

SOCIAL IMPACT EVALUATION AND INDICATORS

INTRODUCTION

These guidelines aim at providing a quick overview of social impact evaluation and indicators issues to public actors of any field.

This pragmatic approach, organized around 10 FAQ generic questions, is designed to help you understand the basics of the topic.

Another guideline in this ASIS toolkit describes a concrete example of social impact evaluation: [Guidelines n°3](#) “How public authorities face social impact measurement – Example Public tender on “Activate Green Community Hub Services, engage local community”.

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1. What does “social impact” mean?

The term **“impact”** means the difference made by an organization, through the actions that it implements that lead to results, changes, consequences. These effects can be at short, middle or long term, positive or negative, produced directly or indirectly, intentionally or not.¹

Impact is defined as the portion of the total outcome that happened as a result of the activity of an organisation, above and beyond what would have happened anyway. As such, impacts can be differentiated from intentions, outputs and outcomes. While outputs and outcomes are related to the provider of the product, activity or service, impacts are associated with users and other stakeholders.

More specifically, a **“social impact”** consists of a set of an organization’s activities (evolution, inflection, changes, rupture) that impact directly or indirectly, either external stakeholders on the territory (beneficiaries, users, clients) or internal stakeholders (employees, volunteers) and more generally the society.

The European Commission defines social impact as *“The reflection of social outcomes as measurements, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement), and for effects declining over time (drop-off).”*²

As the name suggests, social impact is what has an effect on people, on social existing challenges or social needs. The challenges and needs mainly depend on local contexts, environment and situation, cannot be the same everywhere not be answered the same way. Thus, working deeply on the pressing challenges of your local environment or territory is vital to be able to address them and allow positive social impacts of your activity, project or public policies.

Social impact measurement or social impact evaluation is used to indicate different evaluation [objects](#) allowing to estimate the social value of activities.



2. What is the difference between “indicators” and “evaluation”?

These two concepts are complementary but may not be taken for one another.³

Evaluation

In literature the terms impact assessment, impact evaluation or impact measuring are used equally.

An **assessment (or evaluation)** is a **systemic approach** that allows to estimate the “value” of an action or activity.

An impact assessment allows to estimate the consequences attributable to an action/activity.

The **impact measurement** is a process which consists in evaluating (or assessing) the impact arising from an activity. The distinction is quite slight. Nevertheless, measurement more often refers to a quantitative approach. Because evaluation includes quantitative and qualitative aspects, this latter term will be preferred in these guidelines.

Indicator

An indicator is a **measurement tool** that allows to assess or evaluate different **objects**, like : the results, the use of resources, context, impact, etc... It allows assessing a phenomena qualitatively or quantitatively by means of data or information as points of reference. Finding indicators is one part included in the systemic approach of **social impact measurement**.

Based on consensus, it has to be said that there is no universal social impact indicators grid. **Each evaluation has to be adapted to the objectives and particularities of the studied organisation, rather than rely on an external referential.** Nevertheless, it exists several **databases** of indicators to which you can refer.

Indicators can be organized in **dimensions** or criteria.

Dimensions determine criteria (example of «social» impact: integration => one of the criteria can be : employment integration).

These criteria determine impact indicators (employment integration => number of employees in integration having found a job for more than 6 months).

The indicators give a translation of the impact in order to qualify it, quantify it and possibly monitor its evolution.

TRAIN YOURSELF

Complete the sentence according to your point of view:

Social impact is what, as a result of my activity, has consequences on

TRUE OR FALSE:*

True **False**

- 1.** Social impact are the consequences we have planned as a result of our activities or decisions
- 2.** Considering and involving stakeholders into the evaluating process is an important step
- 3.** Social impact measurement is a universal method to assess the impacts our activity have on social communities

*For the answer : click [here](#)

3. What do you really want to assess?

There is a large variety of items that can be evaluated for a single project such as process, social mission, efficiency, relevance, impact...

