
SECTION IV
THE ROLE OF PERFORMANCE
MEASURES IN EXPANDING CAPACITY

EDITOR'S NOTE

The current support environment for community economic development encourages practitioners to measure the impact of their efforts. The intense competition for scarce resources for community economic development forces community-based development organizations to justify their activities in ways not requested a short 5 years ago. Some of the trends, matrices, and indicators purporting to increase impact are no more than make-work activities that give comfort to funders that their investments are justified. Yet performance matrices and indicators, if constructed and used wisely, cannot and should not be dismissed as valuable tools for advancing the field.

ORGANIZATIONAL CAPACITY: ISSUES AND CONCERNS REGARDING PERFORMANCE STANDARDS

Rikki Abzug and Mary R. Watson

After 30 years of housing development and neighborhood renewal, more and more stakeholders in community development ask how to measure effectiveness aside from the traditional means of bricks and mortar. Funders, in both philanthropy and the public sector, encourage (and often require) the nonprofit sector in general to measure the outcomes of their efforts. Tools of performance measurement and standards increasingly attempt to gauge and improve the effectiveness and efficiency of community development corporations (CDCs). This paper discusses three categories of performance measurement and standards:

1. Process measurements, which include systems and procedures such as quality improvement through total quality management (TQM).
2. Outcomes measurements, which apply to the results of systems, procedures, and production, such as housing units built or development leading to community improvement.
3. People measurements, which address issues of quality and performance in human resource systems, such as employee retention.

DEFINITION

In brief, performance measurements and standards create tools designed to assess the linkage between organizational strategies and achievements. These tools seek objective answers to critical questions, including these: How did a particular program engender the intended outcomes? How is this organization benefiting the community? How are management and human resource systems successfully developing organizational capacity?

Given recent pressures to extend and enhance performance measurement and standards, leaders in the CDC field need to raise and address additional questions about both standards that are set internally by individual organizations and those that are imposed externally by groups of organizations, intermediaries, and/or funders. For example, what accepted field-wide definitions of performance measure-

ment and performance standards exist, and should they? If they do, how can the community development field and CDCs in particular develop a coherent and widely accepted definition of performance measurement for their work? How should their organizations strive to achieve individual or field-derived standards? What benefits and costs of various approaches exist? The question of how and if the field would benefit from standards is complicated, controversial, and beyond the scope of this paper. The trend toward some degree of performance measurement and standards, however, seems to have taken root, and CDCs and community development practitioners cannot wholly avoid the trend.

EXAMPLES OF THE THREE CATEGORIES OF PERFORMANCE STANDARDS IN CDCS

Community development corporations operate under many of the standards for process, human resource, and outcome management that help govern the nonprofit sector generally. Focusing on three categories of standards may be particularly useful in the case of CDCs:

- 1. Process-focused standards.** Given the many commercial predilections and aspirations of contemporary CDCs, a host of standards aimed at measuring process has taken hold in this particular nonprofit field. For example, TQM—an organizing set of standards focused on process rather than inputs or outputs, which helps identify systemic flaws—has been used at the organization level. Other function/process measurements also have been used at this level, including lending ratios, amount/percentage of funding obtained, and budget growth.
- 2. People-focused standards.** On the human resource side, the influx of money and attention from funders such as the Human Capital Development Initiative (HCDI) and the ongoing work of local Community Development Support Collaborations have increased the use of human resource audits (Glickman 2003; The Urban Institute 1996). Likewise, preliminary work from the Living Cities Milano Collaboration should highlight a “People First” cultural standard, already posited to exist in high-performing CDCs. Future research will test these relationships (<http://www.lcmmix.org/links.cfm?cat=0&top=0>).
- 3. Outcomes-focused standards.** Initially, CDCs were held to performance measures of units and square footage of housing and commercial space constructed and rehabilitated. More recently, funders have begun to seek a broader set of

qualitative and quantitative standards relating to organizational capacity (Fredericksen and London 2000) and performance outcomes.

