



Getting WISE about impact

SIMPLE STEPS FOR WORK
INTEGRATION SOCIAL ENTERPRISES
TO MEASURE THEIR IMPACT

Contents

About this guide	1
What is impact measurement?	2
Develop a theory of change	3
Develop a measurement plan	5
Collect impact data	7
Impact reporting	10

About this guide

This guide is designed to help your organisation measure its impact. It has been developed specifically for work integration social enterprises (WISEs) but is relevant to any type of organisation.

New to impact measurement? Don't worry, we'll focus on the basics and avoid getting too complex. We'll suggest additional resources if you do have the time or desire to learn more. You might need to refer to this glossary if we use terms you're not familiar with.

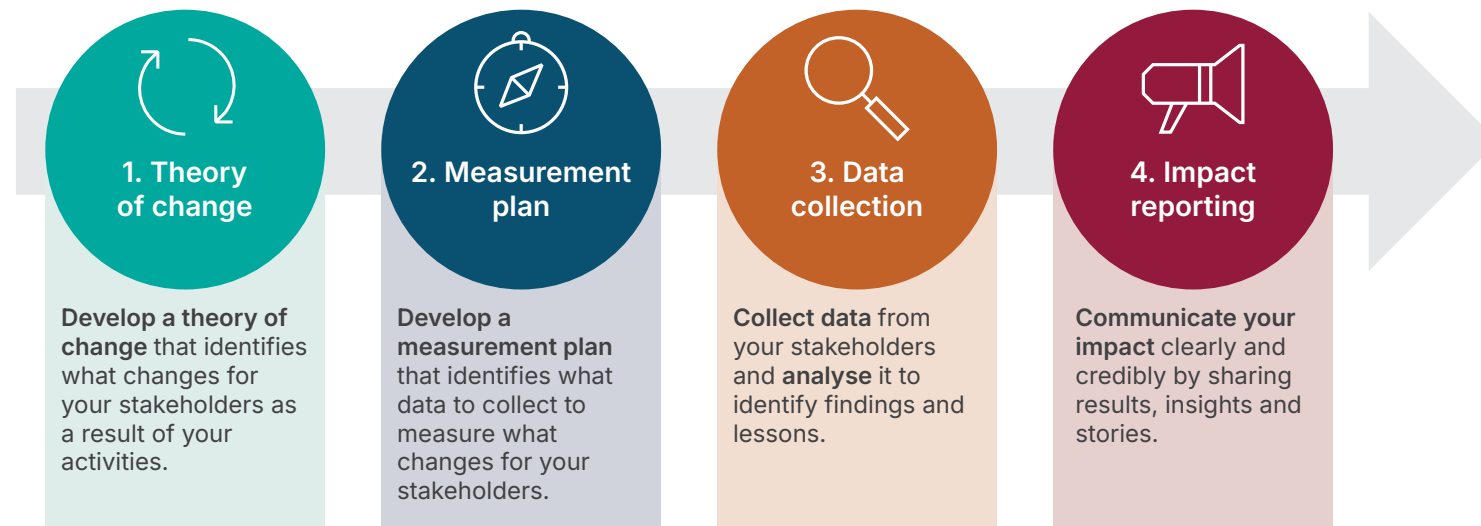
Stakeholders	Stakeholders are people or organisations that experience change as a result of your activity. It could be a person in your organisation (e.g. a program participant), a funder (e.g. government), or a supplier.
Outcome	An outcome is the change that your stakeholders experience as a result of your activity. Examples might include confidence, sense of belonging or financial wellbeing. In this document, we use the words 'change' and 'outcome' in the same way.
Indicator	An indicator is a way of knowing that a change (or 'outcome') has occurred. For example, we will know to what extent a supported employee has experienced a change in their sense of belonging if we ask them to describe their feelings of belonging.
Measure	A measure is the qualitative or quantitative data that demonstrates a change has occurred. For example, the evidence that a supported employee has improved belonging is their response to the question 'I feel part of the community' on a scale from strongly disagree to strongly agree.

What is impact measurement?

Impact measurement is the process of understanding what changes and for who because of your work.

An organisation that is measuring its impact is better able to understand what's working and to improve what isn't. You can more clearly communicate the benefits of your work and build credibility with your clients, funders and partners. You can also strengthen the impact you are already having.

We have structured the guide around four main stages of impact measurement. We have included a case study of a hypothetical WISE called NextStep to provide concrete examples of what is involved at each of these stages.



Stages of impact measurement



Develop a theory of change

A theory of change is the starting point for measuring impact. It identifies what you hope will change for your stakeholders and how you think the change will happen. The 'outcomes' identified in your theory of change are the changes you need to measure to understand your impact.

