Why Organizations Go Off Course – Lesson 10: Identify a Theory of Change
January 2014
By Jonathan Poisner, www.poisner.com

I'm in the process of writing a long article entitled: *Why Organizations Go Off Course.* The article details a series of lessons I learned while growing the Oregon League of Conservation Voters (OLCV),[1] buttressed by my observations of dozens of other groups both in Oregon and across the country.

This series offers a counterpoint to the lessons in my other series: *Why Organizations Thrive*.

Why Organizations Go Off Course Lesson Ten is: Identify a Theory of Change.

Organizations that fail to identify their theory of change are more likely to go off course.

What is a theory of change? In plain language, a theory of change explains how the activities of the organization lead to accomplishment of the programmatic goal(s) an organization is seeking.

Sometimes the theory is a series of logical statements (because we do A, therefore B happens; because B happens, and we do C, therefore D happens; until one of these statements leads to the "goal" being achieved).

Sometimes the theory can be inserted into a flow chart or other graphical diagram that helps visually explain the way different activities come together in ways that a logic chain or written statements can't easily handle.

Other theories of change I've seen are simply a series of "Strategic Assumptions" written down that collectively embody the theory.

What format makes sense for any particular organization is highly dependent on the circumstances – the nature of the goal being sought, the types of activities pursued, and the complexity of the organization.

Why does failure to articulate a theory of change matter? And if it matters, how can a theory be developed?

Theories of change matter for a few reasons.

---

[1] I served as OLCV's Executive Director from 1997-2009. During that time, we grew from a permanent staff of 1.5 to 11, and a budget of around $200,000 to more than $1 million.

Most obviously, as a way to identify how to spend scarce resources. While there are some nonprofits that reach a scale that allows them to pursue many-pronged approaches to bringing about change, thriving small nonprofits almost always focus on one.

And even mid-sized thriving nonprofits stay focused on one or occasionally layer in just one other core strategy. This is a basic function of the adage that it's almost always more valuable to do one thing really well then two things mediocre.

I've witnessed organizations lacking a theory of change that are very frenetic, generating plenty of tactics, but without any unifying strategy that ties them together.

Having a theory of change also helps greatly in determining what skill-sets to focus on in hiring staff. For example, if you are a nonprofit with a heavy focus on changing public policy, your theory of change might inform whether to focus on hiring staff who're adept at grassroots organizing to put pressure on policy makers, as opposed to those who are skilled at messaging to centrist lawmakers.

If you are a direct service nonprofit, by contrast, your alternatives might look very different. Your theory of change may be very heavily dependent on having good relationships with the target audience you're serving, in which case you should hire staff with the personality and track record for relationship building. Conversely, if your theory of change is heavily focused on providing technical expertise, then technical expertise should be front and center in hiring.

Of course, it's easy when reading these examples to say: but we want both! Yes, and I'd like unicorns and rainbows and leprechauns.

But when we hire candidates from the real world, we must pick and choose candidates with some strengths and other weaknesses. Knowing what strengths are most essential to your organization is a by-product of having a theory of change.

Lastly, theories of change can inform how an organization brands itself publicly via its communications. If you have a theory of change, it helps answer key questions about your message and audience. Conversely, lacking a theory of change, it's very easy for whoever develops your communications to settle upon messages that are problematic.

More than once I've witnessed public policy organizations that lack theories of change who consistently try to both focus on pressure tactics that appeal to a base and simultaneously to use strategies based on personal relationships with centrist elected officials. As a result, the organization's communications are contradictory – language used to appeal to the base often sets back its personal relationship with centrists.

To use a somewhat analogous example from the movies: There's a reason a good cop, bad cop approach doesn't work with a single cop.

In these cases, the organization should usually assess what allied groups are doing and then pick/choose one approach, rather than placing its communications professionals in an impossible situation.

So how does an organization set out to create a theory of change?

It's definitely not rocket science.

First, you need a clear goal or goals. Until you know what change you are seeking, you can't develop a theory for how to create the change. The change sought by a nonprofit credit union will look very different from a nonprofit mentorship program or at-risk youth, which will look very different than the change sought by a nonprofit environmental advocacy organization.

Yet, in each case, the first step is the same – identify one or more goals that you are seeking over a period of time (usually 2-5 years).

Second, be clear-eyed about your current resources. What do you have today in financial and human resources and what greater level of resources can be realistically expected moving forward – or in some cases, you may be planning for a period where your resources are stable or shrinking.

Third, sit down with a group and describe your tentative activities and repeatedly ask "why" doing them would lead to your goal(s). In doing this with others, I often find myself asking the question "why" 5-10 times in a row trying to tease out the steps in logic being used by participants. In doing so, you may discover you're making assumptions about the behavior of others that are iffy. Or that you're relying on allies to behave in a certain way without first securing buy-in from the allies for the strategy.

You'll likely also discover interim outcomes that you're seeking to achieve not because they are ends, but rather because they involve obtaining resources (money, volunteers, political power) that represents steps in the causal chain towards your ultimate end goal(s). These interim outcomes should be celebrated, not dismissed as unimportant.

Fourth, rebuild your list of strategies to match up with what you've discovered in the group exercise.

Fifth, write it all down in a logical fashion. Most every organization I've worked with has been able to encapsulate its theory of change in a page or two at most. A small number have been able to graphically describe their theory more effectively than in sentences or paragraphs.

Of course, when you create the theory and embed it within a strategic plan, you shouldn't consider it carved in stone. A learning organization should continually evaluate its progress and reassess its theory of change based on how effectively the theory is playing out in reality. It may be your assumptions are proven wrong. Or, the lay of the land may have shifted sufficiently to require a new theory. But this is a topic of for a separate article.

Jonathan Poisner is an independent management consultant who helps organizations thrive through coaching, consulting, and training. His services include strategic planning, evaluation, coalition building, fundraising, and communications. He can be reached at jonathan@poisner.com.