

Can impact be measured?

Impact analysis tools and quality standards for NPOs.



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ECONOMICS
AND BUSINESS

Dr. Christian Grünhaus

Lecture

OSGS Forum 2022

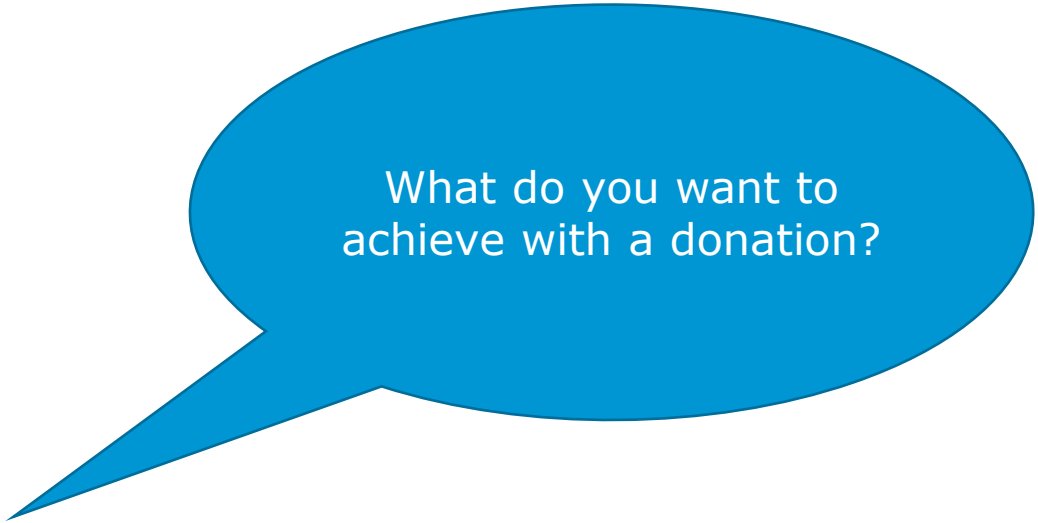
Vienna, May 13, 2022



KOMPETENZZENTRUM FÜR
NONPROFIT-ORGANISATIONEN
UND SOCIAL ENTREPRENEURSHIP



What do you want to achieve with a donation?



What do you want to achieve with a donation?

What do NPOs want to achieve?

As Caritas, we are committed to **solidarity and social justice**. Out of Christian conviction and on the basis of Catholic social teaching, we work for a world in which **human dignity** is inviolable. That is why we fight against discrimination, violence, intolerance and poverty.



"Improving the lives of people in need and the vulnerable **through the** power of **humanity."**

Mission Statement Red Cross



→ **It is all about creating social added value/social impact**

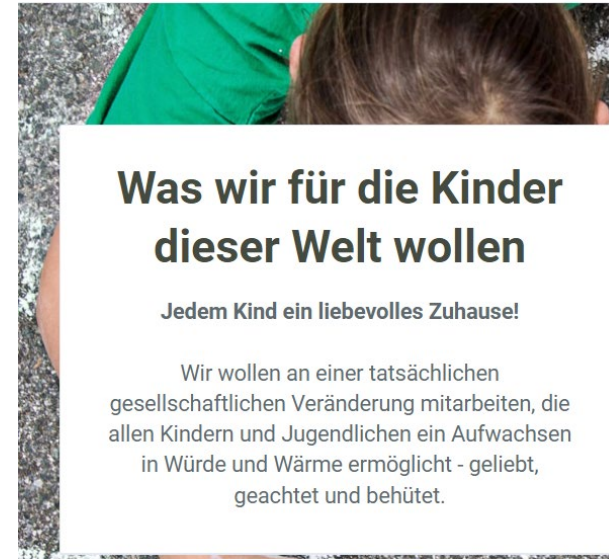
What do NPOs want to achieve?

GREENPEACE

"Greenpeace is an international environmental organization that campaigns **worldwide for the preservation of the natural foundations of human and natural life and justice for all living things in the present and the future.** In doing so, it tackles problems tenaciously - even in the face of opposition and over longer periods of time."



So hilft SOS Hel



→ It is all about creating social added value/social impact

What is communicated in terms of success?



Communication of impact of NPOs?

Persönliche Assistenz

Volles Vertrauen,
helfende Hände

Die Caritas Salzburg hilft Menschen mit Behinderungen persönliche AssistentInnen zu finden. Teresa Eisl hat so eine Freundin gefunden.

„Kathinka und ich sind ein eingespieltes Team. Wir vertrauen uns gegenseitig und sind Freunde geworden“, sagt Teresa Eisl. Kathinka van Zuilen ist eine ihrer drei persönlichen AssistentInnen, die ihr im Alltag unterstützend zur Seite stehen. Teresa Eisl, 25, nutzt seit mehr als 10 Jahren einen Rollstuhl – und die helfenden Hände einer persönlichen Assistenz: „Persönliche

heresa Eisl und Kathinka
an Zuilen als perfekt
ingespieltes Team

Assistenz bedeutet für mich, dass ich ein unabhängiger Mensch sein kann und mein Leben so gestalten, wie ich möchte. Im Jahr 2018 begleiteten insgesamt 32 AssistentInnen zwölf AuftraggeberInnen mit unterschiedlichen Behinderungen. Die Unterstützung reicht von der Körperpflege und Hilfe beim An- und Auskleiden über hauswirtschaftliche Tätigkeiten und Begleitung bei Arztbesuchen und Behördenwegen bis zur Freizeitgestaltung.

1.653 Menschen mit Behinderung in betreutem Wohnen

1.614 Werkstättenplätze für Menschen mit Behinderung

15.423 Betreuungsplätze für Menschen mit Behinderung

Source: Caritas Impact Report
<https://www.caritas-wien.at/fileadmin/storage/wien/aktuell/news/2020/wirkungsbericht-2019.pdf>



Auf der Straße. Auf der Flucht. Ohne Job.