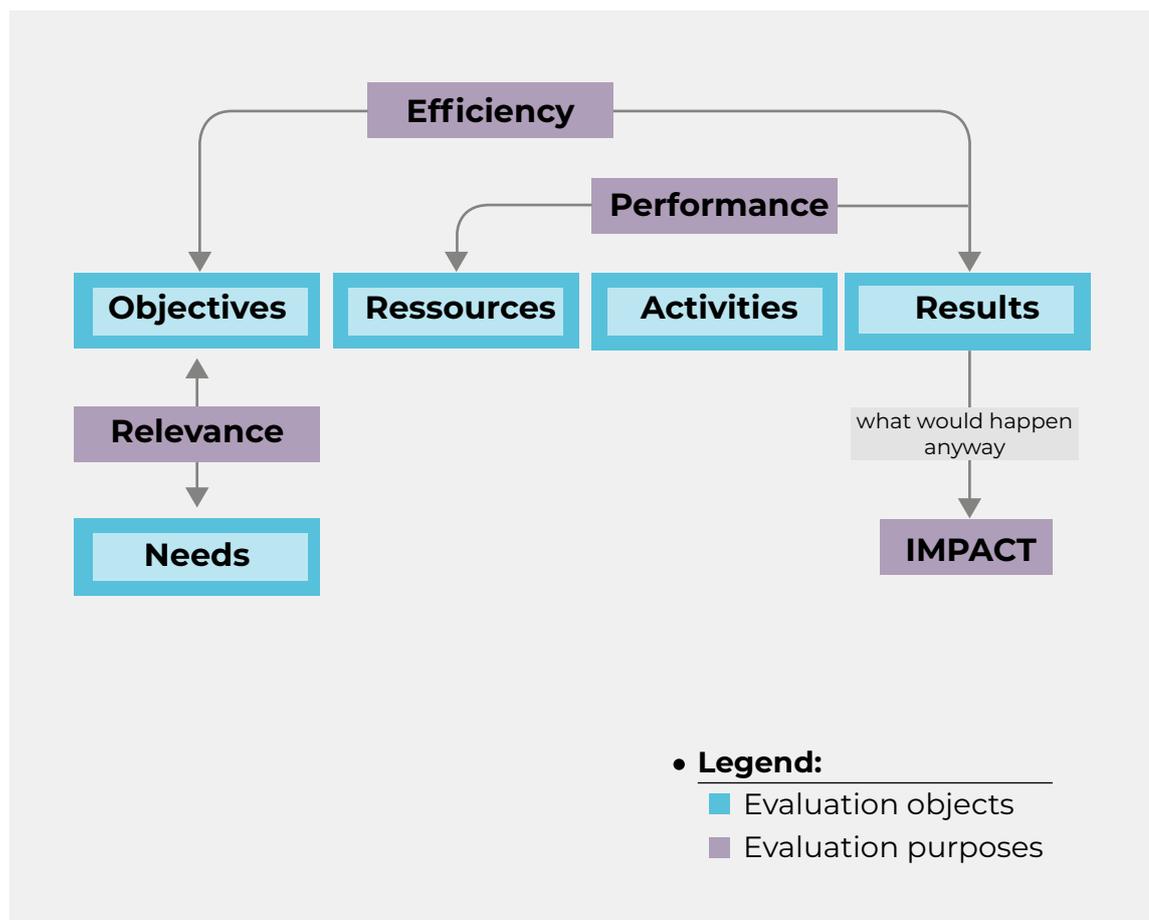
Among the first questions as a public authority, you can ask yourself:

- What is the “object” of the evaluation that you want to conduct?
- What is the “purpose” of the evaluation?

The chart below lists several evaluation objects and purposes.

Figure 1 From needs to impact
several evaluation objects and purposes

Figure inspired from AVISE⁴ and RECMA⁵



Evaluation objects

- **Needs:** the population / society needs that the organization wants to address.
- **Objectives:** the objectives targeted in this specific project or activity.
- **Resources:** human, financials resources that enable the activities implementation
- **Activities:** actions implemented for goals achievements.
- **Achievements:** the outputs delivered following the actions run.
- **Results:** the immediate effects of the actions on their targets ; the evolution of the situation of the beneficiaries, partners, customers, and more broadly the environment on which activity could have an influence.
- **Impacts:** the social, economic, environmental consequences attributable to the activities.

