Finding A Way to Measure Social Impact
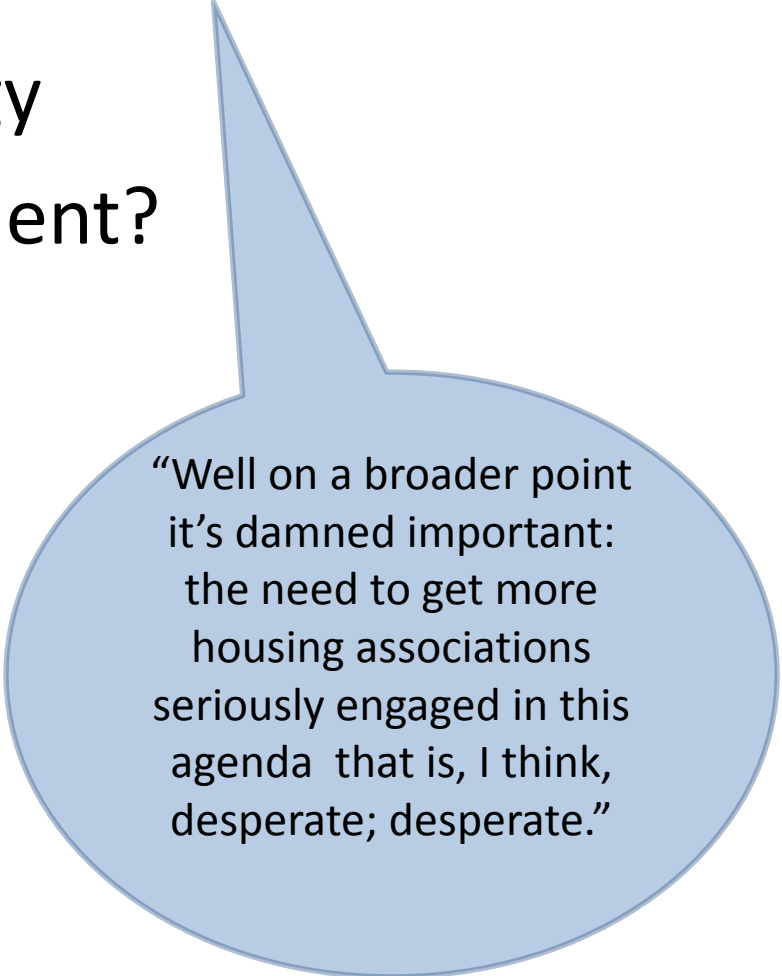
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First Housing and Communities Research Network Seminar, University of Birmingham March 6ᵗʰ 2013

Contents

- Background and context
- Research and methodology
- What is impact measurement?
- Institutional Work theory
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"Well on a broader point it's damned important: the need to get more housing associations seriously engaged in this agenda that is, I think, desperate; desperate."

The Journey

- **2008 First NHF Neighbourhood Audit**
  - first picture of extent of CI (actually quite marginal to housing investment & management in most organisations but £450 million invested across sector)

- **2010 TSA Study**
  - need for toolkit of measures for social impact

- **2011 Second NHF Neighbourhood Audit**
  - important high level indication of change - but mainly inputs & outputs - (£747 million invested in 2010/11)

- **2011 Hact Research**
  - A snapshot of social impact measuring activity in November 2011