Your theory of change tells the story of your program or organisation. You therefore want it to be visually engaging, so it inspires the people you work with – clients to be part of your programs, your team members to share the vision, and funders and partners to support your work. For this reason, a theory of change is often represented as a diagram or a flowchart.

A theory of change should evolve as you learn more and more about how your program works and what changes for your stakeholders.

Build your theory of change

A good way of thinking about a theory of change is to ask yourself 'Because of our work, **who** will experience **what** change?'. For example, 'Because of our employment program, young people will feel more confident in their abilities and skills'.

If you are already employing your target cohort, it's likely you have an implicit understanding or belief about what changes for them as a result of your activities. Developing a theory of change simply involves making this explicit.

Start by reviewing your existing documents, like strategies and funding proposals, and look for information that relates to:

1. **Your goal** – Consider the problem you are trying to address or the difference you want to make.
2. **What you do** – Write down the things you currently do to try to make that change happen.
3. **What changes for stakeholders** – Consider what changes for your stakeholders because of the things you do.
4. **How the change occurs** – Organise changes by what might happen immediately, and what might happen in the longer term and because of earlier changes.

Involve your stakeholders

Your stakeholders are the ones experiencing the change and are therefore best placed to describe it. If you don't speak with them, the risk is that your theory of change reflects your hopes, your values and your assumptions, rather than the reality for your stakeholders.

The most useful way to involve your stakeholders is to have open and exploratory conversations through interviews or focus groups. The pros and cons of these approaches, and sample interview questions are provided in the next section.

- NPC's '[Theory of change in ten steps](#)' provides helpful tips for developing your theory of change.



Theory of change



- **Research what works** – Look at examples of theories of change from other WISEs that are doing similar work, or research ‘what works’ in supporting your employees.
- **The language of outcomes** – When describing an outcome, you should use words that indicate a change. Outcomes should start with words like ‘improved’, ‘increased’, ‘decreased’, ‘reduced’, etc. The types of outcomes that are common for WISE employees include confidence, pride, belonging, financial wellbeing, hope for the future and employability.
- **How many stakeholders** – You don’t need to speak to every one of your stakeholders to build your theory of change, but the more you speak to, the more experiences you will understand. Start with three or four people, and if you are still hearing new views or experiences, speak to more people. And make sure you’re hearing from people of different backgrounds and with different experiences of the program.
- **In their words** – Quotes from your stakeholders are a great way to communicate your impact. Take notes during your conversations with them, and write down any unique or special statements, word for word. Ask for their permission if you want to attribute the quote to this person.

CASE STUDY

NextStep’s theory of change

The issue and our response

Disadvantaged young people in Australia face significant barriers to employment. As a result, they are more likely to be unemployed or underemployed, and less likely to engage in further education or training.

Our mission at NextStep is to break the cycle of youth unemployment by providing a strengths-based employment model that addresses both the personal and structural challenges young people face.

Our activities	Changes (outcomes) for young people		
	Early changes	Outcome	
At NextStep we provide young people with: <ul style="list-style-type: none"> • Personal and professional mentoring • On-the-job skills training • Paid employment 	Enhanced knowledge and access to supports	Increased feelings of support and safety	Improved mental wellbeing
	Increased income	Ability to meet basic needs	Improved financial wellbeing
	Development of key professional skills	Recognition of personal capability	Increased confidence



Develop a measurement plan

Your theory of change identifies what you need to measure (i.e. your stakeholders and the changes they experience), and a measurement plan identifies how you will measure this change.

For each outcome in your theory of change, you will ask yourself the two questions demonstrated in the table to develop indicators and measures.

Having defined your stakeholders, outcomes, indicators and measures, the next step will be to think about how you will collect the data and who will be responsible for that. This is discussed in the next section on collecting data.

Example outcome: Improved employment prospects for supported employees	
Indicator	Measure
<i>How will we know if, and to what extent, the change has occurred?</i>	<i>What qualitative or quantitative data can we collect to know if, and to what extent, the change has occurred?</i>
<ul style="list-style-type: none"> • Our employees tell us they feel confident to get their next job 	<ul style="list-style-type: none"> • Ask employees to self-report against the question 'I feel confident that I could get my next job' (on a scale of strongly agree to strongly disagree)
<ul style="list-style-type: none"> • Our employees have developed the skills outlined in our capability framework 	<ul style="list-style-type: none"> • Employment manager assessment of skills and capabilities outlined in the job-readiness capability framework

Selecting indicators

- **How many indicators?** There shouldn't be so many that measurement is impractical. You might need 1-3 unique indicators for each outcome.
- **Balance objective and subjective** – Objective indicators are facts independent of personal evaluation and subjective indicators measure perceptions or conditions based on personal evaluation. For example, a change in someone's income is objective data. Whether someone feels more able to keep up with their financial commitments is subjective data. You often need subjective indicators to give meaning to objective indicators. Consider how they can sit alongside each other to provide a complete picture of change.

