

SROIproject

GUIDANCE ON CHOOSING INDICATORS OF OUTCOMES

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GUIDANCE ON CHOOSING INDICATORS OF OUTCOMES

Introduction

You are likely to be reading this document to clarify your thinking in producing an impact map for your activity. This document has been written as a supplement to the Guide to SROI and provides more detailed guidance on finding indicators for outcomes that have been identified during an SROI analysis. It is designed to be used as a supplement and assumes knowledge of the Guide.

'Indicators are ways of knowing that change has happened. In SROI, they are applied to outcomes as these are the measures of change that we are interested in. The next stage in developing the impact map is to clarify one or more indicators for each of the outcomes on your map. You will need indicators that can tell you both whether the outcome has occurred, and by how much.' The Guide to SROI

It will be possible to put a number in front of an indicator. An example of an indicator could be 'school exclusions', and you would be able to say '25 school exclusions'. Often, terms like 'fewer' or 'more' could describe the change, so for example a '20% decrease in school exclusions' may have occurred. Strictly speaking in this example, the indicator is 'number of fewer school exclusions' and you will need to know if the number of school exclusions has changed from before and after the activity.

This supplement will help you ensure that the indicators you choose will provide a good indication that an outcome has occurred.

1. The Basics

1.1 What is the relationship between an outcome and an outcome indicator?

SROI is an outcomes-based approach, so we are interested in outcome indicators. Outcome indicators are way of knowing and measuring the change that has taken place for your stakeholders. An outcome indicator, or set of indicators, paints a picture of the extent to which an outcome has been achieved. Outcomes themselves are complex and can be difficult to measure.

1.2 How are outcome indicators different from other types of indicators?

You can find indicators for inputs, outputs and outcomes. Outputs often only tell us that an activity has taken place, rather than the difference this activity has made for stakeholders. For example, an output indicator like 'shorter waiting times' would tell us that a patient was seen more quickly. It does not tell us that the patient's health improved. An outcome indicator would give us a way of measuring that the outcome – 'health has improved' – and show us that this change has happened.

<i>Type of Measure</i>	<i>Example</i>	<i>Example</i>
Input	Volunteer hours contributed to the activity	Number of hours worked by volunteers per week.
Output	Number of client visits	Number of client visits to centre

Sometimes, the indicator that we will use to measure an outcome can be similar to an output. This type of indicator might tell us something and can be part of measuring the outcome but by itself may be insufficient to tell us if the change has taken place. In this instance we may need to supplement it with other indicators (see 1.4 below).

1.3 What is the relationship between an outcome indicator and a financial proxy?

A financial proxy is way of assigning a monetary value to the outcomes in question. It is an approximation, or a representation, of the value a particular change has to the stakeholder experiencing that change. The key difference is that the outcome indicator helps measure the extent to which the outcome has been achieved, while the proxy gives the outcome a financial value. Assigning good financial proxies to an outcome is an important part of the Social Return analysis, but it should never be confused with an indicator, which measures that the change has happened.

1.4 How do indicators capture the outcome?

One way to understand the relationship between an outcome and indicators is to think of an outcome being the image on a jigsaw puzzle, while the individual pieces are like the indicators. Put together, the indicators reveal the image, or the outcome. There could be one or more pieces to the jigsaw. The challenge is to choose the right pieces (the indicators) so that you can see as much of the image in the jigsaw as possible. If you were completing a jigsaw puzzle of the Eiffel Tower, for example, and had to choose only 3-4 pieces, you would probably want to choose a piece that shows the top, the middle section, and perhaps one with a French flag to show where it is. Someone looking at the pieces should still be able to understand the image and identify it as the Eiffel Tower.

In the original decisions you made in selecting your outcome you may have decided on an outcome that is very specific and which only requires a small number of indicators or you may have chosen something more general which would require a number of indicators. An outcome such as 'improved social cohesion', for example, can only be measured if we break it down into more tangible and measurable indicators, or if we break down the outcome itself into smaller changes, which we can then find indicators for. There are many aspects to the outcome of 'improved social cohesion' that might need to be specified and measured separately, such as neighbourliness, diversity, volunteer action and crime, to sufficiently capture such a complex idea. There is no right or wrong way to decide this, but in using SROI, developing outcomes and indicators is best done with your stakeholder group, so you are confident that you have the right list of outcomes, and indicators that will tell you if the outcomes have or will be achieved.

Look at the impact map for Meals to Wheels in the SROI Guide (page 103). The blue section shows you how the columns for indicators have been completed.