- **2012 PhD Fieldwork**
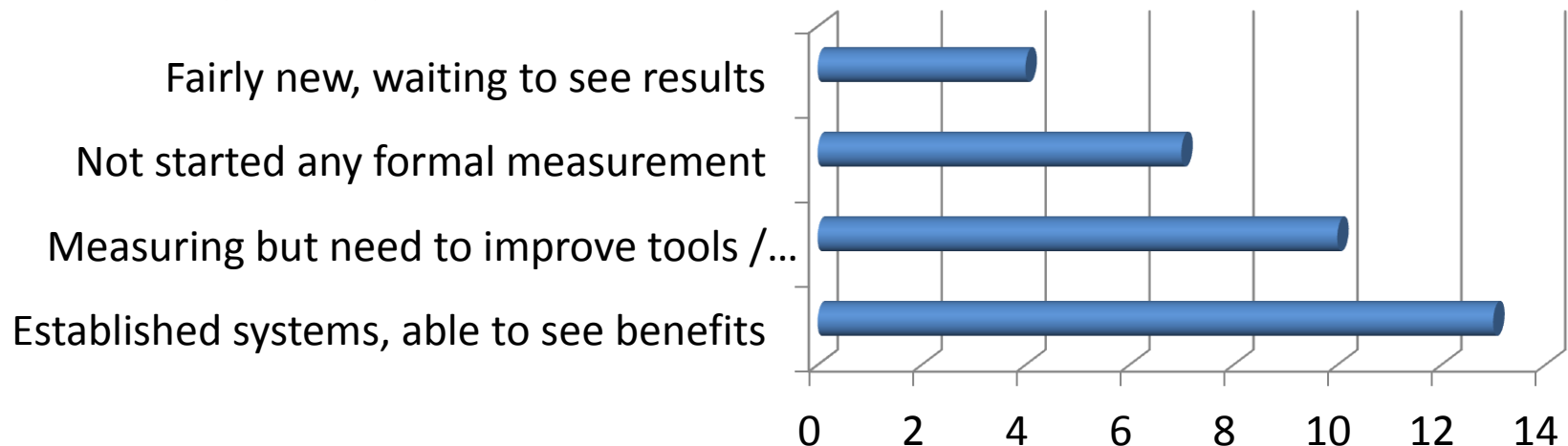 - 6 in-depth case studies and interviews with network actors

PhD Study: How and Why HAs Measure their Social Impact

Hact Research:

Research Design
- November 2011
- Telephone interviews with 34 housing organisations
- A self selecting sample

**Stage of Impact Measurement**

Chart categories (top to bottom):
- Fairly new, waiting to see results
- Not started any formal measurement
- Measuring but need to improve tools /…
- Established systems, able to see benefits

X-axis: 0, 2, 4, 6, 8, 10, 12, 14

Common Issues

- Whilst measuring:
  - "What does good look like?"
  - Resources
  - Skills
  - Understanding complex methodologies or tools
  - Development of outcomes measures
  - Development of financial proxies
  - Confidence (or lack of) in reporting results

- Whilst thinking about it:
  - No perfect off the shelf answer
  - Different tools for different types of projects
    - Too much choice versus
    - no knowledge of the options
  - Waiting for the silver bullet
  - Drawing on external resources, consultants, networks
  - Inter HA discussion of "A common problem"

