



articles

In this download =mc Senior Management Consultant Helen Foster explains what a Theory of Change (ToC) is and how you might benefit from one. She also explains the 10 key Steps you need to go through to develop a powerful and effective ToC.

Developing a Theory of Change

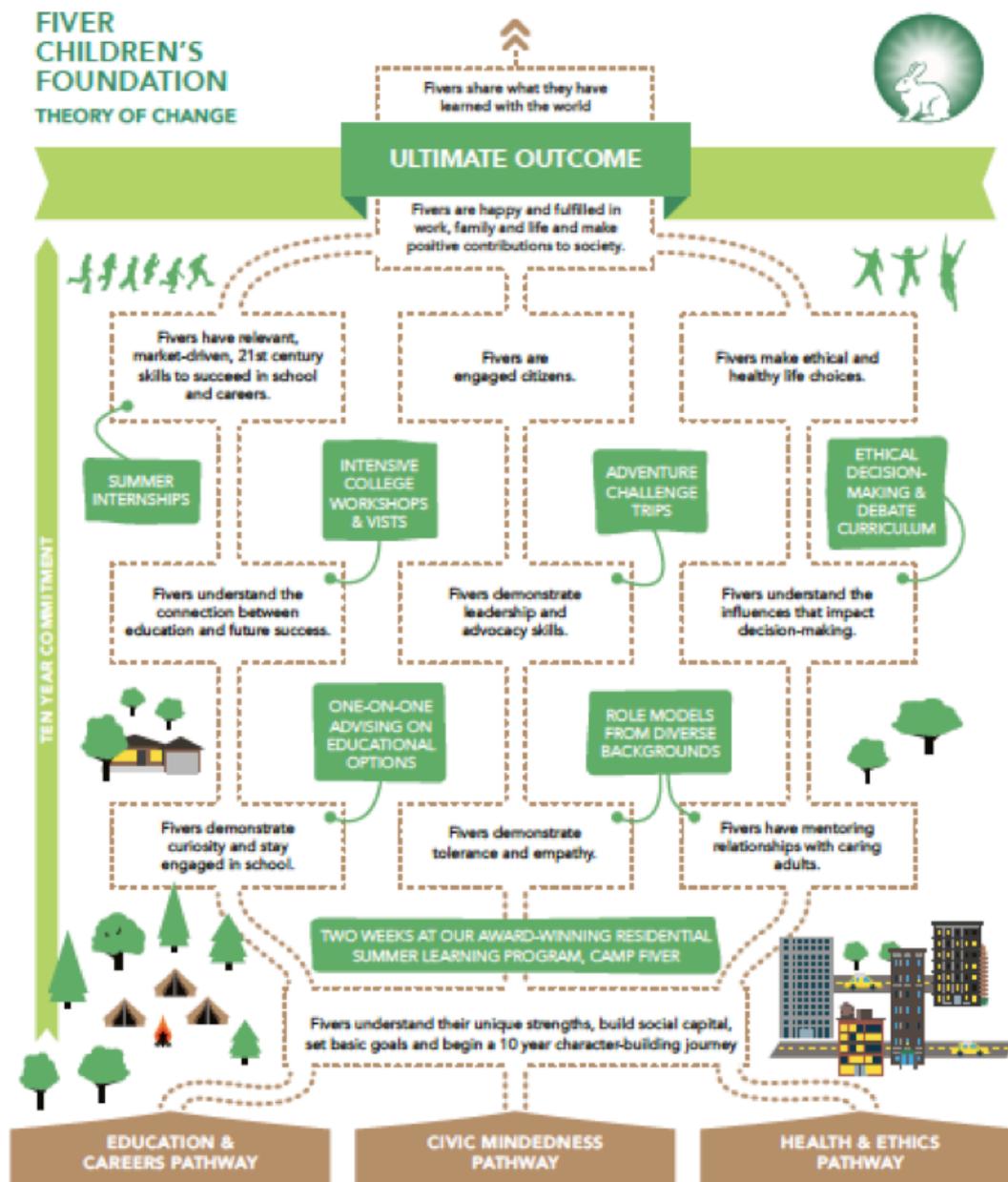
Most charities and not for profit organisations exist to bring about change in some way. Change for individuals, for societies, or for the world at large. Bringing about those changes often involves working within complex systems and for long periods of time.