Evaluation purposes

- **Relevance** compares structure's objectives to the needs of a given territory or population. Are the objectives of the action always adapted to the needs?
- **Performance** is characterized by indicators of achievements or indicators of performance. These are mostly quantitative data that generally do not provide information on changes.
- **Efficiency** is the ratio between the objectives (and allocated resources) and the achieved results.
- **Impact** is what is due or attributable to the action, that is to say the results less what would have happened anyway without the action.

4. Who can be interested in social impact evaluation? What for?

Different benefits can be identified for each stakeholder: for social enterprise or structure with social utility, for public authorities, for institutional or private investors, for territories...

Stakeholders are key figures of an impact evaluation.

In a social impact evaluation, stakeholders are involved from the beginning of the evaluation process, either in an individual way (interviews, or exchanges on their expectations), or collectively by gathering stakeholders' representatives. Having a global vision of the stakeholders ecosystem is important to choose the ones that will constitute the study area.

Who are your stakeholders?

The ones on who you want to evaluate the impact, and the ones you want to include on the evaluation project. As a public administration, they can be your beneficiaries, your service users, your closest partners, your colleague or team, your local stakeholders...

Study's area is generally limited to stakeholders that are in the core of the social mission and who are highly impacted (either positively or negatively) by your activities.

By finding them, you can list them by simple categories: internal, connected to your activity, external.

- **From a social enterprise point of view, evaluating its social impact allows the company to:**

Guide its strategy and steer its activity by committing itself to an improvement approach, and seeking for more efficiency.

Establish a new form of dialogue with its partners, based on transparency and willingness to report on the use of their "social investment".

Communicate by making more visible and readable its actions.

Recognize and value the work of employees and / or volunteers.

- **For public authorities, social impact evaluation can be useful to:**

Justify their spending in a constrained budgetary context and with a constant growth of social needs.

Evaluate the impact of projects that are directly financially supported.

Evaluate the efficiency of their policies in the long run (for example, check the impact on beneficiaries in regard to the allocated resources).

Revisit their relationship with stakeholders by conducting an evaluation approach.

- **For investors:**

Foundations, which want to allocate their donations to the most effective programs. More and more foundations want to invent new forms of partnerships to get closely involved in the programs they are supporting.

In parallel, new financial vectors are emerging. They are based both on financial and on social return of investment. Therefore, to qualify the created social value has become necessary.

Investors are seeking solid data comparable to the data used for financial performance.

For “non-social enterprises” that wish to engage in alliances with a strong social impact. The evaluation is also a crucial tool.

- **For territories and territorial alliances:**

New territorial alliances are emerging, gathering different stakeholders like private, public, NGOs and citizens, who build together new solutions linked to local needs. These kinds of alliances lead to the question of the collective impact.

PRACTICE AND CONSIDER

- Why would it be interesting for you or for your organization to evaluate your social impact?

- What benefits could it have and on who?



5. What does really matter? What are the different dimensions of the impact that should be taken into account?

Before entering the process of defining indicators, you should also define what is really important to measure.

Social impact is **multidimensional**: it is not focused on one dimension. It covers dimensions such as economic value creation, politics, societal, environmental, and well-being or fulfillment.

Also, social impact measurement depends both on [what you want to assess](#) and on: the local reality, the pressing social challenges of your territory, the local social needs and expectations, the local stakeholder ecosystem... Having a good understanding of both aspects is more than essential for an effective social evaluation process.

The following **dimensions** and **criteria** are given as examples but they are not exclusive.

You can also refer to the [guideline 3](#) *“How public authorities face social impact measurement – Example Public tender on “Activate Green Community Hub Services, engage local community”*.

