*PM World **Journal*** *(ISSN: 2330-4480)*
Vol. XI, Issue VIII – August 2022
www.pmworldjournal.com

Measuring social impact of projects and programs
by Dr. Reinhard Wagner
Series Article

Projects and project management for a sustainable social impact [1]

Measuring social impact of projects and programs [2]

By Dr. Reinhard Wagner

INTRODUCTION

Projects and programs are time-bound undertakings intended to accomplish a specific objective, product, service, or activity. In project management, the focus in recent decades has been on delivering the scope of the project on time, on budget, and to the satisfaction of the customer. In this context, the fulfilment of the "iron triangle" of framework conditions is still the key measure of whether projects and programs are successful. The question of what projects are actually being done for, what expectations are associated with them in the short, medium and long term, or what the consequences and side effects are, has only been asked in a few cases.

Especially in the context of humanitarian development aid projects and programs, evaluation models have been developed that deal with the benefits, outcomes and social impact of these projects. Certainly, this is far more difficult to measure than deliverables and the adherence to the constraint of the "iron triangle," but this is where we should really be looking out more closely. Project management, which dates primarily from the days of large engineering projects in the 1950s and is primarily focused to the execution, needs to pay much more attention to the preparation phase of projects and programs, as well as the phases of utilization after the deliverables have been delivered. This also fits well with the currently very popular thoughts on how to improve the sustainability of and through projects. This article aims to contribute to answering the question of what projects are really good for, what purpose and target groups are served, in what way the latter are involved in the process, and how the social impact of projects and programs can be determined.

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[1] This is the fifth in a series of articles by Dr. Reinhard Wagner, PMWJ honorary global advisor and former Chair of IPMA. The series aims to position projects and project management in the context of society as social activities performed by and for people. The focus is on a sustainable social impact, which is to be achieved through the projects, and less on the management of the projects and the immediate deliverables. At the same time, projects are to be positioned as a means of self-realization through which people can jointly work for their communities, the environment or society as a whole. The series is aimed at the global community of project management practitioners, researchers, and those interested in learning about current developments in the field of project activities in society and how to achieve sustainable social impact through this engagement.

[2] How to cite this article: Wagner, R. (2022). Measuring social impact of projects and programs; Series on projects and project management for a sustainable social impact, *PM World Journal*, Vol. XI, Issue VIII, August.

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WAYS TO PLAN, MEASURE AND CONTROL SOCIAL IMPACT OF PROJECTS

"Social impact is a theoretically rich construct. Not only can impact have positive and negative consequences, but there are virtually limitless ways in which those consequences can be brought about and in which those impacts are felt by any number of individuals, groups, entities, and so on" (Rawhouser et al., 2019: 95). Therefore, before starting projects and programs, a systematic analysis of the initial situation, the specific requirements and expectations of stakeholders should be carried out so that activities can then be consistently aligned with them. At the end of the project or, above all, of the program, it is a question of measuring what has been achieved, i.e. not only compliance with the triple constraints and delivery of the desired output, but above all the outcomes and the social impact, which can only be recognized sometime after completion. One approach for planning and evaluating the outcomes of projects and programs in the social sector is the Logical Framework Approach (LFA), which was already developed in the 1960s by the US Agency for International Development (USAID) and is nowadays widely used all over the world. Figure 1 shows is application in a holistic way from a situational analysis to an evaluation of the outcomes, which feeds back into future developments. Some of the connections were illustrated in my last contribution to this series (Wagner, 2022), referring to the example of Helvetas' reconstruction program after the devastating earthquake in Nepal.
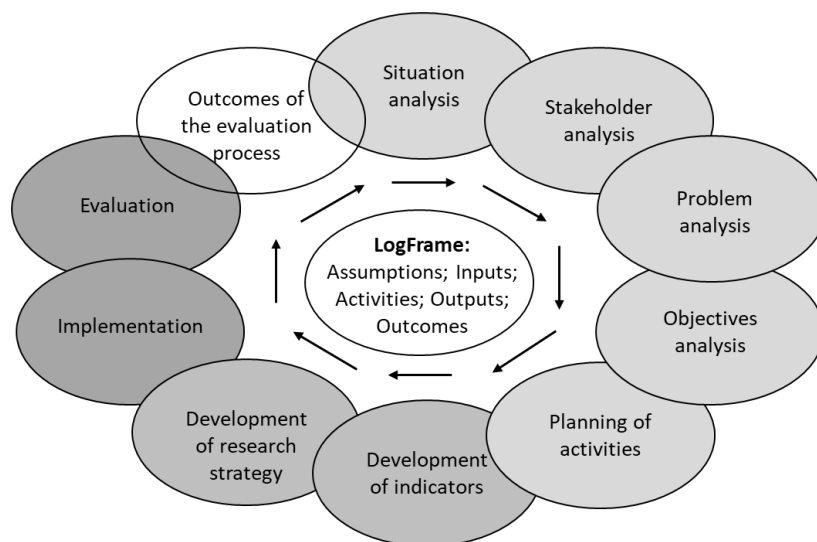

