

## The Foundation Review

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Volume 11  
Issue 1 *Foundation Learning - Open Access*

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3-2019

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Marc J. Holley  
*Walton Family Foundation*

Marcie Parkhurst  
*Walton Family Foundation*

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#### Recommended Citation

Holley, M. J., & Parkhurst, M. (2019). Shifting Mindsets: How Meaningful Accountability Systems Can Strengthen Foundation Learning and Improve Impact. *The Foundation Review*, 11(1). <https://doi.org/10.9707/1944-5660.1455>

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# Shifting Mindsets: How Meaningful Accountability Systems Can Strengthen Foundation Learning and Improve Impact

Marc J. Holley, Ph.D., and Marcie Parkhurst, M.C.P., Walton Family Foundation

**Keywords:** Learning; accountability, evaluation, strategy, framework

## Introduction

Questions of whether, how, and to whom philanthropic foundations are accountable have been taken up in several ways over the past 15 years (Rourke, 2014). Over the same period, there has been increased interest in the topic of strategic learning in philanthropy (Coffman & Beer, 2011; Lynn, 2012; Reid, 2016; Kennedy Leahy, Wegmann, & Nolen, 2016). Amid these developments, a few authors have examined the relationship between accountability and learning, arguing that these practices, while often perceived as conflicting, are in fact complementary and mutually reinforcing (Guijt, 2010; Preskill, Parkhurst, & Juster, 2014). In this article, we build on these arguments and explore what it looks like in practice when a foundation attempts to integrate accountability and learning practices.<sup>1</sup>

In theory, as Irene Guijt (2010) writes, accountability and learning are mutually reinforcing: “They need each other. Understanding effectiveness requires both” (p. 277). Unfortunately, as she continues, “that is the theory. The daily reality is that tensions between the two are alive and kicking” (p. 277). Drawing on our experience in the strategy, learning, and evaluation department at the Walton Family Foundation (WFF), we offer some promising practices that can help manage the tensions between learning and accountability and help address the common misperception that accountability is a barrier to learning. We argue that the belief that learning and accountability are somehow oppositional

## Key Points

- This article explores what it looks like when a foundation attempts to integrate accountability and learning practices, and presents a framework for the unique and complementary contributions that accountability and learning can make to the work of foundations.
- The article also looks at the tensions that can arise when a foundation’s internal evaluation staff attempt to design, implement, and make use of accountability systems. Specifically, it identifies three problematic perspectives that can hold foundations back from full engagement in internally driven accountability initiatives, and offers practical guidance on how to shift these mindsets to more productive practices.
- It concludes by calling on evaluation and program staff, foundation leaders, and board members to address the structural, cultural, and mental barriers to constructive accountability systems in philanthropy. In doing so, the authors hope to prompt reflection and action that will strengthen foundation practice and support greater philanthropic impact.

not only heightens tension between program staff and internal evaluators, but it can also undermine a shared goal among all people working in philanthropy — namely, to continuously

<sup>1</sup> We acknowledge that the tension between accountability and learning plays out as much, if not more, within the context of the grantee and foundation dynamic. For the purposes of this article, however, we focus on the particular dynamics at play within a foundation’s walls.

improve our work in order to impact the large-scale problems we seek to address.

To situate the particular type of accountability we aim to explore, we begin with a brief review of the conversation about philanthropic accountability writ large. We then present a framework that illustrates the unique and complementary contributions that accountability and learning can make to the work of foundations. Finally, we explore the tensions that can arise when a foundation's internal evaluation staff attempts to design, implement, and make use of accountability systems. Specifically, we identify three problematic perspectives that can sometimes hold foundations back from full engagement in internally driven accountability initiatives, and we offer practical guidance on how to shift these mindsets to more productive practices. We conclude by calling on evaluation and program staff, foundation leaders, and board members to take steps to address the structural, cultural, and mental barriers to constructive accountability systems in philanthropy. In doing so, we hope to prompt reflection and action that will strengthen foundation practice and support greater philanthropic impact.

### Setting the Context: Accountability in Philanthropy

In the broadest sense, there has been a question about whether private foundations are sufficiently accountable in a democratic society. In a number of publications, Rob Reich (2016, 2013) and others (e.g., Rourke, 2014) have discussed how foundations are immune from both market-based accountability (in the form of consumers being able to choose alternative providers of goods and services) and political accountability (in terms of answerability through elections). At the same time, others (e.g., Kramer, 2013) have pointed out that foundations do face some public pressure to perform or else face reputational risks that can ultimately undermine their effectiveness. Notwithstanding this qualification or the feelings of some foundation staff (Gates & Rourke, 2014), there is little current dispute that foundations are largely unaccountable — in the traditional sense — for generating results.