Das Haus St. Josef, in dem obdachlose Menschen auch gemeinsam mit ihren Tieren ein Dach über dem Kopf finden, das Vinzenzhaus, für alkoholranke Menschen, das a_way, die einzige Jugendnotschlafstelle Wiens, der Kältebus, die Suppenbusse, die Notquartiere – all diese Orte eint ein Ziel: Menschen, die auf der Straße stehen, zu helfen. Sie vor Kälte zu bewahren. Mägen zu füllen und medizinische Grundversorgung sicherzustellen. Wir geben auch Menschen auf der Flucht ein Dach über dem Kopf und begleiten sie bei ihrem Ankommen in unserer Gesellschaft, etwa mit Deutschkursen in unserem Caritas Bildungszentrum oder mit Nachhilfe in unseren zehn Lerncafés.

Hilfe bei Arbeitslosigkeit und Lebenskrisen

Die Caritas ist in Wien darüber hinaus seit 29 Jahren gemeinsam mit dem AMS am erweiterten Arbeitsmarkt aktiv. Mit dem Restaurant INIGO, dem „ArbeitsRaum“ oder den als sozialökonomischen Betrieben geführten Spar-Märkten werden Menschen schrittweise an den ersten Arbeitsmarkt herangeführt. 2019 wurden 900 langzeitarbeitslose Personen in verschiedensten Projekten beschäftigt und begleitet.

Die Sozialberatungsstellen leisten einen wesentlichen Beitrag zur Unterstützung von armutsbetroffenen Kindern und deren Familien. Hier gilt der Ansatz, die Menschen dazu zu ermutigen, ihr Leben nach ihren eigenen Möglichkeiten selbst in die Hand zu nehmen. Oft können kurzfristige Einkommensausfälle überbrückt oder drohende Delogierungen abgewendet werden. Im Vorjahr konnten insgesamt 1.053.201 Euro an Überbrückungshilfen ausbezahlt werden.

Hilfe im Inland



1.898 Schlaf und Wohnplätze
für wohnungslo-
se Menschen.



814 Wohnplätze
in fünf Häusern
für Menschen
auf der Flucht



159.870 warme Mahlzeiten
in den Betreu-
ungszentren
Gruft & 2. Gruft



26.403 Beratungen
in den Sozial-
beratungsstellen



360 Kinder
in den Lerncafés
betreut

Communication of impact of NPOs?

RETTUNGSDIENST



Betreute Patient_innen	2.740.151
Notarzteinsätze	154.345
Fahrzeuge im Rettungsdienst	2.144
Einsatzfahrten	3.233.545
Gefahrene Kilometer	103.996.723


150
Mitarbeiter_innen
aus aller Welt waren im Einsatz


Rund
100 Zelte
befinden sich am Krankenhausbau


30.000
Liter Trinkwasser wurden pro Tag benötigt

Besondere Dankbarkeit

Umso schöner, wenn es Mutter und Kind gut geht. Als Hebamme ist die 50-Jährige meist die Erste, die das Neugeborene berührt. „Das ist jedes Mal ein ganz besonderer Moment“, sagt sie. Die Menschen sind hier oft zurückhaltend, dennoch erlebt Fasching viel Dankbarkeit. „Eine Mutter hat meine Füße berührt – das ist eine Segnung und ein Zeichen sehr hoher Anerkennung.“ Ihr Baby war unterernährt gewesen und Josefa Fasching hatte ihr geholfen, dass es mit dem Stillen besser klappte.

Es sind Eindrücke wie diese, die Josefa Fasching nach fünf Wochen Einsatz mitnimmt. Dann kehrt sie zurück in die 3.000-Einwohner-Gemeinde Waldhausen. Auch hier hat sie den gleichen Anspruch an ihre Arbeit: dafür zu sorgen, dass Frauen in Würde und Sicherheit entbinden können. ■

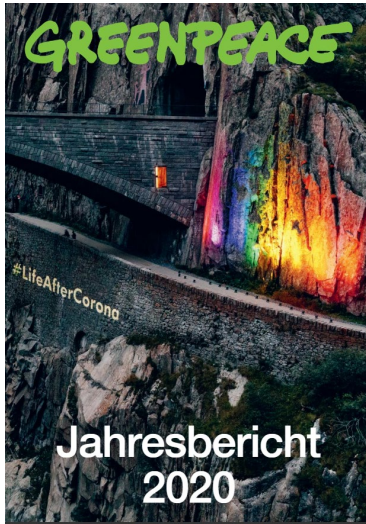
PFLEGE & BETREUUNG



Betreute Personen	300.713
Mit Rufhilfe ausgestattete Personen	42.258
Menschen & ihre Angehörigen von Hospizmitarbeiter_innen des Roten Kreuzes begleitet	3.973
Individuelle Spontanhilfe (betreute Personen)	3.060

Source: WCC 2019 Annual Report <https://www.rotekreuz.at/jahresbericht>

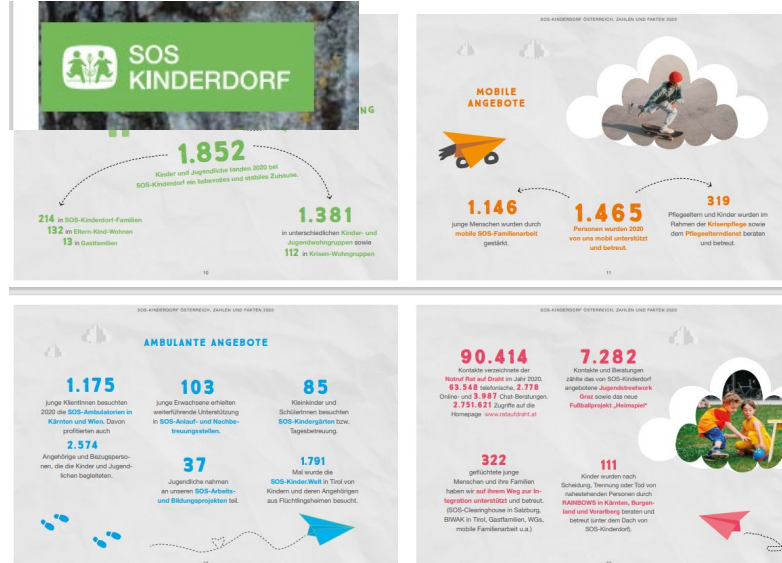
Communication of impact of NPOs?