There are major differences between internally set organization standards and externally imposed field-wide standards:

1. **Organization standards.** Much of the burgeoning evaluation literature within and around the CDC field suggests the organization is itself the best resource for impact indicators. Lately the CDC performance outcomes category has taken a giant leap forward through initiatives such as the Success Measures Project launched in 1997 by the Development Leadership Network with support from the McAuley Institute (as cited by the National Housing Institute, along with other evaluation resources found at <http://www.nhi.org/online/issues/119/EvaluationRscs.html>. (See the Success Measures Project's practitioner-friendly website at <http://www.developmentleadership.net/>.) This network of community development practitioners and other stakeholders has identified and created 44 community development program impact measures that can be grouped in three broad areas: housing programs, economic development programs, and community-building initiatives. The network's literature emphasizes that organizations select their own indicators to "reflect their own unique vision, strategy and circumstances." The indicators vary depending on the area of impact.
2. **Field standards.** Networks of organizations, field intermediaries, funders, and even regulators have developed field-wide standards and applied these to organizations in the for-profit sector and, to a lesser extent, the nonprofit sector. Field-wide standards, however, have not taken hold in the CDC industry. Although CDCs operate under some generic standards applied to nonprofits, the debate continues as to how (and whether) to develop CDC-specific standards in process, human resource management, and performance outcomes.

THE BOTTOM LINE: WHAT WORKS BEST FOR CDCs?

Standards established within the organization are more likely to affect the internal organizational effectiveness of CDCs (for example, quality of service and staff motivation), whereas field-wide standards are likely to impact external outcomes (such as funding level, media perception of organizational effectiveness, volunteer interest, and so forth). Both sets of outcomes may be desirable under different circumstances, but in some cases, complying with field-wide standards may be costly and not fundable. The CDC field, as well as the nonprofit sector

more generally, has concerns about the wisdom of one-size-fits-all standards. Thus, it remains unclear whether internal or field-wide standards are superior. Performance enhancement may be achieved through standards derived from the organization, but external stakeholder resources may be more likely to be elicited through field-wide standards.

CONCLUSION

Given the questions raised by this paper and the various issues that CDCs must consider, we believe the community development field should proceed cautiously when considering performance measurement. Performance is in the eyes of the myriad beholders, leading some to believe that one-size-fits-all standards will never please everyone. Indeed, in the nonprofit sector, which includes vastly different organizations in terms of size, age, and even state nonprofit legal requirements, standards can have a chilling, conforming effect.

Certainly, the imposition of standards and certifications from without (or above) has a different effect from the encouragement of performance improvement from within organizations or across organizational fields. Only thin and disappointing evidence exists on the direct correlation between performance measurement and organizational effectiveness. Still, there may be reasons to move ahead, bearing in mind the lessons of experience across sectors.

Standards and performance measurement often confer legitimacy both within and upon a field; they can encourage organizations to endeavor to achieve the standards, which may in turn lead to greater levels of effectiveness. Further, if standards lead to additional accessible information and knowledge, benefits may emerge for constituents such as donors/funders, potential employees/partners, and, of course, communities.

If performance measures are to be useful, CDCs must align the category of selected performance standards (process, people, outcomes) with performance measures related to that category of performance. The effectiveness of process-related standards can be assessed best through measuring process improvements, whereas people-related standards should be tied to individual and group performance outcomes, and outcomes standards should reflect overall organizational performance improvement.

Performance measurement and standard compliance are costly (and rarely funded). The community development field must recognize the issues associated with measurement and standards, and leaders in the CDC field must address weaknesses with the proper perspective and resources. If field-wide standards are to be set, critical questions remain on how to do so. Who will set the standards? What are the expectations? What funding will exist for compliance? What are the costs and benefits of compliance and noncompliance?

Without satisfactory answers to these questions, this paper advises a considered review of the value of performance measurement and standards to the CDC field.

REFERENCES

Fredericksen, Patricia, and Roseanne London. 2000. Disconnect in the Hollow State: The Pivotal Role of Organizational Capacity in Community-Based Development Organizations. *Public Administration Review* 60 (3): 230–239.

Glickman, Norman J. 2003. *Building the Capacity of Community-Based Development Organizations: The Case of Community Development Partnerships*. Paper prepared for the U.S. Department of Housing and Urban Development, Washington, DC.

