



EVALUATING SYSTEMS CHANGE RESULTS

AN INQUIRY FRAMEWORK

MARK CABAJ

Social innovators, evaluators, and community changemakers are increasingly focused on changing complex systems, but often struggle to describe either the systems itself or what they hope to achieve. This paper is designed to give clarity on how to approach the evaluation of systems change and provides three types of results that social innovators and evaluators should consider “mission-critical” to their work.

At Tamarack’s Community Change Institute in Vancouver in 2015, Karen Pittman, CEO of the Forum on Youth Investment, shared a Nobel-prize-worthy piece of poetry: *Programmatic interventions help people beat the odds. Systemic interventions can help change their odds.*

The crowd roared with approval. Karen captured an idea that had become increasingly mainstream in social innovation circles: in order to make deep and durable progress on tough economic, social, and environmental issues, we must change the systems underlying those issues, the systems that keep them in place.

While the idea of systems change is clear, the practice is not. The same month that Karen spoke at the Tamarack Institute, Donna Podems, an experienced evaluator, described just how difficult it is for social innovators and evaluators to describe what they mean by “systems change”:

I was asked to work with innovators in the national health program of an African country. When I started working with the group, they said, “We aim to shift the health system.” After listening for a few hours, I said, “Honestly, I have no idea what you are doing, or what you are trying to achieve ... and I haven’t a clue how to measure it. I don’t understand what it means to ‘shift the health system.’” And they looked at each other

and burst out laughing and said, “We have no idea either.” (Patton, McKegg, Wehipeihana 2015, p. 293).

Developing a clearer sense of what we mean by “change” and “results” in efforts to transform systems is a high-stakes challenge. We need to sharpen our thinking about strategy. We need to develop and track indicators of progress so that we can learn from our efforts. We need to communicate our work amongst our allies and those whose support we seek.

Thankfully, a growing number of excellent resources on defining, planning, and evaluating systems change are now available.

- Orientation to Evaluating Complex – Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use (Patton 2011) as well as Developmental Evaluation Exemplars: Principles in Practice (Patton, McKegg & Wehipeihana 2016).
- Describing Systems & Systems Thinking – Systems Concepts in Action: A Practitioners Toolkit (Williams and Hummelbrunner 2010).
- Principles for Evaluating Systems Change: Propositions for Improving Practice (Preskill, Gopal, Mack & Cook 2014).
- Planning Systems. Planning Systems Change: Methods Brief (Hargreaves 2010).
- Frameworks & Case Studies, Methods – a huge variety of examples from the website Better Evaluation (<https://www.betterevaluation.org/>), the team at Center for Evaluation Innovation, and professional and academic journals.

And since getting our heads around the meaning of systems change is so important, one more resource won't hurt. *Evaluating Systems Change Results: An Inquiry Framework*, describes three types of results that social innovators and evaluators should consider “mission-critical” to their work.

EXHIBIT 1: WHAT WE MEAN BY SYSTEMS

There are many ways to define “systems.” For the purposes of this paper, we will use this definition: “A system is a group of interacting, interrelated, and interdependent components that form a complex and unified whole. A system’s overall purpose or goal is achieved through the actions and interactions of its components” (Coffman 2007).

In particular, this paper concerns the kinds of systems that social innovators strive to change, like housing, ecological systems, job markets, and education.

SYSTEMS EVALUATION: AN INQUIRY FRAMEWORK

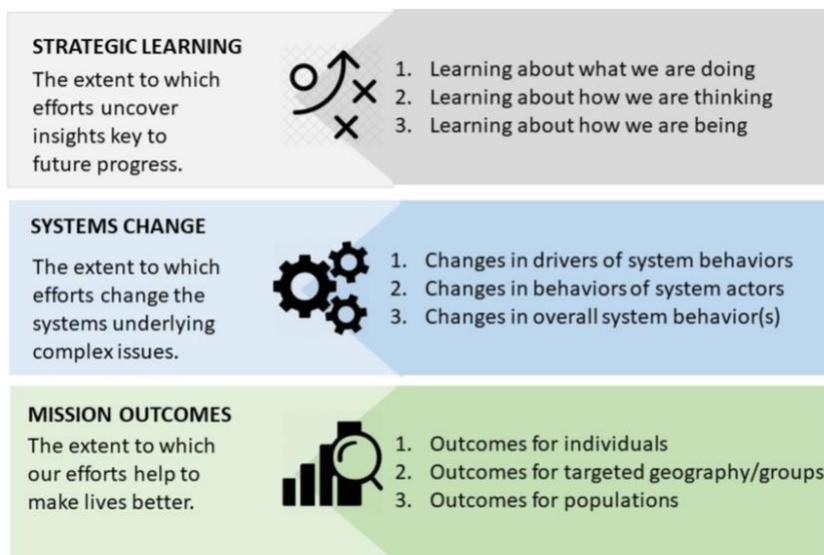
“If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes.”

Albert Einstein

This paper is a thought piece meant to shed light on that vexing challenge posed by Donna Podems and her two colleagues: defining what constitutes a “result” in an effort to change the system underlying a stubborn, complex issue.

It is based on my own experience in funding, participating in, and evaluating scores of systems change efforts since I started work in 1991. It also draws on books, papers, case studies, and evaluations prepared by social innovators and evaluators with even more experience and expertise than I have.

These ideas are presented in the form of an inquiry framework comprising evaluation questions organized to detect three broad types of results:



The framework provides social innovators and evaluators with guidance on universal questions they might ask in any assessment of a systems change effort, knowing that they must develop methods and indicators to answer those questions that suit a unique local context (Patton 2011). As we will see in the next pages, evaluating efforts to change systemic racism, workforce development systems and the payday lending economy.