Greenpeace Switzerland

Annual report 2020

44 pages, including **2 pages on achievements** of the international organization without context, 1 page on achievements, **23 on P&L, balance sheet and accounting**, 12 others (crew, campaigns etc.)
https://issuu.com/greenpeace-switzerland/docs/jahresbericht_d_20/2?ff



SOS Children's Village Austria

Annual report 2020

Many performance metrics. Some descriptions of success from international projects; impact is not even mentioned
<https://www.sos-kinderdorf.at/getmedia/c32f7bd1-9a11-4558-bc79-f085dc59adb4/Jahresbericht-2020-Langversion.pdf>



Wir von Plan International prüfen in jeder Projektphase, ob ein Vorhaben zielorientiert umgesetzt wird und die Mittel effizient eingesetzt werden. Dies unterstützt die Erreichung der formulierten höheren Wirkungsziele.



WAS WIR IN TANSANIA ERREICHT HABEN

In diesem Projekt haben Kinder und Jugendliche in der Region Kasarwa bei sportlichen Aktivitäten ihr Selbstbewusstsein und ihre Fähigkeiten gestärkt. Sie haben gelernt, dass sie als Kinder Rechte haben, zum



Plan

Annual report 2021

Definition of 6 impact areas; There is an impact target and indicators as well as a baseline and endline survey of projects; cross-project impacts are not reported.

https://www.plan.de/fileadmin/website/05_Ueber_uns/PDF/Transparenz/Jahresberichte/Plan-International_Jahresbericht_2021.pdf

Are these impacts?

Are impacts being
communicated here?

Is this consistent
with the mission of
NPOs?

NPOs have service delivery with a focus on impact on their target groups and the associated social added value in their genes, but are weak in concrete evidence of impact. Output and key performance indicators are in the foreground. Impacts are measured and described at project level, if at all. There is hardly any management on the basis of effectiveness indicators.

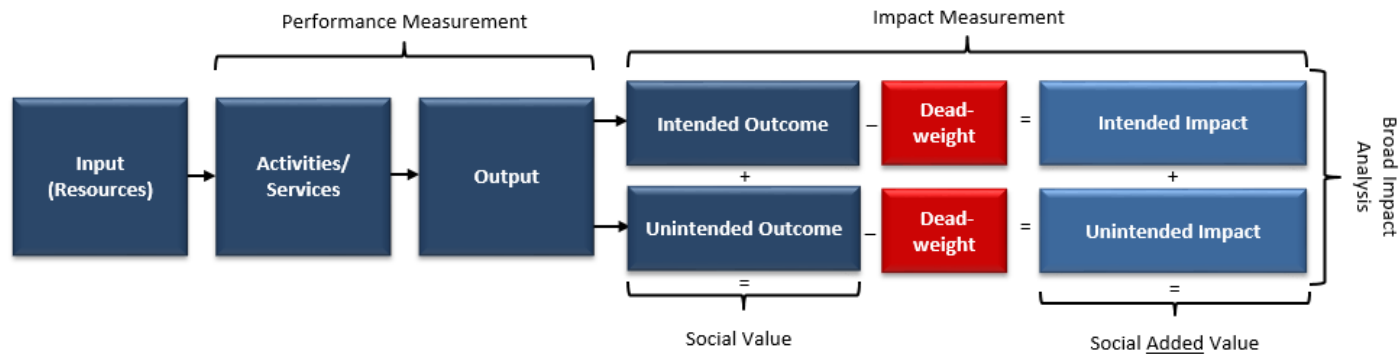
**How could impact
measurement and
analysis be conceptually
meaningful?**



What is impact?

