CLARITY AND FEEDBACK
How Information Can Drive Outcomes

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One day in third grade my teacher walked us down the hall of Brunson Elementary School to the library. The librarian gave us a tour and explained how the books were organized: the Dewey Decimal System. She described the conveniently-numbered categories (Religion: 200! Science: 500!). I was fascinated. But I remember pausing for a moment as she walked through the subcategories for Literature, from 810 (American Literature in English) to 880 (Classical and Modern Greek) all the way to the lonely category 890: "Other." Non-European literature—the majority of the human story—was relegated to "Other."

I didn't have the language to describe my confusion. But that day in the library started me on a path to a simple realization: How we organize information matters for how we understand the world. And it matters for how we act in it. This is especially true in the work of social good.

INTENTION AND LEARNING

We ride toward the future on the tracks of our intentions. When we state a goal, we set a pattern in our minds and thus our actions. The first characteristic of effective social change is, therefore, *intention*. That intention should be aimed toward lasting results for a better world: We must judge our success not by completed actions, but by completed change. Or, in nonprofit-speak, organizations should seek to create lasting "outcomes" and not settle for just maximizing "outputs."

The second characteristic of effective social change is a stance of constant *learning*. For social change organizations to be effective, they need to learn from the world around them. It is the only way to adapt to a changing context, to adjust after a mistake, and, in simple terms, to get better.

Intention provides information. Learning requires information. So how should we organize this information? How might we ensure that the community of social change can access the right information at the right time? We need mechanisms to gather, structure, and distribute information. And to honor the diversity and complexity of social change, we need to do better than Melvil Dewey.

FOUR TYPES OF INFORMATION ABOUT SOCIAL CHANGE

There are four primary categories of information about social change. The first category is information about the social issue itself. If one cares about obesity in Birmingham, Alabama, for instance, it makes sense to ask: What is the obesity rate in Birmingham? The second category is information about interventions. What are the best ways to reduce obesity? Should one focus on nutrition programs in schools or advocate for walkable neighborhoods? The third category is information about organizations. What groups are working to address obesity in Birmingham? What are their goals and strategies? What do these organizations' beneficiaries think of their work? The fourth category is information about resources. What foundations are funding work on obesity in Birmingham? How have volunteers devoted time and energy to drive healthy choices in a community?

Each of these four categories is critical to effective social change. They have for too long been held in isolated silos. As the field learns to cross-reference across these different categories of information, we will unlock new levels of intelligence and effectiveness.

The organization where I work, GuideStar, is the leading data platform for the third category: information about nonprofit organizations. This essay will focus primarily on how we might best structure information about organizations, for it is through organizations that people act to create the change we wish to see.[1]

INFORMATION ABOUT ORGANIZATIONS

One of the many human biases revealed by behavioral science is "availability bias:" We pay attention to the information that is immediately

1 For most of the twentieth century, organizations devoted to a social mission tended to be nonprofits. But as the universe of the social sector expands, we cannot look only to tax status to understand social good. Social businesses, government entities, and unincorporated networks of people are often the vehicles for social good. Accordingly, I'll use the more general descriptors "organizations" or "social organizations."

available, even if it is incomplete or irrelevant. Availability bias has consistently undermined our understanding of organizations. This has been especially acute in the nonprofit sector, where nonprofits' publicly available annual filings with the IRS have provided the appearance of a comprehensive data set. Although immensely valuable, these filings—through the Form 990—are primarily composed of financial and operational data. The form has very little data about goals, programmatic strategies, or results. And although the financial data in the 990 provide a rich picture of certain aspects of a nonprofit organization's economics (e.g., the structure of the balance sheet), the form is limited in describing others aspects (e.g., the underlying drivers of revenue or costs).

We cannot allow availability bias to determine how we understand organizations, nor should we leave it to the IRS to determine how we think about organizational performance. Instead, we need a proactive framework. If the work of social change is complex, it stands to reason that we would need a multidimensional approach to understanding organizations. To start, let us consider a basic dimension, one that applies to all organizations: Some data come from *inside* organizations, and some come from *outside* them.

INSIDE-OUT: THE POWER OF CLARITY

The most important source of data about an organization is the organization itself. Indeed, for many kinds of information, the organization is the only possible source of information. Only the leadership of an organization can decide on the organization's mission or goals. For other categories—e.g., a list of board members—it may not be the only source of information, but it is the most efficient.

Self-reported data can enable rich insight into an organization's finances and operations. At best, it can give a sense of an organization's reach and its depth of impact. And there is an often-missed advantage to self-reported information. The way an organization talks about its work can itself be an indicator of its potential effectiveness. That insight may be found through a simple lens: clarity. An organization that can clearly state its goals and strategies will find it far easier to arrange its activities and is far more likely to achieve those goals. Clarity of action flows from clarity of goal-setting. Optimally, those goals are framed in the form of specific outcomes so they refer to lasting results and not just fleeting activities.