Conceptualising the Research Field
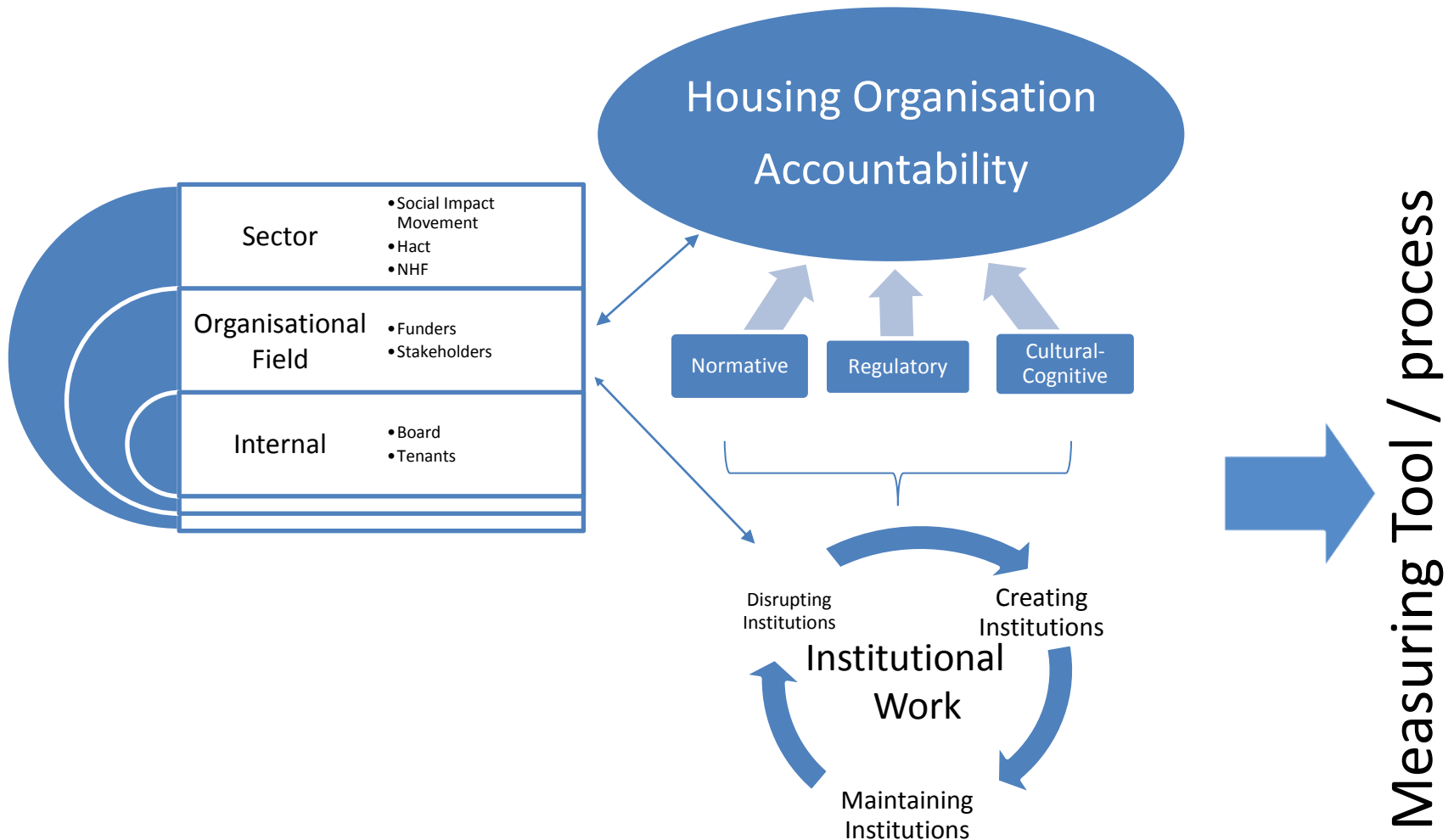
Research Design

- Exploratory case studies
- Face to face interviews
- Part Inductive / Deductive

Fieldwork
34 telephone interviews with HA's (hact research)
6 case studies - 3 North West, 3 West Midlands
Stakeholder Interviews
Follow-up interviews (a year later)

Size of organisations by stock

2,400
9,000
10,000
13,000
13,500
34,500

Stock Transfers	Other
4	2
Geographically concentrated	Pepper Pottered

What is impact measurement?

Inputs	Activities	Outputs	Outcomes	Impact
What goes in	*What happens*	*What results - immediate*	*What results – medium and long term*	*What results – effects on root causes; sustained significant change*

Source: Ebrahim and Rangan, 2010

The impact of **what** and **on what** and **for whom**

(OECD)

"if you can't stand up and explain without people falling asleep then you haven't cracked it"

"Pushing a big rock up a steep hill"

"I don't want to turn it into a beast"

Case Studies Social Impact Measurement Snapshot

2 organisations — Have used SROI in the past but now want to develop their own framework and tools

1 organisation — Is outsourcing a previously used methodology and adopting one used by a partner organisation for a specific programme

3 organisations — Are wedded to their current approach and are looking to further embed it