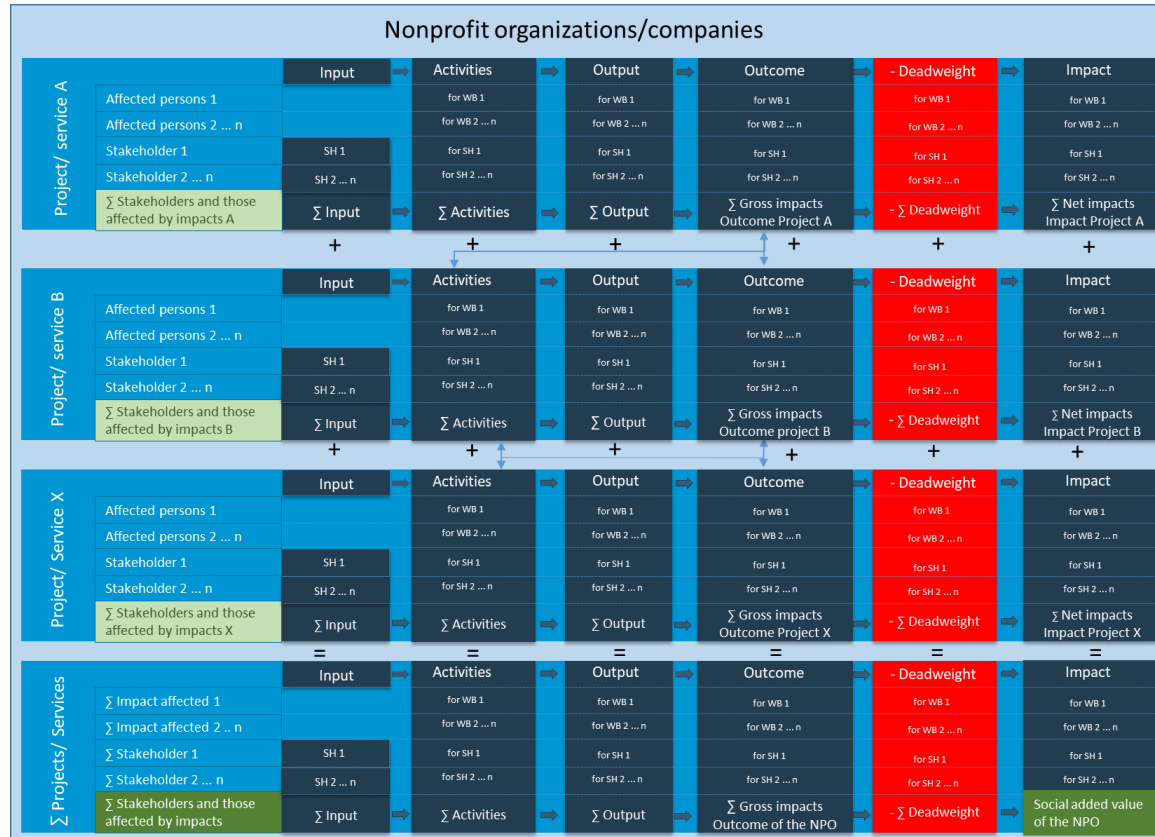


Impact chain - the basis



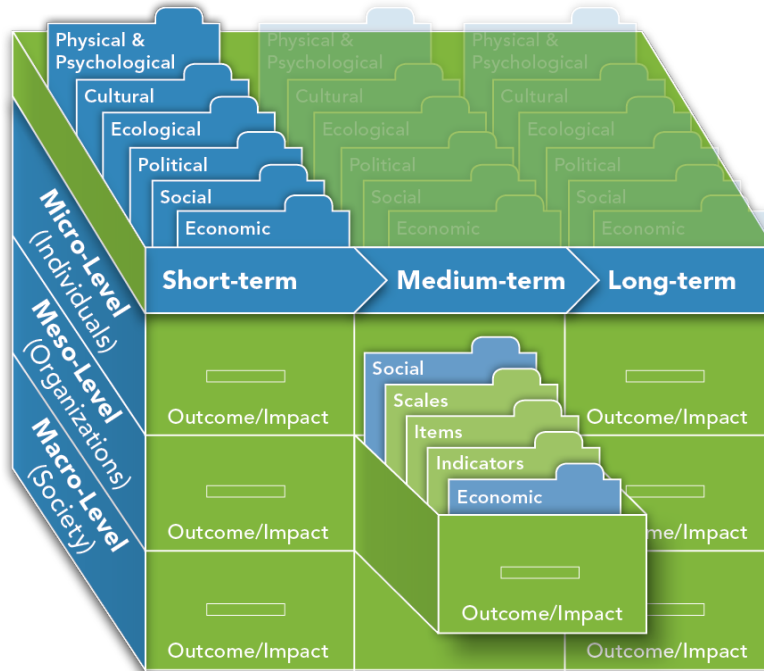
Source: Grünhaus, C./Rauscher O. (2021): "Impact and impact analysis in NPOs, companies and organizations with social added value. ", Impact Paper, NPO & SE Competence Center at WU. **Download at:** <https://short.wu.ac.at/impact-paper>

Impact model



Source: Grünhaus, C./Rauscher O. (2021): "Impact and impact analysis in NPOs, companies and organizations with social added value. ", Working Paper, NPO & SE Competence Center at WU. **Download at:** <https://short.wu.ac.at/impact-paper>

What are impacts? The impact box



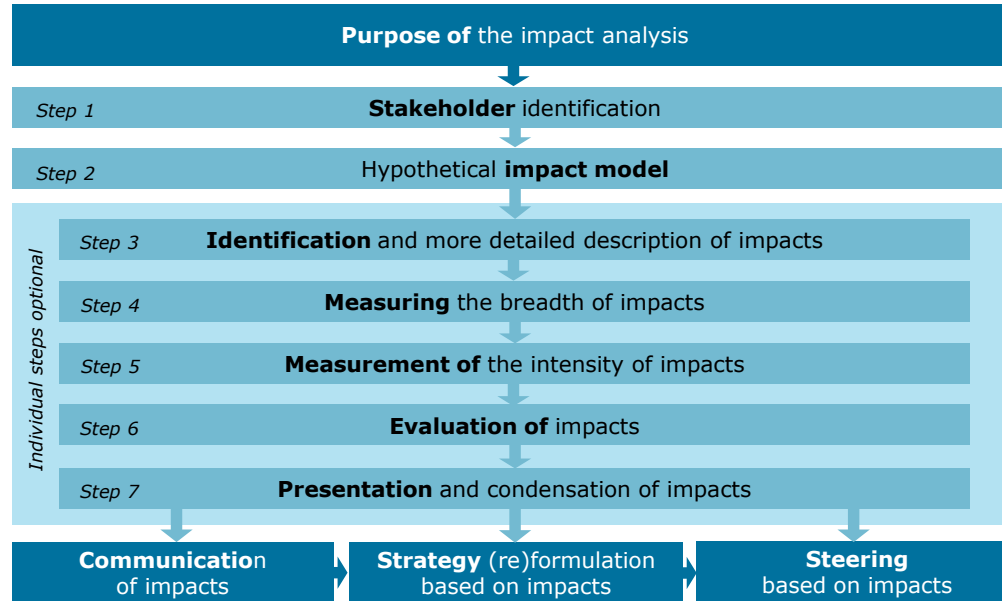
IMPACT = OUTCOME – DEADWEIGHT

Which impacts?

Where do impacts arise structurally?

When do impacts arise?

Impact analysis: step-by-step procedure



Source: Grünhaus, C./Rauscher O. (2021): "Impact and impact analysis in NPOs, companies and organizations with social added value. ", Working Paper, NPO & SE Competence Center at WU. **Download at:** <https://short.wu.ac.at/impact-paper>

Why impact analysis?

What is the purpose?