Moreover, an organization that can articulate its mechanisms of measurement, evaluation, and learning is far more likely to learn and change course as necessary. "Clarity" need not mean "certainty." Indeed, an organization that clearly articulates its uncertainties is an honest organization. And honesty is a foundation for learning: If we don't admit that we don't perfectly understand something, it is harder to adapt our understanding over time.

Optimally, a nonprofit's description of its work should be both qualitative (words) and quantitative (numbers). Words that describe goals and strategies should be matched with numbers that measure progress. Consider a job training program. It might track the number of volunteer trainers (an "input"), the number of trainings held (an "activity"), the number of people who complete the training (an "output"), and the number of people who got jobs (an "outcome"). These metrics form a causal chain that flows through to social good.

As a rule, it gets increasingly difficult to measure as one moves down this causal chain. But a serious organization has no choice but to go as far as possible. When we fail to interrogate the actual numbers that explain our organization's results in the world we, quite simply, betray our missions.

There are scoundrels in the nonprofit sector, those who lie to the world about their work. A bigger challenge, though, are the organizations that lie to themselves. By not paying attention to their own data they fail to see (or admit) the ways they are not succeeding. And that is one of many reasons why external perspective is also crucial.

OUTSIDE-IN: THE POWER OF PERSPECTIVE

The leaders of social change organizations toil for a better world. They are absorbed in the frameworks and language of their fields and their organizations. Familiarity breeds blindness. Those outside an organization can often see things those on the inside cannot.

That external perspective can be part of a formal institutional contract. An audit firm might provide an annual external perspective on an organization's financial controls and financial position. A third-party evaluator might offer expertise and neutrality when analyzing the impact—or lack thereof—of an organization's work.

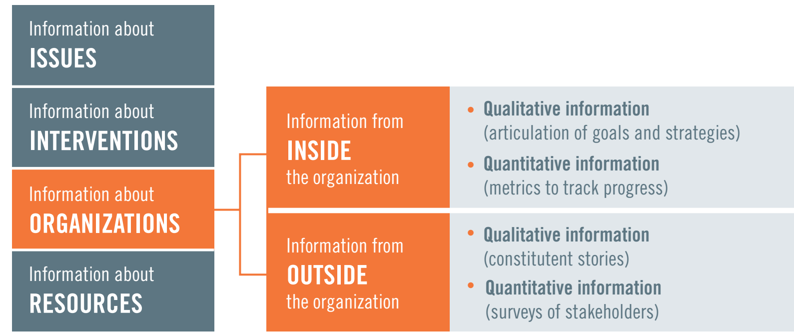
Perspective does not require a formal arrangement with an outside firm. One can gain great insight through casual conversations with volunteers or a suggestion box at a homeless shelter. Direct engagement with constituents can also be highly structured: For example, a months-long community engagement process to decide how to rebuild a waterfront.

Effective organizations recognize that stakeholder engagement brings two distinct types of benefits: deeper loyalty and better insight. It is no small task to extract opinions from multiple stakeholder groups. Volunteers, donors, and partners might all require different processes. But it is only through seeking such external perspectives that organizations can respond to the world around them.

Different stakeholder groups offer different types of insight for different organizations. An organization that relies heavily on volunteers (e.g., the Greater Chicago Food Depository) should pay special attention to their opinions. An organization that directly serves an end beneficiary (e.g., the Kendall County Women's Shelter) will know the experiences of those beneficiaries are central to achieving the organization's mission. The best insights about an advocacy group (e.g., Natural Resources Defense Council) may come from experts, such as journalists, policymakers, and foundation program officers. Constituency voice is always important, though it will take various forms across the diverse social change community. And as with "inside-out" information, "outside-in" data can be both qualitative (e.g., stories of success or failure) and quantitative (e.g., satisfaction scores).

The business world spends billions of dollars each year learning from its constituents, whether through J.D. Power surveys or the Net Promoter Score. Social change organizations, from GlobalGiving to the Fund for Shared Insight, are now exploring sophisticated ways to bring the voice of stakeholders into nonprofit strategy. There is no perfect solution. But for now, the advice to organization leaders is simple: Just ask. Ask your stakeholders what they think. And listen to what they say.

Figure 1. Information About Social Change: Organizations



A DATA SYSTEM FOR SOCIAL CHANGE

As a field, we dream of multidimensional, contextualized data about social change. The emerging infrastructure of social change data offers a promise of a more efficient and effective field. In particular, we have a chance to orient the field's information systems around lasting outcomes, not mere activities.

Advances in technology provide an opportunity not just to collect that data, but also to distribute it and make it useful at scale. To get there, we will have to strengthen our data standards (unique IDs, taxonomies, and protocols), raise more capital, find new partners, and build new bridges with business and government.

If we do it right we can present the complexity of social change in a way that makes sense to human beings. This is a multi-decade challenge. But we are well on our way to a social sector defined by intention and enriched by learning.

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