Theory of Change is an increasingly popular tool for organisations to describe how they believe that change happens, and to help focus their work on achieving their long-term goals.

What is Theory of Change?

In essence, an organisation's Theory of Change describes how it believes it makes a difference. It should clearly link *inputs* and *activities* to *outcomes* and to achieving the organisation's *overall goals*. (It is usually expressed as a diagram with an accompanying narrative that explains the model.)

The diagrammatic element can be as simple as the Fiver example below. ([Find out more about Fiver](#))



In addition to coming from economically disadvantaged circumstances, Fivers face other daunting and complex challenges of poverty. More than half are being raised by single parents and many have had to learn English as a second language and acclimate to a new culture. Most of our kids come from groups under-represented in higher education and professional careers, have few examples of academic persistence and are hoping to be the first in their family to attend college.

Where it comes from

Although often thought of as a relatively new approach, Theory of Change has its origins over fifty years ago. Experts trace it back to the late 1950s and Kirkpatrick's 'Four Levels of Learning Evaluation Model'.¹ In the 1960s Programme Theory approaches began to call on planners to clearly articulate the links between inputs and outcomes, and how their programmes were intended to work.² Logical Frameworks, or Log Frames, very familiar to the International Development community in particular, are part of this same Programme Theory family.

¹ Article: [Theory of Change origins](#)

² Vogel, I *Review of the use of 'Theory of Change' in international development* (2012)

Kirkpatrick and Programme Theorists were primarily concerned with Evaluation. But there is an equally long history of debate and exploration about what brings about social change and how that influences organisations' approaches.³

In the 1990s the Aspen Institute began to focus on the challenge of evaluating complex community or social change programmes when it's not clear what they have set out to do or how they intended to do it. It set-up a Roundtable on community change to look at this issue. It was Carol Weiss, a member of the Roundtable's steering group, who popularised the term 'Theory of Change'.⁴ She asserted that people give too little attention to the early and intermediate changes that need to happen for long-term change to occur. This is because they are not clear about how they expect change to come about. She used 'Theory of Change' as a term to describe the links between interventions and outcomes, and the chain of steps that lead to achieving the long-term goal.

What do people mean by 'Theory of Change'?

There's no universally agreed definition of what constitutes a Theory of Change. If you hear someone refer to 'Theory of Change' today, they can mean a number of things.

- Some people use it to refer a *short statement that encapsulates how their organisation makes a difference*. Something not unlike a mission statement. This also links to the idea of a value proposition, describing the unique way that a specific organisation addresses an injustice or inequity.

Predominantly, though, it refers to a *detailed description of how the organisation believes change happens*. This description usually takes the form of a diagram and an accompanying narrative.

- Some people view it as a technical tool. It is a way to map out a logical sequence that links initiatives to the change they seek to influence. To others it is a process of reflective consideration and critical thinking that explicitly explores assumptions of how change happens, taking into account different philosophies, world views and contexts. And arguably, many theories of change will combine both approaches.⁵
- Finally, Theory of Change can be a *consideration of change at a systemic level* – for example, how people are lifted out of poverty or how young people's employment prospects are improved. Or it can be more focussed – considering how a specific organisation's work or a particular project will make a difference in a wider system.

³ James, C, *Theory of Change Review: A report commissioned by Comic Relief* (2013)

⁴ Article: [Theory of Change origins](#)

⁵ Vogel, I *Review of the use of 'Theory of Change' in international development* (2012)

Why Develop a Theory of Change?

Organisations choose to develop a theory of change for a number of reasons.