Impact-oriented steering

- Steering of the organization on the basis of key performance indicators
- Establishing an impact controlling system

External communication

- Reputation building, branding, positioning
- Establishing or securing legitimacy in external perception

Search for investors, fundraising

- Mobilizing resources
- Establishing or securing legitimacy towards financiers e.g. social impact investors

Strategic and organizational development

- Improving strategy development; basis for strategic decisions
- Promoting organizational learning; optimizing processes

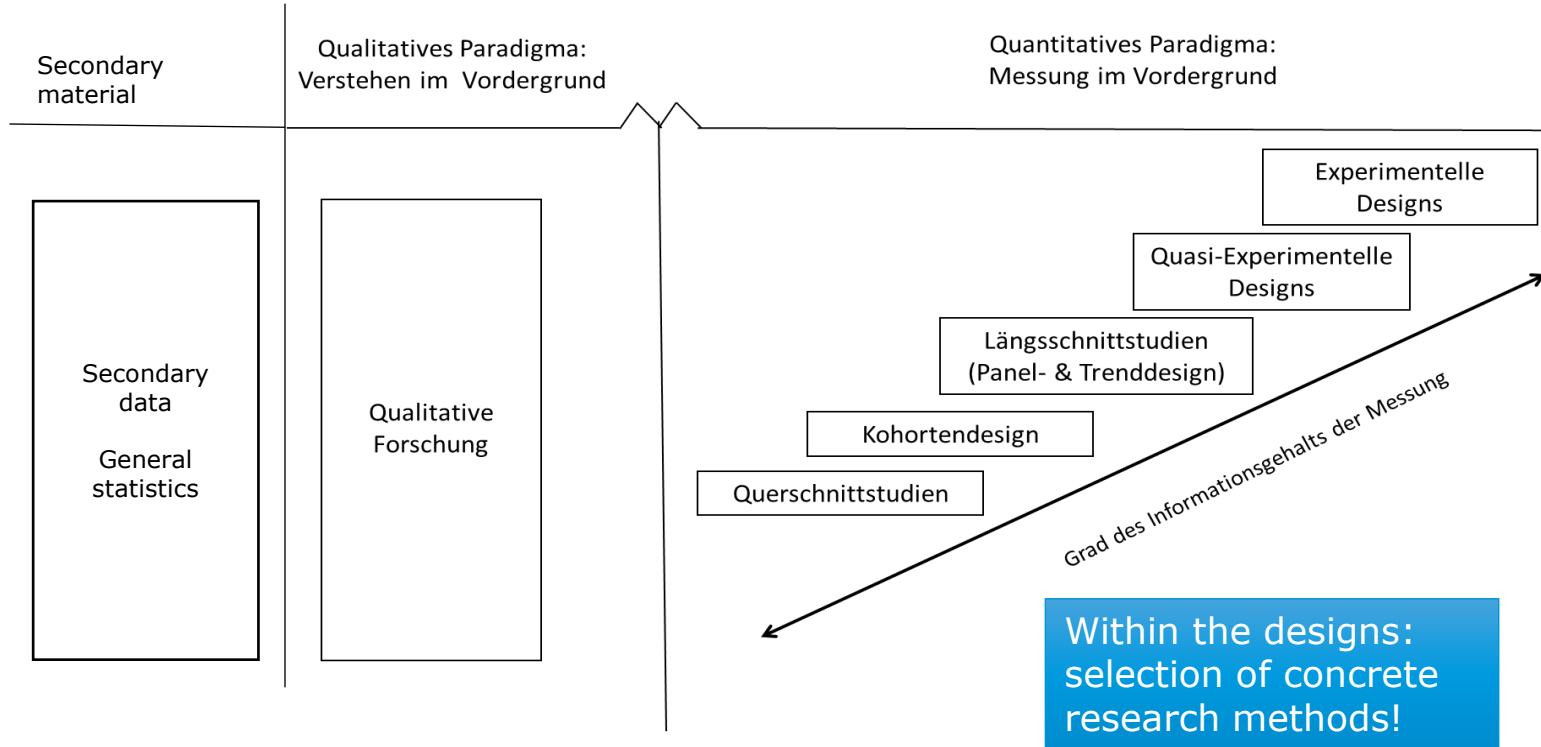
Strategic cooperation and scaling

- Entering cooperations in the sense of social value chains
- Increasing social added value by scaling the business model

