactassessment.com](http://www.socialimpactassessment.com))



## SIA: Why is it important?

- **Growing range & complexity of social problems**
  - Environmental degradation, land use, natural resources...
  - Population growth
    - Density & diversity - race, ethnicity, religion, culture, social status
  - Poverty and economic insecurity
    - Economic growth/stagnation, inequality
  - Social conflicts, disasters .....
- **But limited resources & competing demands**
  - Which problems? Which interventions? Why? Who decides?
- Much easier said than done



## Taking a closer look at the challenges

- **Broader context**

- Understanding organizations & their environment
  - Legal form, resources, market niches, legitimacy, constituencies
- Understanding (geographic) communities & their institutions
- Understanding people & their social relations (social capital)

- **Two way street**

I: Local community conditions impact NGOs

II: NGOs impact local community and social outcomes

- Contributing to community conditions and social structures
- Delivering important services to address community needs



## Part I – LOCAL COMMUNITY CONDITIONS IMPACT NGOS NONPROFIT MISSION AND RESOURCES



## NGO mission

- **Adapted/applied** from elsewhere
  - Legitimacy of forms (Milofsky, *Smallville*: domestic violence, HIV/AIDS)
- **Emerge out of community conditions/problems**
  - Conditioned by structure of government & market activities
    - Composition of nonprofit sector: US vs. Scandinavia
    - Hong Kong – legacy of British colonial history



## NGO resources

- **Changes** in demographic & economic conditions
  - Ammerman, *Congregation and Community* (1997)
    - Case studies of 23 congregations in 9 communities (4 regions) undergoing 3 types of changes (cultural, economic, social/structural) → 4 types of outcomes (decline/death, reorientation, adaptation, rebirth)
- **Proximity** of donors, philanthropic institutions, volunteers, staff, leadership (but can also be mobilized to some extent)
  - Marquis et al. (2008): size, composition, and inter-connections of corporate actors
  - Indiana nonprofit sector: nonprofit density, organizational capacity → more later



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## Part II – NGOS IMPACT LOCAL COMMUNITY CONDITIONS PART OF COMMUNITY SOCIAL STRUCTURE

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## NGOs as shaping community social structures: US examples

- Safford: Why the Garden Club Couldn't Save Youngstown (2009)
  - How civic networks/clubs shape strategic actions of economic elites.
- Hunter, Community Power Structure (1953)
  - *Atlanta*: Hierarchies and webs of interconnections of business, politicians, clergy, civic leaders facilitated by private clubs
- Hunter, Symbolic Communities (1974)
  - *Chicago*: Community organizations as integrating mechanisms
- Kornblum, Blue Collar Community (1974)
  - *Gary steel mills*: Community shaped by unions, ethnic associations, and ward politics
- The Lynds, Middletown studies (1920s, 1930s)
  - *Muncie*: key aspects of leisure, religion, community activities provided by nonprofits (less so for making a living, making a home)

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## Part II – NGOS IMPACT LOCAL COMMUNITY CONDITIONS

### ASSESSING NGO IMPACT

– PROGRAM EVALUATION & BENEFIT COST  
ANALYSIS

– COMMUNITY IMPACT ASSESSMENT

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## NGOs as impacting local communities: the more challenging questions

- **At NGO level – program evaluation**
  - In high demand by policy makers: “effectiveness,” ideology
  - Detour: a short overview of program evaluation
- **Setting up**
  - Select programs to include
  - Determine who will be involved in evaluation process and how
  - Establish schedule

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## Standard steps in program evaluation

- **Deciding what and how to measures**

- Identify program's mission, objectives, clients
- Identify program's intended outcomes
- Select indicators to measure outcomes
- Select data sources and collection procedures for each indicator
- Identify key client and service characteristics to link to outcomes
- Pilot test procedures, modify, and then implement