Figure 2 Example of dimensions and criteria that can help to define indicators

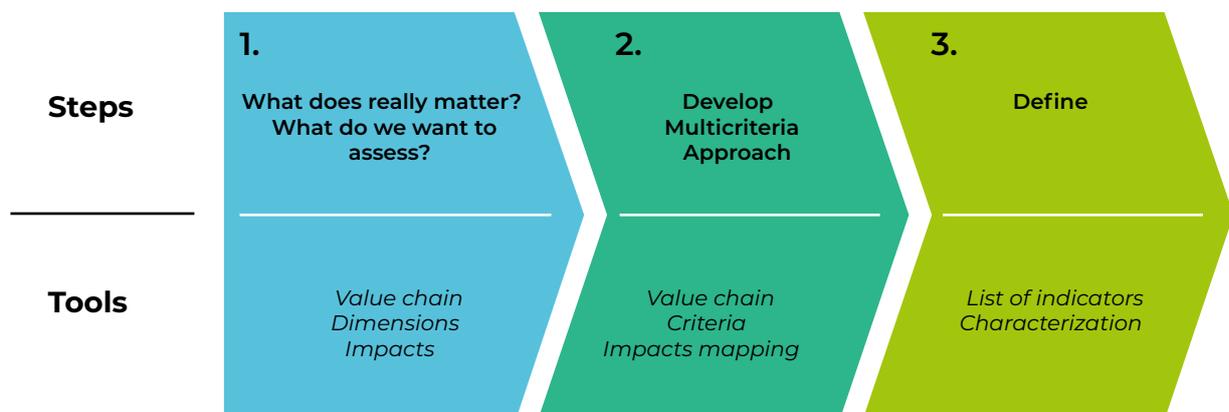
Inspired from AVISE⁶ and TIESS⁷

| Dimensions | Criteria | Dimensions | Criteria |
|----------------------------|--|------------------------------------|---|
| Economy | Business development Wealth creation Standard of living Economic well-being Inequality and poverty Access to resources and opportunities Employment Economical value Revenue Working time Public services savings Governance Sustainable development Specificities of the social and solidarity economy | General | Quality of life Welfare |
| | | Dissemination of innovation | Sectoral dissemination Territorial dissemination |
| | | Housing | Housing affordability Housing conditions: living environment, living space Housing quality |
| | | Societal | Citizenship Territorial equity Cultural diversity Equality of opportunity |
| | | Social bonding | Isolation Social capital Social cohesiveness |
| Territory | Territory's attractiveness Territorial anchoring Animation of the territory | Politics | Institutionalization Access to information Citizen representation Co-construction of the general interest Democracy |
| Public Services | Access to public services Social public services | | |
| Health & safety | State of health Access and quality of health facilities | Ecology | General state of the environment Environmental conservation Environmental education |
| Education | Access to education Schooling Knowledge and skills Education's attractiveness Education financing | Environmental issues | Global warming Energy Biodiversity Soil and water pollution Water consumption Air pollution Noise |

6. How to define and choose relevant indicators for social innovation projects?

For Social Innovation in general, The RQIS (Réseau Québécois pour l'Innovation Sociale - Quebec network for social innovation) wrote a very detailed guide to help organizations starting with social innovation evaluation⁸.

Figure 3 Schematic approach to define indicators



For social impact, the choice of indicators is based on the impact you want to measure.

Before finding indicators, you have to know which *impact* you want to measure. This requires to start from stakeholders' needs and the organization's mission, then take into account desired and undesired impacts, focus of a specific area for the evaluation, and then define the impact to be measured.

In the end, an indicator set must find an answer to relevance, exhaustivity and realism purposes. A unique and synthetic indicator does not exist. To bring exhaustivity and precision, a multicriteria approach has to be conducted.

As described in the example below, figure 4, indicators can be qualitative or quantitative and refer to **different objects**.