Figure 1: The LogFrame approach (Auriacombe, 2011: 47)

A model that has entered the literature as the 'Theory of Change' looks primarily at the outcomes of interventions in social systems (Mayne, 2015). Figure 2 on the next page shows the principle approach, from the activities - often carried out in the form of projects or programs - to the social impact in society or community.

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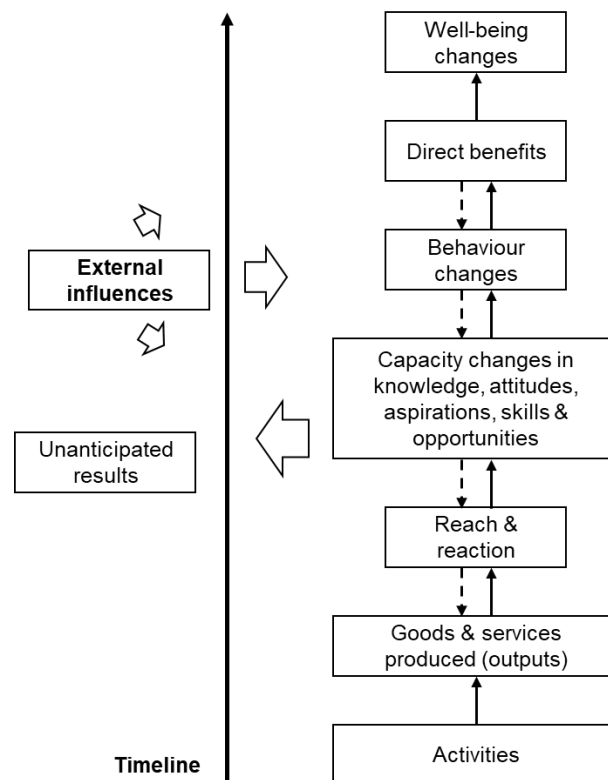by Dr. Reinhard Wagner
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Figure 2: The 'Theory of Change' approach (Mayne, 2015: 122)

The primary goal of projects and programs is not just to deliver a specific service (e.g. training masons in our example of Nepal), but above all to reach out to expand the capabilities, attitudes and aspirations of the target audience so that they can better shape their own lives and those of their families and community in the future. However, it must also be considered that unanticipated effects can arise in the environment of the project that influence the project or are influenced by it (e.g., price increase of building material due to the reconstruction of the houses in Nepal). In addition, other external influences (e.g., political influence on budget decisions of social projects) can also make it difficult to achieve the social impact. These must always be taken into account. Therefore, this 'Theory of Change' approach can also be easily linked to the current discussion around sustainability (Mayne, 2020).

Of course, there are a variety of metrics that can be used to measure social impact, both qualitative and quantitative. It is important to agree on the measurement concept with the key stakeholders before the decision is made to implement the project or program, to include specific activities in the project management plan and then to implement them rigorously. For example, in the reconstruction program after the earthquakes in Nepal (see figure 3 on the next page), not only the implementation of trainings was verified with the number of participants and a knowledge/practice test, the construction of new earthquake-resistant houses was achieved and then communicated via app to the headquarters in Kathmandu.