The three types of results are distinct, but build on one another. Changemakers need to learn from their efforts in order to improve the chances that they will “shift” a system. In turn, they need to make changes in a system before they see meaningful mission-level outcomes, usually

expressed in the form of outcomes for individuals, groups, or entire populations. (There could be outcomes for eco-systems or organizations as well.) Social innovators require feedback on all three in order to get a fulsome and useful picture of “what is changing” due to their efforts.

RESULT #1: STRATEGIC LEARNING

The first result in a systems change effort is the development and use of “strategic learning.” The Center for Evaluation Innovation defines “strategic learning” as:

[...] the use of data and insights from a variety of information-gathering approaches—including evaluation—to inform decision making about strategy. Strategic learning occurs when organizations or groups integrate data and evaluative thinking into their work, and then adapt their strategies in response to what they learn. Strategic learning makes intelligence gathering and evaluation a part of a strategy’s development and implementation—embedding them so that they influence the process (Coffman & Beer, 2011, p. 1).

Of course, anyone who rolls up their sleeves to tackle the systems underlying a complex issue is going to learn. Every time you interact with the challenge, you learn more about the challenge itself, what does and does not work, and your own approaches, strengths, and limitations. The challenge is to make that learning process as robust and systematic as possible.

There are many ways to organize your learning when tackling complex challenges. One of the more popular is the Triple Loop Learning framework. Originally developed as Single and Double Loop Learning by Chris Argyis (1991), the framework has been endlessly adapted by organizational development consultants, researchers, and evaluators. The version that I like best recognizes three types of learning.

TABLE 1: THREE TYPES OF LEARNING

Type	Questions
Single Loop	What are we learning about what we are doing? <ul style="list-style-type: none"> • Strengths and limitations of core practices and activities • Strengths and limitations of relationships and processes • Strengths and limitations of capacity and resources
Double Loop	What are we learning about our assumptions, understanding, and thinking? <ul style="list-style-type: none"> • The challenge we are trying to address • The systems and context in which the challenge is embedded • The strengths and limitations of our strategy
Triple Loop	What are we learning about how we are being? <ul style="list-style-type: none"> • Our emotional triggers • Our habitual responses • Our social norms/group dynamics • Our individual and shared values and narratives

The experience of the Edmonton Shift Lab highlights distinctions between each type of learning, as well as the power of using learning to drive a change process. Established in 2016 by a team of five changemakers from several local institutions, the aim of the Shift Lab was to find innovative ways to address racist attitudes, policies, and practices that prevent racialized Edmontonians from securing and maintaining decent housing.

The group employed a human-centered approach looking at the experience of racism from those who have experienced it themselves. This involved the facilitation team supporting 12 community participants, selected for their diverse experience, expertise, and motivation, as they worked through five steps:

1. **EMPATHY** – develop insight and empathy into the experience of racism and housing through stories, ethnographic research, systems mapping, and other techniques.
2. **DEFINE** – translate insights into “How might we?” questions that guide a group’s thinking about how to address the critical needs or challenges of people who experience racism in their quest for decent housing.
3. **IDEATE** – brainstorm a variety of different ways to address the challenge, drawing from the group’s own thinking and solutions from other contexts.
4. **PROTOTYPE** – choose the most promising ideas and turn them into tangible manifestations (e.g., simulations, story boards, mock-ups) in order to better understand how the ideas might look in practice.
5. **TEST** – check the prototype with the community/user groups and, if appropriate, adopt and scale.

After six months of working through step one to three, the participant team developed three prototypes:

- **Journey to YIMBY (Yes in My Backyard)** – a comprehensive guide for non-profits interested in building affordable housing for racialized people and needing to create conditions that will reduce the chances that current residents will resist the project. It includes such techniques as myth-busting data on the effect of such projects on housing values, methods for building empathy, and guidelines for transparency.
- **Landlord Diversity Certificate Program** – a training program about cultural safety and anti-racism practices for large-scale building management companies and landlords who provide housing to racialized people. Program graduates receive “Diversity Approved” branding and community-wide promotion.
- **Mobile Legal Aid** – a mobile team with resources and referrals to help racialized people struggling to navigate landlord-tenant relationships vexed by prejudice.

It was too early to expect these prototypes to shift a system or change a life – they are still in the experimental phase. Nevertheless, the Shift Lab facilitation team and participants succeeded in surfacing, mining, and distilling three types of learning (Shift Lab 2017).

TABLE 2: SHIFT LAB LEARNINGS

Type	Questions	Shift Lab Learning
Single Loop	What are we learning about what we are doing? <ul style="list-style-type: none"> • Core practices and activities • Relationships and processes • Capacity, skills, and resources 	<ul style="list-style-type: none"> • 11 key insights about the strengths and limitations of workshop design, facilitation team management, pacing of sessions, etc.
Double Loop	What are we learning about our assumptions, understanding and thinking? <ul style="list-style-type: none"> • The challenge we are trying to address • The systems and context in which the challenge is embedded • The strengths and limitations of our strategy 	<ul style="list-style-type: none"> • 8 insights about the nature of racism, poverty, and housing in Edmonton, e.g., racism can be internalized, interpersonal, and systemic. • 3 insights about Lab methodology, i.e., the tension between social innovation and social justice models of change, how to fund labs, the relationship between Indigenous knowledge and systems change.
Triple Loop	What are we learning about how we are being? <ul style="list-style-type: none"> • Our emotional triggers • Our habitual responses • Our social norms/group dynamics • Our values and narratives 	<ul style="list-style-type: none"> • The profound difficulty participants and team members had engaging in deeper, meaningful, and safe conversations about racism, and how that limited the group’s efforts to surface transformative solutions.