In the Guide one of the examples used was of a day service provided for people with mental health problems. This activity led to a general outcome of 'reduced social isolation' for the day centre users. This outcome requires a number of indicators in order to 'flesh out' the changes that are reported by this stakeholder group:

Outcome	Indicator
<i>Reduced social isolation</i>	<ul style="list-style-type: none"> • <i>Whether participants are taking part in new activities (e.g. taking up new sports, or hobbies, visiting new places)</i> • <i>Whether participants report having more friends</i> • <i>Level of social skills reported by participants</i> • <i>Whether participants are accessing relevant public services that they had not used in the past like public transport</i>

In some instances, you will want one indicator to confirm the findings of another. A good example here is an indicator ‘number of GP visits’ which might be used as an indicator of ‘improved health’. However a decrease in use of GP services may be positive or negative depending on the context. In the case of a substance user, attendance at a GP clinic may indicate a positive choice for the person to improve their health, whereas non-attendance may mean that their life has become more chaotic. In order to know if in fact improved health occurred, you might also need to ask the substance users to self-report on their health, where the indicator would be the ‘numbers of substance users reporting an improvement in their health’.

1.5. Involving stakeholders

Stakeholders are an important source of information in identifying outcome indicators. During the stakeholder engagement process, you should be able to capture some of the story behind the outcome. As you understand their experience of the change created, you will be able to understand what is most relevant for the stakeholders, and also what the suitable measure would be. Irrelevant indicators will fail to properly capture the outcome, compromising the quality of the SROI calculations.

2. What kinds of indicators should I use?

There are two main issues about outcomes to consider first before deciding on your indicators:

- 1 Should indicators of progress towards an outcome be measured or will it be enough to only measure the outcome
- 2 Do the indicators work alone or do they need supporting information.

2.1 Should indicators of progress towards an outcome be measured

Sometimes, the journey to the outcome is a long one. An outcome of reduced crime from an early intervention programme with children may take a generation to come into fruition. Sometimes change happens in a shorter period of time, but one overall outcome contains a series of steps, or a series of causally related smaller outcomes e.g. ‘becoming more employable’ may involve acquiring a number of skills or it may involve an increase in personal attributes such as confidence and motivation.

You may need to measure if your stakeholder group is moving in the right direction, even when they don’t completely reach the change they are trying to make. It can be useful to measure the small steps along the way, and while there are many terms to describe this concept, in the SROI Guidance we refer to this as ‘distance travelled’, intermediate outcomes or ‘chain of events’. It is important to establish what this chain of events is, not least because your activity may only bring about some changes in the chain.

When a new outcome is identified by stakeholders or by your assessment of other factors, you will need to decide whether it is an entirely new outcome, or in fact part of an existing chain of events, before you can decide what indicators to choose.

The worked example in the SROI Guide (on page 102) shows how a chain of events can sometimes confuse you in deciding what outcome to find an indicator for! When the initial analysis was undertaken, one of the assumptions was that residents would be healthier. However, during initial discussions, it soon became clear that for many residents this was not where the story ended. As a result of exercise sessions, residents were fitter. This resulted in a reduction in falls. Several residents said things like “Well, I don’t end up in hospital as much for a start!” when they were asked what they thought happened to them as a result of coming to the luncheon club. These three outcomes are all describing different stages of one change.

It is possible then to measure progress along this chain or between stages on the chain and this is also often referred to as distance travelled (towards an outcome). It may be helpful to think of ‘distance travelled’ as applying to small steps towards an overall change, while ‘chain of events’ may be expressed as changes that sound different, but are in fact linked together.

Sometimes ‘distance travelled’ can be measured using a scale, or ladder such as the outcomes star¹ or the intermediate outcomes can be identified e.g. as short, medium and long-term.²

Using distance travelled indicators to measure part of the chain or small steps towards change avoids using unhelpful, or limiting output indicators, but still lets you know if changes are happening in the short-term. Feedback from users of tools like the outcomes star suggests that this is also a beneficial way of improving the service and involving clients meaningfully in describing their own journey of change.

This is an issue where the outcomes occur after the activity, when those experiencing the outcome are no longer in regular contact with the organisation responsible for the activity. Whilst progress towards the outcome can be measured it is important that you also use indicators that relate to the final outcome. This may mean maintaining some contact with stakeholders and it may mean that when you start you will not have information for these indicators for a number of years. This can be done through postal and telephone surveys and can be limited to a representative sample. It may need you to provide a financial incentive for your stakeholders to respond.

However if the organisation only collects information on distance travelled and not on arrival at the destination there is a risk that stakeholders do not arrive at their final destination, or you do not have the evidence of the later stages of their journey.

