
Outcomes Assessment and the Paradox of Nonprofit Accountability

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Leaders of nonprofit organizations face a particular bind in responding to the demands for results-based accountability. If they focus only on the project-level outcomes over which they have the most control or for which indicators are readily available, they risk default on the larger question of accountability to publicly valued goals. On the other hand, if they try to demonstrate the impact of their particular projects on communitywide outcomes, they risk taking credit inappropriately or shouldering the blame for indicators beyond their control. Here, I present findings from a research project, conducted in collaboration with economic development organizations on the north coast of California, that explored the practical demands and dynamics associated with this paradox. The key challenges are more civic and political than technical.

THERE IS AN UNDENIABLE commonsense appeal of paying attention not just to what organizations do but to what they achieve that is of value. As a result, outcomes assessment is now being seen as a key element in a variety of reform initiatives with contrasting purposes. These purposes include strengthening

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fiscal accountability in public budgeting (Gore, 1993; LaPlante and Dickstein, 1998), providing a means of disciplining the decision making of integrated services collaboratives (Friedman, 2000; Schorr, 1997; Gardner, 1996; Maude, 1999), and catalyzing citizen action on a range of sustainability issues (Redefining Progress, 1997; Hart, 1999; Wholey and Hatry, 1992).

Empirical studies, however, raise serious questions about the practical utility of outcomes assessment and the degree to which it is taken seriously in the decisions of funders and program developers (Carter and Greer, 1993; Clark, 1998; Coulton, 1995; Fine, Thayer, and Coghlan, 1998; Fischer, 1994; Koshel, 1997; Mosher, 1980; Moe, 1987; Newcomer, 1997; Saidel, 1991; Scotch, 1999). Promoted as a way to create objective standards for evaluating programs, the actual work of specifying outcomes by measurable indicators often raises as many questions as it answers, due to data limitations, methodological disputes, or value conflicts (Sawicki and Flynn, 1996; Cobb and Rixford, 1998; Hart, 1999). As Harmon (1995, p. 3) notes, “what appears to be rational from the reformer’s lofty perch is frequently irrational from the worm’s eye perspective of those charged with implementing the reforms.”

Other analysts focus their concerns on the political context within which outcomes assessment is inevitably lodged. Some fear that outcomes assessment will primarily become a punitive, budget-cutting tool or be based on unrealistic standards because of a failure to consult nonprofit leaders (Bass and Lemon, 1998). Others worry that it will be used in a rigid command and control fashion that recreates within the nonprofit sector the same bureaucratic strictures that have made contracting out a popular option in the public sector (Carter and Greer, 1993; Dicke and Ott, 1999; Romzek and Dubnick, 1994). More fundamental is the question of whether even the most successful and objective assessments will have much impact given “how utterly incidental and unimportant the program evaluation ideal really has been in national social policy over the last thirty years” (Lohmann, 1999, p. 101).

Veteran observers of public and nonprofit administration caution that we are a long way from being able to apply outcomes assessment tools seriously and productively (Fredrickson, 2000b; Gardner, 1996). These tools tend to focus on either program performance indicators (United Way of America, 1996) or measures of community progress (Redefining Progress, 1997), with comparatively little attention on how to build the links between these levels. The key accountability question becomes: To what degree does a particular project contribute to communitywide goals? A few pioneering efforts attempt to take the link between project-level and community-level outcomes seriously (Friedman, 2000; North Central Regional Center for Rural Development, 1997), but they presume that the community has an agreed-upon process for overseeing the range of local development projects and charting future directions, a condition lacking in most

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locales (Bradshaw, King, and Wahlstrom, 1999; Gaubatz, 1998; Smith, 1994; Shively, 1997).

In this context, nonprofit organizations face a fundamental paradox of political accountability. Few nonprofit projects have sufficient scope to be held accountable for changing communitywide indicators, such as the unemployment rate. On the other hand, the project-level outcomes for which they can be held accountable are typically so narrow that the public has no compelling accountability interest (for example, training a dozen women in home business skills or restoring an old ship in hopes of attracting tourists). Thus, leaders of nonprofit organizations face a particular bind in responding to the demands for results-based accountability. If they focus only on the project-level outcomes over which they have the most control or for which indicators are readily available, they risk default on the larger question of accountability to publicly valued goals. On the other hand, if they try to demonstrate the impact of their particular projects on communitywide outcomes, they risk taking credit inappropriately or shouldering the blame for indicators beyond their control.