US: Institutional Review Board → Protection of Human Subjects



## Standard steps in program evaluation

- Deciding what and how to measures
- **Analyzing outcome information**
  - Examine outcome data
  - Report findings
  - Seek explanations for unusual/unexpected findings
- **Using results to improve services**

Source: Linda Lampkin & Harry Hatry. 2003. *Key Steps in Outcome Management*. Washington, D.C.: Urban Institute. [www.urban.org/url.cfm?ID=310776](http://www.urban.org/url.cfm?ID=310776)



## Context: NGOs & technology

### Mainly people-changing technology

- Knowledge base is generally not well developed
  - Professionalized services → standardized treatments and outcome measures: health, education (?)
  - Soft technology → not well standardized: advocacy, community organizing
- Powerful influence of external environment
  - Programs may interact with environment
  - Programs may only have an impact at the margin → difficult to observe
- Programs may take **time** to produce impact (frequent shortcoming)



## Context: Models of causality

### Logic models

- What you do, why you do it, what you hope to achieve, how you will measure achievement

### Standard causal models → experimental designs

- What is the problem (current condition) to be addressed?
- What is the desired outcome (DV)?
- What intervention(s) will produce the desired outcome (IV)? → depends on state of knowledge
- **What other factors may produce the outcome (CV)? → placebo effect, “aging”, participant characteristics, external events**
- But also consider: What can be manipulated by program? How long for desired outcomes to occur?





## Context: Experimental designs

- **Key features → insure internal validity**
  - Identify pool of eligible participants
  - **Selection:** randomly assign to one or more treatment & control groups
  - Time 1 baseline measures: outcome indicators & relevant characteristics
  - Introduce “treatment” → deliver program(s) to treatment groups
  - Time 2 measures on outcome indicators & relevant
  - Compare outcome indicators at Time 2 to Time 1 → any change?
  - Control for relevant characteristics
  - Compare differences for treatment group(s) with those for control group(s) → any difference?



## Context: Experimental designs

- Key features → insure internal validity
- **Double-blind” procedures → gold standard**
  - Neither participants nor those measuring indicators know who is in control or treatment groups
- **Many variants** on experimental design

Resource: Willim Shadish, Thomas Cook, Donald Campbell. 2002.  
Experimental and Quasi-experimental Research Design for Generalized Causal Inference. Boston: Houghton Mifflin.



## But then there is reality....

- **Treatment/selection dilemma**
  - Any comparison groups?
    - Ethics
  - How comparable are they? Are participants randomly assigned?
    - Contamination
- **Implementation dilemma**
  - How are programs actually delivered?
    - Importance of service network structures → Brint Milward
    - Importance of qualitative, observational data
    - Importance of organizational cooperation
    - Importance of organizational capacity → more



## ...and the politics of program evaluation

- **External actors** (authorities, funders) mandate evaluation
  - Then may have more “scientific” process
    - Standardized measures across service providers (service delivery networks)
    - Enough cases and comparisons to show effects
  - But if evaluated on and rewarded for outcomes
    - May focus only on targeted (usually short-term) outcome
    - May find ways to “show” outcome



## ...and the politics of program evaluation

- **External actors** (authorities, funders) mandate evaluation
- **Service providers** control evaluation
  - Then may not have common/standardized measures
    - Different outcome measures, different implementation
  - But may get more valuable information
    - Better quality (more truthful) data
    - More likely to use information to fine-tune, improve program
- Compromise – negotiate?



