

DRAFT

# 1 Evaluation

We know we create so much value when we are together. But this value usually manifests when we are not together, when we are doing our jobs. How can we let others know what the community contributed? How do we answer the question of what impact we are having?

Evaluation has been somewhat of a vexing question, both for communities of practice and for organizations supporting them. In this chapter, we outline our approach to this challenge.

We start with a few general principles for evaluation related to communities of practice. Then we introduce *value creation* as a useful perspective to account for the difference the learning of a community makes in practice. And to make this concrete, we provide the outline of our value-creation framework:

- The four basic *cycles* of value creation
- The genre of *value-creation stories* to capture the flow of value toward making a difference and create learning loops
- Four additional cycles that often contribute to value creation
- The process of integrating indicators and stories to create robust accounts of value creation
- What the framework is useful for

For the reader in a hurry, the first two points will give you the general idea. They are at the beginning of section 6.3.

For the reader who wants more than the cursory overview of our framework presented here, a complete treatment can be found in our recent book *Learning to make a difference: value creation in social learning space* (listed under *Further reading* at the end of this guidebook).

## 1.1 Some evaluation principles for communities of practice

When it comes to communities of practice, it is useful to base evaluation on a few principles that reflect their specific nature and relation to organizations:

- A community stewarding a capability is fundamentally different from a team accomplishing a well-specified project goal or a business unit managing a profit and loss account.
- For the most part, the value of a community of practice manifests outside the community. There can be a substantial time lag between community activities and the full manifestation of their value.
- The ways in which social learning influences members' practice outside the community can be small and nuanced. These small and nuanced changes to practice, particularly across multiple members, can add up to significant and lasting effects. Small stories of progress matter.
- Don't overdo evaluation. Piling up accountability red tape on a voluntary community with little budget is likely to be counterproductive. In other words, evaluation should be proportionate to investment and serve a meaningful rather than bureaucratic purpose.
- Evaluation that truly reflects the community's perspective on its value (or absence of it) can be a form of learning rather than an extra burden. It can be as useful to members as it is to organizational sponsors and stakeholders.
- The purpose of evaluation data—when collected—should be to inform strategic conversations with stakeholders about building capabilities.

Formal measures should not be used as an easy way to manage from a distance and sidestep mutual engagement in such conversations.

## 1.2 The perspective of value creation

The evaluation of communities of practice has been a difficult question for organizations used to predictable and quantifiable measures of output. Because communities of practice deliver a capability rather than a product, simply transferring evaluation methods from a product perspective to a capability perspective can lead to misleading simplifications and unnecessary distortions.

It is surprising how often formal measures of community features have become ends in themselves—numbers of participants, documents produced, posts on a discussion board, and in some cases, an external measure of impact. All these measures can be informative, but they tend to produce inadequate—and often distracting—assessments of the value a community of practice brings to its members and stakeholders.

This is one reason we sometimes meet the belief that communities of practice cannot or should not be evaluated or measured. However, well-functioning communities of practice can create immense value—for members and for organizations—and it is this value that matters. Accounting for this value, whether easily measurable or not, is what evaluation needs to do. Between reducing everything to simple measures and giving up on evaluation entirely, we propose the perspective of *value creation* as a more balanced approach.

Value creation is a process that unfolds over time and takes different forms. From a value-creation perspective, we find it less productive to start our inquiry with questions about impact and traditional indicators to show impact. Methodologically (and ethically), it is usually difficult, if not impossible, to make a direct causal attribution between a community and its impact in the world. A more realistic approach is to combine multiple types of data to show step-by-step how a community has contributed to a

difference that people and their organizations care about. The point is to use this account of process to build a claim of contribution by the community that is robust enough to be plausible.

A value-creation approach starts with questions such as:

- Where and in what ways is a given community of practice creating value? For members? For organizations? For other stakeholders?
- How do we know this? How do we find out?
- How can we use different types of data to make a plausible case that the community is making a difference that matters?
- How can we leverage the inspiration and excitement of stories that members tell each other about their evolving practice—not just to deepen each other’s learning but also to inform an evaluation?

These are the questions we endeavor to address in the rest of this chapter.

### 1.3 Value creation in action: cycles and flows

As the process of creating value is happening over time, a community of practice is creating many distinct types of value along the way. To fully appreciate the difference that a community of practice makes, we propose a *value-creation framework* that distinguishes between eight different types of value. We call them *value cycles* to reflect their dynamic and incremental nature. What these value cycles have in common is the promise of increasing the ability of members to make a difference they care to make.

#### Creating value: four basic cycles

For a community to make a difference, value creation goes through four successive cycles:

- **Immediate value.** Engaging with colleagues produces value in and of itself, such as enjoying the company of like-minded people, doing

something exciting, or feeling that you can be truthful about the challenges that you face.