In this article, we present findings from a research project that explored the practical demands and dynamics associated with this paradox. We sought to learn two things: (1) whether local actors perceived any advantage in linking nonprofit project outcomes to communitywide indicators and (2) what difficulties stand in the way of making such links. The two-year project was conducted in collaboration with selected nonprofit organizations in the north coast region of California, an area whose economy is shifting away from forestry and toward more diverse enterprises. The purpose was to identify best practices for outcomes assessment, focusing on the types of community economic development projects with which local cooperative extension offices and their community partners are currently engaged.

Our original intention was to create a list of valued outcomes, each paired with indicators, but this proved impossible. As we struggled to make sense of this result, we came to understand the wisdom of Gardner's reminder (1996, p. 8) that "results-based accountability is not fundamentally a technical process, but an intensely political one." There are, of course, difficult technical hurdles to surmount in developing useful indicators, such as devising valid measures of the impact of an entrepreneurial training program. But the fundamental need we discovered was for accountability strategies and processes that connect project developers and community leaders in ways that promote joint responsibility, incremental achievements, ongoing learning, and clarity about future choices.

Approach and Methods

The nonprofit project developers and community leaders with whom we worked did not reject the claims of outcomes assessment outright,

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but their persistent litany of “yes, but” qualifications and objections clarified the limits of current outcomes assessment approaches and how those limits might be transcended. Our research, conducted from 1998 to 2000, was funded by a competitive grant from the University of California Division of Agriculture and Natural Resources. It was conducted jointly by the California Communities Program at the University of California, Davis; the Humboldt County University of California Cooperative Extension office; and the Center for Environmental Economic Development in Arcata.

The project was unique in at least three respects. First, it attempted to apply outcomes assessment tools developed in the context of social services work to the projects of economic development organizations. Second, the primary organizations involved with the project—including the county cooperative extension office, a local economic development corporation, and a nonprofit institute promoting sustainable forestry—had a history of working together and the luxury of two years in which to build a common vocabulary, pursue diverse methods of inquiry, and adjust to what we learned along the way. Finally, the project deliberately focused on the links between project and community outcomes, in contrast to the standard practice of considering one or the other of these (Gardner, 1996).

The empirical work proceeded in three phases and produced both qualitative and quantitative data. First, we worked closely with a diverse set of project developers as they prepared project descriptions based on the United Way program logic model for specifying how a project intends to use its resources to create activities that result in beneficial outcomes. We wanted to learn what outcomes they thought their projects were trying to achieve, what kinds of indicators they believed would let them know how they were doing, and what links they perceived with community goals. During this process, members of the research team provided continuing feedback and encouragement, in effect creating a form of ongoing technical assistance. Field notes from individual and group technical assistance sessions became an important source of data for this analysis. The more immediate and practical result was to create a set of succinct project summaries and program logic models (including both outcomes and measurable indicators; see Table 1) for eight local economic development projects.

Staff from the eight projects shared a concern for fostering environment-enhancing forms of economic development, but their funding came from diverse sources, including the federal government, private foundations, and the University of California. Each funding source included a distinct programmatic thrust, such as (1) expanding the growth of hardwood products manufacturing, (2) building regional capacity to develop a sustainable ecosystem management approach to forestry, (3) training owners and managers to support hardwood products businesses, (4) building a business