The Urban Institute. 1996. *The Performance of Community Development Systems: A Report to the National Community Development Initiative*. Washington, DC: The Urban Institute.

ADDITIONAL READING

Barnow, B.S. 2000. Exploring the Relationship Between Performance Management and Program Impact: A Case Study of the Job Training Partnership Act. *Journal of Policy Analysis and Management* 19 (1): 118–141.

Batt, Rosemary. 1999. Work Organization, Technology, and Performance in Customer Service and Sales. *Industrial & Labor Relations Review* 52 (4): 539–564.

Becker, B.E., M.A. Huselid, and Dave Ulrich. 2001. *The HR Scorecard: Linking People, Strategy, and Performance*. Cambridge, MA: Harvard Business School Press.

Brief, Arthur P., ed. 1984. *Productivity Research in the Behavioral and Social Sciences*. New York: Praeger Publishers.

Connor, Gary. 2003. Benefiting From Six Sigma. *Manufacturing Engineering* 130 (2): 53-60.

Cronin, F.J. 1983. The Efficiency of Demand-Oriented Housing Programs: Generalizing From Experimental Findings. *Journal of Human Resources* 18 (1): 100-125.

Fitz-Enz, Jac. 2000. *The ROI of Human Capital: Measuring the economic value of employee performance*. AMACOM.

———. 1994. *How to measure human resource management*. New York: McGraw-Hill Trade.

Forbes, Daniel P. 1998. Measuring the Unmeasurable: Empirical Studies of Nonprofit Organization Effectiveness From 1977 to 1997. *Nonprofit and Voluntary Sector Quarterly* 27 (2): 183-202.

Gilbert, J.D. 1992. TQM Flops: A Chance To Learn From the Mistakes of Others. *National Productivity Review* 11: 491-499.

Hackman, J.R., and R. Wagemen. 1995. Total Quality Management: Empirical, Conceptual, and Practical Issues. *Administrative Science Quarterly* 40 (2): 309-342.

Hage, Jerald. 1984. Organizational Theory and the Concept of Productivity. In *Productivity Research in the Behavioral and Social Sciences*, edited by A.P. Brief. New York: Praeger Publishers.

Hansmann, Henry. 1980. The Role of Nonprofit Enterprise. *Yale Law Journal* 89: 835-901.

Heckman, J.J., J.A. Smith, and C. Taber. 1996. What Do Bureaucrats Do? The Effects of Performance Standards and Bureaucratic Preferences on Acceptance Into the JTPA Program. In *Advances in the study of entrepreneurship, innovation, and economic growth 7: Reinventing government and the problem of bureaucracy*, edited by Gary D. Libecap. Greenwich, CT: JAI Press.

Heinrich, Carolyn J. 2002. Outcomes-Based Performance Management in the Public Sector: Implications for Government Accountability and Effectiveness. *Public Administration Review* (62) 6: 712-726.

Huselid, M.A. 1995. The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal* 38 (3): 635-673.

Huselid, M.A., and B.E. Becker. 1996. Methodological Issues in Cross-Sectional and Panel Estimates of the Human Resource-Firm Performance Link. *Industrial Relations* 35 (3): 400-423.

Johnston, D. 1990. Riding the Philanthropic Tide To Raise All Boats. *Progressions* 2: 7-9.

Jones, Jeff. 2003. Sarbanes-Oxley Act May Become Nonprofit Standard: Auditors Urged To Be More Aggressive With Oversight of Nonprofits. *The Nonprofit Times*, March 1.

Kanter, R.M., and D.V. Summers. 1987. Doing Well While Doing Good: Dilemmas of Performance Measurement in Nonprofit Organizations and the Need for a Multiple Constituency Approach. In *The Nonprofit Sector: A Research Handbook*, edited by W.W. Powell. New Haven, CT: Yale University Press.

Kaplan, R.S., and D.P. Norton. 1996. *Balanced Scorecard: Translating Strategy Into Action*. Cambridge, MA: Harvard Business School Press.

———. 1992. The Balanced Scorecard: Measures That Drive Performance. *Harvard Business Review* 70 (1): 71-79.

Kearns, K.P., R.J. Krasman, and W.J. Meyer. 1994. Why Nonprofit Organizations Are Ripe for Total Quality Management. *Nonprofit Management and Leadership* 4: 447-460.