In the absence of traditional, externally imposed accountability structures, some have argued that the philanthropic sector should take efforts to regulate itself. As Rick Cohen (2005) explained, there are different ways that foundations can participate in self-regulation, including subjecting themselves to ratings and evaluations or joining trade associations that have codes of practice. Cohen acknowledged that these sector-level approaches suffer from at least two inherent weaknesses: participation in them is voluntary, and they lack a strong enforcement mechanism. The organization Cohen once led, the National Committee for Responsive Philanthropy, has tried to address some of these challenges as a sector watchdog (e.g., by instituting its Philamplify series). Despite these efforts, it is fair to say that accountability largely remains an internal, elective practice for most foundations.

Foundations' elective practices include a range of initiatives implemented at the foundation, program, and grant levels. For example, more than 95 foundations are participating in the Foundation Center's GlassPockets project (n.d.), which aims "to increase understanding of best practices in foundation transparency and accountability in an online world" by publishing descriptive information about foundation structure and processes across 26 indicators (para 2). Many foundations have also taken steps to increase their accountability to grantees. For example, there are now 320 foundations of all sizes and missions participating in the Center for Effective Philanthropy's *Grantee Perception Report*, an instrument that allows grantees to provide anonymous feedback to foundations across a range of topics, from perceptions of approachability to impact.

While these are important steps in the right direction, perhaps the most meaningful self-imposed efforts to promote accountability, particularly among larger foundations, have come as part of investments in internally driven monitoring and evaluation. In their most recent survey of evaluation practice among independent and community foundations giving at least \$10 million annually, the Center for Effective Philanthropy (CEP) and the Center for Evaluation Innovation

(CEI) (2016) found that about half of responding foundations had at least 1.5 full-time-equivalent positions dedicated to evaluation work and that about a quarter of foundations reported spending at least \$1 million annually on evaluation. In total, 71 percent of survey respondents (including those working at foundations without dedicated evaluation staff) reported spending time “compiling and/or monitoring metrics to measure foundation performance” (CEP & CEI, p. 20). Interestingly, more than half of survey respondents believed they spent too little time on these activities.

Internal evaluation staff are not solely focused on accountability, though: More than 70 percent of evaluation staff also report spending time designing and/or facilitating learning activities.<sup>2</sup> For purposes of this article, we are most interested in the time that evaluation staff invests in strategic learning, defined as “the use of data and insights from a variety of information-gathering approaches — including monitoring and evaluation — to inform decision-making about strategy” (Coffman & Beer, 2011, p.1). In other words, whereas accountability systems are oriented retrospectively to assess progress against predetermined objectives, strategic learning is oriented prospectively, toward shaping future decisions and actions. It is also worth noting that accountability systems are almost always narrowly focused on tracking progress toward intended outcomes or impact goals, whereas learning activities can cover a much broader range of topics and questions. As a practice, learning is an active process that can take many forms; it can be done individually, in groups, through facilitated activities, or in quiet reflection; for example, FSG’s recent toolkit, *Facilitating Intentional Group Learning* (Preskill, Gutierrez, & Mack, 2016), describes 21 activities through which organizations can structure shared learning experiences.

The differences between accountability and learning in terms of purpose and use should in theory make them complementary practices. We explore this argument when we present a

framework for how foundations can integrate learning and accountability to help strengthen philanthropic practice, and offer an example of how this has worked at the WFF. The challenge is that the reality of implementing robust accountability and learning practices within foundations often creates tension. We also identify some of the common mindsets that can limit program staff support for accountability practices, and offer some guidance on how foundations can overcome these challenges.