Table 1. Program Logic Model from Humboldt Projects Farm Incubator Project

<i>Desired Outcomes and Related Indicators</i>		
<i>Immediate (First Year of Project)</i>	<i>Intermediate (First One to Three Years of Project)</i>	<i>Longer Range (Three or More Years)</i>
<p>Create a place where farmers can test their interest and ideas on small parcels with low capital investment</p> <ul style="list-style-type: none"> • Memorandum of understanding between U.S. Forest Service and UCCE for use of land written and implemented • Number of participants that sign up for parcels 	<p>Program participants increase knowledge and experience</p> <ul style="list-style-type: none"> • Participants expand some crops and drop others, based on their experience in the project • Participants increase business skills • Participants decide to drop or continue farming • Participants share resources as a result of increased networking opportunities <p>Improved public-private collaboration</p> <ul style="list-style-type: none"> • Number of nonnegative local news reports regarding the collaboration between U.S. Forest Service and local community • Memorandum of understanding used as template for other projects <p>Increased sponsor understanding of what enterprises are feasible for small farmers.</p> <ul style="list-style-type: none"> • Project staff records successes and failures for future advising with other small farmers 	<p>Participants become stable and independent beyond the life of the project</p> <ul style="list-style-type: none"> • Number of participants who continue to farm • Participants purchase land or sign long-term leases for parcels available on the open market • Participants are able to attract business financing <p>Increased employment opportunities in the agricultural sector</p> <ul style="list-style-type: none"> • Increase in the number of hourly wage jobs in these farm enterprises <p>Increased volume of local agriculture-related business</p> <ul style="list-style-type: none"> • Increased purchases by participants at local suppliers, for example leasing or purchase of equipment, supplies, materials <p>Advisors increase knowledge and skill in aiding small farmers</p> <ul style="list-style-type: none"> • Number of small farmers receiving assistance from advisors increases • Participating farmers assess advisors' help positively

network based on ecologically sound forest practices, (5) constructing a historical boat as part of an ecotourism strategy, (6) creating a farm incubator project to help small farmers, (7) training local women in commercial textile production, and (8) reviving Native American basket-weaving practices.

In the second phase of our work, we searched the community indicators literature and related Web sites and developed a list of fifty-one community economic development indicators currently in use. The list included indicators of business health, resident income, employment, workforce quality, resource sustainability, and civic vitality. We deliberately included indicators from a range of sources. These included traditional measures used by community economic development professionals, those currently in use in state- or local-level outcomes processes (such as the Oregon Progress Board and Sustainable Seattle) and measures specifically designed to emphasize sustainability (Hart, 1999).

We constructed a survey instrument designed to rate these indicators against important criteria. A pretest of the instrument had respondents rate each indicator as high, medium, or low on four criteria: importance, clarity, achievability, and data feasibility. Given the difficulties the pilot group had in rating the last two of these criteria, we simplified the final rating process. We asked the respondents to rate all fifty indicators as high, medium, or low on two criteria: (1) importance (“Does it provide information that is important in understanding the region’s quality of life?”) and (2) understandability (“Does it measure an aspect of quality of life in a way most citizens can easily understand?”). We mailed the survey to a group of north coast funders and decision makers that local project developers and the county cooperative extension office identified as key stakeholders. These included local government officials, representatives of state and federal agencies, funders, members of the financial community, business people, members of environmental organizations, and other civic leaders. Of forty-two surveys mailed, eighteen were completed. Given the small population figure, we had to interpret these results cautiously. On the other hand, the respondents were spread fairly evenly among the sampling categories and represented a sizable percentage of the key economic development players in the area. Table 2 summarizes the ratings.

In order to explore further what we had discovered during the first two phases of the work, we conducted a focus group with a set of community decision makers, funders, and project developers. Twenty individuals attended, split evenly between those who had responded to the surveys and those who had not. We sought their feedback on different modes of presenting project summaries and program logic models in written form, their explanations for the way indicators on the survey were rated, and their reflections on the link between project-level and communitywide indicators.

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Table 2. Average Rating of Fifty Community Economic Development Indicators on Importance and Understandability (by Order of Importance)