- **When developing strategy** – Theory of Change helps people focus on the organisation's purpose and overall goal. They can use it as way to identify what needs to happen for that goal to be reached, rather than starting from, and maybe getting too caught up in, current activities.
- **Defining their place in a sector** – When considering a system or sector as a whole, Theory of Change can help an individual organisation define its place in it. This can involve identifying where it can play a role that is different to other actors. It can help to identify other organisations to cooperate with. And it can highlight where there is a need to influence others to play a particular part.
- **For Measurement & Evaluation** – A Theory of Change explicitly articulates the causal pathway that will lead to the end goal. This enables organisations to identify the key things that they have to measure. Where the change process takes place over an extended time frame, and so you will not be able to measure the end result for some time, knowing the contributing activities makes it easier to identify lead indicators that show whether or not you are making progress.
- **To ensure a shared understanding** – Often, different stakeholders in an organisation have different understandings of how an organisation is trying to make a difference. They might not even agree on the difference the organisation is trying to make. The process of developing a Theory of Change involves discussion and decision about these issues. The final Theory of Change results in a clear articulation that can be shared and understood by all.
- **To communicate with funders** – For some organisations, the initial reason for developing a Theory of Change is that a funder requires one. Whether or not its development is funder-driven, a Theory of Change can be a powerful way to show why an organisation is doing what it does, and the difference it will make. We have found that it can be a valuable complement to the traditional case for support when making approaches to funders and major donors.

10 steps to Develop a Theory of Change

So, how do you go about developing a Theory of Change for your organisation? On the following pages are 10 simple steps.

1. Be clear on your purpose

Why are you developing a Theory of Change? What do you want it to help you to do? That will influence what scope you set, what end goal you identify, what component parts you emphasise, and who you involve in the process. If you are considering systemic change and your organisation's place in the that system, you will probably want to spend more time exploring assumptions about how change comes about, and involve people with knowledge and views in this area. If you want to develop an M&E framework, you'll want to have a greater focus on developing measurable goals and indicators.

2. Decide who to involve

Who you involve in the process will depend on what you are setting out to achieve. You need to involve people with the knowledge, experience and insight to help you answer the questions you are asking. As with any tool, it's important that those who will eventually need to own it and implement it feel they have been part of its development.

Some organisations ask whether to include funders in the development of a Theory of Change. This is especially so if there will be a close link between the work the Theory of Change is looking at and a particular funder. We believe you need to give careful consideration to how you involve funders and when. Involving them right at the start might stifle open discussion – particularly if there is likely to be internal disagreement or exploration of things that haven't worked in the past. It might be more productive to involve a funder at a later stage, once internal issues have been openly aired.

3. Commit the time

Like any process of exploration and planning, developing a Theory of Change takes time. How long will depend on a number of factors. How broad is the scope? Considering a system or the organisation's strategy is likely to take longer than looking at an individual area of work. How complex is the issue? How many different viewpoints are there about how change will be achieved, and how divergent are people's opinions?

Developing a Theory of Change is not something that can be done quickly in a few hours or a couple of days. It generally takes place over a number of weeks, or even months. Discussion, exploration, and iteration all go into developing a Theory of Change that is detailed and robust.

4. Start from the end goal

Theory of Change starts from the end goal or goals. These will depend on the purpose and scope that you have defined. A clear and agreed end goal is key to everything that follows. If you don't know where you are heading for, you won't be able to identify how to get there.

5. Identify your assumptions

Every organisation and every individual has assumptions about how change happens. We all believe certain things to be true. These can include our values, analytical perspectives, viewpoints, and practical experiences. In many ways, these assumptions are the theories in a Theory of Change.⁶ It is important to identify overarching assumptions at the beginning of the process – e.g. people are lifted out of poverty through economic empowerment, young people's employment prospects are improved by developing their confidence and social skills. It's also important to identify where these assumptions come from. Are they what people have seen work before, or in other organisations? Are they based on academic research? Are they hypotheses that are yet to be tested?