Krishnan, Raghu, et al. 1993. In Search of Quality Improvement: Problems of Design and Implementation. *The Academy of Management Executive* 7 (4): 7-23.

Littman, I.D. 1991. A Partner in Excellence. *Quality* 31: Q11-Q12.

MacDuffie, J.P. 1995. Human Resource Bundles and Manufacturing Performance: Organizational Logic and Flexible Production Systems in the World Auto Industry. *Industrial and Labor Relations Review* 48 (2): 197-223.

Mahoney, T.A., and M.R. Watson. 1993. Evolving Modes of Workforce Governance: An Evaluation. In *Employee Representation: Alternatives and Future Directions*, edited by B.E. Kaufman and M.M. Kleiner. Madison, WI: Industrial Relations Research Association.

Newcomer, K.E., ed. 1997. *New Directions for Evaluation: Using Performance Measurement To Improve Public and Nonprofit Programs*. San Francisco: Jossey-Bass.

Paton, Rob, and Jane Foot. 2000. Nonprofits' Use of Awards To Improve and Demonstrate Performance: Valuable Discipline or Burdensome Formalities? *Voluntas* 11: 329-353.

Pennings, J.M. 1984. Productivity: Some Old and New Issues. In *Productivity Research in the Behavioral and Social Sciences*, edited by A.P. Brief. New York: Praeger Publishers.

Perry-Smith, J.E., and T.C. Blum. 2000. Work-Family Human Resource Bundles and Perceived Organizational Performance. *Academy of Management Journal* 43 (6): 1107-1118.

Radin, Beryl. 2000. The Government Performance and Results Act and the Tradition of Federal Management Reform: Square Pegs in Round Holes? *Journal of Public Administration Research and Theory* 10 (1): 111-135.

Raffio, Thomas. 1992. Delta Dental Plan of Massachusetts. *Sloan Management Review* 34: 101-110.

Spognardi, Mark. 1997. Conducting a Human Resources Audit: A Primer. *Employee Relations Law Journal* (23) 1: 105-123.

Ulrich, David. 1997. *Human Resource Champions*. Cambridge, MA: Harvard Business School Press.

Uzumeri, M.V. 1997. ISO 9000 and Other Metastandards: Principles for Management Practice? *The Academy of Management Executive* 11 (1): 21-37.

Walton, Mary, and W.E. Deming. 1986. *The Deming Management Method*. New York: Berkley Publishing Group.

Wholey, J.S., and H.P. Hatry. 1992. The Case for Performance Monitoring. *Public Administration Review* 52 (6): 604-611.

Youndt, M.A., et al. 1996. Human Resource Management, Manufacturing Strategy, and Firm Performance. *Academy of Management Journal* 39 (4): 836-867.

Zhang, Zhihai. 2000. Developing a Model of Quality Management Methods and Evaluating Their Effects on Business Performance. *Total Quality Management* 11 (1): 129-138.

ABOUT THE AUTHORS

Rikki Abzug is a faculty member of the Nonprofit Management Program of the Robert J. Milano Graduate School of Management and Urban Policy at New School University in New York City. Mary R. Watson is assistant professor at the Milano Graduate School of Management and Urban Policy at the New School University in New York City.

PARTICIPATORY OUTCOMES-BASED EVALUATION: THE SUCCESS MEASURES PROCESS AND DATA SYSTEM

Virginia Seitz and Margaret Grieve

“We do not know much about what we know.”

For more than 30 years, the community development field has brought together community-based social activism with foundations and government to revitalize our declining urban and rural places. Much anecdotal evidence describes successful outcomes, but as with other aspects of the community development field, documenting and measuring those outcomes has been elusive. Anglin and Herts (2003) note the inherent contradiction between community development as a social movement and community development as the realm of effective and enduring institutional agents of change. This tension plays out in evaluation: evaluation does not fit the identity of community development as “more art than science,” and the “science” of evaluation measurement seems at odds with social change and community empowerment agendas. At best, evaluation tends to be a donor-driven accounting of outputs, rather than a learning tool by, for, and with community development practitioners, residents, and other stakeholders.