The group found all the insights useful in designing the next iteration of the Lab, which they called Shift Lab 2.0. Yet it was a Triple Loop insight that proved to be the most influential: participants and team members agreed that they had not developed the space, skills, and methods to have deeper conversations about race and to surface interventions that might broach the deeper causes of systemic racism in the community.

To illustrate their point, they interpreted their experience using two frameworks developed by Otto Scharmer. Through the Four Levels of Conversation framework, they concluded that most of their discussions were Level 1 conversations: polite dialogues about race, its causes, and implications. Whenever participants sensed that the conversation was resulting in people feeling hurt, misunderstood, or even disrespected, and a heated debate became imminent, the group reverted to talking nice for fear of upsetting each other.

The consequence of this, they continued, was captured in the Theory U framework. Because they struggled to have deeper (Level 3 & 4) conversations about race, their exploration of the issue was shallower-than-anticipated. It had failed to transform their own paradigms and emotional responses to the issue, nor created the space that allowed them to conceive of – and

commitment to – trying radically different solutions. The result was the prototypes they developed, while meaningful, were not as innovative or transformational as they might have been had they explored the topic more deeply.

This hard-won insight is now a cornerstone of Shift Lab 2.0, scheduled to launch in 2019. It will include a host of upgrades to the design and delivery of the Lab model. The foundation will be a speaker series entitled, “How to Talk About Race”, including such events as:

- A workshop, “Witnessing Whiteness: The Need to Talk About Race and How to do It,” by Shelly Tochluk, a US-based educator and researcher.
- The experience of Daryl Davis, a black musician, artist, and activist, who convinced up to 40 members of the Ku Klux Klan to turn in their robes after discussions based on the idea that “if we are talking, we are not fighting.”
- The lessons learned by Trevor Phillips, a leading political figure in the United Kingdom, on how to engage the public in discussing racism, diversity, and inclusion.¹

The central importance of strategic learning as an outcome in efforts to change systems becomes clear once you imagine its absence. What if the Shift Lab stakeholders did not invest time and effort to systematically and honestly reflect on their experience, document their insights, and use the lessons to inform the next iteration of their change initiative? While we cannot be sure, it is very possible that the focus of Shift Lab 2.0 would have been to improve interracial relationships, and avoid the deeper challenge of talking productively about racism. On account of strategic learning, the Lab’s next iteration might produce interventions that have an impact on systemic racism in the community – and yield improvements to the quality of life of racialized Edmontonians.

Strategic learning is even more important once you realize that it is possibly the only outcome in a system change that social innovators and evaluators can control. While they can only influence changes in systems and impacts on people and environment, social innovators can and should be held to account for ensuring that they pursue rigorous and systematic learning about their efforts and making data-informed decisions about what to do next (Patton 2011).

“**Strategic Learning is the only outcome that social innovators and evaluators can control**”

¹ http://www.edmontonshiftlab.ca/how-to-have-difficult-conversations-about-race-a-shift-lab-speaker-series/speaker_series_poster_rev3/

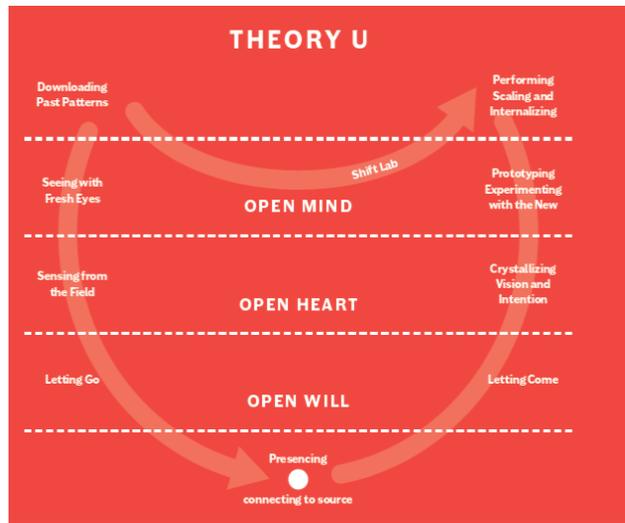
EXHIBIT 2: INTERPRETIVE FRAMEWORKS BY OTTO SHARMER

The Four Levels of Conversation



Source: <http://www.mspguide.org/tool/4-types-conversations>

The Theory U Framework



Adapted from: https://en.wikipedia.org/wiki/Theory_U

EXHIBIT 3: ILLUSTRATIVE METHODS FOR STRATEGIC LEARNING

A variety of methodologies can be used to help social innovators and evaluators become more systematic about strategic learning. Here are some:

- **Emergent Learning Tables** – a relatively new technique that helps innovators structure their learning exploring how to tackle a tough challenge through a process of trial and error.
- **After Action Reviews** – a methodology developed by the US military that provides a structured process for a team to review, assess, and reflect on the implementation and results of an action, project or intervention.
- **Intelligent Failure Learning Loop** – a four step process created by Fail Forward that assists managers to spot, understand, respond to, and adapt to “failures” that emerge in their organizations and programs.
- **Failure Report** – a process popularized by Engineers Without Borders that encourages social innovators and intervention stakeholders to admit, explore, and adapt to failures that emerge in development projects.
- **Capturing Lessons Learned** – a variety of different methods, employed by a wide range of organizations (from small non-profits to NASA) to make sense of lessons and frame them in a way that improves organizational or network performance.
- **Learning Memos/Debriefs** – shortened versions of Lessons Learned documents that focus on real time and/or specific learnings that emerge during an intervention.

RESULT #2: SYSTEMS CHANGE

The second type of result to emerge from systems change efforts are the actual “shifts” in the system that social innovators are trying to change. This is the focus of social innovators who want to tip systems in a way that yields outcomes at scale that are deep and durable. There are (at least) three types of changes that social innovators might see in a system.