For example, we recently worked with *Know Violence* (see case study on p9), an India-based agency,⁷ to develop a Theory of Change for their work to end violence in childhood. They have been set up as a time-limited global learning initiative. Key assumptions for them are that childhood violence will be ended through government policy interventions, and that such interventions require evidence-based understanding on a range of issues. These assumptions are based on the success of previous global learning initiatives focussing on other issues. Different organisations working on childhood violence might make very different assumptions – e.g. that it will be ended through changing the views and practices of parents and teachers. Those different assumptions would result in a very different Theory of Change, and as a result different strategies, objectives and activities.

As you go through the process you will continually be making assumptions. You'll assume that a particular intervention results in a particular effect, and that one intervention is more effective than another. (So for example, if you help build a well, then that will provide clean water, and that will reduce ill health and that will reduce child mortality.) So a child focussed development agency might work in the water and sanitation space.) It is important that you explore and critically discuss these logic links as a part of the process. So in the (real) example above, a well-known agency built a whole series of wells in Bangladesh assuming that child health would automatically improve. When it didn't they were puzzled. But the challenge was that many of the wells had been drilled in places where the ground was contaminated with naturally occurring arsenic. So in fact health impacts went *down*.

At a nursery in Germany they introduced fines for parents who arrived late to collect their kids thinking it would serve as a nudge to stop them being late. In fact lateness went up, as parents simply saw this as the acceptable price of being able to be late.

⁶ Vogel, I *Review of the use of 'Theory of Change' in international development* (2012)

⁷ www.knowviolenceinchildhood.org

6. Map backwards and establish links

With your end goals defined and your initial assumptions explored, you now start to map backwards. In order to reach your end goal, what are the immediate necessary preconditions? Then back a stage – what needs to happen for those preconditions to come about? Then back a stage more. And so on.

How many stages you cover may depend on the issue, the purpose of the Theory of Change, and the level of detail you want to go into. You may want to work your way back to root causes, or you may want a small number of levels that give you an overall picture of the initial and intermediate steps en route to the end goal.

This stage of the process is likely to involve a lot of discussion and iteration. In most cases, there are lots of different ways to address an issue. In all likelihood, the people involved in developing your Theory of Change will have different views on cause and effect and on what works best.

We'd expect that you'll develop lots of different iterations as you work. You'll add outcomes, move them, remove them and change them, until eventually you have something that shows an overall picture that you can all agree on. The process will enable you to come to a shared understanding of your assumptions and your overall beliefs about how change comes about.

7. Identify the preconditions and enabling factors

As we highlighted above, it's important to continually explore and test your assumptions as you work your way through the process. Some of these assumptions will be about preconditions or enabling factors that will need to be in place for your Theory of Change to be applicable. Taking the example of improving the employment prospects of young people, these might include relevant jobs being available or the young people you work with being capable of responding to support. It is important that you identify and document what these preconditions and enabling factors are.

Some of these will be issues over which you have no influence. For example, there is likely nothing you can do to change the economy and the number of job vacancies. Where you can have influence though, you should consider what your actions could be and should be in relation to them. For example, if an enabling factor is that local employers are prepared to offer young people jobs, the work you do with those local employers might be as important to reaching your end goal as the work you do with the young people.

8. Identify your actions

Having mapped the change process as a set of logic links, the next question is what you need to do to cause it to happen. Some outcomes might lead on to the next automatically. For example 'young people have improved social skills' could lead on to 'young people have improved confidence' as a natural progression without the need for anything else to make the process happen. In other places there will be help needed to get from A to B.

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It is these places that you will need to identify what actions you will take to intervene in the process and make sure it progresses to the next step. Or you might conclude that you will not act and instead rely on the interventions of others.