It may not always be possible, desirable, or appropriate to measure distance travelled and more binary (yes/no) indicators may be more appropriate.

2.2 What are subjective and objective indicators

Indicators can take a number of forms. We tend to think of them as being subjective (self-reports), objective (tangible changes), or third party reports. However, the distinction

¹ <http://www.outcomesstarsystem.org.uk/>

² The NHS calls this ‘logic modelling’ when discussing the relationship between short, medium and long-term changes in health status

between these kinds of indicators is never clear-cut. Sometimes, you can ask service users to report on objective changes for them and other times qualitative, or subjective information can be recorded objectively. Views on how 'objective' third party information is could also vary significantly.

Traditionally, because of their reliability, objective indicators have been seen as superior. In more recent times the value of taking people's self-reported views seriously has been recognised largely because:

- There is a recognition of the inherent subjectivity of seemingly objective information and
- It can be difficult to draw wider inferences from narrow objective information (on its own what does the divorce rate in the UK tell us?).

In SROI, we want our choices to be informed by our stakeholders, and including self-reports from our stakeholders reinforces our evidence that change has occurred.

In reality, there are strengths and weaknesses to both approaches. As a result, we recommend that practitioners attempt to 'triangulate' their evidence as much as possible, so that the subjective and objective can compliment each other. Solely measuring objective indicators may miss out the quality and richness of people's experiences (e.g. people may carry on living in an area because they have nowhere else to go but actually be very unhappy with it). Solely measuring subjective indicators may mislead you or make you read too much into your evidence, or you may be in danger of representing a narrow self-interest that is detrimental to another group (e.g. people reporting that they are better off because an environmental tax has been removed). Research suggests that subjective indicators are most reliable when applied to a specific group and relate to observable facts, or figures.

It might be useful to think of a suite of indicators as rounding out traditional objective measures – so we might measure not just employment outcomes but also whether workers find their work rewarding and whether they receive a living wage. However, do remember that subjective indicators can tell us about important outcomes in and of themselves. In criminal justice, for example, we might we might want to measure 'incidences of crime' but also 'trust in the police' and 'fear of crime', as our stakeholders may have told us that these are as important as the actual amount of crime in the area. There is no right and wrong combination of the subjective and objective, it will depend on the outcome and context. Research suggests that subjective indicators are most reliable when applied to a specific group and relate to observable facts, or figures.

The table below sets out an example of each and the pros and cons associated with each approach for an outcome of 'Increased autonomy and control'.

Type of indicator	Indicator	Pros	Cons
Subjective	Service users report feeling more in control of their life	Changes in feelings and experiences can be an important part of the theory of change – difficult to capture in an objective form	Less reliable – measuring again might give different results
		Possibly a good 'leading' indicator of other future outcomes	From a group with large variation, taking a small sample creates a large margin of error
		Easy to gather and aggregate from survey data	When self-reports are not routinely collected, making surveys can be

			expensive
Objective	Service user is using a service less	Possible to have large sample as it is a register, therefore low margin of error	Unless combined with other indicators, this data may not be valid – it might measure dissatisfaction with the service rather than someone getting better
		Easy to gather from attendance sheets	Potential for perverse incentives to discourage people from using services that might in fact improve outcomes
Third-party	Family member reports that the client is taking more control in their life	Can be a useful way of capturing a short-term outcome	Extent to which the third party is reliable will vary
		Useful way of triangulating a self-report	Increased danger of bias in reporting

2.2 Designing subjective indicators

When using subjective indicators, try to be as unambiguous as possible in the language, as research suggests that is a good way to increase the reliability of the answers. For example, if you want to know about people's views on quality of housing, don't just ask them to report on whether they consider the housing of good quality. Instead, explain what you mean by 'good': well-lit, comfortable, clean, well-maintained. You may want to be even more specific and ask people to report on the number of repairs required, or lights not working, as well as whether they feel safe at night. Also, ensure that your stakeholder group is homogenous enough to be able to interpret the answers meaningfully, as groups may respond in different ways depending on their circumstances. Sticking with our housing example, you may want to distinguish between social and private housing in a community to really understand what the quality of the housing is like.

3. Knowing when an indicator is appropriate

3.1 Why are outcome indicators stakeholder-informed?

Stakeholders are often the best people to help you identify appropriate indicators, through asking them how they know that change has happened for them. During the stakeholder engagement process, you should be able to capture some of the story behind the outcome. As you understand their experience of the change created, you will be able to understand what is most relevant for the stakeholders, and also what the suitable measure would be. Irrelevant indicators will fail to properly capture the outcome, compromising the quality of the SROI calculations. For example, an 'improvement in well-being' outcome could mean different things to different people, by asking your stakeholders 'how will you know when you are feeling better? What will be different?' you can identify good indicators for this outcome.