Methodology / Tool		
Current	**Future**	**Previous**
Social Accounting SROI LM3 Consultation (part of CoValent) Views (Substance) Every Child Matters Framework	Geographically based GIS SROI Developing own framework	SROI x 3 orgs Community Impact Tracking Service

Current Drivers

The Literature

- Accountability

- Organisational legitimacy

- Driven by funders / external demands

- The Audit Society

The Fieldwork

- Accountability to:
  - Tenants & the Board

- Desire to understand neighbourhoods

- Little evidence of funders demands

- Driven from within organisation

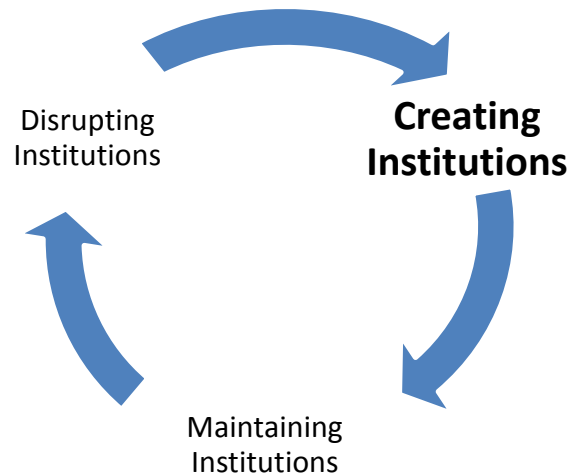- Growing social impact agenda / keeping up with the sector

Future Possible Drivers

Social Value Act ; Socially driven investment
Funding requirement ; Regulation (HCA)
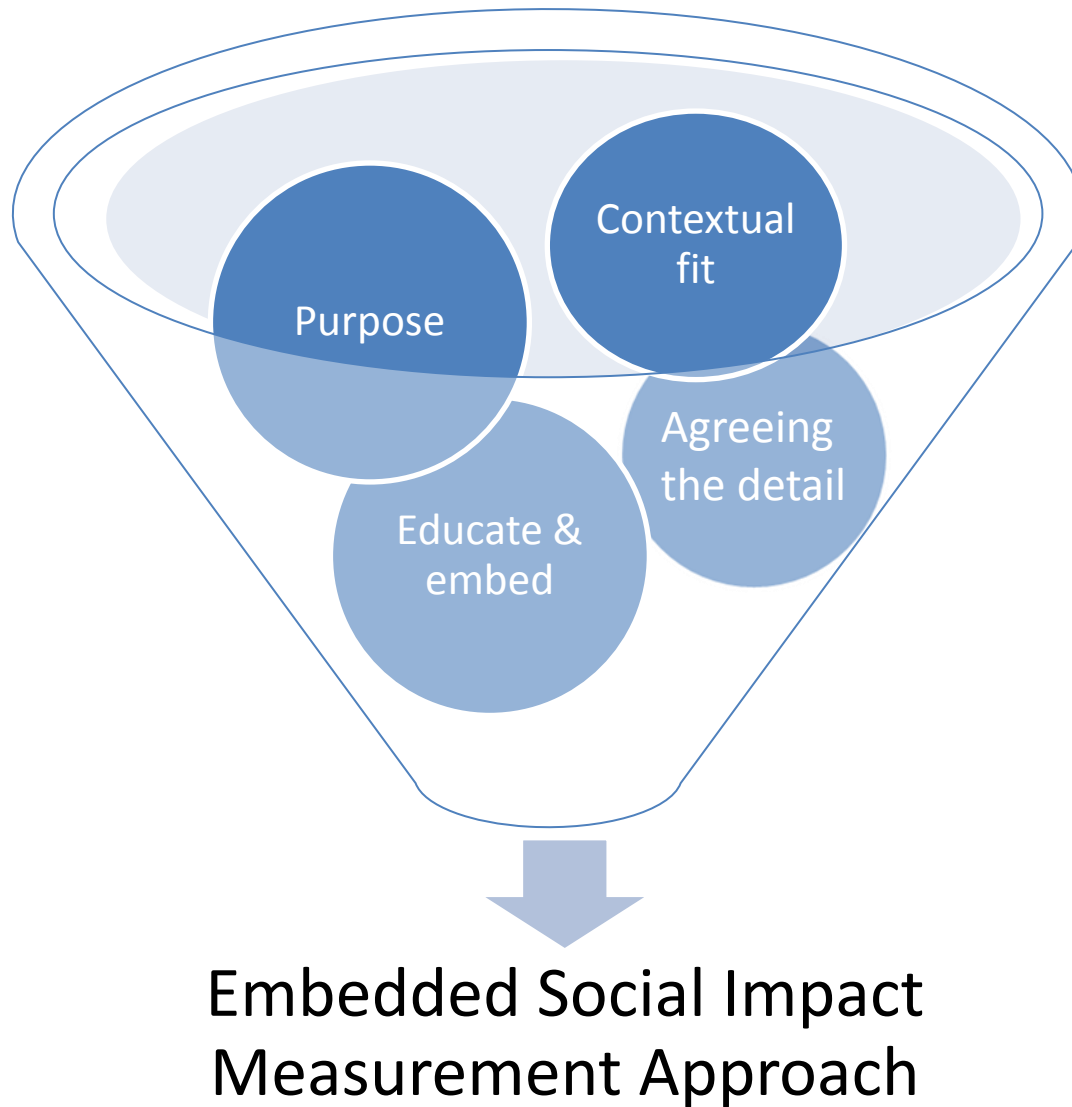
One of my theories ….