- **Potential value.** This engagement generates new insights, resources, ideas, methods, a shared identity, or social connections, which have the potential to improve practice.
- **Applied value.** Adopting or adapting these new insights, shared identity, resources, or connections to make changes in practice has inherent learning value since it is the test of their relevance and requires clever tweaks to fit the context.
- **Realized value.** The value of social learning is realized to the extent that changes in practice start to make a difference to what matters to members and stakeholders.

## Making a difference: flows of value

In a community of practice, learning makes a difference by creating *flows* across value types. For instance, the candid nature of a conversation gives rise to an interesting idea: that's a short flow between *immediate* and *potential* value. If someone tries this idea in practice and it produces good results (or not), this extends the process with a short flow between *applied* and *realized* value. Combining all four creates a long flow of value from *immediate* to *realized*. From a value-creation perspective, these flows are how social learning makes a difference in practice.

## Value-creation stories

These flows are often captured in stories that members tell each other when they talk about their practice. This is a way they account for how the community has made a difference for them: for instance, how a new insight they gained from a previous interaction led to a change in how they do their job and the effect this had. We call these stories *value-creation stories*.

An important function of our value-creation framework is to provide a structure for the telling of these stories. It suggests a story genre that

specifies the steps that the story needs to relay in order to become a plausible account of value creation.

- What was your experience of social learning in community activities?
- What did you get out of it?
- What did you do with it?
- What was the effect?

Note that a story can start in any cycle. For instance, a member might start their story by talking about an innovation they developed in their practice, including how they tried it out and refined it over time. Here we would say that the story starts between the *applied* and *realized* cycles. When it is shared with the community, it creates *immediate* and potential value. Perhaps a new flow is started when a fellow member picks up an idea from the story, does something with it in their own context, which helps them to make a difference. And so on.

## Four additional cycles

The ability of a community to make a difference through a basic flow often depends on additional processes of value creation. Our framework articulates four additional cycles:

- **Strategic value.** Successful communities engage with relevant stakeholders to discuss the relevance of their learning and ensure their work is understood. Over time, the quality of these conversations and relationships are crucial to the community's ability to make a difference.
- **Enabling value.** Getting better at social learning also produces value over time. So does the ability to secure necessary resources. This enabling can be done by members themselves or by other actors in supporting roles.
- **Orienting value.** Communities always exist within a broader social landscape. Their learning is enriched by incorporating a sense of that

broader landscape—what others are doing, relevant trends and research, as well as possible audience for their learning.

- **Transformative value.** Sometimes engaging in community activities has an effect beyond improving the specific practice of members: it transforms people’s identities or the systems and culture in which they are operating.

These additional value-creation cycles can enrich a value-creation story with useful information. For instance:

- If the application of an idea also involved conversations with stakeholders that led to financial support, then the flow includes *strategic* and *enabling* values.
- If a good understanding of a policy or market trends informs the learning of the community, it was due to the creation of *orienting* value.
- And if the learning of the community leads to a change in policy, the community will have created *transformative* value, by transforming the environment in which it operates.

All these are important pieces of information to include in a good story.

## Learning loops

If a story addresses the four questions listed above, it can become a useful learning resource for the community. When members bring value-creation stories back to their community, they create a *learning loop*—like the one illustrated with arrows in the cartoon of figure 1.2 in the introductory chapter. This is important because if something the community has done has created value, the community needs to know.

Note the importance of including negative value in the feedback, i.e., things that did not work. From a learning perspective, hearing about negative effects is as important as knowing about positive ones. This is why these stories are called *value-creation* stories and not *success* stories.



Learning loops contribute to learning in two ways:

- A loop furthers the learning of the community. If the value is positive, it reinforces the conclusions members have reached and can inspire others to try the same. If the value is negative, then the community needs to refine its learning and other members are warned about what not to do.
- In addition, the feedback furthers the learning capability of the community. Members can reflect on the types of value that certain activities create and the conditions under which these activities can have positive or negative learning effects. A loop helps the community learn how to learn—thus creating *enabling* value.

In these two ways, value-creation stories serve as vehicles to turbocharge the learning of the community. Some communities begin and end their meeting with the telling of value creation stories. What have you done with what we learned before? What do you think you can do with what we discussed today.