Figure 4 Example of indicators used for a social integration enterprise

Translated from AVISE⁹

| Dimension and criteria | Context indicators | Achievements indicators | Results indicators | Impacts indicators |
|---|---|---|--|---|
| Social bond and social diversity | Increased tensions between communities and on the territories | Cultural diversity of employees space and conviviality time organized during the activities | Effective mix of employees in all activities | Exchanges outside the framework of the structure between people from different cultures |
| Relational network | Personal relationship to the job (motivation, absenteeism, etc.) | Team work meetings between employees' families in the context of the structure's activities | Frequent and friendly exchanges between employees | The continuity of relations between employees outside working hours |
| Employment integration | Unemployment rate on the territory and trends Degree of autonomy in carrying out tasks | Number of people hired and accompanied Number of training courses undertaken | Number of employees who have developed a realistic career plan at the end of their time in the structure / total number of employees | Number of employees in integration who have found a job with a contract of more than 3 months within 6 months of leaving the company Number of employees in integration, entering qualifying training when leaving the structure |
| Citizenship / Governance | Participation in the governance of the structure | | Number of employees participating in committees and decision-making processes | Rate of employees getting involved in other structures since they joined the integration organisation |

LET'S START!

We recommend to start with few evaluation dimensions and few indicators: the ones that matter the most for you. It is not useful and often counterproductive to evaluate too many dimensions and set too many indicators as you won't be able to focus properly on them.

Remember: choose what really matters for you!

7.

What is the general approach to conduct a social impact evaluation?

Impact measurement can be described in 8 steps, summarized in the table below.

Inspired from REXEL ¹⁰

Figure 5 8 steps to conduct an impact measurement

| | Questions to ask | Advices/Tools |
|---|--|---|
| 1 Framing the measure | <ul style="list-style-type: none"> • What are the objectives? • For who? • What for? • How? | <ul style="list-style-type: none"> • Engage employees in the evaluation • Develop a culture of sharing and co-development. • Match the process with your intern process. |
| 2 Stakeholders mapping | <ul style="list-style-type: none"> • Who are the stakeholders? • Which ones to study? • Which ones to involve in the assessment? | <ul style="list-style-type: none"> • Brainstorm: draw a list of stakeholders: internal, connected, external. • Interview them individually or collectively. • Map of prioritization |
| 3 Describe the social mission | <ul style="list-style-type: none"> • What is my social mission? • What are the targets? • What are the issues? • What are the key activities? | <ul style="list-style-type: none"> • Brainstorm • Interviews to check the achievements of the objectives set by the structure: main issues identified and activities put in place to solve the issues. |
| 4 Social impact mapping | <ul style="list-style-type: none"> • What are the expected impacts of my action ? What are the impacts of the structure I support/finance? • What unexpected impacts have been observed? • What limited scope of impacts to keep for the study? | <ul style="list-style-type: none"> • Map of the impacts by making an exhaustive list (bibliographic search, interview field expert, indicators IRIS – See question 10 • Prioritize them in order to maintain a relevant and realistic scope. • Plan the strategy (Change theory, U theory) |
| 5 Indicators definition | <ul style="list-style-type: none"> • How to measure the mapped impacts? | <ul style="list-style-type: none"> • Develop multi-criteria approach. For a more detailed approach See Question 6 on «how to define and choose relevant indicators» |
| 6 Finding the adequate methodology | <ul style="list-style-type: none"> • How to evaluate the changes? • How to collect the data? • By who? • When ? | <ul style="list-style-type: none"> • Frame Grid • Bibliographic search • To go further see Question 8. «What are the different methodologies to evaluate social impact?» |
| 7 Data collection | <ul style="list-style-type: none"> • How to define the sample of the interviewed population? • Which tool can I use to create a questionnaire? | <ul style="list-style-type: none"> • Creation of questionnaire: online survey tools • Making an Interview guide |
| 8 Data analysis and restitution | <ul style="list-style-type: none"> • How to analyze? • How to restore the results of the study? | <ul style="list-style-type: none"> • Format of the results feedback diverge according to the target, communication objectives. Videos, infography • Guide for Impact reporting: SRS Social Reporting Standards, GRI |