### The Case for Synergy Between Accountability and Learning

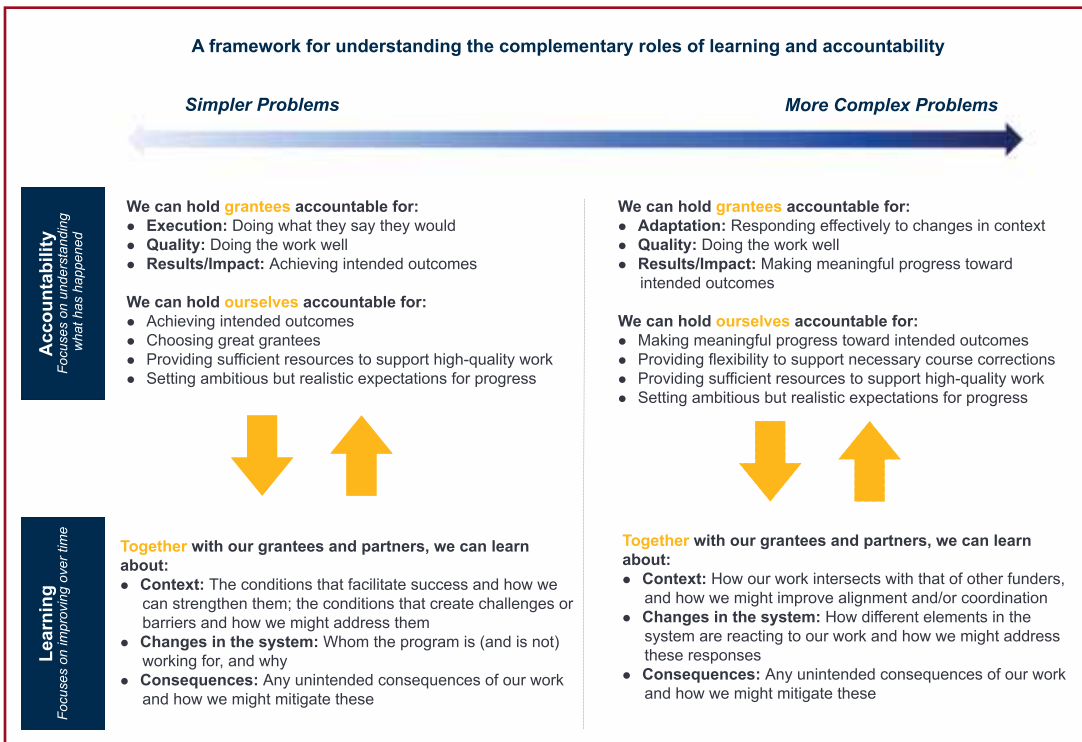
Guijt begins her seminal 2010 article by stating, “You cannot be accountable if you do not learn. And you need to know how well you live up to performance expectations in order to learn. The tug-of-war between learning and accountability is nonsensical” (p. 277). We completely agree.

To take a fairly simple example, it is hard to imagine how a program officer could learn to improve the effectiveness of her work on health disparities without credible information about how her work to date has (or has not) influenced those disparities — in other words, she needs to know how well her work measures up to expectations. In this way, accountability serves as an engine that helps power the learning process. At the same time, by actively learning and making changes to her approach — including, perhaps, working with different grantees or funding different approaches — the same program officer can improve the effectiveness of her work and, in so doing, become more accountable to the foundation and the field.

Knowing how best to balance learning and accountability is certainly more of an art than a science. As Guijt suggests, “being clear about the nature of the context in which one is operating can help [funders] understand what is needed and what is feasible in connecting accountability and learning” (p. 286). In particular, foundations should expect that these practices will look different when applied to fairly straightforward

<sup>2</sup>Other types of learning activities can include developing and delivering skill-building trainings or facilitated learning-exchange opportunities (e.g., “lunch and learns”).

**FIGURE 1** A Framework for Understanding the Complementary Roles of Learning and Accountability



Reflective Practice

interventions (e.g., meal-delivery services) as compared to more complex systems-change efforts (e.g., improving access to fresh foods). In our framework for learning and accountability, we illustrate how foundations can use accountability and learning to improve their work, whether it is a relatively simple program implementation or a more complex, systems-change effort. (See Figure 1.)

As the framework illustrates, there are several ways in which both foundations and their grantees can be held accountable for their efforts to advance a particular goal. While there is some overlap between these practices under simpler and more complex conditions, there are also some important differences. Specifically, when funding grantees working in complex environments, foundations should not aim to hold grantees accountable for precise execution of an overly

detailed plan amid changes in context. Rather, foundations should be looking at how effectively grantees (and foundation staff) respond to those changes as they pursue the intended objectives of a given grant or initiative.

The framework also illustrates the symbiotic nature of the two practices: the same data that feed the accountability structure (e.g., on grantee execution or foundation responsiveness or flexibility) also provide fuel for robust learning activities. To complete the cycle, the results of learning activities (e.g., insights about success factors, system dynamics, or unintended consequences) can help shape future approaches to accountability (e.g., performance expectations).<sup>3</sup>

It is important to note that the data used to support learning and accountability can come from a variety of evaluative approaches. The key to

<sup>3</sup> Guijt further expands on the dynamics of learning and accountability under conditions of complexity, describing this as the “domain where accountability and learning depend on each other. Accountability is demonstrated by showing how learning has led to adaptation or response-ability” (p. 287).