- **Measure amount of change** – Yes or no questions tell us whether something has changed, but not how much has changed. To truly understand impact, we need to know how much has changed. Likert scales that measure degrees of agreement, frequency, importance or quality are preferred to yes or no responses.
- **No numbers without stories, no stories without numbers**
 - You need numbers and stories together to enrich how impact is understood and communicated. Numbers are good for showing that a change has occurred. Stories are good for understanding why.


- To collect numbers and stories, you might need multiple ways of collecting data. You might run a survey to quantify outcomes, and also interview your stakeholders to explore experiences in more detail.
- When communicating your impact, you should aim to include both numbers and stories as different audiences will respond to different types of information.



CASE STUDY

Developing NextStep's measurement plan

To develop its measurement plan, Andre – NextStep's Employment Manager – first did some research online to see if there are established ways of measuring the outcomes in its theory of change. They found two WISEs that were measuring similar outcomes – improvements in confidence and employment prospects. Andre was impressed that the WISEs had developed the measures in consultation with their supported employees and had been using the measures for a number of years now. Following their lead, Andre decided he would consult with NextStep's supported employees before deciding they were suitable.

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- The Centre for Social Impact's [Roadmap to Social Impact](#) outlines steps to select or develop measures.
 - The [Social Impact toolbox](#) is a handy template that allows you to develop the foundations of your impact measurement approach, including measures.
 - [SEEDKIT](#) is a free online tool, developed in consultation with the Victorian social enterprise sector, to track and communicate social enterprise impacts.
 - SurveyMonkey outlines [Likert scale](#) questions to measure the amount of change.

Sample measurement plan

Stakeholder	Outcome	Indicator	Measure	Data collection method	Responsibility
<i>Who is experiencing the change?</i>	<i>What specifically has changed?</i>	<i>How do we know change has occurred?</i>	<i>What measure or data will be collected?</i>	<i>Where data will be collected from and frequency</i>	<i>Who is responsible for collection and analysis?</i>
Supported employee	Improved financial wellbeing	Young people are gainfully employed Young people can keep up with their financial commitments	# of young people receiving paid employment % of young people who agree that, because of their role with NextStep, they are more able to keep up with their financial commitments	Program data Participant survey	Human resources Social impact lead
Supported employee	Increased confidence	Young people feel more confident	% of young people who agree that, because of their role with NextStep, their self-confidence has improved	Participant survey	Social impact lead



Collect impact data

Measuring impact means discovering what is really changing for your employees. What you think is happening might be different to what your beneficiaries experience. Don't just guess, even if it seems obvious to you!

There are lots of different ways to collect data. All of them have their strengths and their weaknesses. There is no 'best way' – you need to choose the approach that is most suited to what you want to understand and the people you are collecting data from.

There are four main ways that you can collect data:

- **Program data** – data that you are probably collecting already to understand the day-to-day work of your organisation. Can include demographics about your employees, referral sources, attendance data and completion rates.
- **Surveys** – a series of structured questions to gather information in a standardised format. Typically completed by your employees online but can also be completed in hard copy or with assistance.
- **Interviews** – one-on-one conversations.
- **Focus groups** – small group guided discussions. Ideal size is between 4 and 12 participants.

Pros and cons of different ways of collecting data		
Data type	Pros	Cons
Program	<ul style="list-style-type: none"> • Requires minimal additional demand from stakeholders as you are probably collecting this data anyway. 	<ul style="list-style-type: none"> • Is context for, rather than evidence of, your impact.
Survey	<ul style="list-style-type: none"> • Can be quick and easy, both for your stakeholders and your organisation. • Allow you to collect input from many stakeholders. • Allows you to quantify outcomes and make comparisons. 	<ul style="list-style-type: none"> • Can be difficult to design to get appropriate answers. • May not get a good response rate if your stakeholders have low levels of literacy or they are sick of filling out surveys!
Interview	<ul style="list-style-type: none"> • Two-way discussion means you can clarify questions and responses to ensure understanding. • Done well, it can feel just like a regular conversation for your stakeholder. • Generates rich responses that can be used as quotes and case studies. • 1-1 format is suited to conversations that might involve personal or sensitive topics. 	<ul style="list-style-type: none"> • Can be time consuming to conduct (particularly if you are travelling to meet people in person). • Requires time and skill to analyse results. • Data is not suited to quantifying outcomes and making comparisons.
Focus group	<ul style="list-style-type: none"> • Can be an efficient way to get input from multiple people at once. • Experiences can be compared and contrasted to better understand patterns and themes. 	<ul style="list-style-type: none"> • Can sometimes be dominated by the 'loudest voice'. • Can be challenging to facilitate many voices within a limited timeframe. • Not suitable for conversations that might involve personal or sensitive topics. • Can be challenging to coordinate availability of multiple people.



