QUESTION 4

What Are Our Results?
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WHAT ARE OUR RESULTS?

Peter F. Drucker

❖ How do we define results?
❖ Are we successful?
❖ How should we define results?
❖ What must we strengthen or abandon?
The results of social sector organizations are always measured outside the organization in changed lives and changed conditions—in people’s behavior, circumstances, health, hopes, and above all, in their competence and capacity. To further the mission, each nonprofit needs to determine what should be appraised and judged, then concentrate resources for results.

**LOOK AT SHORT-TERM ACCOMPLISHMENTS AND LONG-TERM CHANGE**

A small mental health center was founded and directed by a dedicated husband-and-wife team, both psychotherapists. They called it a “healing community,” and in the fifteen years they ran the organization, they achieved results others had dismissed as impossible. Their primary customers were people diagnosed with schizophrenia, and most came to the center following failure after failure in treatment, their situation nearly hopeless.

The people at the center said, “There is somewhere to turn.” Their first measure was whether primary customers and their families were willing to try again. The staff had a number of ways to monitor progress. Did participants regularly attend group sessions and participate fully in daily routines? Did the
incidence and length of psychiatric hospitalizations decrease? Could these individuals show new understanding of their disease by saying, “I have had an episode,” as opposed to citing demons in the closet? As they progressed, could participants set realistic goals for their own next steps?

The center’s mission was to enable people with serious and persistent mental illness to recover, and after two or more years of intensive work, many could function in this world—they were no longer “incurable.” Some were able to return to a life with their family. Others could hold steady jobs. A few completed graduate school. Whether or not members of that healing community did recover—whether the lives of primary customers changed in this fundamental way—was the organization’s single bottom line.

In business, you can debate whether profit is really an adequate measuring stick, but without it, there is no business in the long term. In the social sector, no such universal standard for success exists. Each organization must identify its customers, learn what they value, develop meaningful measures, and honestly judge whether, in fact, lives are being changed. This is a new discipline for many nonprofit groups, but it is one that can be learned.

**QUALITATIVE AND QUANTITATIVE MEASURES**

Progress and achievement can be appraised in qualitative and quantitative terms. These two types of measures are interwoven—they shed light on one another—and both are
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necessary to illuminate in what ways and to what extent lives are being changed.

Qualitative measures address the depth and breadth of change within its particular context. They begin with specific observations, build toward patterns, and tell a subtle, individualized story. Qualitative appraisal offers valid, “rich” data. The education director at a major museum tells of the man who sought her out to explain how the museum had opened his teenage mind to new possibilities in a way he knew literally saved his life. She used this result to support her inspiration for a new initiative with troubled youth. The people in a successful research institute cannot quantify the value of their research ahead of time. But they can sit down every three years and ask, “What have we achieved that contributed to changed lives? Where do we focus now for results tomorrow?” Qualitative results can be in the realm of the intangible, such as instilling hope in a patient battling cancer. Qualitative data, although sometimes more subjective and difficult to grasp, are just as real, just as important, and can be gathered just as systematically as the quantitative.

Quantitative measures use definitive standards. They begin with categories and expectations and tell an objective story. Quantitative appraisal offers valid “hard” data. Examples of quantitative measures are as follows: whether overall school performance improves when at-risk youth have intensive arts education; whether the percentage of welfare recipients who complete training and become employed at a livable wage goes up; whether health professionals change
their practice based on new research; whether the number of teenagers who smoke goes up or down; whether incidences of child abuse fall when twenty-four-hour crisis care is available. Quantitative measures are essential for assessing whether resources are properly concentrated for results, whether progress is being made, whether lives and communities are changing for the better.

**ASSESS WHAT MUST BE STRENGTHENED OR ABANDONED**

One of the most important questions for nonprofit leadership is, Do we produce results that are sufficiently outstanding for us to justify putting our resources in this area? Need alone does not justify continuing. Nor does tradition. You must match your mission, your concentration, and your results. Like the New Testament parable of the talents, your job is to invest your resources where the returns are manifold, where you can have success.