• **Institutional Work**

"the purposive action of individuals and organisations aimed at creating, maintaining and disrupting institutions" (Lawrence and Suddaby, 2006 p.215)

Disrupting Institutions

Creating Institutions

Maintaining Institutions

– Analysed at the level of field and individual actor

Four Propositions

Purpose

Contextual fit

Agreeing the detail

Educate & embed

Embedded Social Impact Measurement Approach

Linking the theory to my research

Form of institutional work, focusing on:		Action	Proposition
1	A mutually reinforcing cycle	Gaining legitimacy and high level support for the approach	Define the purpose and use of impact measurement tools and methodologies
2	Normative structures	Making it appropriate by developing internal linkages to the norms and values of the org	There is not a 'one size fits all' solution It needs to be appropriate
3	Cognitive beliefs and assumptions	Developing concepts and educating individuals	Educate staff, provide skills, embed and reinforce

Source: Adapted from Lawrence and Suddaby, 2006

Propositions

1. Think about and define the purpose and use of impact measurement
2. There is not a 'one size fits all' solution
3. Agree on the detail of any adopted methodology
4. For social impact measurement to be successful, there is a need to educate, embed and reinforce

Form of institutional work, focusing on:		Proposition	Action
1	A mutually reinforcing cycle	Gaining legitimacy and high level support for the approach	Define the purpose and use of impact measurement tools and methodologies

- Purpose
  - Tools and methodologies adopted and discarded as seen as not fit for purpose
  - The investment of significant resources is not always seen as worthwhile for the results
  - Repeated questioning of methodology undermines results and on-going searching

- Use
  - Measurement questioned if results unfavourable
  - Used on an ad hoc basis
  - Too complicated for small charities to implement

Internal commitment, drive and momentum is crucial

A mutually reinforcing cycle

People use it as shorthand for, "Should we be doing impact measurement?"

- The mobilization of political and regulatory support

- Direct representation of the interests of specific actors i.e. The SROI Network Accounting for value

INSPIRING IMPACT

- CEO granted legitimacy and agency to 'Y'

- Local cognitive and procedural legitimacy

"Powerful combination of x and y and due to x's belief and attitude, y has been given the free reign to develop this area of work"

What is the *purpose*?

- Accountability / Value
  - At what level?
    - Individual teams
    - Organisation
    - Sector
  - To Whom?
    - Board(s)

- Influence
  - Vehicle for change, locally and nationally
  - Demonstrate social value

- Or just keeping up with everyone else?