## ...and whether benefits outweigh costs?

- Difficult to fully **assess benefits and costs**
  - Monetary, but also social dimensions
  - Direct, but also indirect
  - Short term, but also longer-term
  - Manifest/revealed, but also latent/potential
- And the **distribution** of benefits and costs
  - Whether shared or unevenly distributed
  - Whether net benefits for all or only some



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## Part II – NGOS IMPACT LOCAL COMMUNITY CONDITIONS

### ASSESSING NGO IMPACT

- PROGRAM EVALUATION & BENEFIT COST ANALYSIS
- **COMMUNITY IMPACT ASSESSMENT**

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## NGOs impact local communities: the more challenging questions

- **Assessing NGO impact – community/social indicators**
  - Reminder: more than programs & services
    - Mobilizing/shaping civic engagement
  - Community impact assessment: challenges & confounding factors
    - Economy, demographic changes
    - Actions by other key institutions: government, business
    - Other changes may be the driving forces – marginal impact only

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## Taking a closer look at the challenges

For philanthropic policy makers – some major challenges  
Lessons from 3 diverse UW community needs assessments

### •Complex organizations

- Multiple goals, growing work loads, constrained budgets
- Changing (and challenging) relationships with donors & funded agencies

### •Need to meet own key, persistent challenges

- Obtain sufficient funding to carry out own initiatives
- Build linkages to key constituency groups
- Structure allocation/funding system
- Maintain transparent processes
- How to do that: who “owns,” leadership model, and techniques



## Lessons from United Ways – how

### • How: who “owns” the organization

- Narrow definition (direct links)
  - Donors, funded agencies
- Broad definition (include also indirect links)
  - Service recipients, communities, other policy makers

### • How: which leadership model to use

- **Passive:** transfer donor funds to “chosen” agencies
- **Community leader:** identify problems, strengthen service system, build consensus
- **Activist force:** direct community planning, redistribute & leverage resources, advocate policy decisions in other institutions

### • How: which strategies to use – an issue for all policy makers



## Taking a closer look at the challenges

Strategies for community indicator assessment

- **Identifying policy priorities**

- **Selecting & implementing policy interventions**

- Causal models, resources available,
- Time frame (function of causal model, politics, resources)
- Strategic opportunities: where can value be added, impact made
- Delivery mechanisms: who, how, when, where → with what support and how structured (network structure)



## Taking a closer look at the challenges

Strategies for community indicator assessment

- **Identifying policy priorities**

- **Selecting & implementing policy interventions**

- **Identifying relevant community/social indicators**

- Timely, valid, reliable, available (institutional), ongoing, affordable, targeted

- **Collecting, analyzing and interpreting indicators;**

- **Modifying policy implementations**



# Conclusion: Role for Universities



## First conclusion

- Whether and how NGOs and civil society organizations impact community conditions requires careful attention to program evaluation and benefit/cost analysis at the organization & service system levels and to social indicators at the community level
- Linking the two is difficult to do
  - Causal models not well developed
  - Limited resources
  - Incomplete or diverse implementation
  - Inadequate indicators
  - Marginal impact



## ..But needs to be done

- **Role for universities**

- Expertise, training in program evaluation and benefit-cost analysis
- Expertise, training in developing & assessing social indicators
- Assessment of underlying dynamics, political & social processes
- A few examples – Central Indiana needs assessment