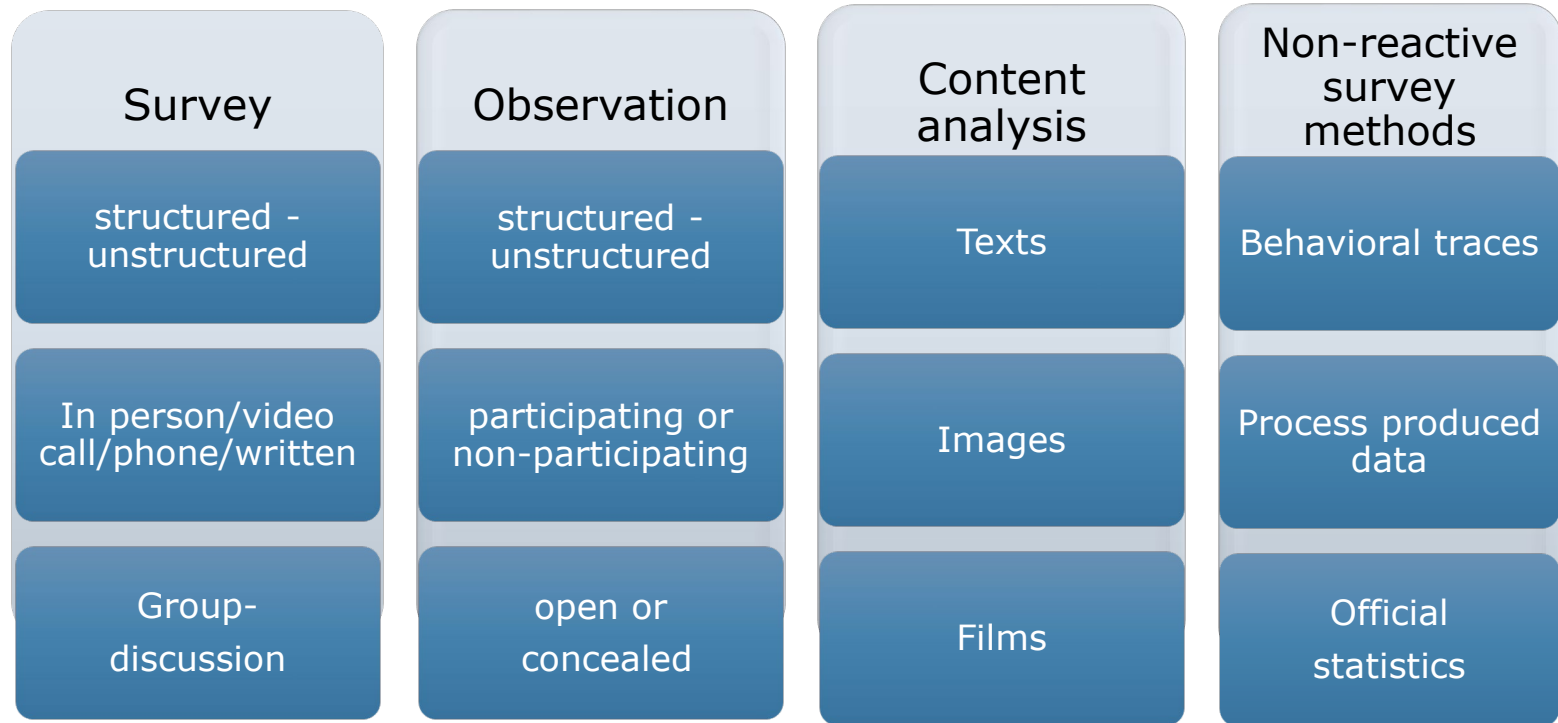
The more significant in their strategic scale,
the more politically sensitive,
the more fundamental in the consequences,
the closer to science,
=> the more rigid the measurement should be

How rigid does it need to be?

Basic research and survey designs



Measuring impact – a method overview



Basic information about indicators

- Indicators are parameters that allow a **representation or quantification of a fact that is not measurable or is very difficult to measure.**
- Indicators are usually **quantitative**, but can also be qualitative (descriptive)
- Indicators allow the clearest possible assignment to a category. They are **comparative instruments** that indicate differences or similarities on the basis of a common comparative yardstick (scale)
- Which indicators are used to **assess success (target/actual comparison)** depends on the targets
- A rough distinction can be made between the following indicators in connection with success analyses, evaluations and impact measurements:
 - Input indicators
 - Output indicators
 - Process indicators
 - Impact indicators
- Is measurement always done via indicators?
 - Direct measurement (measurand)
 - Quantitative via an indicator
 - Proxy - indicator (auxiliary construct)
- Types of indicators by complexity
 - Simple indicators (e.g. number of students in a class)
 - Relative measures (e.g. share of older people in unemployment)
 - Complex indices (e.g. WHOQOL; OECD: Better Life Index)

How rigid
does it have
to be?

Should/must
indicators be
connectable
for
comparisons?

What is social added value?

Social values and goals as a yardstick for evaluation

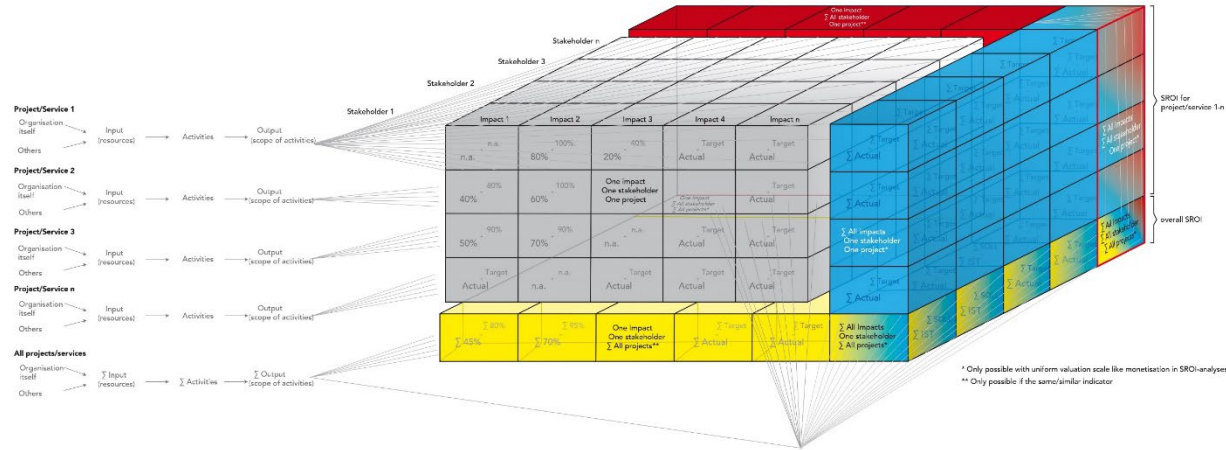


... what does it look like at the meso level of organizations and companies? Are there impact goals?

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The impact model with control option of an overall organization - example



Source: Grünhaus, C./Rauscher O. (2021): "Impact and impact analysis in NPOs, companies and organizations with social added value.", Working Paper, NPO & SE Competence Center at WU. **Download at:** <https://short.wu.ac.at/impact-paper>

Explanatory video: <https://www.wu.ac.at/npocompetence/videos>

How is steering done?

For which purpose?

How do companies measure their social impact? Non-financial reporting as a solution?