To abandon anything is always bitterly resisted. People in any organization are always attached to the obsolete—the things that should have worked but did not, the things that once were productive and no longer are. They are most attached to what in an earlier book (*Managing for Results*, 1964) I called “investments in managerial ego.” Yet abandonment comes first. Until that has been accomplished, little else gets done. The acrimonious and emotional debate over what to abandon holds everybody in its grip. Abandoning anything is thus difficult, but only for a fairly short spell. Re-
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birth can begin once the dead are buried; six months later, everybody wonders, “Why did it take us so long?”

**LEADERSHIP IS ACCOUNTABLE**

There are times to face the fact that the organization as a whole is not performing—that there are weak results everywhere and little prospect of improving. It may be time to merge or liquidate and put your energies somewhere else. And in some performance areas, whether to strengthen or abandon is not clear. You will need a systematic analysis as part of your plan.

At this point in the self-assessment process, you determine what results for the organization should be and where to concentrate for future success. The mission defines the scope of your responsibility. Leadership is accountable to determine what must be appraised and judged, to protect the organization from squandering resources, and to ensure meaningful results.

**Note**

The preceding text is from Peter F. Drucker, *The Drucker Foundation Self-Assessment Tool: Participant Workbook* (San Francisco: Jossey-Bass, 1999), SAT2, pp. 40–44.
Peter Drucker wrote nearly fifteen years ago that the “most exciting” development in his half century of work with nonprofits was that they had begun to talk not of needs but of results. This was progress of a very important sort—and Drucker, typically, understated his own role in helping inspire the change.

Drucker’s explication of Question 4 clearly and cogently lays out some of the most important subordinate questions in the evaluation of outcomes in the nonprofit sector: What are the prerequisites for our success? How do our partners and beneficiaries experience our work? What are our qualitative as well as quantitative goals? How do we define our results? Do we have the courage to admit failure and let others learn from our mistakes?

I would submit, however, that Drucker’s insights in this matter are now sufficiently well understood that he would
want us today to go further. The contemporary discussion around evaluation is no longer whether it is worthwhile—it surely is; nor is it around whether quantitative measurements alone are sufficient—surely they are not; nor is it confined to whether failure is admissible—surely we must admit that human efforts, no matter how well intended, must fall short, and that refusal to admit failure and share the knowledge with others only compounds that failure.

Instead, the next question—Question 4A, if you will—asks us how we use our results to play a role in Drucker’s Question 5, “What is our plan?”

*The Five Most Important Questions* proceeds on the implicit premise that our plan is fixed and that the results must flow from it. But the program work of a nonprofit is more iterative than linear. Our plan needs to be designed not only to further our mission but also to yield measurable results, so that we can know whether or not the plan is succeeding. Just as Drucker is correct in observing that needs are not enough, that intentions are insufficient, so it is also true that a plan should not be considered complete, or even satisfactory, until it has been constructed in such a way as to produce some measurable outcomes and to build mechanisms, a priori, that allow midcourse corrections based on these results. This work is not like conducting a clinical trial or a randomized controlled experiment, however, where we do not break the code until the end. The goal is to achieve real impact; thus, measuring results is a
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tool for learning, for self-correcting, in order to reach intended, specified outcomes.

In saying this, we must sail between two shoals, what we might think of as the Scylla and Charybdis of nonprofit planning. On the one hand, we must ensure that our plans are designed in such a way that results can be measured. If necessary to guarantee this, we must even be willing to alter our choices of specific interventions to undertake, avoiding those where, for instance, the defined impact is so unclear and immeasurable as to be beyond our reach. On the other hand, we must also avoid the other shoal—the temptation to undertake only that work most easily quantified, to choose the sort of task that produces outputs, but fails to alter the most important outcomes. In this way, to pursue the metaphor just one phrase further, our voyage is an artistic and not just scientific endeavor.

Drucker begins his discussion of Question 4 by observing, with emphasis in the original, that “results are the key to our survival” as institutions. If results are our goal, they must also be our test. What endures from the work of nonprofits is not how hard we try or how clever we may be or even how much we care. Hard work is indispensable to success, of course, in this as in any other field; intelligence is prized in our sector as in all others involving intellectual endeavor; and caring is what has drawn the best people into this line of work. But ultimately what is remembered is how we have been able to improve lives. Peter Drucker understood this profoundly. This is why his question, “What are our results?” resonates today.