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However, most importantly, job placement was also evaluated for disadvantaged social groups, who had to be provided with an employment contract for at least one year at a guaranteed minimum wage, enabling them to provide a better life for their families and the community at large. Of course, these effects take a while to manifest themselves, so measurement shouldn´t be done only during the course of a project or program, but for a considerable time afterwards. The learning from these surveys is then incorporated into new projects and programs.
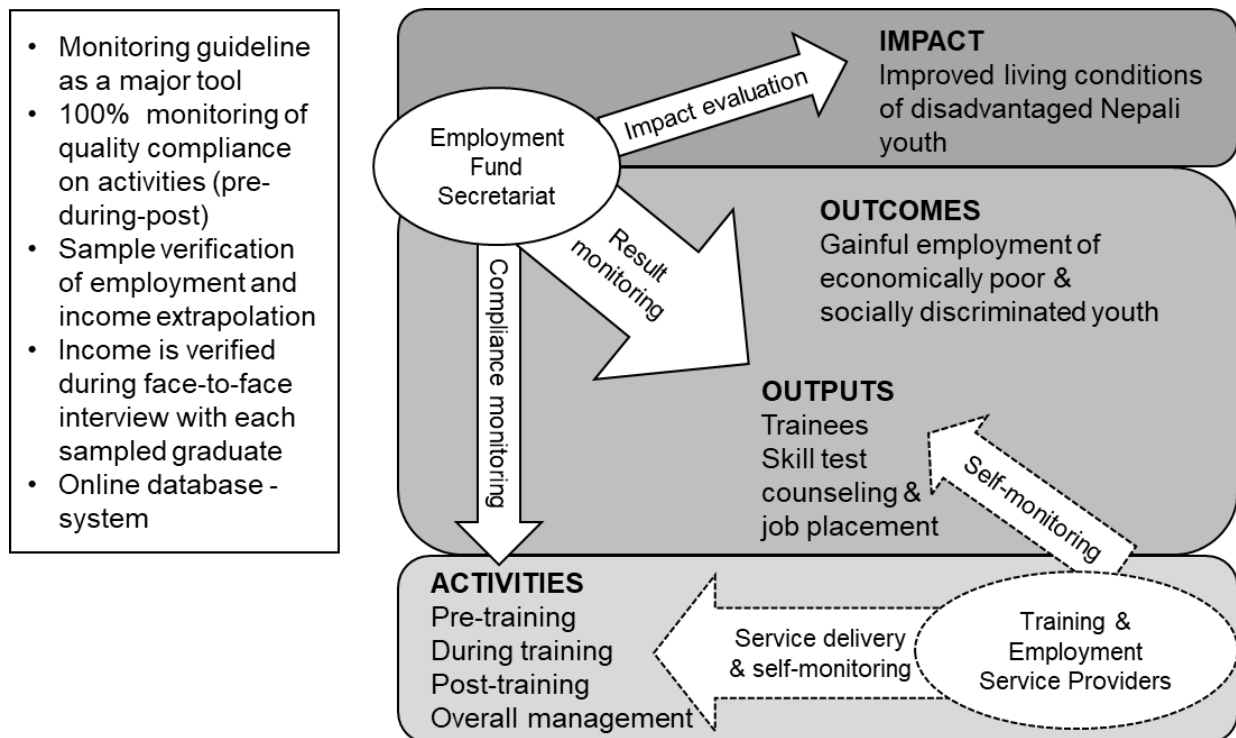

Figure 3: Monitoring and controlling social impact (Subedi and Wagner, 2019: 151)

Measuring the social impact of projects and programs is important not only to assess whether they are truly effective and fulfill their intended purpose, but also for other reasons. For example, donors want to know whether the best possible benefit is being achieved with their money, and whether this is verifiable. Today, financial investments are also increasingly evaluated and decided on the basis of the social impact they generate. And finally, resources for implementing projects and programs are generally scarce, so that the greatest possible contribution to the good of society should be achieved with these resources. By taking this perspective into account when managing projects and programs, we can make a much stronger contribution than "just" delivering the work in time, in budget and to (technical) specification.

In the next part of the series, we will take a look at the psychological effects of projects on the people involved.

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About the Author

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Dr. Reinhard Wagner has been active for more than 35 years in the field of project-related leadership, in such diverse sectors as Automotive, Engineering, and Consultancy, as well as various not-for-profit organizations. As Managing Director of Tiba Managementberatung GmbH, a leading PM Consultancy in Munich/Germany, he supports executives of industrial clients in transforming their companies towards a project-oriented, adaptive and sustainably successful organization. Reinhard Wagner has published 36 books as well as several hundred articles and blogposts in the field of project, program and project portfolio management. In more than 20 years of voluntary engagement he served the German Project Management Association (GPM) as well as the International Project Management Association (IPMA) in a range of leadership roles (including President and Chairman) and was granted for his international commitment with the Honorary Fellowship of IPMA and several of IPMA´s Member Associations. Reinhard is Senior Lecturer at the Alma Mater Europaea and performed his doctoral thesis on the topic of Project Society. He can be contacted via reinhard.wagner@tiba.de.