determining the most appropriate evaluation approach is to identify the type and maturity of philanthropic strategy or investment being assessed. Again, the complexity spectrum and the framework can be instructive. (See Figure 1.) For example, as a part of its city-level work to improve education and life outcomes for young people, in 2017 the WFF's K–12 Education Program funded 35 community and parent organizing grants totaling over \$15.9 million. This strategy is newer for the foundation, and the very nature of the work of community organizations is often emergent and responsive. While the K–12 Education Program has an overarching strategy for this grant portfolio and each grant has clear objectives, the work often unfolds in less predictable ways. As such, for this type of more complex work the foundation commissioned a third-party developmental evaluation. In partnering with the program team to scope the evaluation, our internal strategy, learning, and evaluation team (of which we are a part) sought to match the evaluation methods to the nature of the work. By contrast, when we evaluate the effectiveness of simpler, more discrete investments related, for example, to starting new autonomous schools (e.g. district innovation schools, independent public charter schools), we use different methods and data sources, such as quasi-experimental designs that compare funded versus nonfunded schools on the value-added academic growth of their respective student bodies. While we are aiming to expand the ways we measure school quality in the coming years as new types of measures become available, the nature of this school-funding strategy is more straightforward and something that the K–12 Education Program officers and our partners often have much more experience in doing. It is for these reasons that a relatively more straightforward, even if technically complicated, impact evaluation makes sense.

Evaluation in service of learning and accountability occurs at multiple levels across the foundation. In one example, the foundation worked to balance learning and accountability in the context of a midstrategy review of its Home Region Program, which contains both simpler

and more complex bodies of work. (See Table 1.) This example aims to illustrate how these concepts apply at a level above individual grants or even clusters of grants.

Our foundation's grantmaking has benefited significantly from the combination of accountability and learning activities that we engaged in through the Home Region Program strategic review. We acknowledge, though, that the experience for an individual program officer or program director of being held accountable for her or his work is quite different from the experience of a board member or a senior leader holding someone accountable. The power differential that is intrinsic to the practice of accountability can elicit a range of emotional responses — fear, stress, resentment — from those on the receiving end of an accountability discussion that can have real implications for their ability or willingness to learn (Wigert & Harter, 2017; McDonald, 2018). Matthew Carr, evaluation director at the Kauffman Foundation, (personal communication) describes the situation this way:

Evaluation will always carry the connotation of accountability, no matter how much emphasis is placed on learning or similar lenses for interpreting and using evidence. Successfully building a culture of learning and reflection requires confronting this fact explicitly and continuously reinforcing the message through words and actions that the primary purpose of measurement is to ground reflection and drive continuous improvement.

These reflections raise an important question: What steps can a foundation take to mitigate the challenges associated with accountability in order to support an appropriate balance between learning and accountability? We next identify three promising practices that can help evaluation staff be better partners on accountability and learning; then we discuss some of the problematic perspectives that can hold staff back from full engagement in foundation-led accountability and learning initiatives and offer practical guidance on how to shift these mindsets.

**TABLE 1** Learning and Accountability in Action at the Walton Family Foundation

<p>The Home Region Program’s most recent strategic plan, approved in April 2014, includes several strategies that support the program’s two core initiatives: one focused on quality of life in northwest Arkansas, the other focused on quality of life in two counties in the Arkansas and Mississippi Delta.</p>		
<b>Initiative</b>	<p><b>Northwest Arkansas</b> Attract and retain top talent at all levels and ensure the long-term viability of the region.</p>	<p><b>Delta Region</b> Address pre-K–12 educational improvement in the broader region while addressing other key basic needs in targeted counties in order to establish a base on which future economic development can occur.</p>
<b>Strategies</b>	<p>1A. Create world-class pre-K–12 school options. 1B. Establish the region as a leader in arts and cultural amenities. 1C. Strengthen coordinated regional economic development. 1D. Preserve a sense of place.</p>	<p>2A. Support pre-K–12 educational improvement. 2B. Improve public safety. 2C. Engage and develop youth. 2D. Invest in targeted job creation.</p>
<p>Each strategy has a set of associated performance measures and five-year targets. For example, among the performance measures for Strategy 1D (“preserve a sense of place in northwest Arkansas”) are:</p> <ul style="list-style-type: none"> <li>• 53 new miles of multi-use trails constructed with WFF funding</li> <li>• 1,500 cumulative acres of public green space preserved with WFF funding</li> <li>• 4.0% of population using active transportation (walking, biking) to commute to work as measured by the American Community Survey (versus 2.6% at baseline)</li> </ul> <p>Among the performance measures for Strategy 2A (“support pre-K–12 educational improvement in the Delta”):</p> <ul style="list-style-type: none"> <li>• 580 Teach for America (TFA) corps members in the Delta (versus 529 at baseline)</li> <li>• 9 independent public charter schools with 2,000 total students enrolled (versus 6 schools with 1,404 students at baseline)</li> </ul> <p>In 2017 — about three years into the current strategic plan — the program underwent a midstrategy review to enable the board and senior leadership to (1) hold the program accountable for progress toward the goals set forth in the plan, and (2) engage in deep learning and reflection about how to approach the remaining two years of the program’s strategic plan. The midstrategy review drew on a range of data sources (e.g., strategy level-metrics, grant evaluations, third-party research studies, conversations with grantees and other stakeholders). On the next page, we outline some of the findings from the midcourse review related to strategies 1D and 2A, and we describe how the foundation used these findings to drive improvements in program strategy and implementation.</p>		