9. Identify the Indicators

You need to know whether the outcomes you anticipated are actually happening. (So reflect on the Bangladesh wells example above. The key metric was the building of the wells by engineers. It wasn't until a study 18 months later that the actual impact on child health (which was the real outcome goal) was measured.

A key benefit of a Theory of Change is that, because you have set out how one set of outcomes leads to another, you can track progress towards your end goal. You can identify what is working and what isn't.

In order to do this, you need to develop clear indicators. What is being measured, what group are you measuring it for, and what result indicates success?

When we work with organisations on their strategies we talk about lag indicators and lead indicators. Lag indicators are the ones that take some time to be able to see and measure. Lead indicators are the ones you can see sooner and measure to make sure that you are on the right track. Here, the results of your initial and intermediate steps are your lead indicators, which show how you are progressing to the lag indicator of your final goal.

You also need to be clear which indicators your organisation is responsible for, and which are the responsibility of others. Many organisations represent this in their Theory of Change diagram by using an 'accountability line'. Indicators to one side of the line are those they are seeking to directly influence and will hold themselves accountable for. Indicators on the other side of the line are beyond their accountability.

For example, *Know Violence*, the global learning initiative we discussed earlier, has a limited lifespan. It has been set up to run only until 2107. But the overall change process that its Theory of Change represents will happen over a longer time frame. So the diagram of its Theory of Change shows a clear accountability line. Outcomes above the line are ones that will take place after 2017 once *Know Violence* no longer exists. Outcomes below the line are ones that it will directly influence. (And those outcomes below the line include establishing the mechanisms that will continue to drive change after 2017.)

10. Test the theory and adjust as you need to

A Theory of Change is called a theory for a reason. It is your best hypothesis of how change can be brought about. As with any hypothesis you need to test it and adjust it as you improve your evidence and understanding.

If change is not happening as expected, ask yourself five questions to discover why not?

1. Do the causal links not work in the way you expected?
2. Are there other causal factors or pre-conditions that you haven't taken into account?
3. Do you need to adjust your activities – intervene in new places or in different ways?
4. Do you need to work with other factors to ensure that necessary enabling factors happen?
5. Are you sure that you're successfully implementing the activities in the sequence?

Case Study: Know Violence

Know Violence asked **=mc** to work with them to articulate their Theory of Change. *Know Violence* is an India-based agency working globally to end violence in childhood.

They wanted the Theory of Change to fulfil three main roles:

- To ensure there was shared understanding of what they were setting out to do and how they intended to do it.
- To support measurement and evaluation of their programmes and initiatives.
- To help communicate with funders and strengthen their case for support.

Know Violence is a global learning initiative, and has been set up on a model that has previously been used successfully to address other issues. The team therefore had a very clear picture of the assumptions and evidence that underpinned their approach. We worked with the key internal stakeholders in a number of sessions over about a month to clearly articulate what they were setting out to do and how they would go about achieving it.

We began from their end goal – that children experience wellbeing, freedom from fear, and improved quality of life; and that there are improved intergenerational outcomes with overall levels of violence reduced.

From there we worked backwards to establish what was necessary for that to be a reality. We established that achieving the relevant Sustainable Development Goals⁸ was key, and that in order to achieve those goals, national governments need to have violence prevention strategies, supported by financial investment and strong monitoring and evaluation. Ensuring that happens requires that policy makers understand the benefits of prevention-based approaches and have information to implement effective violence prevention strategies.

⁸ The Sustainable Development Goals (SDGs) are a set of targets, adopted by the UN, relating to future international development.