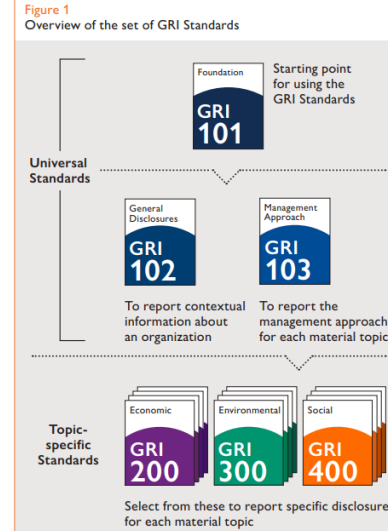
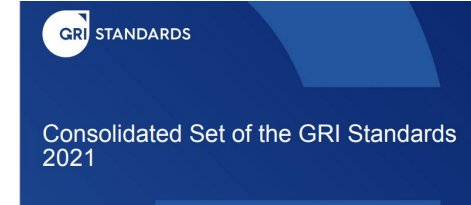
A few examples

Global Reporting Initiative

GRI - Sustainability Reporting Standards

- **Impact model** as basis: **no**
- **Stakeholders/persons affected by impacts** taken into account: **Limited** and only individual aspects/impacts (employees; suppliers; customers; environment)
- Focus on large companies
- **Added value** or additional impact considered: **No**
- Number of standards: 37
- Number of „disclosures“ ~ Indicators:
- Reporting in accordance with the GRI Standards **enables an organization to provide a comprehensive picture of its most significant impacts** on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts. **This allows information users to make informed assessments and decisions about the organization's** impacts and its contribution to sustainable development.

=> **Mostly no impact measurement but measurement of activities**



Other indicators: Global Reporting Initiative (GRI Standards)

GRI 412: Human Rights Compliance Audit

Disclosure 412-1

Operations that have been subject to human rights reviews or impact assessments

Reporting requirements

Disclosure
412-1

The reporting organization shall report the following information:

- Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Disclosure 412-3

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Reporting requirements

Disclosure
412-3

The reporting organization shall report the following information:

- Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- The definition used for 'significant investment agreements'.

Disclosure 412-2

Employee training on human rights policies or procedures

Reporting requirements

Disclosure
412-2

The reporting organization shall report the following information:

- Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

Source: Global Reporting Initiative (2016): GRI Standards. GRI 412. human rights assessment. Available at: <https://www.globalreporting.org/standards/media/1027/gri-412-human-rights-assessment-2016.pdf>

- **Impact model** as basis: No
- **Stakeholders/persons affected by impacts** considered: **Limited** and only individual aspects/impacts at a time.
- **Added value** or additional impact considered: **no**
- Focus on **impact investors**
- Number of indicators from which (partially) selected: 685

=> **Mostly no impact measurement but measurement of activities or outputs**

Which Impact Category best describes your area of focus?



- IRIS+ is the generally accepted impact accounting system that leading impact investors use to measure, manage, and optimize their impact.

PI4243: Student to Toilet Ratio - Number of students per functioning toilet during the reporting period.

PI6858: Payments to Supplier Individuals: Disabilities - Value of payments made by the organization to individuals with disabilities who sold goods or services to the organization during the reporting period.

OI9650: Forced Labor Policy - Indicates whether the organization has a written policy against forced labor and a system to monitor compliance of this policy.

OI8429: Community Service Hours Contributed - Number of hours volunteered by full-time and part-time employees of the organization during the reporting period.

Conclusion company

Economic/financial success is still in the foreground. Even sustainability reporting by companies, which is on the upswing, usually falls short of the mark, as it primarily serves to legitimize rather than manage performance. In addition, they are often ecology-heavy and have little reference to different stakeholders.

How do donation seals of approval deal with impacts?



Is impact measurement an issue here?

The German DZI Donation Seal

- **Number of test criteria: 102**
- **Number of test criteria on social added value: 1**

Effective use of funds:

- The organization reviews the impact of its activities and uses the lessons learned to guide future resource allocation.
- It develops suitable procedures for **monitoring the impacts**.
- The methodology, scope and frequency of impact monitoring are based on the funding volume, duration and complexity of the activities.
- The costs and benefits of impact monitoring are proportionate to each other.
- The results of the impact monitoring and the implementation of the findings derived from it are documented in writing and published in summary form.



Impact monitoring is the continuous observation and evaluation of changes triggered by a project with the aim of impact-oriented control.

=> No impact measurement required!



The Swiss ZEWO Seal of Approval

- **Number of standards: 21**
- **Number of subcriteria: 85**
- **Number of standards on impacts or social added value: 1**
- **Number of subcriteria on impacts: 4**

Standard 10 impact

- The organization continuously examines the impact of its core activities. It defines goals for this purpose. These are reviewed regularly. The corresponding responsibilities are clear.
- The following questions are used to review impact-oriented action:
 - What do we want to achieve as an organization?
 - What strategies will we use to achieve these goals?
 - What resources and capabilities do we have to implement these strategies?
 - How do we know if we are making progress?
 - What have we achieved so far and what not yet?
- The organization integrates the topic of impact into public reporting in an appropriate manner.



Regular impact review

=> No impact measurement required!



Standard 7 Internal control

The highest governance body shall ensure adequate internal control and risk management with respect to

- a.) the achievement of the strategic goals of the organization
- b.) the impact-oriented and efficient provision of services

The Austrian seal of approval for donations


- Number of test criteria: 35
- Number of questions on the test criteria: 228*.
- Number of test criteria for social added value: 0
- Number of questions on the social added value achieved: 0




Hilfestellung für Prüfer*innen

Neben einer Empfehlung für die Zuordnung und Darstellung von Ausgaben und einer Ausgabenmatrix für NPOs, haben wir eine Checkliste inklusive Präambel und Beurteilungsblatt für Sie als Prüfer*in ausgearbeitet.