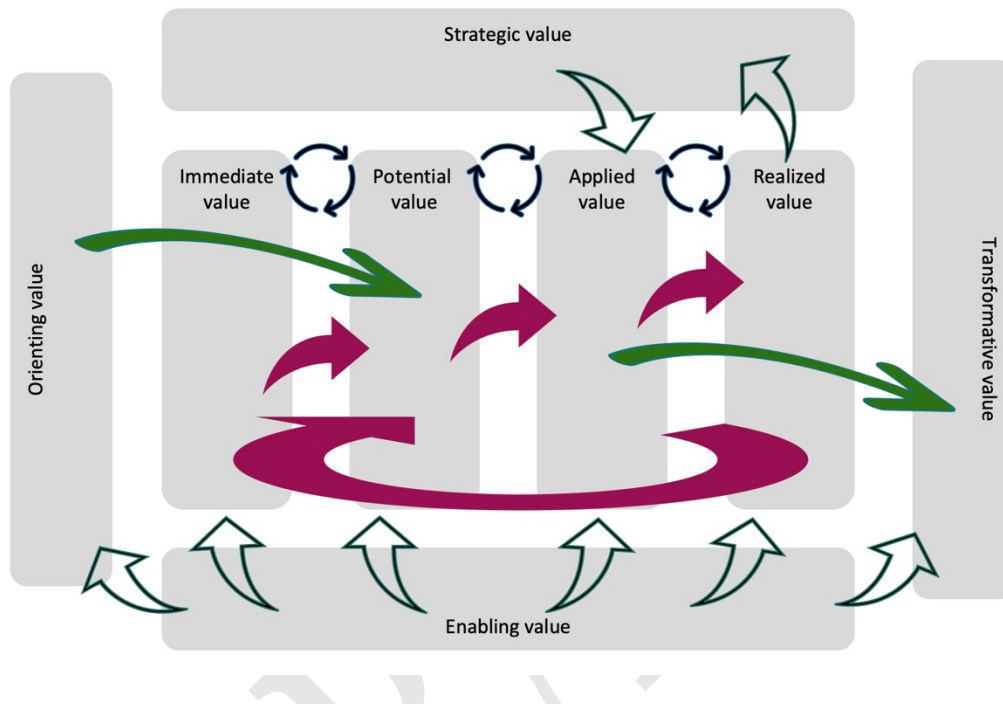


Figure 6.1. The full value-creation framework with cycles and loops

Figure 6.1 shows the full value-creation framework, which consists of eight value cycles and all the possible flows and loops between them.

## 1.4 Evaluation: articulating value creation

So far, the value-creation framework has been presented primarily as a model to foster social learning. But for this very reason it can also serve as a foundation for evaluation:

- As a model of learning, it produces accounts of the community's contributions in which members easily recognize their own experience

- As a tool in the service of learning, it integrates learning and evaluation because the same framework can serve both purposes

In other words, evaluation does not have to be an extraneous activity driven by a purpose that members resent because it adds a distracting burden on the community.

The process of evaluation combines two types of data: value-creation indicators and value-creation stories.

## Monitoring value-creation indicators

The value-creation framework provides some guidance for selecting a set of indicators to monitor in order to account for the full range of ways communities create value. For any value-creation cycle, it is possible to develop one or more indicator of value—if it seems useful. Indicators at the different cycles often require different data collection methods. Here are some simple examples for the basic cycles:

- **Immediate value:** collecting feedback at the end of a meeting, numbers of (returning) participants, level of activity
- **Potential value:** counting, categorizing, and collecting feedback on community artifacts, such as documents, tools, and promising practices
- **Applied value:** follow-up on actions people take in their practice, through self-reports or surveys
- **Realized value:** many relevant indicators are likely to be monitored by organizations, for instance, cost of doing business, funder-imposed milestones, client satisfaction, computer-system downtimes, turnaround time on requests, employee turnover, etc.

Some indicators may be non-negotiable, but most can be defined or interpreted to reflect the perspectives of community members.

## Value-creation stories as data

While any one indicator may be useful on its own, you still need to make a plausible case that a community activity contributed to a change in any relevant indicator. For this, you need some value-creation stories. These stories show how the value has flowed from one value cycle to another to affect that indicator.

Value-creation stories thus serve as useful *evaluation data* as well as a learning resource for members. By following the flow of value across cycles, these stories help to show how community activities have contributed to changes in individual and organizational performance. The community is rarely the sole factor shaping an indicator and stories show what part the community has contributed. A key task in the evaluation is therefore to collect enough value-creation stories from members to provide a robust claim of contribution to monitored effects.

The point here is to give a plausible account of the full process of value creation. As we said before, we are not talking about “success” or “impact” stories, which are often testimonies about how the community has benefited someone. These may be useful for a specific purpose (e.g., recruiting new members) but they are not value-creation stories. As a data point, a value-creation story emphasizes and accounts for a flow of value: how each type of value along the way was translated into another to make a difference in practice.

To provide a good data point, a value-creation story should have the following characteristics:

- A first-person account. When members tell their story in their own words, they related their own experience of carrying value from the community into practice. Being their own experience lends credibility to the data. (And it also provides a recognition that validates their perspective as active carriers of that value.)