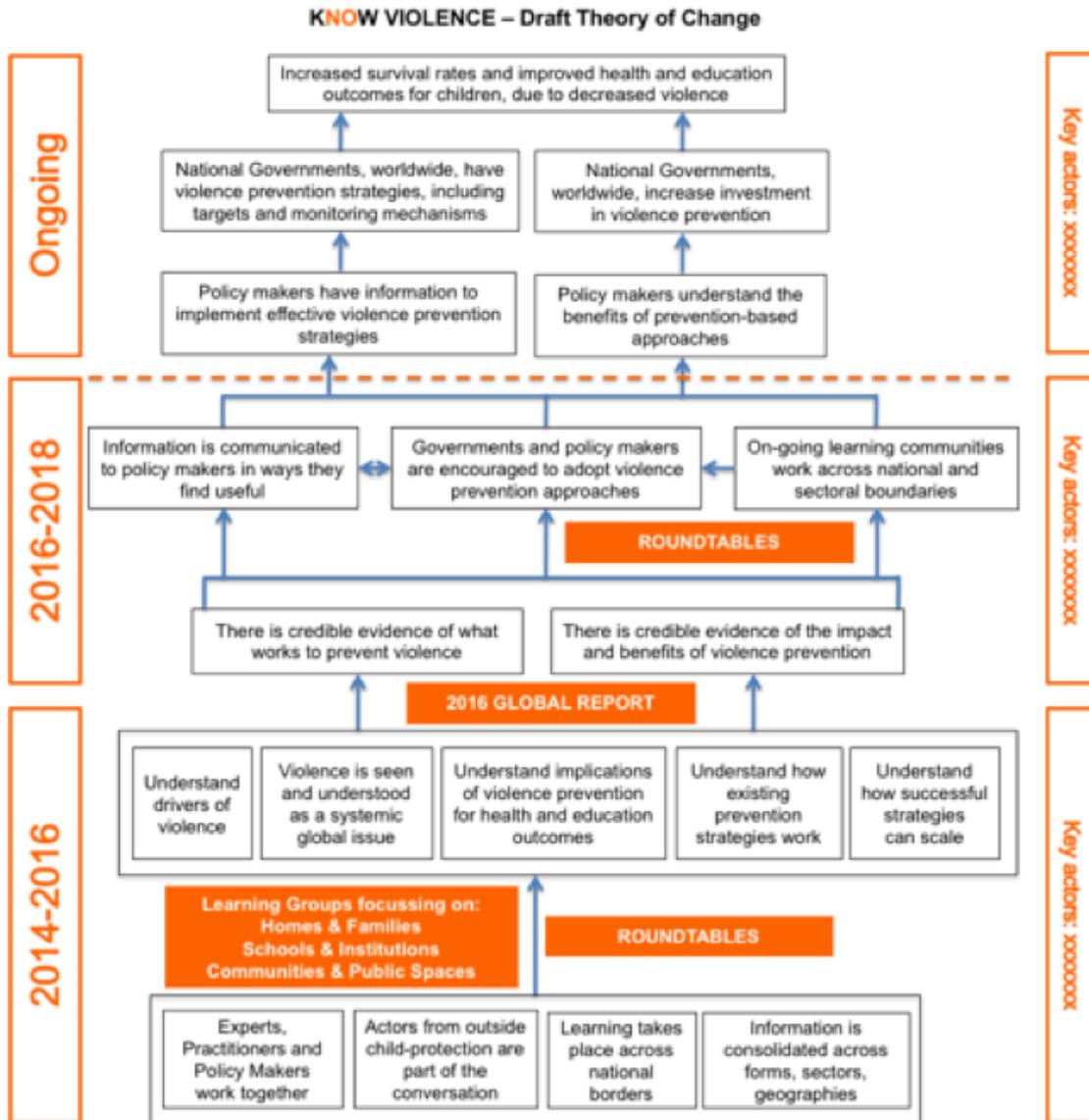
We continued mapping backwards. *Know Violence* is a limited-life initiative, so one key element was that they establish forums that will continue to drive this work after the initiative ends. Influencing policy makers requires evidence, so the development of evidence-based understanding is a key part of the Theory of Change, culminating in the publishing of a Global Report. But evidence is of little use unless it is disseminated, understood and embraced. This means that the dissemination of the report, work with the international community to improve understanding of violence prevention, and work with the media, are all essential elements of the Theory of Change.