- Internal decision making
  - Internal Funding
    - Justify past spend
    - Strategic decision making
  - External funding

"Yeah, very nice, but just fill in our performance returns and do things our way. We wouldn't really pay any extra attention to that."

When it doesn't work

"it's being clear about what the outcome is going to be, what the intent and purpose is, rather than just leaving it to chance and everybody just assuming it's about, 'Oh no, we've got £4.50 at the end of it."

SROI

Driven by consultants

Accepted by Board "**Good work, interesting**"

SROI rejected   Kick-started momentum for 'something'

Internally developed model to demonstrate

The social return for the business

The social return for the tenant/neighbourhood

Possibly adopt HACT model

	Form of Institutional Work, focussing on	Actions	Proposition
2	Normative structures	Making it appropriate by developing internal linkages to the norms and values of the org	There is not a 'one size fits all' solution It needs to be appropriate

- 'Theories Of Change' differ
  - Differing scale and scope of CI and impact measurement
- Is there agreement on the scope of measurement?
  - What can / needs to be measured?
  - What happens to the peripheral / intangible / risky activities?
- Contextually located in different sectors
  - Place-makers or commercially driven?
  - Social enterprise, housing or voluntary sector?
- Geographic concentration
- Development of new roles

"to try and professionalise the idea of social impact and to create a ... standard of work and ethical conduct and qualifications that practitioners should aspire to going forward"

		Actions	Proposition
	Methodological detail	Discuss social value, financial proxies, attribution, deadweight	*Discuss and agree and be transparent on the detail of any adopted methodology*

- **Methodological Decisions**
  - A lack of transparency can undermine results
  - Deadweight and attribution need to be considered
  - Conscious decision to publish analysis, or not
  - Ratios can be misused and misread

- **Social value is subjective**
  - Is conjecture acceptable if there is consensus?
  - Exaggerated financial proxies may discredit the methodology
  - Who determines the social value?
    - Analysts, residents, the community, databank?
  - At what level should be impact be attributed?
    - individual, organisational, community society

" its not a science, its about people and their behaviour"