CASE STUDY

NextStep's interview questions

Employment Manager Andre used the questions below to interview NextStep's supported employees. He started with an introductory 'ice breaker' question, before moving to questions about impact. Andre used these as a guide and kept the tone of the interview conversational and interactive. Andre also departed from the questions if it led to some interesting conversations about impact.

1. What have you been doing for NextStep during your time here? How has that been for you?
2. Do you think anything is different in your life because of your job with NextStep?
3. When thinking about what is different, are all these positive? Have any of these changes been negative or unhelpful?
4. Has there been anything specific NextStep has done to make these changes happen?
5. Of the changes you've mentioned, which are more or less important or valuable for you?
6. Is there anything you wish NextStep could improve or do differently?
7. Do you have any final comments or thoughts before we finish up?

Survey design

- **Ask only what matters** – make sure you know how you will use the responses to each question. If you don't know if or how you will use the data, don't ask the question! Avoid collecting personal information unless you really need to. Aim for a survey that can be completed in 5–10 minutes.
- **Make responses optional** – wherever possible, give respondents the option to skip questions or select 'prefer not to say'. This is important when asking about sensitive subjects or personal experiences. It also ensures respondents are less likely to leave the survey incomplete if they are unsure how to answer.
- **Plain language** – use clear and precise language that is easily understood by your audience.
- **Design for your audience** – consider the language, technology and accessibility needs of your audience when designing a survey. You may need to provide printed copies for certain people or provide access to a translator.
- **Test and refine** – wherever possible, send a draft survey to your stakeholders for review and refinement. A group of employees and/or people with lived experience can provide useful insights that may increase the effectiveness of your survey.



CASE STUDY

Drawing on lived experience to improve survey design

NextStep's Employment Manager, Andre, provided a draft survey to a group of its supported employees. The employees were given an opportunity to read the survey in advance and their comments were discussed in a meeting. Through the conversation, two employees noted that several of the questions could trigger unwanted feelings or memories. Two other employees explained that some other questions didn't make sense to them.

Andre used these comments to produce a new version of the survey. They provided more information at the start of the survey about what questions to expect so respondents could decide if and when they would complete the survey. They reworded questions so the language was more neutral.

Andre's original approach was to run three surveys that asked exactly the same questions at different points in a NextStep employee's journey (referred to as pre and post surveys). Andre's intention was

to compare the responses to see if there was any change over time for NextStep's employees.

After discussing this approach with a colleague, Andre realised it was far too reliant on the same supported employees doing the same survey multiple times. And if they didn't do the surveys, he didn't have impact data. Andre also discussed this issue with his supported employees. They agreed that filling out multiple surveys may not produce good results for Andre. They remembered their knowledge and mindset at the start of their employment, and felt survey responses at that time wouldn't be an accurate reflection of an employee's circumstances.

As a result, Andre decided to introduce surveys with questions specific to the relevant stage of NextStep's program. A survey at the start of the program helped NextStep to understand their employee's demographics, skills and needs. A survey at the end measured change resulting from the program (referred to as a retrospective survey)

This new version was well-received by NextStep's supported employees.

Ethical impact measurement

Before you collect any data, it is important that you consider the risks of doing so. Important things to consider are:

- **Obtaining consent** – anyone involved in your research (e.g. through interviews, surveys or focus groups) should be told about the purpose of the research, what information will be collected, and how it will be used. They should be given the opportunity to decide whether they want to participate and be made aware that they can withdraw at any time. This could be done before the interview by providing them with a form to sign that contains this information. It could also be done with a conversation at the start of the interview, or with some information on the introduction page of a survey.
- **Data storage and privacy** – people should be told how their information will be used, how it will be stored, who will have access to it, and how long it will be stored for. You should review your systems to ensure that access to personal information is limited to only essential people and that you are managing cybersecurity threats.
- **Sensitive data collection** – when collecting data around topics that might be triggering, it's important to adapt your approach to minimise the likelihood of distress. For more information about sensitive data collection, see the resources box.
- **De-identification** – people's names, personal information, or any information that could identify them should not be used in any reports. For research that is particularly sensitive it might mean keeping the identities of interviewees separate to the data.