TABLE 3: TYPES OF SYSTEMS CHANGES

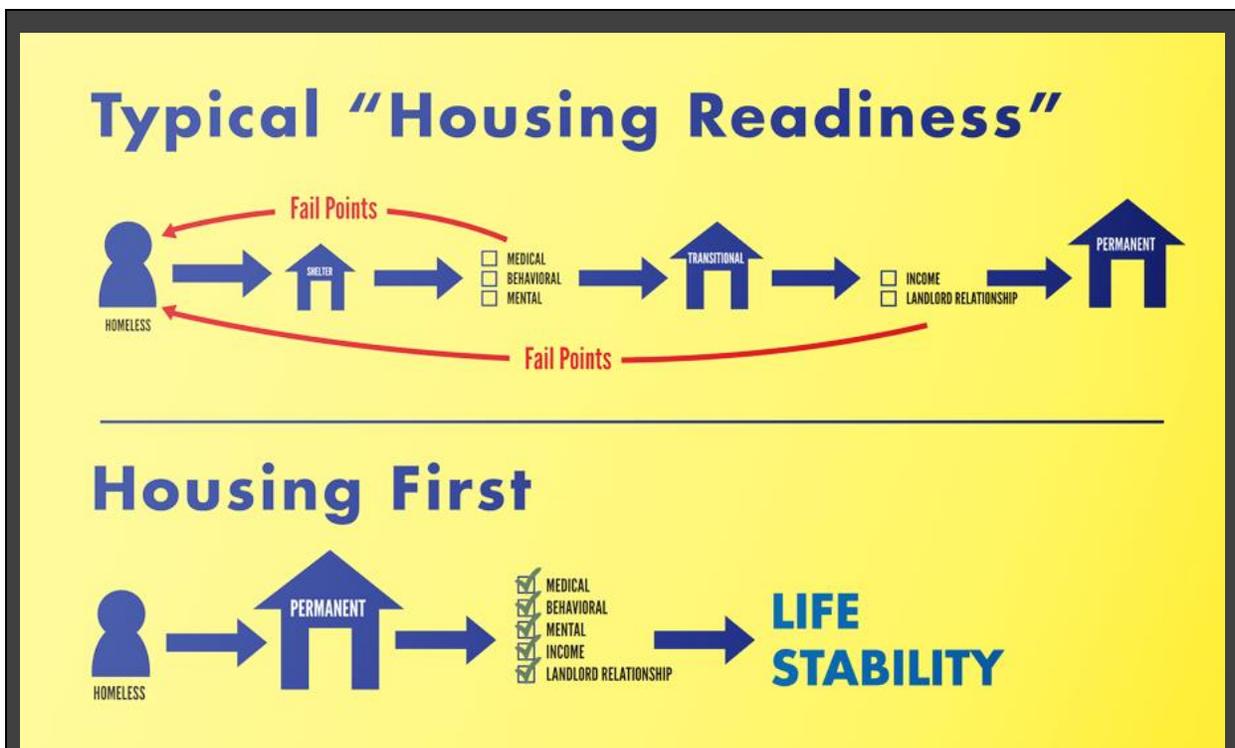
Type	Questions
Changes in drivers of system behaviour	<ul style="list-style-type: none"> • To what extent are we changing the “drivers” that shape this system’s behaviour? • How deep and durable are the changes? • What are (if any) the un-anticipated changes?
Changes in behaviours of system actors	<ul style="list-style-type: none"> • To what extent are changed drivers leading to changes in the behaviours of different system actors? • To what extent do the changes in behaviour align with and contribute to our desired mission impact? • How deep and durable are the changes? • What are (if any) the unanticipated changes?
Changes in the overall behaviour of the system	<ul style="list-style-type: none"> • Have the actions of individual actors been sufficient to “tip” the system into new behaviours? • How deep and durable are these behaviour changes? • What are (if any) the unanticipated changes? • Are there indications that the system might “snap back” into old patterns?

Donella Meadows, an undisputed pioneer in the field of systems thinking, popularized the idea of drivers (aka “leverage points”) as ways to transform systems. She identified 12 archetypical leverage points, ranging in consequence from “low” to “high.” Say you want to change the way systems address the growing number of persons experiencing homelessness in a city. You might improve feedback loops to get an accurate count of the people actually on the street (a low leverage point), in the hope that this information alone might trigger a new and better response from the community.

Alternatively, you could change the paradigm through which local people view homelessness (a higher leverage intervention) in order to revolutionize the entire system. This is exactly the strategy employed by advocates of the Housing First approach to homelessness.

EXHIBIT 4: HOUSING FIRST: A PARADIGM SHIFT

The Housing First strategy is based on a simple paradigm shift. Rather than require people who are homeless and have complex needs to work their way through a continuum of housing supports and graduated services, service providers simply put people in permanent housing first. This provides the safety and stability they need to then work through their complex needs.



Source: https://abodeservices.org/what_we_do/what_is_housing_first

The impact of the paradigm shift on systems operation and on the number of homeless persons in Canadian and US cities is significant. For more, see *Housing First: Ending Homelessness, Transforming Systems, and Changing Lives*, by Padgett, Henwood, Tsemberis 2015.

Over the years, social innovators have worked to make Meadow’s ideas more accessible to every practitioner. Peter Senge’s work, *The Fifth Discipline*, popularized the concept of systems thinking and leverage points (Senge 1991). More recently, John Kania and Mark Kramer teamed up with Senge to write the paper, “The Water of Systems Change.” It argues that the key to changing systems is to address one or more of six key conditions of systems change, the most powerful of which is a change in mental models (Kania, Kramer, Senge 2018).