What we do know is that community development and related social change movements lack information about the changes happening at the community level that can inform ongoing program strategies, speak to national trends, and justify further investment. We also know that the donor community is requiring increasing accountability, not only of resources spent and targets reached, but also of impacts achieved. The traditional method of counting the number of affordable housing units produced or the amount of square footage of commercial space developed describes “outputs” but does little to show the impact of community building, housing development, human services, and economic investment. Even when community development organizations (CDOs) get motivated to go further to demonstrate their success in terms of outcomes, their inherent values often conflict with the “outside expert” model of evaluation.

A recent study of program evaluation in community development (Moore et al. 2001) found that the lack of knowledge and expertise in evaluation and the high cost of hiring professional evaluators are critical barriers to conducting evaluations

that could demonstrate CDOs' impacts, inform decisions to improve programs, and ensure accountability to both funders and constituents. Moore et al. (2001) found that community development organizations that do evaluate use the results; they also believe those organizations would make greater and more meaningful use of evaluation if they developed the technical capacity of their own staffs and staff of peer organizations so they could conduct future evaluations with the benefit of their intimate knowledge of community development work. Study participants saw great potential to use impact data to organize their communities, educate the public, and influence policymakers about the value of their organization and its work. If the inherent values of community development conflict with the "outside expert" model of evaluation, and if the field also recognizes the value of evaluation, then we must develop an approach and tools for evaluation that build local competency *and* produce credible evaluation data.

This paper presents a case study outlining the implementation of an important approach and set of tools for the use of participatory outcome evaluation in community development. The Success Measures Data System (SMDS) is a national initiative of the McAuley Institute to define and measure impact in the community development field. Taken as a whole, SMDS' component parts offer a significant innovation for evaluation and community development practice in the United States. The important components are as follows:

- A participatory evaluation research process.
- A set of indicators and associated research tools developed with the participation of CDOs and other community-based organizations.
- An application service provider (ASP) on the Internet that makes the evaluation process, tools, and data tabulation accessible to community-based organizations.
- The possibility of collecting and analyzing community development outcome data at a national level.

In merging participatory methods and tools with the power of Web-based technology to analyze data across the nation, the Success Measures Data System creates a level of standardization that promotes "enduring institutions" without losing "community control and direction" (Anglin and Herts 2003, 4).

THE IMPORTANCE OF PARTICIPATORY EVALUATION

Participatory evaluation offers a method of measuring impact closely allied with the values of the community development field. Edward Jackson and Yusuf Kassam offer the following definition of participatory evaluation:

Participatory evaluation is a process of self-assessment, collective knowledge production, and cooperative action in which the stakeholders in a development intervention participate substantively in the identification of the evaluation issues, the design of the evaluation, the collection and analysis of the data, and the action taken as a result of the evaluation findings. By participating in the process, the stakeholders also build their own capacity and skills to undertake research and evaluation in other areas and to promote other forms of participatory development. Participatory evaluation seeks to give preferential treatment to the voices and decisions of the least powerful and most affected stakeholders—the local beneficiaries of the intervention. This approach to evaluation employs a wide range of data collection and analysis techniques, both qualitative and quantitative, involving fieldwork, workshops, and movement building (Jackson and Kassam 1998).

In traditional evaluation research, outside experts control the decision processes around evaluation goals, methods, tools, analyses, and recommendations. In contrast, a participatory method emphasizes grassroots participation in designing, implementing, and analyzing information. A diverse group of CDO stakeholders, including community development beneficiaries, participate in an evaluation process in which they contribute to deciding which program outcome goals are important and assess how well these goals are achieved. The evaluation process itself contributes to organizational and community competency: “Through this approach, the capacity of residents is strengthened, leadership skills are developed, networks are expanded and a process of continuous community improvement actualized” (Jackson and Kassam 1998).

THE SUCCESS MEASURES DATA SYSTEM

Over the past decade, the strategic advantages of participatory evaluation have been widely recognized, especially in the international-development context in which participatory evaluation is acknowledged as producing superior outcome information and is used effectively by grassroots organizations to redirect

resources, increase accountability to donors, improve program management, and gain broad stakeholder involvement in program design.