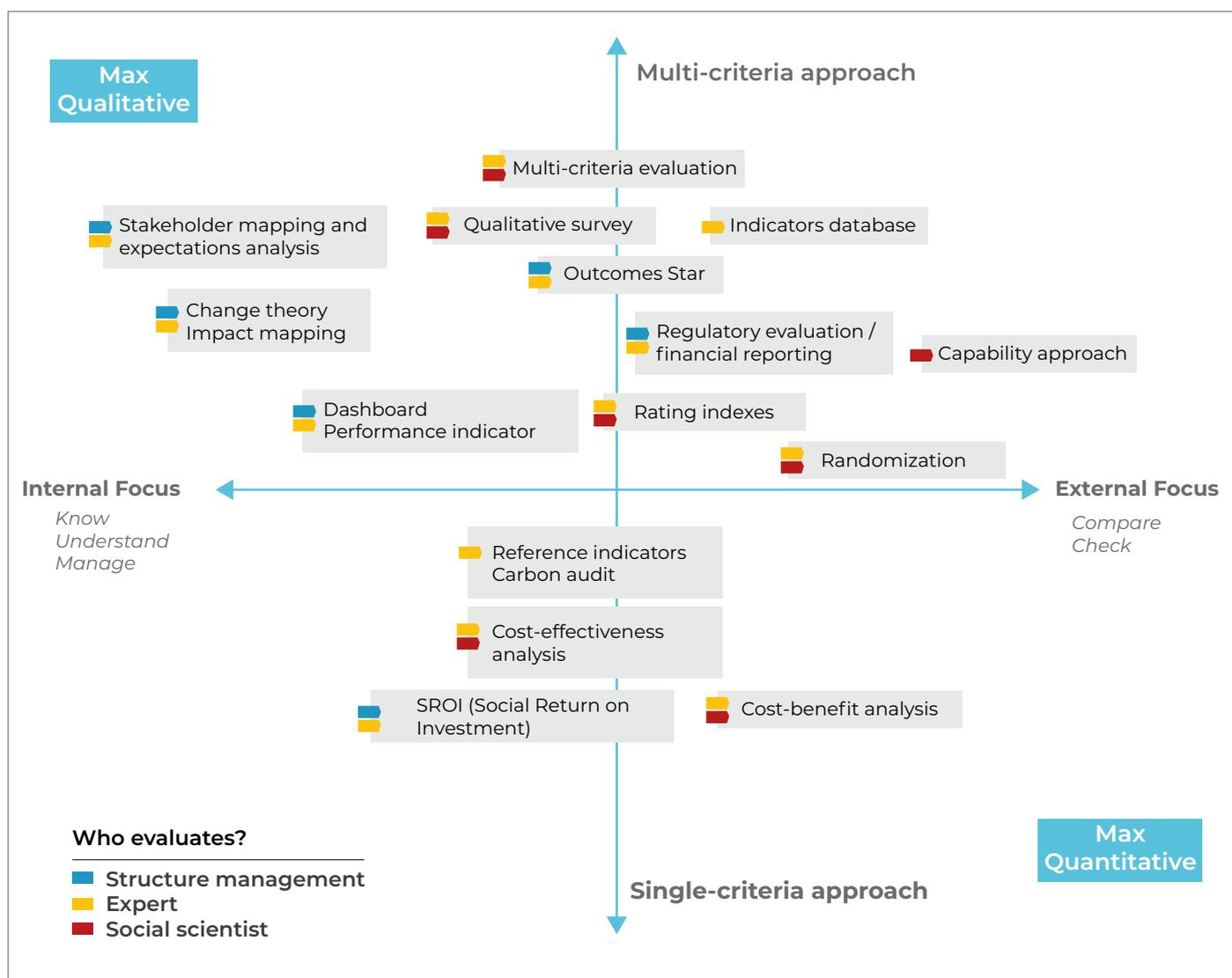
8. What are the different methodologies to evaluate social impact?