- A specific instance. A good story accounts for specific events, insights, and changes in practice; as a piece of data, a small specific story is better than a big one that remains general and vague, because it shows concretely what the community has done. It also has a better chance of being verifiable.
- A complete flow. A good story does not skip over a cycle; without meandering, it provides all the steps in accounting for the flow of value.
- A plausible account. A good story provides enough details about the transition between adjacent cycles to make the flow of value understandable and convincing. It provides an account of the community's contribution that is plausible to someone familiar with the context.

It is rare to get a good story right up front. Members can learn this specific story genre, but it may take some effort and follow-up to collect a body of good, complete stories. Even when stories are unfinished, they give you something to follow up on later, especially if the storyteller is encouraged to project how the story is expected to end. It often makes sense to involve someone who is personally familiar with the context to help collect stories. They can trigger the storyteller's memory and assess the plausibility of any claim.

## Integrating stories and indicators

A robust evaluation process combines a few select indicators of value in relevant cycles with stories that show the process of how a community contributes to that value. The two types of data need to be cross-referenced:

- Stories are more convincing if they refer to at least one value-cycle indicator monitored independently. For example, a story is strengthened if it makes reference to an organizational performance metric whose change is verifiable. Similarly, if a value-creation story makes reference to an activity that was rated high in feedback forms, the high rating helps

corroborate the story. And the fact that many people found value in that activity suggests that there are likely more similar stories out there.

- Indicators are more meaningful when they are tied to the life of the community through a few stories referring to them. A high rating for an activity is good information, but it is just a number. It will be brought to life by just a few stories of what this activity did for some members in terms of changes in their practice and the difference this made.

It is this integration of these two types of data that helps deal with the challenge of evaluation in a community of practice. In such complex social contexts, claims of causal attribution cannot be made through the control of variables typical of formal evaluation. Stories have to do the job of showing contribution by accounting for process.

The process of integrating stories and indicators is dynamic. An unexpected level for an indicator suggests new stories to be collected. An unexpected value-creation story may point to a type of value that was not foreseen: a new indicator could be considered for monitoring or further stories should be collected. With this dynamic interaction of stories and indicators, evaluation does not require that all indicators be set up front. Evaluating can start right away, as part of the community's own reflection on its learning, and evolve along with this learning.

## 1.5 The framework in use

The framework has proved to be intuitive enough for members to use, but also rigorous enough for professional evaluators to work with. Most communities do not have professional evaluators, but even when they do, the framework allows members to be actively involved in articulating the value their community creates. In some communities, a few members take on the role of *value detectives*: watching selected indicators and ferreting out relevant stories to show the community's contribution.

From an organizational perspective, it usually falls to the social learning team to coordinate the process of evaluation across all communities of practice. The team helps communities articulate their value; monitors key indicators that fall outside of the purview of community members; builds a database of stories; publicizes exemplary results and stories; and creates occasional assessment summaries of the contributions of all communities. The value-creation framework is not meant to provide a summative evaluation at the end. It is more useful if it is an integral part of the initiative from the start—in collaboration with community members.

Value-creation data serves multiple purposes and audiences:

- **Ongoing loops.** Community members are the primary audience for evaluation data as it serves their learning. It is especially important if a story is not a success: everyone learns from something that did not work as expected. A simple way to enable this is to allow time in the agenda for members to talk about something they took from previous interactions and went on to put it into practice – and what happened as a result.
- **Conversations with sponsors.** Indicators and value-creation stories in tandem are helpful as supporting input for meaningful engagement with sponsors.
- **Learning news.** Quick spot accounts of value-creation in newsletters and websites provide inspiration as well as information about practice.
- **The story of the initiative.** The annual fair, for instance, is a good opportunity for a lively but data-rich account of progress so far.
- **Occasional summative assessments.** Initiative sponsors often want to see the big picture of what communities are doing. Stories play a key role in these assessments as a complement to indicators. Stories not only make it easier to interpret evaluation results; they are good triggers for substantive conversations about strategic capability-building. Even if a sponsor only asks for quantitative data about indicators, there is nothing to stop you from sharing one or two value-creation stories to bring life to

that data. We have seen sponsors become curious and supportive of community activities on the strength of a few real-life stories. Some have become champions of collecting value-creation stories once they realized their power to cross-reference with quantitative data and make a more plausible case for value creation by communities.

The value-creation framework does not specify the process of its use. It can accommodate a range of approaches. Its application can be done “lite”—with the collection of a few representative stories, and perhaps one or two straightforward indicators. Or it can be done more comprehensively with a systematic collection of data. Or anything in between. The level of systematicity will depend on the resources available, the extent of investment to account for, and the cultural and organizational context. Without burdening communities with excessive reporting requirements, it is important to involve members in the process. When properly integrated into the initiative, evaluation is a vehicle for broadening learning within communities and with stakeholders.