Reflective Practice

**Common Mindsets and Necessary Shifts in Understanding and Approach**

The first step in better balancing a foundation’s learning and accountability practices is identifying the forces and factors that are pushing against accountability. As noted earlier, one of these factors is the “power over” dynamic that is

inherent in accountability systems — few people enjoy having their work evaluated by others. That said, the “power over” dynamic is ubiquitous in the workplace, so there must be other forces and factors at play. We posit that there are actually some significant structural, cultural, and mental barriers in place for many foundations.

**TABLE 1** Learning and Accountability in Action at the Walton Family Foundation (continued)

<p>On Strategy 1D, the midstrategy review found:</p> <ul style="list-style-type: none"> <li>• <b>Need to revise targets:</b> The program had already achieved its goals in terms of new miles of natural surface trails constructed and acres of high-priority open space preserved. <i>As a result, the program agreed to set more ambitious performance targets.</i></li> <li>• <b>Evidence of progress:</b> The program was on track to achieve its goal of seeing 4% of the population using active transportation to commute to work. <i>As a result, the program agreed to stay its course in terms of strategy implementation.</i></li> <li>• <b>Unintended consequences:</b> The midstrategy review observed that the program’s successes in terms of expanding trails and investing in arts and culture may have contributed to a shift in the local housing market, which is affecting working families living in the downtown area and the region’s ability to attract artists. <i>As a result, the program is exploring opportunities to support local partners working at the intersection of housing and arts and culture. Additionally, the program continues to monitor the state of housing affordability in and around regional downtowns and will be considering this issue in its next strategic planning process.</i></li> </ul> <p>On Strategy 2A, the midstrategy review found:</p> <ul style="list-style-type: none"> <li>• <b>Evidence of progress:</b> The program was on track to achieve its goal of seeing 2,000 students enrolled in charter schools. <i>As a result, the program agreed to stay its course in terms of strategy implementation.</i></li> <li>• <b>Changes in the system:</b> There was a significant shift in the K–12 ecosystem that held important implications for Strategy 2A. Due to changes in the economy and at the organization, TFA adjusted its approach to recruiting and placing teachers, resulting in a significant decrease in the size of the TFA corps in the Delta. <i>As a result, while the program continues to partner closely with TFA, the foundation also decided to work both to better understand the drivers of the teacher shortages in the region (e.g., by commissioning a third-party qualitative research study) and to explore ways to build new alternative teacher pipelines to support schools in the Arkansas and Mississippi Delta.</i></li> <li>• <b>Context and resources:</b> Finally, the strategic review prompted observations that there are opportunities to participate in more coordinated institutional philanthropy efforts in the region in a way that may address capacity challenges across the nonprofit and public sectors. <i>As a result, the program decided to host a “Delta Summit” as a way of attracting new funders and strengthening connections among existing funders in the region.</i></li> </ul>
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Reflective Practice

To begin with, the functional and often operational division between evaluation and program staff can lead to an unhelpful, “us versus them” dynamic in some foundations. Evaluation staff have a responsibility to help mitigate this challenge by being good partners to program staff on accountability and learning. We have identified three promising practices for evaluation staff to consider:

1. Respect the program officer role;
2. Seek to advise, not to prescribe; and
3. Practice self-awareness and humility.

On the program side, we believe that a number of misperceptions and unchallenged mindsets about accountability can undermine a foundation’s efforts to create accountability and link it to learning. The relative prominence and intensity of each of these mindsets varies by institution, of course, based on each foundation’s context. In general, though, these mindsets include the following:

- *Accountability is unfair* — the belief that foundations should not hold grantees or themselves accountable for specific results when they are tackling tough problems in an unpredictable world;



*Ultimately, all members of the foundation team — program and evaluation staff, foundation leadership, board members, and internal evaluators themselves — share the responsibility for creating a trusting and constructive accountability and learning practice.*

- *Accountability is incompatible with learning* — the belief that accountability systems inhibit staff (or grantees) from learning; and
- *Accountability information is irrelevant* — the belief that information about past performance is less valuable or important than deep expertise in a given issue area.