The original Success Measures method for participatory evaluation grew out of concerns among grassroots community development groups concerned that they were not adequately documenting the most important impacts of their work. Initiated by the Development Leadership Network (DLN) and community-based organizations, Success Measures, including the method, indicators, and tools, were developed in partnership with the McAuley Institute. From its inception, the design of Success Measures demystified and democratized evaluation by engaging community-based development practitioners, residents, funders, and policymakers to achieve the following goals:

- Build local capacity to analyze impact.
- Empower community residents and organizations to determine priorities and how they are measured.
- Generate new and better information that contributes to more effective community development programs.
- Demonstrate the value and impact of community development to effect systems change.

In the first step of the Success Measures method, community stakeholders articulate a “benefits picture” that describes the impacts they hope to achieve, encourages them to think holistically, and enables them to articulate the entire range of interconnected benefits that can result from programs, beginning with the end in mind. Next, they identify the indicators of a community’s economic and social health by which the organization will measure its success. Success Measures’ current indicators measure benefits to individuals, the neighborhood, and the community that result from housing, economic development, and community building activities. After selecting indicators, the participants choose from qualitative and quantitative data collection tools. Put in the context of a 1-year evaluation, Success Measures steps are as follows:

1. Identifying stakeholders—1st month.
2. Articulating a benefits picture—2nd month.
3. Choosing and/or creating new indicators to measure progress—3rd and 4th months.
4. Choosing and/or creating data collection tools—4th and 5th months.

5. Collecting information (data)—6th through 8th months.
6. Analyzing results—9th and 10th months.
7. Reporting and using knowledge gained—11th and 12th months.

In designing their own evaluation, local organizations first must decide on the context for the process: some choose the “working group” approach to evaluation, taking care to ensure that all relevant stakeholder groups are represented and the voices of community residents clearly and respectfully heard. Other organizations have a small team of staff and volunteers and hold community meetings to involve other stakeholders in decision processes for the evaluation. Whatever the approach, the model is flexible for the circumstances and local context of the evaluation.

From 1999 to 2003, through the collective efforts of hundreds of practitioners, 44 indicators and associated data-collection tools were developed and field tested. The indicators measure benefits such as wealth creation, personal effectiveness and self-sufficiency, neighborhood security, housing quality, employment and income from job training, residents’ sense of social cohesion, local economic impact, social networks, and participation in community life.

Many groups have received targeted technical assistance and training on how to conduct their own participatory evaluations by engaging stakeholders, customizing the indicators to their local environment, gathering baseline data, measuring their success against the baseline data, and demonstrating their impact on communities. For example, the impact of housing development can be measured using the indicators of affordability, quality, self-sufficiency, community diversity, and local economic impact. Community building efforts can be measured through indicators such as evidence of community power, residents’ sense of social cohesion, external perception of neighborhood, and leadership in neighborhood organizations. The indicators, as well as a step-by-step guide to conducting participatory evaluation, are described in Success Measures’ initial information resource, the *Success Measures Guide Book*.

Development and field-testing of the approach over the past 5 years have demonstrated its validity and usefulness while underscoring the need for further lowering the barriers that organizations face in measuring impact. Basing new efforts on what it has learned in the test phase, the McAuley Institute is building new tools for current indicators and developing new indicators and tools to address other kinds of social-change outcomes. McAuley’s most significant step forward, however, is the development of the SMDS, which became available nationally in March 2004.

GETTING TO IMPACT THROUGH TECHNOLOGY

In contrast to many large-scale, externally led evaluations that primarily involve neighborhood residents and program participants only as sources of information, Success Measures builds the competency of local organizations, community stakeholders, and program participants to engage in a process of reflection, analysis, and dialogue to measure program impacts. This can be accomplished through any good, fully developed participatory evaluation method. What has been missing in participatory evaluation are the tools and technology to conduct evaluation efficiently, to track change over time, and to aggregate results of local change for the field.

The new SMDS takes the Success Measures method to the Internet in an interactive format and adds a customized data collection and management function, as well as peer learning and online tutorials. With the capacity to serve many thousands of registered users conducting annual evaluations, the Data System will increase the number of organizations conducting participatory evaluations and further reduce the time, cost, and in-house technical, research, and database skills needed by organizations using the Success Measures method. SMDS also offers intermediaries and funders an opportunity to provide their grantees with an evaluation tool that can be customized and, at the same time, provide them with a picture of outcomes across grantee sites.

