

***Outcome-Based
Evaluation
Second Edition***

Outcome-Based Evaluation Second Edition

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Preface to the First Edition

This book is the product of 30 years of experience with program evaluation. During this time, both service recipients and educational and social programs have experienced major cultural and political shifts in service delivery philosophy, including a focus on quality, mainstreaming, deinstitutionalization, community inclusion, and an emphasis on measurable outcomes. Recently stakeholders of these programs have demanded more than just the provision of service, forcing program administrators to evaluate their programs' effectiveness and efficiency. The "era of accountability" is here, and my major goal in writing this book is to help current and future program administrators understand that they need to look beyond simply the provision of service. Indeed, they need to be competent in *outcome-based evaluation*, which I define as a type of program evaluation that uses valued and objective person-referenced outcomes to analyze a program's effectiveness, impact or benefit-cost.

By design, this book can be read from the perspective of a consumer or producer of outcome-based evaluation. As a consumer, the reader will be introduced to the various techniques used in outcome-based evaluation, and how to interpret data from outcome-based evaluation analyses. As a producer, the reader will be instructed in how to do outcome-based evaluation analyses, along with how to use and act on their results. For both the consumer and producer, two questions should guide the use of outcome-based evaluation: For what purpose will I use the outcome-based evaluation data, and What information will I need for the intended use? Numerous examples of outcome-based evaluations that reflect answers to these two questions will be provided throughout the text.

The reader will encounter a number of key terms throughout the text. Chief among these are:

- Valued, person-referenced outcomes that reflect both the results of the intervention provided and an enhanced quality of life for the service recipient.

- Performance-based assessment that involves using objective indicators to evaluate a person's adaptive behavior level and role status.
- Outcome-based analyses that include effectiveness, impact, or benefit-cost. These analyses are used respectively to determine whether the program is meeting its goals, whether the program made a significant difference, or whether the program represents a reasonable return on investment.
- Data-based management systems that are used to provide the information necessary for both outcome-based analysis and formative feedback that can be used by program administrators to increase their programs' effectiveness and efficiency.

I have attempted to make this book as “user friendly” as possible. I realize that most of the readers are neither program evaluators nor statisticians. As a teacher and program evaluator for these 30 years, I have discovered that outcome-based evaluation requires primarily logical thinking and being clear in the questions asked. Once one knows where he/she is going and the basic road map to get there, then the journey is much easier. Thus, I have attempted throughout the text to provide the reader with easily-read and followed tables, graphs, and exhibits that should facilitate both our tasks. For those readers who like to count and keep track, there are 16 figures, 24 tables, 34 exhibits, and 20 guiding principles that summarize key points. For those readers who want to go into greater detail, I have provided study questions and a list of additional readings for each chapter.

Whether this book is read from cover to cover or by topical area, my goal has been to make your journey easier by stressing the critical need for thinking clearly and asking specific questions that can then be answered via one or more of the OBE analytic techniques discussed in the text's 9 chapters. This book is divided into five sections, beginning with an overview and concluding with the future of outcome-based evaluation.

Working with program administrators for the last 30 years has made me sensitive to the challenging job they face. Their task is probably best exemplified in a recent book by Hammer and Champy (1993) entitled, *Reengineering the Corporation: A Manifesto for Business Revolution*. In the book, the authors discuss the “Three Cs” of current service delivery: consumers, competition, and change. Consumers are asking more from education and social programs; fiscal restraints are forging new, competitive service delivery mechanisms; and change is constant. Thus, any program evaluation effort must be designed and implemented within the current zeitgeist that demands accountability within the context of the “Three C's.”

My hope and anticipation is that this text will assist present and future program administrators to understand and use outcome-based evaluation to demonstrate their programs' effectiveness, impact, or benefit-cost. If this is the case, the journey has been both beneficial and rewarding.