These mindsets play out in various ways; our goal is to identify these attitudes, consider them with reference to contemporary research and how the field has engaged with them, and offer solutions. Ultimately, all members of the foundation team — program and evaluation staff, foundation leadership, board members, and internal evaluators themselves — share the responsibility for creating a trusting and constructive accountability and learning practice.

*Internal Evaluators: Being a Good Partner to Program Staff*

When adopted by internal evaluators, the following three practices can help create the conditions that support both accountability and learning among across the organization:

1. Respect the program officer role. Internal evaluation staff should begin by taking a collaborative approach that recognizes program staff as colleagues who bring

valuable expertise to a difficult role. One way to promote greater understanding of the complexities of program work is for evaluation staff themselves to have the opportunity to make grants on occasion; in this way, they can better understand the many pressures and tradeoffs that program staff must confront. At the WFF, the strategy, learning, and evaluation team manages approximately \$12 million annually in third-party research and evaluation grants and contracts.

2. Advise, don't prescribe. Evaluation staff should not be responsible for setting performance measures at a distance. When it comes to setting grant-level targets, grantees should generate the first draft in order to promote a sense of ownership and fairness. Program staff can collaborate on these measures to ensure alignment with foundation priorities, and evaluation staff can play a supportive role as technical advisors. When it comes to setting strategy-level performance targets, program staff, foundation leadership, and board members should in turn have an opportunity to weigh in, again with evaluation staff as advisors. At the WFF, we make it a priority to support program staff who are working with grantees to set, measure, and report on their performance metrics, with the goal of building true partnerships with grantees. Data from the CEP survey of WFF grantees in 2017 indicate that, for the most part, this process is working well. For example, 87 percent of grantees across the sample (557 organizations participated, or 58 percent of all of our grantees) stated that they either played the largest role or there was an equal balance with the foundation when setting grant measure targets. However, a minority of grantees (13 percent) said the foundation played too strong a role. One grantee wrote:

The staff is friendly, open, and honest. That said, they were not always as flexible as one might have hoped. We heard a lot of “yes, we understand your point of view, but we prefer to do it our way.” When that comes from the check-writer, it carries inordinate weight, of course.

Creating a sense of shared ownership over performance measures is a difficult process that requires skill and experience in balancing multiple perspectives.

- Practice self-awareness and humility. The same cognitive biases that affect program officers can interfere with evaluators' objective assessment and decision-making. For example, as we are learning through our work with the Equitable Evaluation Initiative,<sup>4</sup> when we fail to include multiple perspectives in evaluation design, analysis, and reporting, we run the risk of perpetuating some of the very inequities we seek to address through our philanthropic activities. It is important for evaluators to be mindful of their own vulnerabilities and preferences and to recognize that there are sometimes limits to what particular data can tell us. Involving program staff (and grantees, as appropriate) in analyzing data and determining implications is one way to help mitigate bias on the part of the evaluation team. For example, WFF recently included several program staff and core grantees in a discussion of the initial findings from a third-party evaluation. Including multiple different perspectives as part of the sense-making process helped us gain a better understanding of the data and its implications for program strategy.

### *Adjusting Unhelpful Mindsets About Accountability*

Guijt's earlier research, as well as our experience in the field of philanthropy over the past decade, indicate there are a variety of problematic mindsets about accountability that, when adopted by evaluation and program staff, foundation leadership, or board members, can undermine an organization's efforts to create accountability and link it to learning. We identify some of these problematic perspectives and suggest how they may be shifted to more productive practices. Our goal is to highlight how all staff and board members have roles to play in using data to help drive impact.

## *Internal evaluation staff should begin by taking a collaborative approach that recognizes program staff as colleagues who bring valuable expertise to a difficult role.*

*Problematic perspective no. 1:* Accountability is unfair. On one hand is the attitude that leadership shouldn't hold program staff and grantees accountable for planning and getting results because they are tackling tough problems in an unpredictable world. With a more productive mindset, however, accountability approaches can be designed and implemented fairly, and they can provide value even when a foundation is working on more complex issues.

