The Development of an Evaluation Tool for Community-Based Enterprise Development

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Background & Motivation

Community-Based Enterprise Development (C-BED)

C-BED is a training programme developed by the International Labor Organization (ILO) that equips people in disadvantaged communities with the skills to startup or improve their existing business. This programme is being implemented by partner Non-Government Organisations (NGO) such as ADRA, UNHCR and Plan International. Examples of businesses that have been started or improved due to C-BED include a mushroom farm and a haircutting business.

Shared Measurement

Currently, individual NGO's have been unable to track their progress on alleviating the overarching social problem they are addressing. This issue stems from a lack of shared measures amongst NGO's working on the same social problem. By establishing a set of shared measures, NGO's can track their progress towards a common goal which is integral to make a collective impact.

Shared Measurement Platform (SMP)

The proposed solution is to develop a SMP which is a web-based tool where users can collect data and analyse their performance using the same set of measures (Kramer et al., 2009). This allows comparison between NGO's in order to identify best practices of C-BED implementation.

Contribution

The contribution of this research is the development and validation of an evaluation tool that the ILO can use to make a collective impact assessment of C-BED and the impact it has on the participants.

Survey Instruments

Indicators were generated following discussions with ILO staff on what outcomes wanted to be measured. The indicators were sorted into constructs based on what it was intending to measure. Because the indicators of the constructs were multidimensional, a formative model was used to express that the indicators predict the construct. The instrument will collect data from participants in three stages:

Pre-training Survey

- This survey sets the baseline of the participant in which changes can be compared

Post-training Survey

- This survey measures the immediate impact of the training programme on skills, confidence and knowledge

Tracer Survey

- This survey is distributed every six months after training to track long term progress
- Business startup and improvement outcomes and changes in employment status and income are captured here.

Data Collection

- Data is collected through the help of ILO staff during C-BED workshops
- The survey is first distributed in paper form to the participants and once completed, it is entered into the online system.

Instrument Reliability

Reliability is the degree to which the instrument produces consistent results.

Acquiescence Bias

An integral quality of a survey instrument is the ability to identify and remove responses where the respondent agreed to the questions without considering the content. This tendency is known as "acquiescence bias". This bias is mitigated by asking a selection of indicators twice; in a positive and in a negative form. If the respondent answered appropriately, then those items should be negatively correlated. Inappropriate responses can then be filtered and removed from the analysis.

Multicollinearity

Because formative indicators tap into different facets of a construct, multicollinearity is undesired (Petter et al., 2007). Therefore, formative constructs should exhibit a Variation Inflation Factor (VIF) below 3.3. On the other hand, reflective indicators are unidimensional which means internal consistency is important for reliability.

Instrument Validation

Validity is the degree to which the instrument measures what it claims to measure.

Partial Least Squares (PLS)

- PLS was the selected method for validation because the research model is comprised of formative constructs which suits the objective of PLS in obtaining construct scores for predictive purposes (Chin, 1998)
- For a formative model, if the weight of the indicators of the construct is insignificant, those indicators can be removed
- For a reflective model, if the indicators have high loadings then they are appropriate for the construct
- The R^2 of the dependent constructs are examined to determine whether the model has a good fit.
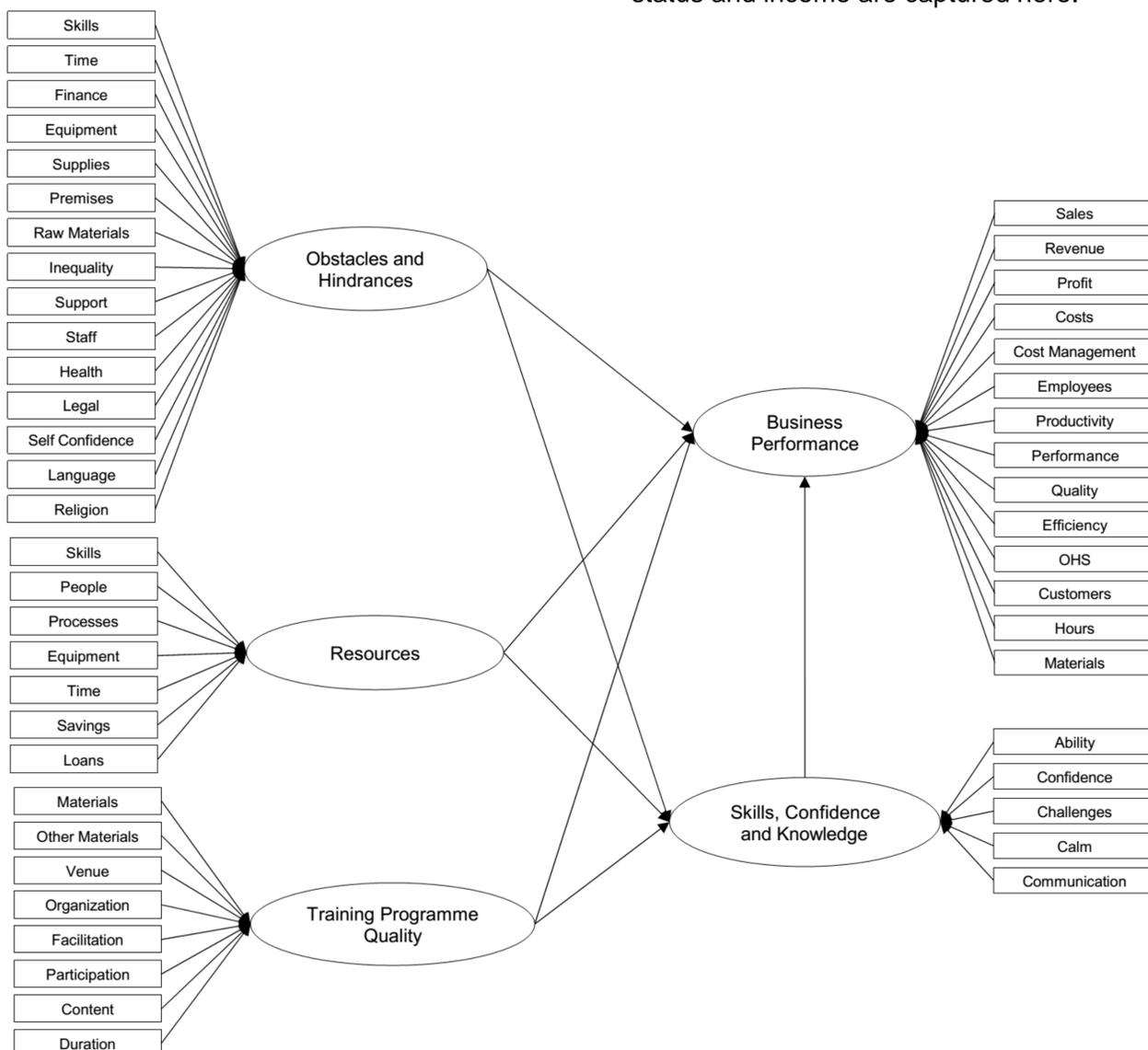

Figure. Hypothesized Structural Model for the Effect of C-BED on Business Performance

References

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International Labour Organization