Source: <http://www.uwci.org> → programs → community assessment



## Tracking health indicators...

Figure 2: Central Indiana Infant Mortality Rate by Race

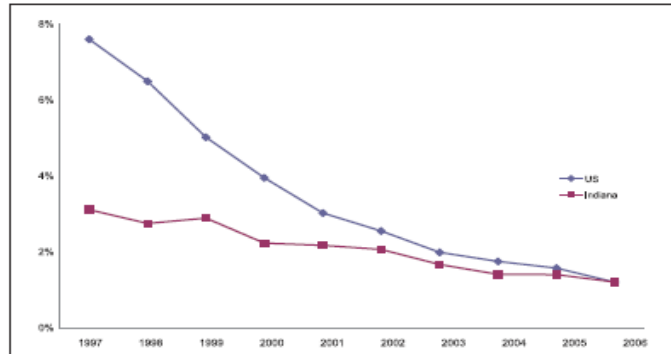






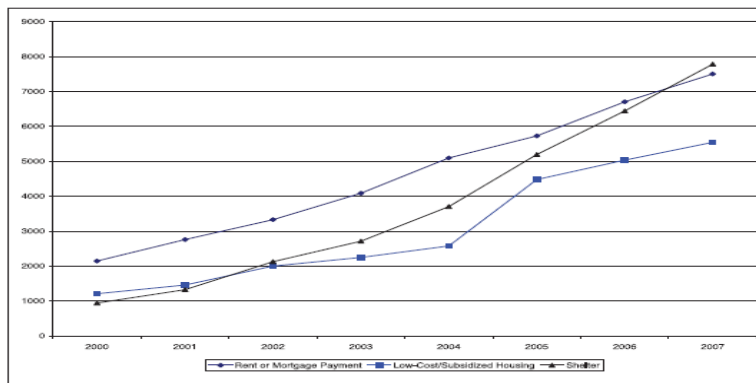
## Tracking health indicators...

Figure 1: Percent of Children Under 72 Months with Confirmed Elevated Blood Lead Levels



## Tracking housing issues....

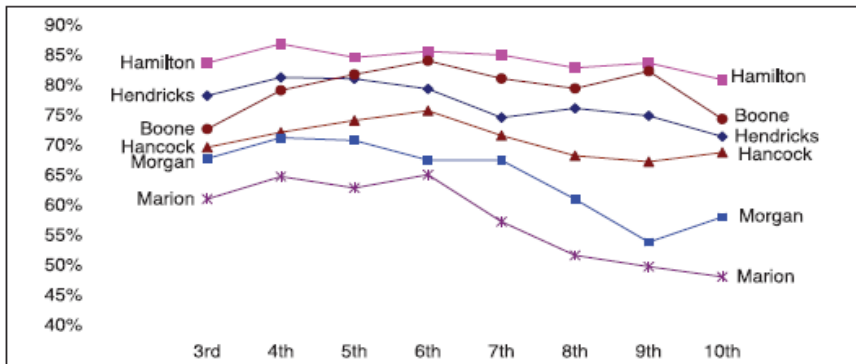
Figure 25: 2-1-1 Calls for Housing Assistance





## Tracking education indicators....

Figure 8: County ISTEP +, Percentage Passing Language and Math



## Second conclusion

- Community conditions also impact NGOs & civil society organizations, most notably by shaping the missions they pursue, the resources available to them, and how easy it is for them to build their organizational capacity.
- But **need to build NGO capacity** → role for universities
  - Document extent and dimensions of capacity challenges
  - Determine contributing/associated factors
  - Assess ways to strengthen, build organizational capacity
- Highlights from recent nonprofit capacity project

Source: [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof) → research results → nonprofit capacity



## Study background

- Phase II of Indiana Nonprofits: Capacity Building Project
  - Commissioned by Indiana Arts Commission
- Part of larger Indiana Nonprofit Sector project
  - Nonprofit capacity challenges: three phases
  - Nonprofit profiles: state & twelve communities (2002 survey)
  - Comprehensive nonprofit database
  - Nonprofit economic role: paid nonprofit employment
  - People's affiliations with nonprofits
  - People's trust in nonprofits, business, and government
  - Local officials: involvement with nonprofits, selected NP issues



## Nonprofit capacity

- Long-standing concerns about nonprofit capacity
  - Can they deliver effective programs & operate efficiently?
  - Can they meet community needs & carry out their missions?
  - More broadly: can they overcome nonprofit failures (Salamon)
    - Or too small & cash-strapped; too dependent on amateurs; too blinded by their own passions; too concerned with satisfying major donors
- Questions more pointed now
  - Demands for accountability
  - Growing competition
  - Funding cuts
  - Growing needs/demand



## Capacity – a closer look

- Capacity ~ effectiveness?
- Neither term is well defined in the literature

*“The ability of nonprofit organizations to fulfill their mission in an effective manner”* (McPhee & Bare, 2001:1)