At the core of any good accountability system is a predetermined plan and a set of expectations for performance against that plan. In philanthropy, as most readers know well, many foundations use tools such as logic models to describe their plan for a project or program. The idea is to articulate clearly how the foundation's provision of resources will support grantee partners to undertake actions that will lead to shared goals for change to social and environmental problems. Through these planning processes, foundations and their partners identify targets that become a shared definition of success to which everyone will hold themselves accountable.

Several critics (Kania, Kramer, & Russell, 2014; Guijt, 2010; Coffman & Beer, 2016) have argued that setting a priori targets about what can be accomplished before funding complex interventions, such as systems-change efforts, subordinates learning to an unhelpful form of accountability. As Coffman and Beer write:

Accountability mechanisms that overly focus on the upfront quality of the plan and faithful

<sup>4</sup> See <https://www.equitableeval.org>

*[I]t is not the acts of planning and target setting themselves that need to change; rather, it is the way we design and implement our accountability systems.*

implementation of it are not actually addressing the kinds of failures that get in the way of results for complex change initiatives. In fact, they might actually reduce chances for success because they incentivize the wrong kind of thinking and action: sticking to the plan instead of adapting. (2016, p. 38)

An alternative view is that regardless of the complexity of the undertaking, careful planning and target setting are essential for responsibly investing a foundation's limited resources — all of which have alternative uses. As Paul Brest (2014) has argued:

Granted that some problems are more challenging than others, it's more useful to think of simple and complex problems as lying on a continuum rather than on two sides of a divide. Strategic planning and prediction are essential from one end of the continuum to the other, and there is no point at which they are replaced by complexity science. (para. 2)

We agree. When understood in this way, it is not the acts of planning and target setting themselves that need to change; rather, it is the way we design and implement our accountability systems.

When working under conditions of complexity, these systems need to allow for adaptive management. We should anticipate, for example, that the outcome of a gubernatorial election might influence our ability to make progress toward specific, state-level policy goals, and we should adjust the targets or timelines in our accountability systems to reflect this change in context, just as program officers will be adjusting their activities and grant pipelines.

The type of accountability we are advocating for here is “strategic accountability.” Guijt (2010) explains that strategic accountability is about having the conversation about whether program staff and grantees made the best decisions they realistically could while considering shifts in context. Conceived in this way, as Lerner and Tetlock (1999) write, accountability has to do with “the implicit or explicit expectation that one may be called on to justify one’s beliefs, feelings, and actions to others” (p. 255).

What remains unstated is the second half of the accountability equation — namely, what should happen if the best decisions weren’t made or justifications are judged to be inadequate. Most of us have learned to expect consequences for poor performance in other aspects of our lives, but within foundations we often struggle to embrace that mentality. People are perfectly happy to see a corrupt politician lose his job or a restaurant that serves bad food go out of business, but we resist walking away from the hard-working but repeatedly failing nonprofit that is dedicated to a worthy cause. The faith and trust that foundation boards place in their program staff and in turn that program staff places in their grantees makes sense, but foundations need to be willing to ask themselves and their partners tough questions when both program theory and program implementation repeatedly fail to achieve reasonable results.

*Problematic perspective no. 2:* Accountability is incompatible with learning. A more productive mindset recognizes that accountability is a fundamental component of an effective learning system. As Guijt (2010) notes, “you need to know how well you live up to performance expectations in order to learn” (p. 277).

Program staff and grantees sometimes raise the concern that accountability is incompatible with learning, and, depending on the circumstances, this assertion can be legitimate. It has been shown that the brain can effectively shut down under acute stress and that chronic stress can undermine the brain’s ability to learn (Gill, Lerner, & Meosky, 2016; Farber, 2015). Not only can excessive or repeated stress from an

ill-conceived accountability system undermine the learning most foundations are after, but overly strong, fear-based incentives are simply not constructive in the modern workplace.

On the other hand, research also indicates that some degree of accountability can actually help create the conditions that promote learning (Wigert & Harter, 2017). For example, providing settings for program staff to justify decisions or to explain what they have learned from past performance can actually incentivize true reflection. The challenge for foundations is to be intentional on the front end about how accountability systems are designed and to be intentional on the back end about how, when, and with whom accountability conversations take place. On the front end, recent research from Gallup shows that “the effectiveness of goal setting and subsequent performance is largely determined by: 1) goal clarity and specificity, 2) appropriate goal difficulty, 3) involving employees in the process, and 4) feedback and progress monitoring as performance occurs” (Wigert & Harter, 2017, p. 16). In the context of philanthropy, incorporating grantee perspectives in the process is also important. On the back end (i.e., facilitating accountability conversations) Gallup’s research shows that reviews should be “achievement-oriented, fair and accurate, and developmental” (Wigert & Harter, 2017, p. 29).

