

# So, What Does It All Add Up To?

## Measuring International NGO Results at the Agency Level

Charged by ambitious visions, international NGOs work across numerous countries, sectors, and projects. But what does all that work add up to? What is the sum of the parts? Are there meaningful, cost-effective ways to tell?

### What does agency-level measurement (ALM) look like?

Approaches to measuring results at the agency level are varied. Some approaches are top-down, starting with agency-level measures that align with a mission or strategic plan and then asking staff to track indicators associated with these measures. Others are bottom-up, starting with data already collected in countries or programs and aggregating this data for an agency-level perspective. Some focus on program results; others include finance, management, and other results. Some have custom-designed data management platforms and others use software like Excel.

### How well are ALM systems used?

Agency-level data is used mainly by groups at the *headquarters level*, including marketing and communications staff, proposal writers and fundraisers, senior executives, and boards of directors; the data is used less by staff at the country or field level. In their early years, ALM systems seem to be better at producing data related to organizations' *reach* and *outputs*, than providing insights to shape *decisions* about strategy, performance, or resource allocation. *Data quality* is a challenge, and use depends on how much stakeholders trust the data produced by ALM systems.

### Insights for Executive Leaders

#### Potential Opportunities:

- Agency-level data on reach and outputs (and, in the future, data on outcomes) provide a sense of the organization's scope and scale.
- When ALM system is aligned with strategic plan, data can measure progress against plan.
- The process of designing an ALM system encourages thinking across organizational silos (i.e. country offices, projects, programs) and leads to broad evaluation capacity investments.

#### Potential Risks:

- Developing an agency-level measurement system often takes more time (3-5 years), funding, and skills than anticipated.
- An organizational culture that values data is a necessary precondition to ALM system success.
- Achieving good data quality requires M&E capacity building.
- Technology solutions cannot replace other skills.
- Country-level staff and other data collectors must value the system to encourage their buy-in.
- ALM systems may only end up satisfying headquarters groups.
- Data can be misused if what they say (and do not say) is not clearly understood.

## Under what conditions can an ALM system be valuable for my organization?

Because ALM systems take so many different forms and are implemented in so many different contexts, there is no simple answer. The success of the system tends to depend on how organizations and their executives confront and make choices related to the following issues:

- **Purpose and users:** An ALM system is more likely to be successful when an organization makes clear choices about the system's purpose and users, and the system is designed accordingly. When the system tries to deliver benefits to too many constituencies, the system typically evolves to meet the priorities of headquarters-based groups (i.e. boards, senior executives, marketing and communications staff), frustrating the broader expectations. In some cases, the pressure to produce data for marketing and communications becomes overwhelming, limiting the system's ability to produce data useful to executive leaders and program staff.
- **Time and resources:** Almost without exception, NGOs underestimate the time and resources required to develop and deliver a well-functioning ALM system. A comprehensive ALM system with a custom-designed data management platform may take close to two years to develop and another three years to produce quality data. Executives must either accept this timeframe, allocate adequate resources, and communicate widely to the organization, *or* choose to start simple and small and build toward an ALM system by piloting, iterating, and adapting.

- **Capacity:** ALM systems require a minimum level of agency-wide capacity for data collection and entry to ensure reliable data quality. They also require agency-level capacity for analysis, synthesis, and presentation to produce the kind of reports and visualizations that make the data useful. In addition, ongoing technical assistance and accompaniment is required to ensure ALM systems are well fed and used. If organizations do not already possess the capacity required for an ALM system, they must be prepared to allocate the resources and time to build the necessary capacity.
- **Leadership and championing:** Developing and implementing an ALM system can be a lengthy and complex process, which requires time and engagement of staff from various parts of the organization. Sustained championing from an executive leader is critical to signal that ALM is a priority beyond the M&E function. The executive champion

### Organizational Readiness

#### Readiness for an ALM system depends on:

- An organizational learning culture that values data-driven decision making;
- A champion within the executive leadership who invests time in supporting the system;
- A clear organizational strategy, theory of change, and/or priorities;
- A clear sense of target users and purpose; and
- Adequate skills for data collection, management, analysis, and use.

must ensure that the system generates data actionable for leadership and that other executives understand the potential and limitations of the system and are committed to using the data generated.

- **Organizational culture:** ALM systems are valuable and effective only if they are well used; this often depends on whether the culture of the organization values data and rewards evidence-based decision making. For example, it is not just the quality of the data produced but also the processes that facilitate collective reflection on what the data means that generate value for organizations. Few NGOs (as yet) have cultures that truly value learning and evidence-based decision making, and shifting an organization's culture takes sustained leadership attention, concerted change management, and significant time.
  - **Outputs:** Despite the aspiration to measure "what it all adds up to," the reality is that most systems end up capturing outputs (rather than outcomes or impact). This is because outputs are easier to measure across organizations. While outputs may be good metrics to communicate the scope or scale of an organization, they may not be very useful for learning or decision making, unless the link between specific outputs and related outcomes are already well established.
  - **Thinking at the agency level:** NGOs typically work in project, sector, or country
- silos. The process of developing agency-level measures can be a rare opportunity to think across silos. This can help staff see how their work contributes to the broader whole. This is a helpful insight and motivation for working toward an organization's strategy or theory of change.
- **Data management platform:** These platforms are a tool and not a solution. Costly, sophisticated data management platforms are not necessarily more effective than relatively inexpensive platforms. The critical factor is the extent to which the ALM system design is tailored to the capacities and realities of staff collecting data at the field or country level, and the ultimate purpose of the system. The data management platform must be user-friendly, accessible, and adaptable in order to generate buy-in, sustain engagement, and encourage use.
  - **Limitations and misuse:** ALM systems based on standardized indicators do not tell the full story of an organization's work or results. They often indicate the breadth of an organization's work, but the depth of and context for this work has to be explored through evaluations or case studies. The data generated by ALM systems often raise important questions rather than providing answers. There is also a risk that agency-level data will be misused by assuming that they are comparable across various contexts (without having in place the methods to ensure such comparability), for example.

*This is a summary of the May 2016 white paper titled **Measuring International NGO Agency-Level Results** by Carlisle Levine, Tosca Bruno van Vijfeijken and Sherine Jayawickrama. The paper can be downloaded at <https://www.interaction.org/document/measuring-ingo-agency-level-results>.*