<i>Indicator</i>	<i>Importance</i>	<i>Understandability</i>
Decrease in percentage of children living in poverty	2.80	2.66
Increase in high school graduation rate	2.73	2.73
Increase in percent of jobs that pay health benefits	2.73	2.53
Increase in adult literacy rate	2.73	2.60
Decrease in overall poverty rate	2.66	2.80
Decrease in unemployment rate	2.60	2.86
Increase in percent of residents of working age who are employed	2.60	2.46
Increase in export of local goods and services	2.53	2.60
Increase in local government revenues	2.50	2.71
Increase in housing affordability (price to income ratio)	2.46	2.53
Increase in percentage of population that is college educated	2.46	2.46
Increase in transient occupancy tax revenues from tourism	2.42	2.42
Increase in percentage of citizens who volunteer	2.42	2.42
Increase in native fish populations	2.40	2.33
Decrease in disparity in income between top and bottom 20 percent	2.40	2.26
Success rate of bond measures for local schools and government	2.35	2.21
Increase in wages per job in key business clusters	2.33	2.46
Increase in sustainability of new business starts	2.33	2.26
Increase in percentage of residents with income exceeding 150 percent of poverty level	2.33	2.40
Decrease in real unemployment (includes discouraged workers)	2.33	2.20
Decrease in number of working poor	2.33	2.13
Increase in recreational opportunities for citizens	2.28	2.35
Decrease in percentage of professional services imported	2.26	2.06
Increase in percentage of workers receiving skill training	2.26	2.06
Net increase in number of business establishments	2.20	2.87
Increase in per capita income (adjusted for local cost of living) as percentage of state average	2.20	2.26
Decrease in number of days that air quality is unhealthy (by federal air quality standards)	2.13	2.33
Increase in percentage of voting age population who vote in local elections	2.13	2.33
Increase in wildlife populations	2.13	2.13
Increase in base industry employment as percentage of total employment	2.13	2.00
Increase in government expenditures	2.07	2.50
Decrease in food stamp usage rate	2.06	2.46
Improvement in conditions of roads and highways	2.06	2.26
Increase in per capita savings level	2.06	2.26
Increase in percent of consumer goods for purchase locally	2.06	1.80
Increase in total number of employed residents	2.00	2.60
Increase in percentage of lower-paid workers in sponsored training programs	2.00	1.86
Decrease in energy cost as percent of business expense	1.93	2.13
Increase in percentage of residents using alternatives to cars in their daily commute	1.86	2.20
Increase in total income from employment	1.86	2.00
Increase in number of theatrical companies and singing groups	1.85	2.20
Decrease in hours of work at the region's average wage required to support basic needs	1.80	1.53
Increase in mentions of region in state and national publications	1.77	1.99
Increase in newspaper space devoted to public affairs	1.71	1.63
Increase in the number of nonprofits	1.64	1.85
Decrease in rate of agricultural land rezoned for urban purposes	1.60	1.80
Decrease in rate of loss of forest land	1.53	1.73
Increase in percentage of families who own a car	1.40	2.13
Decrease in jobs per household ratio	1.35	1.57
Increase in percentage of government offices, nonprofits, and businesses on-line	1.28	1.85

Note: N = 18. Scale of ratings: 1: low, 2: medium, 3: high.

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Findings

We identified three key obstacles to applying outcomes assessment methods in a way that meaningfully relates project-level performance to valued community goals: (1) the inherent difficulty of linking project-level results to communitywide outcomes; (2) lack of agreement between local agencies as to goals; and (3) few regular occasions for project developers and community leaders to reflect on outcomes and indicators in order to assess better which projects to pursue with their limited resources.

Inherent Difficulties of Outcomes Assessment for Project Developers

Two preliminary observations are important. First, all of the nonprofit project developers we contacted were eager to collaborate with the research team. They indicated that the trend toward outcomes assessment was something they were dealing with increasingly in their projects, and they were eager for helpful ideas and assistance. Many of them are involved with the local economic development forum, which is working to develop a common set of community economic development indicators for the region. Second, these nonprofit leaders had been with their organizations for many years and were experienced grant writers. All had a high level of commitment to the aims of our project and a solid motivation for learning more in order to improve their writing of grants and reports.

Despite this, the first phase of our work—creating the project summaries and program logic models—took more than six months to complete. In part, this reflected the competing demands on the time of the local project developers and the research team. Articulating the desired outcomes of their projects and identifying indicators that seemed to measure what was important about the outcomes proved a time-consuming task. Because they intended to use the resulting assessment schemes in their work, the nonprofit leaders were constrained by their expectations of the feasibility of obtaining evidence for the various indicators. As we pressed the project developers to think about the long-term implications of their projects, we found that they were not accustomed to thinking about how short-term project outcomes relate to broader community goals.