Setting clear and measurable performance targets goes a long way toward ensuring that accountability conversations are perceived as fair and accurate. It is also helpful to create opportunities for staff to review and discuss findings about progress toward goals prior to any decision-making meetings. In other words, the first time a program officer is asked a hard question about a grant or strategy’s progress toward its previous goals should not be during the meeting where leadership is making a decision about grant renewal or strategy refresh. Sequencing conversations in this way can help ensure that there are authentic opportunities for growth and development and that accountability systems are not perceived as punitive.

## *Setting clear and measurable performance targets goes a long way toward ensuring that accountability conversations are perceived as fair and accurate.*

*Problematic perspective no. 3:* Accountability information is less important than expert judgment and staying the course in preferred solutions. Again, this mindset is based in an important reality: Program staff are in fact hired for their expertise, their networks and relationships, and their ability to make effective strategic decisions about how to deploy resources. Particularly in philanthropy, which plays an essential role supporting innovative solutions to the toughest problems of our times, the people making investment choices need authority that matches with their responsibility.

Those considerations, however, are not incompatible with a mindset acknowledging that well-designed accountability systems provide timely and relevant information that can help both staff and grantees understand and improve their work. And at the same time, the very things that are often key to success (e.g., expert judgment, strong relationships) can become liabilities. As Beer and Coffman (2014) have explained, foundation staff can reasonably fall prey to cognitive traps such as availability bias, escalation of commitment, and groupthink, which may lead to continued funding for particular grantees or approaches even when internal or third-party evaluations show that they are not effective.

To address this reality, foundation staff should agree to a standard for credible evidence at different stages of program implementation and to decision-making hygiene. For example, when reviewing relatively larger proposals to renew a long-term grant relationship, how and when are evaluation staff brought into the conversation, and who is present when evaluation staff are asked to give their opinion? The idea is that both

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evaluation and program staff can be empowered to influence sound decision-making in service of impact.

### Conclusion

Effectively integrating accountability and learning within a foundation requires intentional effort, time, and, importantly, leadership. Evaluation staff can certainly do their part to create the right conditions for success (e.g., co-designing accountability and learning systems that support, rather than penalize, adaptive management practices among program officers and grantees). But when it comes to the effective use of the data provided by accountability systems — whether in support of learning activities, strategy review discussions, or individual performance reviews — organizational leadership is essential. That is because accountability works only when the body that has the power to hold another body to account applies that power constructively; otherwise, accountability becomes a voluntary exercise that lacks any real effect.

As referenced earlier, most internal evaluation staff are expected to partner with and support program staff in pursuing the foundation's

mission and goals. As such, and with good reason, evaluation staff lack the authority needed to fully empower an organization's accountability system on their own. This means that senior leaders, and particularly board members, have a critical role to play in ensuring that accountability and learning systems are not just well-designed and managed, but used effectively. For example, program staff and leadership need time and support to engage with the information they receive. Fitting in extra conversations to make sense of complicated and sometimes contradictory information can be very difficult amid all the responsibilities and deadlines that foundation staff face. If foundations want true engagement with the data provided by accountability systems, or they seek the flexibility to engage in true learning and adaptation, they may need to slow down, staff up, or change some of their ways of working.

We believe that the strategic and organizational benefits of a fully-functional, well-balanced accountability and learning system are well worth the time and effort required to implement the system. From a strategy perspective, as illustrated by the Home Region Program case, access to reliable, well-organized data on progress toward program objectives provides a solid basis for thoughtful reflection, deep learning, and informed decision-making about course corrections. From an organizational perspective, accountability data allow us to have confidence in the value of our work and the impact we are having on the issues we care about. We can stand behind our mission because we have data to indicate we are serving it effectively, or we can change what we are doing in order to make greater progress.

As a sector, philanthropy has embraced the idea that we have a responsibility to learn and continuously improve our work. If, as we argue (and as Guijt [2010] argued before us), we accept that learning requires accountability, then we must take action to overcome the structural, cultural, and mental barriers that stand in our way. In so doing, we can better position ourselves — as individual organizations and as a field — to have a greater impact on the problems we care most about.

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**Marc J. Holley, Ph.D.**, is director of strategy, learning, and evaluation at the Walton Family Foundation. Correspondence concerning this article should be addressed to Marc J. Holley, Walton Family Foundation, P.O. Box 2030, Bentonville, AR 72712 (email: [mholley@wffmail.com](mailto:mholley@wffmail.com)).

**Marcie Parkhurst, M.C.P.**, is deputy director of strategy and learning at the Walton Family Foundation.