The experience of the Annie E. Casey Foundations Jobs Initiative, which ran from 1996 to 2010, confirms that changing a driver of a system does not necessarily translate into a change in a system. The aim of the Jobs Initiative was to find a way to “generate impact at scale” for hard-to-employ youth and residents. The strategy was to work with leaders in various U.S. cities to reform the operation of regional labour markets in order to generate dramatically higher numbers of educational and job opportunities for kids.

To guide their efforts, the group worked with a consultant to develop a framework for labour market systems change. They organized it around a unique set of drivers, including relationships between labour market actors; information signals about training needs and job

opportunities; the power and authority to make decisions; operational competencies; policies and regulations; and investments and resource load (Plastrik, Seltzer, Combes-Taylor 2001).

One of the Jobs Initiative's many sites in the late 1990s was New Orleans. Regional manufacturing companies were trying to keep up to a growing economy. To fill the shortage of entry level workers and skilled workers, these firms were importing workers from outside the U.S., while the number of underemployed and poorly paid residents (particularly from the black community) remained stubbornly high. While the reasons for this were many and complex, one stood out: a large regional college, the cornerstone of manufacturing training since World War 2, was still using 40-year-old curricula. The college was deemed unresponsive – even uninterested – in employer needs (e.g., Mueller & Schwarz 2001).

The cornerstone of the Jobs Initiative strategy was to strengthen the weak relationship between regional employers and the local college. To do this, they mobilized leaders from three manufacturing firms to work with the college to update its training programs and facilities. This simple – yet difficult – act created a cascade of actions and behaviour changes by actors in the regional labour market:

- The College adapted its curricula based on materials from the National Association of Manufacturers, included a job readiness program to assist students with upgrading their numeracy and literacy skills, and pushed tenured faculty to upgrade their skills and teaching styles.
- The State of Louisiana invested \$12 million from its Incumbent Worker Fund, the largest grant ever to a vocational program and only available to training institutions working in close partnership with employers.
- Haas Automation Inc., a leading American machine tool builder, was very impressed with the actions taken by the college. So impressed that it entrusted the program with up-to-date equipment and agreed to update the equipment every two years over the long term.
- The college reversed a long-standing policy of relying on student tuition and state grants to fund vocational programs, and instead drew upon general budget to finish off the revamped training center.

By the end of 2000, students from underemployed, minority communities throughout the region began to apply for the program in the hope that they would have a decent chance at securing a well-paying machinist job.

The disruption in the status quo of the region's workforce development practices – particularly through the actions of the college and the support of Jobs Initiative Leaders – caught the attention of other local employers and industry partners. Many of these, who had written up local training efforts and supplied letters of support for the college's efforts, also hinted that they would now take another look at hiring graduates from the revamped program.

TABLE 4: TYPES OF SYSTEMS CHANGES IN THE NEW ORLEANS JOB INITIATIVE

Type	Questions	New Orleans Jobs Initiative
Changes in drivers of system behaviour	<ul style="list-style-type: none"> • To what extent are we changing the “drivers” that shape this system’s behaviour? • How deep and durable are the changes? • What are (if any) the anticipated changes? 	<ul style="list-style-type: none"> • The Jobs Initiative leadership focused on strengthening the relationship between leading employers and the region’s biggest vocational college to fill the supply-demand gap for skilled machinists and tap into underemployed minority residents of the region.
Changes in behaviours of system actors	<ul style="list-style-type: none"> • To what extent are changed drivers leading to changes in the behaviours of different system actors? • To what extent do the changes in behaviour align with and contribute to our desired mission impact? • How deep and durable are the changes? • What are (if any) the anticipated changes? 	<ul style="list-style-type: none"> • Investment by the State’s Incumbent Worker Fund and Haas Automation Inc. • Upgraded curricula, facilities, and teaching model of the local College.
Changes in the overall behaviour of the system	<ul style="list-style-type: none"> • Have the actions of individual actors been sufficient to “tip” the system into new behaviours? • How deep and durable are these behaviours? • What are (if any) the anticipated changes? • Are there indications that the system might “snap back” into old patterns? 	<ul style="list-style-type: none"> • The possibility that other manufacturers in the region will begin to recruit non-white employees from the college rather than import workers from outside the region and country.

The Jobs Initiative reports after 2000 are silent about the next chapter in the efforts to change this particular aspect of the New Orleans workforce development system. Yet, the example demonstrates the distinction between three types of system change. The focus on improving a system driver (in this case, the relationship between employers and a key training institution) triggered a change in the behaviours of a number of system actors, including the college, the state government, and several leading employers. While these changes represent a significant shift for the workforce development system, it has not necessarily triggered a widespread change in the overall pattern of system behaviours, i.e., to look outside the region for skilled manufacturing workers.

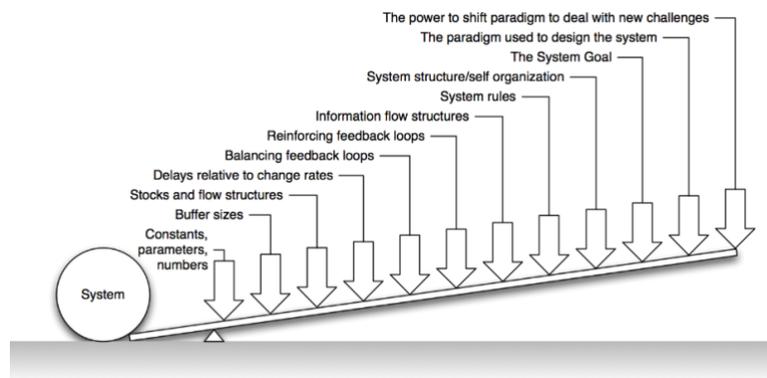
The experience of the New Orleans Jobs Initiative is also emblematic of the experience of other Jobs Initiative sites. All experienced some success in changing drivers and saw plenty of examples of behaviour changes among some actors. Yet in the end, they only managed to achieve “partial victories” and “partial transformations” of systems, even after a decade of

effort (Herbert, Parkes & Schneider 2002, Mueller & Schwarz 2001). That being said, even partial victories in systems change can generate outcomes at scale for everyday people:

It's much harder to say we've completely "climbed the mountain," [in terms of transforming the workforce development system] though the system now has a much greater appreciation of the importance of living wage jobs and the disconnect that exists between the jobs available to [low-skilled workers]. However, there have been close to 6,000 persons assisted through the Seattle Jobs Initiative [over the last 10 years]. So there's been tremendous successes for individuals, and a considerable number of individuals and families have been greatly aided. (Hebert 2010, p. 19)

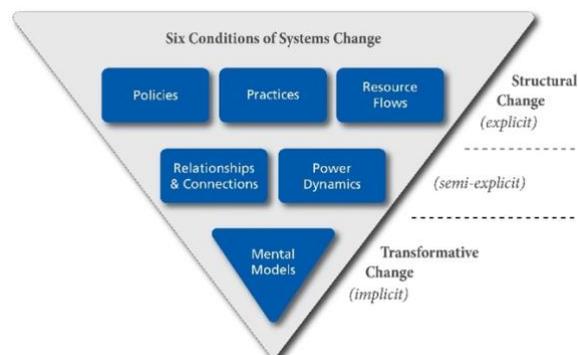
EXHIBIT 5: DRIVERS OR LEVERAGE POINTS FOR SYSTEMS CHANGE

Donella Meadow's 12 Leverage Points



Source: <https://ecowe.wordpress.com/tag/donella-meadows/>

The Foundation Strategies Group's Six Conditions for Change



Source: Adapted with Permission: Kania, M., Kramer, M., Senge, P. 2018. The Water of Systems Change. Foundations Strategy Group. Retrieved from: https://www.fsg.org/publications/water_of_systems_change

EXHIBIT 6: ILLUSTRATIVE METHODS FOR EVALUATING CHANGES IN SYSTEMS

A variety of methodologies can be used to help social innovators and evaluators become more systematic in their strategic learning efforts. Here are some of the more popular.

Evaluating Systems Drivers

- Social Network Analysis – tracking the change in the number, intensity, and type of relationships between actors in a system (e.g., between employers and training organizations in the development of workforce development programs).
- Advocacy Evaluation – a variety of frameworks and methods that track the extent to which advocates are creating the conditions for policy change and nudging a policy change through the policy development process.
- Public Awareness – tracking the evolution of the awareness, opinion, and support for action on a complex issue in the general public, specific constituencies, or select influential leaders. This is achieved by monitoring traditional and social media, as well as by interviews with key or bellwether informants.

Behaviour Change of System Actors

- Outcome Mapping – a comprehensive planning, monitoring, and evaluation methodology organized to track subtle and long-term changes in the behaviours of system actors.
- Outcome Harvesting – a methodology for tracking the multiple and cumulative changes that emerge in the course of complex change initiatives involving diverse actors.
- Most Significant Change – a narrative-based approach to capturing change through the stories and assessments of those deeply involved and affected by change initiatives.

The Center for Evaluation Innovation has developed several resources that explore methods and practices related to strategic learning.

RESULT #3: MISSION-LEVEL IMPACT

The third type of result to emerge from systems change efforts concerns outcomes that have been triggered by changes in the behaviours of system actors. There are (at least) three types of changes that social innovators might see.

TABLE 5: MISSION LEVEL OUTCOMES

Types	Questions
Outcomes for Individuals	<ul style="list-style-type: none"> To what extent have systems change interventions yielded immediate and tangible outcomes for individuals? How deep and durable are these outcomes? What are (if any) the anticipated outcomes for these individuals?
Outcomes for Targeted Groups	<ul style="list-style-type: none"> To what extent have systemic interventions cumulatively affected a particular target group (e.g., geographic, demographic, etc.)? How deep and durable are these outcomes? What are (if any) the unanticipated outcomes for these groups?
Outcomes for Populations	<ul style="list-style-type: none"> To what extent have the system change efforts contributed to population-level change across the city or region? How deep and durable are these outcomes? What are (if any) the unanticipated results emerging?

The impact of the payday lending initiative in Calgary on lower income families is a good example of all three types of outcomes.

Like anywhere in North America, people struggling to make ends meet in the City often turn to fringe lending institutions to get a payday loan, a short term loan with a high rate of interest that is meant to be paid back within one or two months once the next paycheck arrives. While convenient, they were expensive. For every \$100 loan, to a maximum of \$1500, the borrower was required to pay \$23 in interest. On an annual basis, this translated into 600% interest.

Momentum, a community economic development in Calgary, had long pointed out the excessive costs of payday loans to lower income families in the organization's popular financial literacy and empowerment programs. In 2012, the group decided to complement its programmatic response to the challenge with a more robust systemic strategy. They partnered with a neighbourhood group to carry out action-research on local cash stores to get to know more about the workings of the industry. When the City and United Way announced that they were creating a ten-year strategy to reduce poverty, they worked hard with others to ensure that addressing payday lending was part of that plan.

With the topic now formerly on the radar of community leaders, they expanded their efforts to increase awareness of the costs of payday lending and strengthen civic will to address the problem. They completed and published research on the topic, including such reports as "Real Cost of Payday Lending," "Municipal Action on Payday Lending," and "Provincial Action on Payday Lending." They then engaged traditional media, influential philanthropists, local

financial institutions, and government officials to explore ways that they could work together on the challenge.