The good news is that both project developers and focus group participants found the use of the United Way program logic model helpful. The bad news is that the models are taxing to produce and that simply having a helpful template does not ensure a good result. We discovered what is no doubt familiar to anyone who has tried to develop outcome-indicator pairs: the work is difficult, except in the most straightforward of projects. It calls for a rare degree of clarity about purposes, raises questions of data availability and quality, and

forces persistent trade-offs between what would be ideal and what is feasible. Given the complex nature of this sample of community economic development projects, which often had multiple nested goals and numerous organizational collaborators, creating valid and feasible assessment strategies proved no small feat.

Even with our technical assistance and the luxury of a long time to work together, the project developers and community leaders who were asked to comment on the results were not completely satisfied. A nonprofit project developer working on watershed issues noted, "There are huge technical questions to answer. I always find myself needing more information about technical feasibility." A funder read one summary and responded, "I'm glazing over. . . . there are way too many buzzwords here."

It seems to us that this lack of satisfaction is not primarily due to deficiencies in the skills of the project developers or our abilities to assist them. Indicators for project outcomes could be developed, but the challenge was to find indicators that (1) captured the complexity and uniqueness of the projects, (2) would not impose self-defeating costs to collect, and (3) made sense for multiple funders with multiple goals and multiple accountability emphases.

These project developers are acutely aware that most of their funding does not pay enough to support proper evaluation or data development. They also know that developing trusting personal relationships with funders may be a more valuable investment of time and energy than preparing outcomes assessment may be. The funders told us that when deciding to fund a project they put more stock in the clarity of a proposal and the track record of the person or group behind the proposal than they did in the plan for evaluation. By *track record*, they referred primarily to elements such as the ability of an organization to sustain itself, pass fiscal audits, and stay out of trouble rather than to its programmatic outcomes. One project developer stated, "It's the people connected to the project that are its best assets, and the success of the project is tied to their personal energy. Indicators are fine, but there shouldn't be a direct link between them and funding."

Whether nonprofit project developers have the skills, resources, and support to make outcomes assessment practical and feasible depends in large part on how rigidly funding agencies define demands for accountability. Given sufficient time and assistance, local project developers could envision outcomes assessment schemes that they deemed useful for their own decision-making processes. A key element in making that possible was enlarging their sense of the types of evidence that might serve as valid indicators of desired outcomes. For example, if the outcome was "increased awareness and information about business opportunities," it was feasible and practical to use participant self-reports as an indicator, rather than a more sophisticated pre- and posttest survey.

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Of course, it is this very flexibility that can call into question the validity of the indicators, either as guides to future project choices or as data to report to project funders. We found that the grip of the culture of scientism is strong. It shows up both in the ways that project developers limit themselves by holding to unreasonably high data standards and in the opposite reaction of denouncing all outcomes assessment strategies as getting in the way of the heart and soul of what they are doing. Project developers feeling the pull of these extremes may not consider more helpful middle-range approaches to creating useful evidence of achievement.

Inevitably, the drive for greater specificity, objectivity, and firm data on which to base funding choices leads back to the trade-offs between accessibility and quality of data, cost (largely in terms of staff time) of developing reliable indicators, and importance of the outcomes being tracked. For example, a project promoting sustainable forestry practices may have the goal of improving water quality in local streams, but it may lack the means to either measure that outcome in ways that are scientifically accepted or to specify the particular contributions of the project's work to the improvements that it measures.

Sources of Difficulty in Identifying Measurable Community Goals

By their very nature, community goals are subject to multiple interpretations and ongoing negotiation. This has been especially true in the volatile setting of timber-related communities, which both deal with perceived conflicts between the environment and jobs and search for alternative forms of economic development. When we asked nonprofit project developers whether they would feel comfortable linking their projects to communitywide goals, the immediate response was often, "Who gets to set the goals? Who gets to say what is important?" They were wary of any attempt to force projects to conform to an official list of priorities, believing it would risk eliminating important projects that might not happen to fit the current or dominant agenda.