When choosing a method, it is particularly relevant to start from the desired objective: what question(s) does the approach seek to answer? Based on this questioning, here is a selection of issues and examples of methods.

The cartography below presents the different existing methodologies to conduct an impact evaluation.

Figure 6 Cartography of social impact evaluation methodologies

Translated from AVISE ⁴





The different evaluation approaches seek to answer the following questions:

- **What changes for stakeholders?**

There are methods to identify stakeholders and potential effects on each of them. These are rather qualitative methods, that allow the collection of stakeholders' views and testimonials.

- **How to manage an action by the impact generated?**

The aim here is to identify and monitor internal indicators that make it possible to follow up the impact of an action, to manage it and to communicate about it. These are methods with a more operational focus.

For example: the [Outcomes method Star™](#) allows you to manage the changes experienced by beneficiaries of social programs.¹¹

- **How does the action position itself in relation to others?**

The idea is to position one-self in relation to a frame of reference. Can the action be compared to a common reference, a standard? This can be useful to bring legitimacy and recognition.

- **In the change observed, what is actually attributable to the action?**

The point here is to demonstrate the cause and effect relationship: what would have happened without the action? Among the effects observed, which one are actually attributable to the action? (and not to other external variables)?

For example: randomization, a sampling technique, consists of isolating a test group that benefits from the action and a control group that does not, and then compare the two groups.

- **What does the action give back to society in relation to what it costs?**

The aim here is to estimate the value generated financially: what is the value created by the action? The ratio between the cost of the action and the profit generated is estimated to be able to evaluate the costs "avoided" by action.

Example: the avoided public costs method is based on ratios comparing what public authorities invest in social enterprises (subsidies, tax benefits) and what they get in terms of social benefits saved and taxes generated.

- **It is also possible to engage in a global approach**

Methods provide a framework to guide the evaluation process. They consist of principles, steps and recommendations. They are more or less exhaustive and allow for some flexibility.

Examples: SROI (Social Return on Investment) is composed of principles (involvement of the community in the process, stakeholders, transparency, etc.) and steps (choosing indicators, demonstrate causality, calculate a ratio via monetarization) to guide the evaluation process.



9. What are the main attention points before launching a social impact evaluation?

Wanting to evaluate the social impact of your activity or actions is a fair ambition. Indeed, social impact measurement is a way to set off a transition process, to ensure that your actions participate to positive changes and will help you to make the right decisions to affect positively your resources, engaging the concerned stakeholders.

Nevertheless, it is a whole process, that requires time, will, internal thinking and consideration of your organization and activities...

The following points of attention should be taken into account:

- Time and money is required to conduct an impact assessment: to manage a rigorous and useful work, to collect data...
- Complexity of the impact measurement: define what does matter, which method to use, how to define indicators that take into account qualitative and quantitative approach (reflect complexity of the problems)
- Availability of the skills and access to the expertise for the impact measurement
- How to deal with the respect of the private life (ex: sensitive data)
- Clarify the evaluation purpose
- Having a critical and reflexive attitude: to be aware of changing the evaluation model and adjusting parameters

But it's worthwhile and will help your organization to engage in a meaningful path!

10.

What are the internationally recognized tools to identify social impact indicators?

In order to find and manage [indicators](#), three valuable resources and internationally recognized tools are presented in these guidelines:

- Global Value Exchange
- IRIS Base
- Outcomes Stars

• Global Value Exchange¹²

For managing social impact measurement by indicators :

myGVE is a free tool to help you manage and maximize your social value generation. Map your stakeholders, outcomes and indicators, and develop a theory of change with our interactive chain of events tool. You can even add your project to a Shared Measurement Framework to show the information your funder requires you to collect.

• IRIS and GIIN

IRIS Database

The Global Impact Investing Network (GIIN) is the global champion of impact investing¹³, dedicated to increasing its scale and effectiveness around the world. The GIIN builds critical market infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. **IRIS+ is managed as a public good** by the GIIN.

IRIS is a catalogue of indicators. These indicators may seek to measure the financial, operational, environmental or social performance of an organization.