In a further example, if the outcome was an increase in self confidence, ask the people whose self-confidence is increased what they now do as a result or ask them to tell you what they mean by self-confidence. In this way, you are more likely to get to something that you can measure. They might say 'before [the activity] I would never go out, but now I get the bus in to town to meet my friends'. In this example the indicator of self-confidence could be whether people go out more or spend more time with other people.

3.2 What are the considerations when deciding on outcome indicators?

An indicator, or set of indicators, should ideally feature completeness, relevance and measurability:

COMPLETENESS	RELEVANCE	MEASURABILITY
<p>A given combination of one or more outcome indicators must capture the important quality and quantity dimensions of an outcome.</p>	<p>The indicators of your choice must be relevant to the stakeholders in question.</p>	<p>Every attempt should be made to measure what is important rather than what is easy to measure. However, indicators that are difficult, impossible or too expensive to measure should be avoided.</p>
<p>How? When necessary, use a range of indicators that capture different aspects of the outcome. Mixing indicators of different types is often helpful.</p>	<p>How? Ensure that the indicators are informed by the experience of your stakeholders</p>	<p>How? Be realistic about what is measurable. Set a target for time/resources required to gather indicator data and only choose indicators that can work within your constraints.</p>
<p>Why? If your indicator is too narrow, you may be just measuring an output, rather than an outcome. This may make your analysis reductive and undermine your ability to measure what matters.</p>	<p>Why? The outcomes data you will collect using irrelevant indicators will not capture the change that is most important for your stakeholders.</p>	<p>Why? Your choice of indicator should facilitate the gathering of data. If your choice makes it hard to gather data your SROI analysis will be compromised.</p>

3.3. How to use the indicator bank

Good indicators require an evaluation of the context at hand – it is difficult to provide hard and fast rules as to what makes a good one. The examples provided are intended to get you thinking about the right indicators for your organisation. As mentioned earlier, you should try to also run them by your stakeholders so that there is an assurance that your indicators are well-targeted to your organisation. At a minimum, you should evaluate the indicator based on what you know about your stakeholder.

Now that you have indicators that are relevant to the stakeholder and scope, you need to check that they are not only measurable but that you will be able to measure them within the scope and the resources you have set.

4. Best practice and checklist.

4.1. What are some good practices to adopt in this step of the SROI process?

DOCUMENT YOUR THOUGHT PROCESS: Document your reasoning for choosing an indicator, any assumptions you have made and your sources of information. Doing so will ensure your rationale is clear and will make it easier to change or modify your indicators in the future.

WHERE APPROPRIATE MEASURE DISTANCE TRAVELLED: Understand the chain of events that lead to the final outcome and investigate whether it is possible to identify indicators along the way. Make sure you are clear about the journey of change, and consider if you need to split your outcomes and find indicators to represent distance travelled.

WHERE APPROPRIATE TRY TO USE MULTIPLE INDICATORS: Use more than one indicator if possible. Avoid using too many indicators unless they are all essential. Using more than one will increase the likelihood that your outcome indicators are good. This is particularly important if you are not measuring distance travelled.

TALK TO YOUR STAKEHOLDERS: Do not rely on indicators simply because they are in the database – ensure that your choice is informed by the experience of your stakeholders.

USE A COMBINATION OF SUBJECTIVE AND OBJECTIVE DATA: If using objective data make sure it is fleshed out sufficiently with subjective indicators. Nor is it advisable to rely solely on subjective information.

MAKE SURE INDICATORS ARE RELIABLE: If the analysis was repeated good indicators will result in the same or compatible results in re-tests. Risks are greatest with subjective indicators. This can be reduced by asking unambiguous questions that people are likely to be able to respond to in a consistent way

MAKE SURE INDICATORS ARE VALID: This refers to the extent to which the indicator accurately and robustly explains the outcome that you are trying to measure. Waiting times alone therefore are not a valid measure of improvements in health.

4.2. Outcome indicators checklist.

Is your indicator or basket of indicators both reliable and valid?

Is it measuring the right thing in the right way?

Is the indicator unambiguous?

Is it phrased in the most direct way of asking it?

Is it in language that is appropriate to the stakeholder?

Can you realistically find some measurements for your indicator, given the resources available to you?