The Spectrum of Blended Accounting
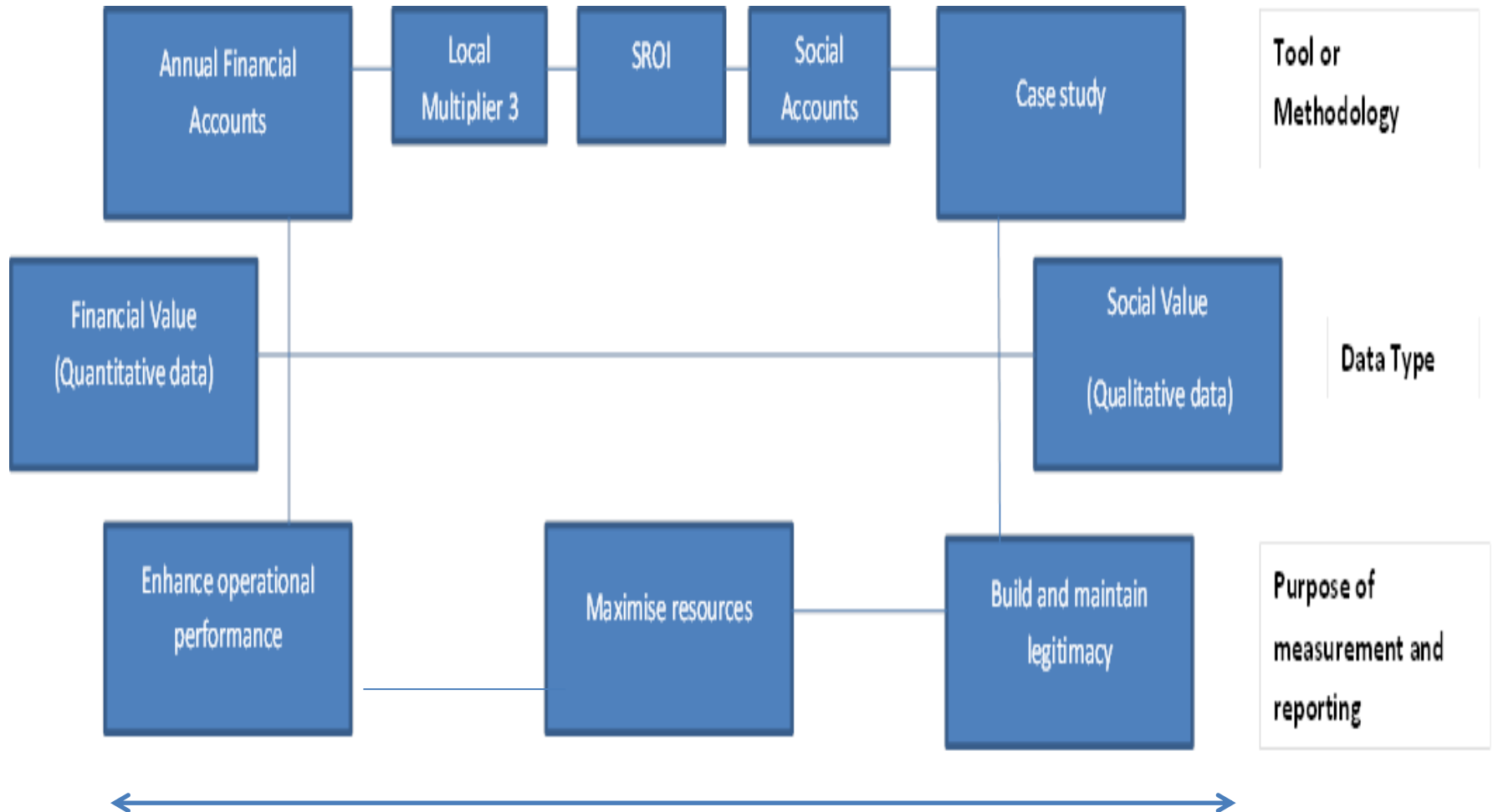
Traditional quantitative KPIs

Qualitative social value based data

Based on Nicholls, 2009

	Form of Institutional Work focussing on:	Actions	Proposition
3	Cognitive beliefs and assumptions	Developing concepts and educating individuals	Educate staff, provide skills, embed and reinforce

- Lack of organisational understanding of:
  - Vocabulary
  - The purpose of the exercise
- Not given priority, just another task
- Data systems already developed
- Associated with a culture change
- Given to people without the requisite skillset

"Question relentlessly; change continuously; fail thoughtfully; collaborate ruthlessly; evaluate courageously"

- Embedding the approach is vital
  - Internal momentum is essential
    - Social impact champion?
    - Reinforced by steering group?
  - Organisational wide appreciation and legitimacy
- Does the organisation have the skills?
  - Qualitative analysis
  - Report writing
- Be willing to make mistakes and learn
- Route to feed back lessons learnt

Interim Conclusions

- In adopting an approach, organisations should be prepared for a steep learning curve and period of refinement (up to 3 years).
- Be crystal clear on the purpose, the level and the scope of analysis throughout.
- If one of the purposes is to measure the impact on tenants, effective consultation with, and feedback from, tenants needs to be built into the process from the outset.
- If the approach is initially contained within one area of the organisation, it is important to recognise the barriers resulting from a lack of understanding or appreciation in another area.
- A feedback loop or other strong internal driver is essential to maintain momentum.
- There could be more support within the national infrastructure to aid sharing of knowledge and experience.

Questions

- Is it worth it?

- Is social impact measurement a temporary or lasting phenomenon in the rapidly changing housing sector?

- Are there other barriers to social impact measurement becoming embedded?

- How can progress become less chaotic?

- What is the value of an inclusive measurement methodology (housing + CI) as opposed to CI only?

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