On the other hand, the north coast region has a fairly organized economic development community (compared to most rural California counties), and that community had begun a process seeking to identify economic development benchmarks, which was taking place concurrently with our research. Despite this, our data revealed a rather limited and fragile consensus on what constitutes a set of important indicators of community economic development. Of the fifty-one indicators on the survey, the nine that received high ratings for both importance and understandability (see Table 2) were traditional and widely used measures. Comments on the ratings survey forms and the focus group discussion revealed that the respondents were wary of putting too much stock even in these familiar indicators. Respondents frequently appended qualifications to their ratings,

expressed acute awareness of the limits on data availability and quality, suggested nuances that make determining the meaning of any given indicator difficult, or offered local exceptions and circumstances that color seemingly unambiguous figures. Respondents seemed to share the judgment of public administration experts that indicators, although presented quantitatively, remain interpretations of reality in the same way that words are narrative interpretations of reality (Barrett and Greene, 2000; Cobb and Rixford, 1998; Fredrickson, 2000b; Murphey, 1999).

The local leaders were painfully aware that there is simply not an adequate or feasible indicator for every important goal and that the process of determining how much energy and effort to put into data collection involves unavoidable trade-offs between the need to measure outcomes and having sufficient resources to create the outcomes. The awareness of data limits combines with a reluctance to focus on a narrow list of high priorities, creating an impasse in efforts to target outcomes collaboratively. If the leaders trust the numbers, they may question the goals; if they agree on the goals, they may not trust the numbers. Given the costs of generating better data or developing a political consensus, solutions to this impasse are hard to find. On the other hand, when project developers can target a discrete goal and make a strategic investment in developing data that are deemed essential for measuring progress, they can establish a clear accountability trail.

Perspectives on Linking Project-Level and Communitywide Outcomes and Indicators

Focus group participants gave many reasons why great care must be taken in any attempt to link individual project outcomes to communitywide goals. They noted that it is hard to demonstrate a measurable impact on a particular goal as the result of any single project and that a community indicator might decline even if a particular project is succeeding. For example, water quality in a local stream may decline if upriver pollution increases affect the success of local programs to decrease toxic runoff. At best, communitywide results take a long time to appear, suggesting that accountability processes need to be based in much longer time frames than are common in most grant making. Funders insisted that in judging project proposals they want to be able to assess why the community needs this project now, given the history of the local community and the nature of its current problems. For this reason, they found that program logic models alone are insufficient to determine the expected value of a particular project.

A number of participants worried that focusing outcomes assessments on preselected indicators could restrict flexibility and create blinders that hide unintended consequences from view. Others noted that outcomes assessment requirements put a disproportionate burden on smaller nonprofits with limited capacity. Still others were

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troubled that focusing assessments on individual projects can work against the spirit of collaboration by placing too much attention on which organization gets credit for a given result.

On the other hand, we heard from both funders and project developers that it was a good idea for any project, even a short-term one, “to show where the ripples will go.” They were often stumped, however, as to how to do this in practice. For example, our sample of eight community economic development projects identified results such as increases in low-cost test sites for potential farmers, increased financial resources for small woodworking-related activities, increase in out-of-town visitors, and increase in garment industry income. These goals are project specific, and even the most wildly successful of these projects could not by itself claim to have had community-wide effects such as reducing child poverty or making much of a dent in the local unemployment rate.

The comments we heard implied the need to link accountability processes to collaborative community mechanisms. If a small nonprofit becomes part of a larger collaborative effort, it can receive credit for having done one piece of the needed work to achieve a given result. If improvements in one indicator are making one organization look good but creating unintended effects that plague other organizations, such as when a school achieves higher educational test scores by shifting large numbers of low-achieving students to alternative programs, a good collaborative can bring the issue to the table and negotiate change. If the community has been affected by structural changes that make short-term improvements unlikely, such as the closure of a timber mill, funders and community leaders can keep results expectations reasonable across the board.

Discussion

In theory, outcomes assessment can be a helpful tool for realizing publicly valued ends such as fiscal accountability, program integration, and citizen empowerment. However, our findings suggest that achieving these ends in practice will be rare rather than routine. The gap between the promise and practice of outcomes assessment is not simply a matter of inadequate training, slow learning curves, or deliberate evasion (Carter and Greer, 1993; Scotch, 1999), although all these factors play a role. The deeper reason is twofold: (1) even the best trained and most willing of practitioners must make trade-offs that ultimately constrain them (Dicke and Ott, 1999; Fredrickson, 2000a; Romzek and Dubnick, 1994), and (2) any results-based accountability system depends on working governance mechanisms and effective leadership. It is not simply that the ideas have not been sufficiently tried (Brudney, Hebert, and Wright, 1999) but that they are being tried and found wanting (Downs and Larkey, 1986; Harmon, 1995).