Preface to the Second Edition

Doing a second edition of a book is a wonderful challenge. On the one hand, an author wants to retain the core values and approaches presented in the first edition, yet at the same time update the reader with the current thinking and new methods that have developed over the past five years in the field of outcome-based evaluation. Certainly the main trends that led to the publication in 1995 of *Outcome-Based Evaluation* have continued, including the focus on person-referenced outcomes, the increased need for program accountability, the increasing use of methodological pluralism, and the popularity of the pragmatic evaluation paradigm. Additionally, there continues to be major philosophical shifts in the delivery of education, health care, and human and social service programs. These shifts emphasize programmatic issues such as demonstrated quality of life outcomes, consumer empowerment, increased accountability, and the need to evaluate the efficiency and effectiveness of programs and services. As a result of this emphasis, service providers, policymakers, funders, and program evaluators have been challenged to examine critically the manner in which programs are delivered and evaluated.

Both the published reviews and the informal comments received from colleagues regarding *Outcome-Based Evaluation* were quite positive. Overall, reviewers and text users characterized it as a user-friendly guide to the challenges of documenting a program's impact, effectiveness, or benefit-cost. Others commented about the important contribution the text made to matching the type and complexity of the evaluation to the needs of their programs. Still others commented on its 20 guiding principles, study questions, focus on internal evaluation, basis in logical thinking, and use of contextual analysis. At a personal level, I was very honored when the first edition was chosen by Doody's Rating Service as one of the best health science books in 1996.

However, there were also a number of suggestions should a second edition be published. Across several reviewers, there was a suggested need to expand coverage and examples into other fields such as education, health,

mental health, aging, and corrections, and reducing the apparent emphasis on developmental disabilities. Indeed, one reviewer actually counted the published studies in the text involving persons with mental retardation and reported that 65 of the 115 studies (42 percent) involved these persons. Analogously, another reviewer recommended expanding the material to make the text more valuable to administrators in school districts, hospitals, universities, human resource departments, drug rehabilitation agencies, and local governments. Two reviewers suggested the need to integrate the concept of multigoal, theory-driven evaluation throughout the text, rather than simply referring to it in the beginning section only. Still others suggested the need to illustrate how using an impact model can guide the selection of process variables, intermediate outcomes, and end-of-program outcomes to help develop recommendations for managers and staff. Finally, at least one reviewer noted the need to expand on the differences among statistical, clinical, and practical significance.

I have taken these suggestions seriously in completing the second edition of *Outcome-Based Evaluation*. The thrust of the second edition is more generic, focusing on the interests and needs of a larger evaluation community—administrators, students, policymakers, funders, policy analysts, consumers, and educators. More specifically, readers of the second edition will find:

- A user-friendly, practical, “how to” presentation of the four types of outcome-based evaluation: program, effectiveness, impact, and policy.
- A multiple measurement approach to accountability assessment.
- Applications to the fields of education (regular and special), health care (medical and mental), and human and social service programs (disabilities, aging, substance abuse, and corrections).
- An outcome-based evaluation model that is used with slight variations throughout the text. The model responds to the dual needs of program evaluators to focus on both organization-referenced outputs and person-referenced outcomes.
- A detailed discussion of outcomes research and why it is so critical in program evaluation.
- Homepage Web sites for organizational, state, and national databases.
- A detailed explanation of methodological pluralism that allows one to use both qualitative and quantitative research methods to evaluate subjective and objective outcomes.
- Scenarios and examples of program, effectiveness, impact, and policy evaluation across a wide range of education, health care, and human service programs.

- Current application of key accountability concepts such as report cards, benchmarks, performance measurement, informatics, national databases, practice guidelines, and participatory action research.
- Updated evaluation scenarios and exhibits reflecting the challenges, opportunities, and utility of outcome-based evaluation.
- Further reading suggestions and study questions for each chapter.
- 19 Figures, 32 Tables, and 21 exhibits.