Checkliste

 [Teil 1 – Präambel](#)

 [Teil 2 – Beurteilungsblatt](#)

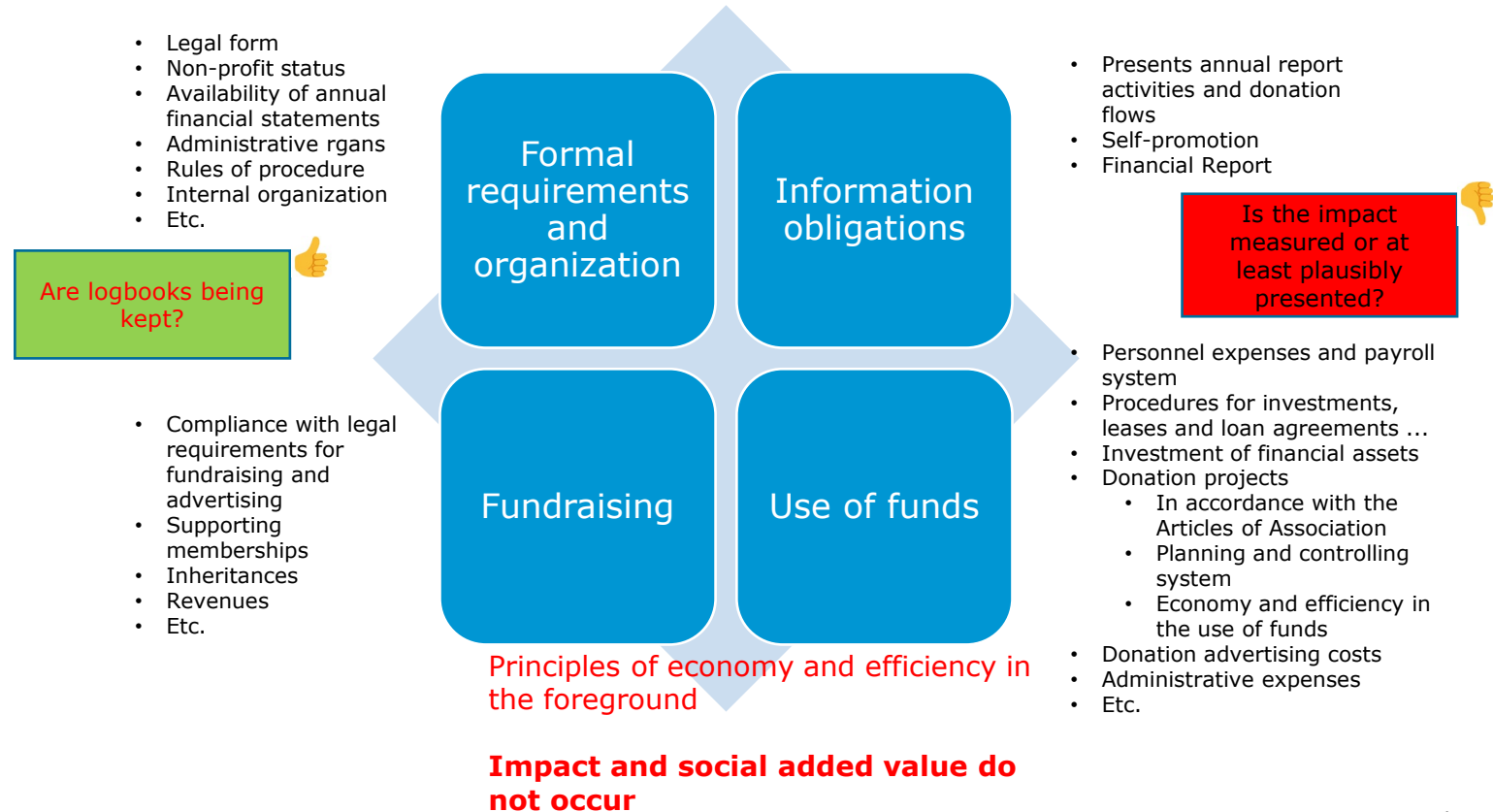
 [Teil 3 – 5 – Checkliste](#)

(Fragenkatalog zur Überprüfung aller Kriterien)

*without finance and accounting checklist

<https://www.osgs.at/fuer-prueferinnen/>

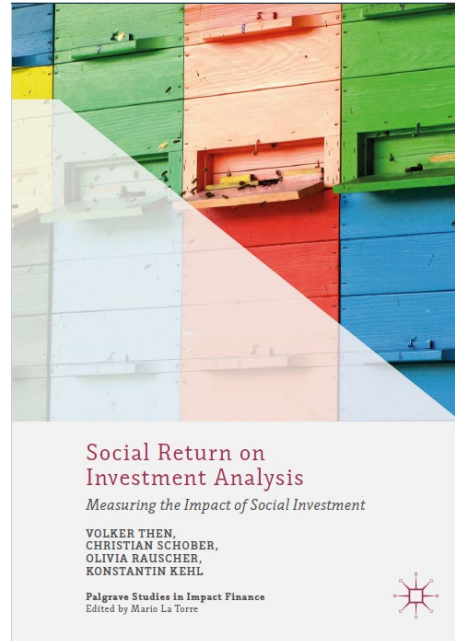
What is tested by the OSGS audit?



Possible further development of the donation seal of approval with a view to impact/social added value

- **Inclusion of the topics „impact" and "social value added" as an audit dimension**
- **Minimum requirement:**
 - Existing **impact goals** that fit the mission and strategy
 - Creation of a **hypothetical impact model** that takes into account stakeholders and impacted parties as well as deadweight considerations (e.g., available alternatives with spare capacity)
- **Increased requirements** for larger fundraising NPOs:
 - **Prioritization of** stakeholders and those affected by impacts, as well as their impacts.
 - Structured **presentation of** impacts
 - Regular **survey of** whether prioritized impacts occur
 - **Measurement of** individual impacts
- **Assessment of whether the impact measurement and analysis was carried out professionally at the respective level**
 - Survey design comprehensible and capable of producing valid results
 - Methodical implementation comprehensible and suitable
 - Evaluation of the data comprehensible and methodologically appropriate
 - Analysis logically comprehensible and related to impacts

Publications on the topic



www.wu.ac.at/npocompetence

If you're in the mood for more impact analysis:



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