*“A set of attributes that help or enable an organization to fulfill its mission”*  
(Backer & Oshima, 2003)

- Limited empirical research on “capacity building” perhaps due to definitional challenges (Light 2004)
- Several key dimensions discussed in the literature
  - Governance & operations, programs & planning, financial resources, human resources, information technology, marketing, networking & advocacy



## Study design

- Web-based survey of 373 Indiana arts/culture organizations
- Questions: from previous project surveys, but arts/culture focus
  - Capacity building challenges
    - Closed-ended questions about capacity challenges – 48 items
    - Categorized based on literature review (7) and factor analysis (split 3)
    - 3-point scale: major (3), minor (2), not a challenge or not applicable (1)
    - Also open-ended questions on capacity and technical assistance needs
  - Helpful assistance: funding, peer assistance, technical assistance
  - Field specific questions
    - Arts/culture focus (primary, major, minor), mission (NTEE)
  - General organizational questions
    - Characteristics, finances, organizational components, activities...

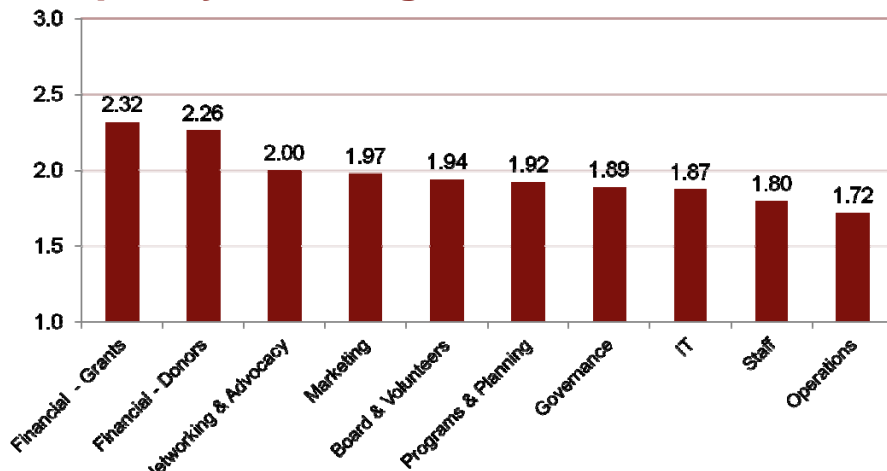


## Approach

- **Examine the extent & configuration of capacity challenges**
  - Ten dimensions (seven dimensions, three split into two)
- **Our research question**
  - What explains the extent to which nonprofits encounter challenges across these dimensions?
- **Multivariate tests using five sets of explanatory factors**
  - **Cost disease:** deficits, professional services
  - **Goal conflict:** demand, fee/sales, board vacancy (also high culture)
  - **Resource dependency:** gov't funding, # funding streams, volunteers
  - **Organizational ecology:** age (newness, inertia), formality
  - **Institutional constraints:** sector
  - **Control variables:** size (total revenues, FTEs)



## Capacity challenge dimensions





## Predicting capacity challenges

- Large → networking/advocacy
- Old → programs & planning
- Low gov't funding → governance, board/volunteers
- Few income sources → marketing, networking & advocacy
- Arts/culture as primary focus → governance, grants resources
- Low fees/sales funding → programs & planning
- **Board vacancy** → governance, board/volunteers, marketing, network/advocacy, donor resources, IT



## Implications & future research

- **Financial resources are top challenges**
  - But also networking/advocacy, marketing, boards/volunteers, programs & planning
- **Key finding:** strong association between board vacancy and broad range of capacity building challenges.
  - Warning signal that may extend beyond arts/culture nonprofits?
  - But need research on implications and causes of board vacancy
- **Need in-depth research on capacity building challenges.**
  - Details are sacrificed in generalizing capacity building.
  - Need a more fine grained look at specific challenges.
  - Implications for grant makers.



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**Thank you!**

**Questions?**