I have enjoyed the challenges posed by this second edition. The field of outcome-based evaluation is expanding rapidly. In the text, I attempt to integrate the important trends and techniques into a user-friendly approach to evaluation that will be both valuable and useful to a wide constituency of program evaluation users. In the end, outcome-based evaluation represents a way of thinking about and approaching complex human, social, and political issues. It offers an evaluation orientation in which values for the well-being of people are the foundation. It demonstrates that effective evaluation clearly is not just a set of technical methods and tools; at its core, outcome-based evaluation is anchored ultimately in the values of stakeholders. I hope that this orientation is very apparent to the reader, along with the tools and techniques that make outcome-based evaluation the viable approach to program evaluation that it is today.

Acknowledgments

This book is dedicated to my students, program administrators, consumers, colleagues, and my wife, Susan, who have been receptive and supportive of my ideas and efforts throughout my career. I have learned so much from each of them and deeply appreciate the significant roles they have played in my life. I am also most deeply appreciative of the editorial advice provided by Frank Rusch throughout the early development of both editions. My thanks also for the expert technical assistance provided by Darlene Buschow and Janet Burr.

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An Overview of Outcome-Based Evaluation

Could Mother Teresa survive an outcomes-oriented world?

LISBETH SCHORR (1997, p. 135)

A lot has happened since the first edition of *Outcome-Based Evaluation*. The fields of education, health care, and human services have continued their focus on results-based accountability, outcomes research, and performance reporting. New terms have emerged such as “evidence-based medicine” and “evidence-based mental health.” Policymakers and funders have focused increasingly on cost containment, service reforms, and practice guidelines. The evaluation field has moved increasingly towards methodological pluralism, participatory action research, and policy evaluation. Common to these changes is the basic fact that evaluators—and outcome-based evaluation—seek answers to questions such as:

- What outcomes is my program producing in its service recipients?
- How can my program meet increasing accountability demands?
- Is my program meeting its goals and objectives?
- Is my program efficient?
- Is my program effective?
- Does Program X produce better outcomes or results than Program Y?
- Does this education, health care, or human service program work?
- Does this policy work?
- How can outcome information be used to improve programs or policies?

Numerous people are interested in outcome-based evaluation and its application. Throughout the text, I will sensitize the reader to the key players

in outcome-based evaluation (OBE) and make a distinction among *promoters*, *stakeholders*, and *evaluators*. Promoters include policymakers, funders, and consumers who are demanding results-based accountability, outcome reviews, and performance reporting. Stakeholders include governing/corporate boards, policy analysts, administrators, and consumers who are increasingly having to respond to cost containment, service reforms, and practice guidelines. Evaluators are those caught in the middle. They are the ones who are asked to answer efficiency and effectiveness questions. Although this book on outcome-based evaluation and its application is written for all three groups—promoters, stakeholders, and evaluators—the primary emphasis is on the evaluator who must answer the questions asked by promoters and stakeholders. My goal is twofold: first, to suggest an outcomes approach to evaluation that reflects the current dual-emphasis on accountability and program-policy improvement; and second, to sensitize key players in OBE to ask the right questions, to recognize the complexity of outcome-based evaluation and its application, and to appreciate the role that OBE plays in accountability and program-policy improvement.

Part I of the text provides the reader with an overview of outcome-based evaluation and its application. Chapter 1 introduces you to the interrogatories and utility of OBE. The chapter discusses a number of interrogatories that are essential to understanding OBE: its definition, components, methodology, application, and comparison with other types of evaluation approaches. The chapter also discusses a number of reasons why an outcome-based approach to program evaluation is a good way to address the major trends currently impacting education, health care, and social programs: the quality revolution with its emphasis on quality of life outcomes, consumer empowerment, increasing accountability demands, and the emerging supports and pragmatic program evaluation paradigms that are challenging us to look differently at the way we think about and do program evaluation.