The Data System enables practitioners to plan and manage their entire participatory evaluation process on line in their own secure area of the project's national database. Community-based organizations can select indicators, download corresponding data collection tools such as survey questionnaires and focus group formats, input their data directly into forms on the Web page, and receive basic tabulation reports produced by the system. Users may also export data for further quantitative or qualitative analysis and store and manage data over time in their own secure area of the site. Project sponsors and others with interest in aggregate data can draw on the data entered from participating organizations opting to share their data to analyze and report on community development impacts and trends across the country.

USING THE SMDS

The SMDS's key features are best understood through the actions of a typical user. For example, an executive director of a CDO may participate in a workshop at a state community development corporation (CDC) association conference on the

Success Measures method and view a guided tour of the Data System. On returning home and sharing information with her board of directors, she can go to the website, register, and follow a guided tutorial of the system that provides both an introduction to the Success Measures participatory-evaluation process and the Data System's features. Another option is for the CDO to be sponsored by an intermediary and have an opportunity to participate in a series of three workshops that provide group technical assistance during the first year of evaluation.

When the CDO is registered, the CDO staff identifies community stakeholders to participate in a working group for the evaluation. In a first meeting or workshop, stakeholders articulate their benefits picture that describes, in practical terms, the impacts they hope to achieve, beginning with the end in mind. As a part of this process, stakeholders also identify the indicators of their community's economic and social health by which the organization will measure its success.

Returning to the SMDS, the executive director then enters the benefits picture of desired program outcomes and the indicators her community chose for measuring them. She would then use a "wizard" to create an evaluation on line in an area secured just for her organization. She would select data-collection tools (such as surveys, questions for focus groups, and formulas for analyzing program administrative data) tied to the indicators she chooses. Her community respondents or program participants may complete the survey in writing or on the Web.

After the organization has collected and entered data, the system will tabulate data and generate evaluation reports. Data storage and graphic capacities will enable the organization to visually demonstrate changes. Further, the data is stored securely, so if the organization collects the data annually, it can track changes electronically and create maps, graphs, and charts to visually demonstrate the changes over time. The organization can use the evaluation information for a wide range of purposes, such as guiding program development, reporting to constituents and funders, marketing its services, and informing policy.

As a registered user, the executive director can view information posted by other organizations or share information to be included in the national database to inform policy. At any point in the process, she also can contact a help desk for technical assistance.

THE SMDS AND SYSTEMS CHANGE

From its inception, the Success Measures philosophy, methodologies, and trainings have focused on systems change. With the deployment of the SMDS, the McAuley Institute enhances opportunities for systems change by linking outcome data, generated in a process controlled at the local level, in a *system*. Creating a centralized database aggregating thousands of users' information, as opposed to disconnected databases, creates sharing and learning opportunities across organizational boundaries and allows for analysis of national impacts and trends in community development.

The SMDS also benefits people at the grassroots level while informing policy and advocating for systems change with significant implications for all community development stakeholders. It creates an environment for dialogue among grassroots organizations and public and private supporters around issues of impact as defined by community stakeholders. It also provides the catalyst needed to bring together grantees and grantors on the subject of program evaluation.

REFERENCES

- Anglin, Roland V., and Rolando D. Herts. 2003. *Limitations to Organizational and Leadership Progress*. Paper for Building the Capacity of Faith-Based and Community-Based Organizations Conference, June 10-11, Chicago, IL.
- Jackson, Edward T., and Yusuf Kassam, eds. 1998. *Knowledge Shared: Participatory Evaluation in Development Cooperation*. West Hartford, CT: Kumarian Press, Inc.
- Moore, Kesha, et al. 2001. *Program Evaluation in Community Development*. Silver Spring, MD: McAuley Institute.

ABOUT THE AUTHORS

Virginia Seitz is Director of Research at McAuley Institute, a national housing non-profit focusing on low-resource women and their families. Margaret Grieve is Director of Organizational Development at McAuley Institute.