Municipal politicians and administration were immediately receptive to the effort. From 2013 to 2015, the City approved a change to land-use bylaws to limit the number of payday lending businesses within a certain distance of each other and to adjust business licensing fees. While these measures had only incremental and long-term impact on the behaviour of payday lenders, they put wind in the sails of payday lending reform advocates.

While busy with their multi-front advocacy campaign, the coalition members turned their attention to creating lower-cost alternatives to payday loans. They encouraged and supported the efforts of several financial institutions to pilot “cash crunch” loans. Not only were the latter dramatically less expensive than those offered by payday lenders, they provided in a relatively speedy, non-judgmental manner some of the typical attractions of payday loans. Servus Credit Union, for example, created a Fast Forward small loan, offered at 19% (the same rate as a credit card and 15 times less expensive than a payday loan) which can be proceed within an hour.

In late 2015, the engagement with Provincial officials yielded results, and the group was invited to contribute to the design and implementation of the government’s review of payday lending regulations in Alberta, a process in which the group plays a very active role. In mid 2016, the Government introduced the Act on Predatory Lending, which included a suite of new regulatory measures:

- Reduce borrowing fees from \$23 to \$15 per \$100 borrowed, making it the lowest rate in Canada;
- Allow borrowers to repay loans in instalments, rather than all at once;
- Require lenders to refer borrowers to financial literacy resources;
- Prohibit lenders from directly soliciting potential customers;
- Include all fees in calculating cost of borrowing
- Prohibit lenders from charging a fee to cash a cheque for a payday loan;
- Prohibit lenders from soliciting, negotiating or concluding an agreement for another form of credit with a borrower while a payday loan is outstanding.²

The cumulative effect of changing all these drivers was impressive. Four years after the group began organizing its systems change strategy, the group was able to point to the following outcomes for low-income borrowers.³

² See the formal government release at: <https://www.alberta.ca/release.cfm?xID=41747840F017D-BA4D-A70A-741F47E398B7F6C4>

³ For some of the data on the payday lending initiative, see: <https://momentum.org/wp-content/uploads/2018/02/Municipal-Micro-Lending.pdf>

TABLE 6: MISSION LEVEL OUTCOME OF PAYDAY LENDING INITIATIVE

Type	Questions	Outcomes
Outcomes for Individuals	<ul style="list-style-type: none"> To what extent have systems change interventions yielded immediate and tangible outcomes for individuals? How deep and durable are these outcomes? What are (if any) the anticipated outcomes for these individuals? 	Scores of individuals benefitted from lower-cost loans provided by financial institutions piloting “cash crunch” loans.
Outcomes for Target Groups	<ul style="list-style-type: none"> To what extent have systemic interventions cumulatively affected a particular target group (e.g., geographic, demographic, etc.)? How deep and durable are these outcomes? What are (if any) the unanticipated outcomes for these groups? 	The number of payday lending outlets on Calgary’s International Avenue (a neighbourhood with a concentration of low-income families) has dropped from 11 to 8. Most of the remaining outlets no longer offer payday loans.
Outcomes for Populations	<ul style="list-style-type: none"> To what extent have the system change efforts contributed to population-level change across the city or region? How deep and durable are these outcomes? What are (if any) the unanticipated results emerging? 	Within a year, the number of payday lending programs in the province dropped from 260 to 165, while in Calgary, it dropped from 49 to 38; the volume of payday loans plummeted across the Province from approx. \$500m/year to \$285m/year. Estimates of consumer borrowing costs which have been avoided range from \$10-\$30m+ annually.

The efforts of the advocates of payday lending demonstrated once again that it is possible to shift systems to help the many, not just the few.

The aftermath of their efforts also remind us about the inevitability of unanticipated outcomes and the adaptation of system actors to any intervention into a system. Since the introduction of provincial legislation, many payday lenders across Alberta have begun to encourage low-income borrowers to take out larger, still higher interest, consumer loans in place of small, payday loans. Some borrowers, flattered by fringe lenders’ confidence in their credit-worthiness, have taken them up on these offers, incurring higher-than-necessary levels of debt, while others are suspected of turning to online borrowing for fast, smaller loans.⁴ The process of changing systems, it seems, is a continuous one.

⁴ A researcher at Calgary’s Mount Royal University is expected to release the findings of his research on the effects of payday lending reform on borrowers’ behaviours in late 2018 or early 2019.

EXHIBIT 7: ILLUSTRATIVE METHODS FOR EVALUATING MISSION LEVEL OUTCOMES

While each evaluation of mission-level impact will require a unique design, the following methods are typically employed in any assessment of this type of outcome.

- **Mixed Methods** – an evaluation design that weaves together multiple forms of qualitative and quantitative methods and data to get a more rounded picture of change.
- **Contribution Analysis** – an approach to assessing the contribution of an intervention(s) to an observed or measured change in a complex change effort. (This has been popularized by John Mayne.)
- **Evaluation Rubrics** – setting out criteria for assessing an intervention and its effects in different areas of performance and/or from the perspective of different stakeholders.

The UNICEF Office of Research – Innocenti, the International Initiative for Impact Evaluation (3ie), and RMIT University-based Better evaluation team have produced 13 methodological briefs on the topic. See: https://www.unicef-irc.org/KM/IE/impact_1.php

CONCLUSION

There are more things in heaven and earth, Horatio, than are dreamt of in your philosophy.

Hamlet (1.5.167-8), Hamlet to Horatio



The inquiry framework described above is based on the argument that social innovators and evaluators should be on the look-out for (at least) three broad types of results that emerge in any effort to change a system:

- **Strategic Learning** – learning more about the actions, thinking, and mode of being that guide the work of social innovators.
- **Systems Change** – progress in changing the drivers of systems, the behaviours of system actors, and the overall behaviour of the system.
- **Mission Impact** – the programmatic effects on people (or ecology), the targeted impact on specific groups (geographic and/or demographic), and effects at the population level.