- Better Evaluation has guidance on [interviews](#) and [focus groups](#).
- [Qualtrics](#) has several useful articles on how to develop an effective survey.
- The Centre for Children and Young People has a [framework](#) for interviewing children successfully and safely.
- The Australian Institute of Family Studies has advice on how to [conduct interviews covering sensitive topics](#).



Impact reporting

Your impact report should be informed by the audience, what they need from the information and the level of detail they require. You will mostly likely need to report to both internal and external audiences.

There is a wide variety of different ways to report your impact. The most common is in a report, but there are many others including impact films, visualisations and data snapshots.

Internal reporting

Internal reporting is often done to generate insights to support learning and improvement.

The simplest way to generate insights is to look for 'themes' in your data.

With quantitative data (numbers), it might help to compare results for different survey questions; explore data at different points in time; or look for things that are surprising or unexpected. If you are collecting demographic or program data, you can analyse results for different segments of your cohort. This might demonstrate that people in different age brackets experience different outcomes, or that outcomes deepen and then plateau over length in the program.

Qualitative data can explain results in your quantitative data. For example, written responses to open questions in surveys can explain the reasons why outcomes are or are not occurring. Your stakeholders may have helpfully provided suggestions for how your program can be improved.

At the end of the day, we want all our insights to focus on whether outcomes are being achieved, and what you could do differently to strengthen impact. If your reporting isn't answering these questions, you need to revisit your analysis.

External reporting

External reports have a variety of purposes, including to secure funding, ensure accountability, or build awareness of your 'brand'.

Try representing your insights in different ways. Graphs and tables can communicate a lot of precise information but beware of information overload or data for the sake of data. Present insights, or the 'so what', alongside the data. Pictures, case studies and quotes can be engaging and emotive, but may not communicate as much information about what's happening across your entire cohort. Remember the maxim 'No numbers without stories, no stories without numbers!'

Get creative with your impact reporting

- Les Twentyman Foundation communicated the results of a Social Return on Investment analysis of its organisation in [film](#).
- Goolum Goolum Aboriginal Co-operative visually presented the highly complex problem of Indigenous overrepresentation in incarceration rates in a simple yet powerful [theory of change](#) diagram.
- Check out Optus' Digital Thumbprint [evaluation report](#) for ideas on how to present numbers and stories.



Impact costs

One reason to report your impact may be to attract funding, and you may need to be transparent about what it costs to create the impact you've measured. A helpful way to do this is to include your 'impact costs'.

Impact costs are costs incurred by WISEs that are beyond costs of a similar business that is not being run as a social enterprise.

The concept of 'impact costs' is still in development. Some proposed models are shared in the resources section, but you may need to tailor the models to your organisation. We have provided an example for NextStep to help you understand this idea a bit more.

Impact cost description	Amount
Increased workplace flexibility (e.g. flexible scheduling, leave arrangements, etc.)	\$23,000
Greater supervision/support (e.g. additional staff, increased hours)	\$138,000
Refurbishments to ensure accessibility	\$83,000
TOTAL	\$244,000



- Think Impact Managing Director, Kevin Robbie, shares [tips](#) for effective impact reporting.
- The Centre for Social Impact provides one approach to calculate [impact costs](#).
- Deloitte Access Economics has also looked at [impact costs of WISEs](#) in detail. Have a read if you want to go for a 'deeper dive' into this concept!



Contributors to this guide

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Think Impact

Think Impact is one of Australia's most experienced social impact and sustainability advisory firms. Since 2014 we have supported, enabled and inspired clients from across business, government, philanthropy and the social enterprise sector to manage for better impact.

We deliver tailored solutions to support our clients to design their intended impact, develop ways to measure what happens, clearly communicate impact and improve their impact by implementing what has been learned.

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Paul Ramsay Foundation

Paul Ramsay Foundation works for a future where people and places have what they need to thrive. With organisations and communities, Paul Ramsay Foundation invests in, builds, and influences the conditions needed to stop disadvantage in Australia.

Website: paulramsayfoundation.org.au

Good Cycles

Good Cycles is a job-focused social enterprise that creates meaningful jobs for young people in future-focused industries. With the support, training, and real job opportunities that Good Cycles provides, young people build confidence, gain valuable skills, and create strong networks, setting themselves up to overcome challenges and reach their full potential.

Website: goodcycles.org.au