Because *Know Violence* is a limited-life initiative it was particularly important to establish what elements of the Theory of Change they are directly accountable for, and what elements will be the responsibility of others. To demonstrate this, we added an accountability line to the diagram. We also decided it would be useful to include the time periods for the different stages of work. These are shown on the left side of the diagram. *Know Violence* is not working in isolation, so on the right of the diagram we show the other factors involved.

The Theory of Change diagram went through several iterations. We and the *Know Violence* team clarified plans, challenged assumptions, and finally streamlined the diagram, so that it clearly expresses the Theory of Change. We also produced an accompanying narrative, and finally an accompanying Monitoring & Evaluation framework.

Know Violence is now using the Theory of Change to help it secure funding and to guide the delivery, monitoring and evaluation of this important project.

Over the page is an edited version of the Theory of Change developed.



KEY:

- Know Violence Activity/Output
- Causal Pathway
- Accountability Limit



Putting a Theory of Change into Action – use a strategy map

Theory of Change is unlikely to be a tool that you use in isolation. Often you will be using it alongside other tools for planning, strategy development, and monitoring & evaluation.

One comment we have heard is that it can be challenging to identify what the organisation needs to do to put their Theory of Change into action. We've found that combining a Theory of Change with a Strategy Map and Balanced Scorecard is a helpful way to address this challenge.

In a similar way to a Theory of Change, a Strategy Map is a systematic articulation of how you will go about reaching your organisation's end goals. The Strategy Map looks at this question from four specific perspectives – stakeholders, capacities, learning & growth, and resources. If we think of your Theory of Change as describing what needs to happen for change to take place, the Strategy Map captures how your organisation will put that into effect.

perspectives: a way of looking at, aligning, the key elements in your business model

objectives: the key elements linking the business model



=mc has used the Strategy Map approach with a wide variety of types and sizes of organisations to help them develop and implement their strategy.

If you have developed a Theory of Change then you will already have identified your goals and what you need to achieve for your beneficiaries. The Strategy Map then helps you to identify what you need to do internally as an organisation in order to make that happen. What processes do you need to excel at, how do you need to improve your human capital and what resources do you need to support it all?

The Scorecard sits alongside the Strategy Map. It captures the lead and lag indicators and the targets you have set for success. In addition to the indicators you have identified in your Theory of Change, you will identify lead and lag indicators for the other perspectives. This will mean you can track how they are progressing and identify how that progress might be impacting the results you expected to see in your Theory of Change.

The Strategy Map and Scorecard are complemented by an implementation plan. This sets out what will be done when, and who is responsible for it. The interventions you identified in your Theory of Change will be part of this implementation plan. But just as importantly so will the internal interventions that are needed for the other perspectives so that your Theory of Change can happen.

Want to Know More?

=mc has helped significant numbers of international and UK charities develop powerful integrated strategies using Theory of Change, Strategy Maps and other approaches. These plans have helped to transform work and income. [Find out more about the balanced scorecard.](#)

If you'd like to know more about developing a Theory of Change for your team or organisation contact **Bernard Ross**, director at =mc on **+44(0) 20 7978 1516** or email b.ross@managementcentre.co.uk

Additional Resources

There are a number of other resources that explore Theory of Change that you might find useful:

www.theoryofchange.org is the website of the Center for Theory of Change. This is a non-profit organisation established to promote quality standards and best practice for the development and implementation of Theory of Change, with a particular focus on its use and application in the areas of international development, sustainability, education, human rights and social change. The website includes examples of Theories of Change from a variety of organisations, and a free software tool to help you develop a Theory of Change diagram.

For those interested in International Development, DFID and Comic Relief have both produced reports on the use of Theory of Change. These can both be found in <http://www.theoryofchange.org/library/publications/>

[Grantcraft](#), an initiative of the US-based Foundation Center, for funders worldwide, has a number of useful resources on its website looking at the use of Theories of Change by funders.