This wide-angle lens on the outcomes that emerge from efforts to tackle the systemic underbelly of tough and stuck problems provides social innovators with the feedback they need to constantly adapt their approach – a key to making progress over the long term.

The framework is incomplete and imperfect. Like all frameworks, it reveals some important aspects of systems change efforts, while only lightly touching on, perhaps distorting, and even completely missing other important aspects. Some of these include:

- The emergent, distributed nature of evaluations, where innovators are guided by hunches and principles, rather than logic models and theories of change.
- The challenge of developing “rigorous” methods in situations with limited time, expertise, and budget, and that must be “credible” in the eyes of multiple stakeholders.
- The lag time between innovators’ activities and systems change results, and the difficulty in assessing social innovators’ contribution to whatever changes emerge.
- The inevitability of generating and capturing anticipated and unanticipated outcomes.
- The importance of weaving together the diverse perspectives and criteria in “judging” the results of systems change efforts.
- The possibility of systems snapping back into old patterns after an intervention, and the ever-evolving nature of the systems we are trying to change. This requires constant vigilance.
- The necessity of designing evaluations that can accompany social innovators through messy, long-term change efforts, rather than clean, short-term ones.

Changemakers are already working hard at developing ideas and practices to address some of these challenges. The work on evaluating unanticipated outcomes is far enough along, for example, that mainstream organizations such as the United States Agency for International Development have embraced “complexity-aware monitoring” (USAID 2018). The evaluation of efforts where social innovators are guided by principles, rather than by logic models or theories of change, however, is still in its early days (Patton 2017). The field of evaluating systems change continues to evolve.

Changemakers are already working hard at developing ideas and practices to address some of these challenges

In the meantime, the question is whether a simple thought piece like this is useful to people who sometimes find themselves experiencing what Donna Podems described: trying to get a handle on what constitutes a “result” in their efforts to change systems. Only you the reader can decide that.

ABOUT MARK CABAJ

Mark is President of the consulting company From Here to There and an Associate of Tamarack. Mark has first-hand knowledge of using evaluation as a policy maker, philanthropist, and activist, and has played a big role in promoting the merging practice of developmental evaluation in Canada. Mark is currently focused on how diverse organizations and communities work together to tackle complex issues, on social innovation as a "sub-scene" of community change work, and on strategic learning and evaluation.



REFERENCES

- Argyris, Chris. 1991. Teaching Smart People How to Learn. Harvard Business Review. Volume 4, No. 2.
- Coffman, J. 2007. A Framework for Evaluating Systems Initiatives. Boston, MA: BUILD Initiative.
- Coffman, J., Beer, T. 2011. Evaluation to Support Strategic Learning. Washington, DC: Center for Evaluation Innovation.
- Hargreaves, M. 2010. Evaluating Systems Change: A Methods Brief. Mathematica Policy Research Inc. Retrieved from <https://www.tamarackcommunity.ca/hubfs/Resources/Evaluating%20Systems%20Change%20a%20Planning%20Guide.pdf>
- Hebert, S., Parkes, S.R., Schneider, G. 2002. A Work in Progress: Case Studies in Changing Local Workforce Development Systems. The Jobs Initiative. Final Report. Volume 1. Abt Associates. Baltimore, MA: Annie E. Casey Foundation.
- Hebert, S. 2010. Changings Systems is Like Moving a Mountain.... And Other Insights from Successful Workforce Leaders. Baltimore, MA: Annie E. Casey Foundation.
- Mueller, E. Schwarz, A. 2001. Creating Change: Pushing Workforce Systems to Help Achieve Economic Stability and Mobility. Abt Associates. Baltimore, MA: Annie E. Casey Foundation.
- Padgett, D., Henwood, B., Tsemberis, S. 2016. Housing First: Ending Homelessness, Transforming Systems, and Changing Lives. Oxford University Press.
- Patton, Michael Quinn. 2011. Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use. New York, NY: Guilford Press.
- Patton, Michael Quinn. 2017. Principles Focused Evaluation: The GUIDE. New York, NY: Guilford Press.
- McKegg, K., Wehipeihana, N. Editors. 2016. Developmental Evaluation Exemplars: Principles in Practice. New York, NY: Guilford Press.
- Plastrik, P., Seltzer, M., Combes-Taylor, M. 2001. The Framework for Labor Market Systems Reform for the Jobs Initiative. Baltimore, MA: Annie E. Casey Foundation.

Preskill, H., Gopal, S., Mack, K., Cook, J. 2014. Evaluating Complexity: Propositions for Improving Practice. Foundations Strategy Group. Retrieved from http://www.issuelab.org/resource/evaluating_complexity_propositions_for_improving_practice

Scharmer, O., Senge, P. 2016. Theory U: Leading from the Future as it Emerges. San Francisco, CA: Berrett-Koehler.
Senge, P. 1991. The Fifth Discipline: The Art and Practice of the Learning Organization. New York, NY: Random House.

Shift Lab. 2017. Edmonton Shift Lab: Learning from Our First Year. Edmonton, AB: Action Lab. Retrieved from: <http://www.edmontonshiftlab.ca/learning-from-our-first-year/>

United States Agency for International Development. Complexity Aware Monitoring: Discussion Note. Washington, DC: USAID. Retrieved from: https://usaidearninglab.org/sites/default/files/resource/files/cleared_dn_complexity-aware_monitoring.pdf

Williams, B., Hummelbrunner, R. 2010. Systems Concepts in Action: A Practitioners Toolkit. San Francisco, CA: Stanford University Press.

Funded by the Government of Canada's Social Development Partnership Program.

The logo for Canada, featuring the word "Canada" in a serif font with a small Canadian flag icon above the 'a'.

The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.