It is the responsibility of users (usually financiers who wish to allocate funds based on environmental issues rather than just financial considerations) to select the indicators that will help them be appropriate. At present, there are 559 indicators, both qualitative and quantitative, associated with the sectors agriculture, education, energy, environment, financial services, health, housing, territorial protection, water and such.

The IRIS Method¹⁴

To use this method, it is worth asking the following questions:

1. Determine what these indicators will be used for (for example : communicate the social impact of its investments with its members, evaluate the achievement of an objective social or environmental, measure performance investments).
2. Determine what information to obtain to achieve this objective (e.g. by asking the following questions: What information will be useful to stakeholders? What are the objectives to be achieved?).
3. Determine how the data will be organized (e.g., how will it be asking: Will the same indicators be used to measure all the investments? Will they be specific to each industry, or a little of both?).
4. Select the appropriate indicators from the IRIS database by depending on the answers obtained previously.

One of the advantages of IRIS is that access to indicators is easy and completely free of charge. Another advantage of IRIS is to provide a basis for possible comparison between different users of the same indicators. The IRIS also publishes on its site the reports of users who wish to share them online.

However, as indicated by the GIIN itself, the selection of indicators is only one step in a process impact assessment. IRIS does not provide tools for the user in these other steps, such as the data collection, analysis and verification.

- **Outcomes stars®¹¹**

Principles of the tool

The tool graphically symbolizes a star. Each of the branches of the star represents a theme to be explored during a discussion between the person being accompanied and the accompanying person. The branches are graduated to measure the situation in terms of the behavior or attitude of the person being accompanied.

The British consulting firm Triangle Consulting has developed and published about 20 of them. They are aimed at different target groups, within the framework of health and/or social support. There is, for example, a star for the support of people suffering from alcohol addiction, one for the elderly or another for mental health, etc.

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¹AVISE: Practical Impact Guide

Guide Pratique sur l'impact social, 2019

²***European Commission report on Approaches to Social Impact Measurement***

³TISS:

Glossary Indicators

and ***Social impact measurement and evaluation***

⁴AVISE: Social impact evaluation in France and abroad

L'évaluation d'impact social : en France et à l'étranger
Social Impact

⁵RECMA: Evaluate social impact of a social business : landmarks

Evaluer l'impact social d'une entreprise sociale : points de repère

⁶AVISE: ***Evaluate social impact - Manual***

⁷TISS: ***List of indicators 's examples***

⁸RQIS: ***Guide pour développer vos indicateurs d'innovation sociale***

Help to develop your indicators in social innovation

⁹AVISE: ***Instructions to autoevaluate social utility***

¹⁰REXEL Foundation: ***Guidebook to handle an impact evaluation***

¹¹***Outcomes Star***

¹²***GVE***

¹³***GIIN***

¹⁴***IRIS***

Social Reporting Standards

<https://www.social-reporting-standard.de/en/>

https://www.social-reporting-standard.de/fileadmin/redaktion/downloads/SRS_guidelines_2014_EN.pdf

Social value international

<https://socialvalueint.org/>

Social value UK

<http://www.socialvalueuk.org/>

socialinnovationstrategy.eu

ANSWERS

1. False - We don't always plan all the consequences of our activity or decision-making... some social impact, positive or negative, are not intentionally produced. The main challenge is indeed to be able to forecast them the best as possible and also consider the possible collateral effects in order to be able to redirect our activity or decisions along the process. It is important to measure both positive and negative effects and both intentional or unintentional consequences.

2. True - Your closest stakeholders or beneficiaries are the main concerned by your activity or your policy, and will be the first affected, positively or negatively, by your decision-making. Involving them is essential to be able to assess your project social impact and help your decision-making (positively and according to the needs).

3. False - There is no universal method nor universal tools. A lot of them exist, and some of them can be useful for you, as long as you can adapt them to your local context and to what you really want to evaluate. There are the two main aspects to consider when starting a social impact evaluation.

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