Local stakeholders are attracted to the ideas of results-based accountability in the abstract but often resist or abandon them in practice. The persistent response of these local stakeholders (“yes, but”) is a helpful corrective to the often seductive rhetoric implying that outcomes assessment is straightforward or a panacea. Nonprofit project developers often view outcomes assessment not as a helpful compass to keep their efforts on target but as an external demand with potentially punitive consequences. Funders raise concerns about lack of scientific rigor in collecting indicator evidence on the one hand and about the excessive expense of data collection on the other. Although one funder stated, “It’s simple, any project worth its salt can do it,” the large majority of our local informants had a much more complex and reflective view of what it would take to make outcomes assessment work as promised.

With respect to the paradox of nonprofit accountability, our limited research suggests that linking project-level results and community-level outcomes will be difficult. Based on the experiences and perspectives of our sample of informants, we hypothesize that transcending the paradox will require three conditions:

- Nonprofit project developers who can articulate, with appropriate evidence, a chain of logic demonstrating how their various projects contribute to communitywide outcomes
- Collaboration among funders who can identify and prioritize measurable goals and create incentives for project developers to direct their activities toward these goals
- Community leadership that creates and sustains serious processes for targeting outcomes, developing data, reflecting on results, and disciplining collaborative partners

One can imagine at least two scenarios in which outcomes and indicators might play a more constructive role in community planning. In the first scenario, funders of projects in a particular community would coordinate their efforts to focus on a discrete set of outcomes, provide grantees with the assistance they need to develop valid and useful indicators, and then use the results to determine future funding decisions (Gardner, 1996). In the second scenario, local project collaborators would argue their way to a consensus on selected goals, figure out which organizations and projects could contribute in which particular ways to reaching the goals, and undertake the necessary data development to ensure that outcomes assessments are meaningful. Both scenarios require serious focus and effort supported by effective leadership.

Our work with project developers deepens our conviction that outcomes assessment works best when it is used flexibly and strategically as a set of practical tools that help project developers stay on course rather than as a rigid control mandate that imposes unnecessary time burdens and restricts local creativity (Patton, 1997). This

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conclusion implies a retreat from the view that outcomes assessment establishes objective standards against which to measure performance. Whereas some government and private funders may want these standards to establish the credibility of their programs, local community leaders see the standards themselves as the products of inherently subjective, fragile, and highly political processes. Furthermore, the people involved in the accountability relationships—both the project developers and the funders—that would purportedly make use of the standards tell us that relationship is what matters most to them—personal and organizational credibility based on track record, comfort, and familiarity. The need, as we see it, is for collaborative community processes in which these relationships are negotiated collectively and publicly, rather than as a series of one-on-one deals between particular project developers and funders.

Imposing outcomes assessment strategies on nonprofits will not automatically aid the public interest, unless the community works together to define and refine its sense of what its interests are over time. A workable results-based accountability process involves creating two types of community occasions. The first is an occasion for project developers to articulate a compelling logic that links their project activities to communitywide goals. The second is a reflective occasion that asks, given the best available evidence and judgment, whether project results (individually or collectively) are actually contributing to the desired outcomes. Developing and institutionalizing these community occasions should be the primary concern of those who wish to see outcomes assessment realize its considerable promise.

If it is feasible at all, the solution to the paradox of nonprofit accountability comes when local leadership emerges to catalyze a sense of joint responsibility for turning the curve on a particular indicator of a community problem (Friedman, 2000). These leaders may use quantitative and qualitative indicators as aids to decision making, but they must avoid substituting indicators for judgment, that is, for careful reflection that is ultimately grounded in community values (Yankelovich, 1991). What we need is a more imaginative rather than literal understanding of responsibility and accountability (Kearns, 1996), one that takes into account the particularities of the situation at hand rather than conformity to prescribed ends, contribution to the joint cause rather than organizational self-justification. Otherwise, outcomes assessment will default on its considerable promise as an aid to organizational effectiveness and more reflective public judgment.

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