Chapters 2–5 address each of the four types of outcome-based evaluation: program, effectiveness, impact, and policy. As a general overview:

- Program evaluation determines current and desired person and program-referenced outcomes and their use.
- Effectiveness evaluation determines the extent to which a program meets its stated goals and objectives.
- Impact evaluation determines whether a program made a difference compared to either no program or an alternative program.
- Policy evaluation determines policy outcomes in reference to their equity, efficiency, or effectiveness.

Throughout Part I of the text, you may find yourself asking a number of questions concerning outcome-based evaluation and its application. Three of

the most common ones that I have encountered since the publication of the first edition involve Why should I use it; why do I have this gnawing feeling in the pit of my stomach about it; and how can I use OBE and still feel comfortable?

Why Should I Use OBE?

Peter Drucker (as found in Schorr, 1997, p. 115) is reported to have said, “What is the bottom line when there is no bottom line? If profits are not the measure of value, what is?” As the reader is aware, much of the current discussion about whether anything works is ideological. But that does not diminish the need for rigor in distinguishing between actual success and failure in achieving public and other purposes. As stated by Schorr,

Most legislators want to know what works when they vote on laws and appropriations; parents want to know how well their children are being educated; foundations want to know about the impact of their support; and the staff of social programs want to know how effective they are. . . . As a result, improving the ability to judge the success of agencies and programs in achieving agreed-upon outcomes is becoming a major reform strategy. (1997, p. 115)

But there are other reasons for key players to focus on outcome-based evaluation. The most important of these include:

- Understanding the contributions of specific programs/services/ interventions on the lives of persons.
- Helping consumers, families, providers, policymakers, and funders make rational education, health care, and social service–related choices based on a clearer understanding of the effectiveness, impact, and benefit-cost of the services or interventions.
- Improving education, health care, and social service programs based on the use of outcomes data.
- Meeting the increasing needs for program/service accountability and responsiveness.
- Increasing community support through the demonstration of valued outcomes and efficient services.

Why Do I Have a Gnawing Feeling in the Pit of My Stomach about OBE?

Although the use of outcome-based evaluation and its application can be most productive, there are also a number of fears that people have about OBE. Depending upon one’s perspective, these fears might involve (1) the distort-

tion of programs to meet the expected results; (2) the responsibility for both progress and failure that cannot be accurately ascribed; (3) the true causes of person- and program-referenced outcomes often being outside the control of those held accountable; and (4) outcomes accountability becoming a screen behind which protections of the vulnerable are destroyed (Schorr, 1997). But the gnawing feeling may also be related to things that OBE will not tell you. For example, outcomes in isolation cannot improve education, health care, or social services. They need to be viewed as goals and objectives that provide guidance for program efficiency and effectiveness. Also, direct cause-effect relations are the exception rather than the rule in education, health care, and social services. Thus, one must be realistic about what to expect from OBE. In that regard, a major emphasis found throughout the text is putting OBE in its proper context and balancing its benefits against its costs and potential misunderstandings.

How Can I Use OBE and Still Feel Comfortable?

There are some things you can do in reference to OBE to minimize the perceived dangers and fears and to maximize the benefits. Throughout the text I present a number of guidelines to increase your comfort level. Among the most important (Schallock, 1995a; Schorr, 1997; Weiss, 1972):

- work with program personnel to determine what needs to be in place for outcomes to occur (that is, stress process and outcomes);
- choose outcomes that are easy to understand and persuasive to skeptics;
- measure the outcomes reliably and with demonstrated validity;
- match the type and complexity of the evaluation to the program's needs and resources;
- build on a strong theoretical and conceptual base;
- emphasize shared interests rather than adversarial relationships between evaluators and program personnel;
- employ multiple methods and multiple perspectives;
- offer both rigor and relevance;
- distinguish between short-term, intermediate, and long-term outcomes;
- realize that the most powerful tool you have is conceptual, not statistical.

Hopefully, my answers to these three questions have allayed any fears that you have about OBE as you proceed to Chapter 1. There you will read about the interrogatories and utility of outcome-based evaluation and its application.