Creating a Culture of Inquiry

Changing methods – and minds –
on the use of evaluation
in nonprofit organizations

A look at WOW:
Working On Workforce
development project

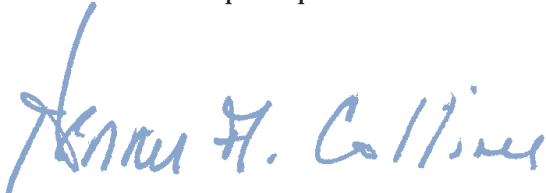By Georgiana Hernández and Mary G. Visher

THE JAMES IRVINE FOUNDATION

Contents

THE JAMES IRVINE FOUNDATION seeks to improve the lives of California residents, families and communities by strengthening the institutions that serve them. Toward this end, the Foundation launched in 1998 the Working on Workforce Development (WOW) Project, a two-year initiative that aimed to help a group of nonprofit organizations improve the way they measure, assess, and, ultimately, enhance their performance.

The Foundation has long believed that evaluation can be a powerful tool to improve the work and boost the impact of nonprofit organizations. By developing systems for gathering and analyzing data about their performance, organizations can better understand their clients, identify which program components work best and why, and make informed decisions about how they allocate their resources. Better data also helps the Foundation make better decisions about how to support our grantees.

The WOW Project was an experiment in helping organizations use the tool of evaluation, and we feel that the experiment produced not only results for the participants but valuable lessons for other funders, evaluators, consultants and others interested in organizational development and capacity-building. In commissioning this report, the Foundation consulted a number of people in these roles to find out what kind of information about the project might be most useful and interesting. This monograph is in large part a response to the questions and ideas that emerged from those interviews.

Written by Georgiana Hernández and Mary G. Visher, the lead consultants on the WOW Project, "Creating a Culture of Inquiry" presents the project's design, implementation and outcomes. It also reflects on what was learned and makes recommendations for how others embarking on this path might achieve the best results. We welcome your thoughts on both the report and the broader effort to improve the way nonprofits use evaluation to improve performance.

Dennis A. Collins
President & CEO, The James Irvine Foundation
July 2001

The WOW Project

Evaluation as Method – and Mindset

if organizations know how to gather and use data to assess performance, their service to clients will improve. This theory was the driving force behind The James Irvine Foundation's Working on Workforce Development (WOW) Project, launched in 1998 to help a group of its grantees develop and refine the ways in which they measure performance. The idea was that good data would help the staff of workforce development agencies know what worked in their programs, what did not, and why— and use that knowledge to make needed changes.

The importance of good measurement was clear to us—as members of the consultant firms that managed the project—from the outset. But we soon found that establishing these systems alone was not enough. In the end, the project's success had less to do with whether measurement systems were developed and more to do with whether the organizations were able to create a culture that valued the process of self-evaluation. The agencies needed a new mindset that embraced data as an essential tool for improvement rather than as mere paperwork required for funding.

Ultimately, the WOW Project made some headway in promoting these shifts in organizational thinking. Just as important, the experience yielded rich lessons about building evaluation capacity. As the project demonstrated, and this report will document, the task of helping nonprofit organizations build their capacity to evaluate their own performance in a systematic manner requires more than just a sharing of techniques and tools. It takes a conscious effort to foster agency-wide shifts in mindset, norms, and practices. It takes organizational changes in belief systems about the value of grounding decisions that affect clients in hard data.

As these cultural shifts take place, it becomes clear that the benefits of organizational development work are as important as the benefits of the performance measurement system itself. One notices a deeper level of communication and trust among staff members. Staff begins to look for ways to improve the quality of their programs. Data becomes *of* and *for* their organization, rather than something that is done *to* them. When these behaviors and attitudes begin to take root in an organization, it becomes just a matter of time before rapid, agency-wide changes in practices and norms take place. Only then is the loop of continuous learning and improvement completed.

The Project at a Glance
Design, Process, and Recommendations

	Design *The original project design*	**Process** *The project as it was implemented*	**Recommendations** *Recommendations to funders and technical assistance providers*
Project Development **1**	High-performing, large, and mature workforce development organizations were targeted by the project	Participating organizations exhibited different levels of performance, were medium to large size, and had various levels of interest in agency-based evaluation	Include level of motivation as a key determinant in agency selection
	Project design and work plan were created by consultants with input from Foundation staff	Work plan evolved to include input from project participants	Involve organization's leaders in the project design
Assessment and Selection **2**	Executive staff and senior managers from career services were the primary participants	Staff at all levels became involved; in two organizations, staff from divisions other than career services participated	Clarify roles, responsibilities and expectations
	Organizational assessments were conducted to determine agency selection, to collect baseline performance and organizational data, and to solicit input on project goals	Organizational assessments were used as intended	Establish a high level of trust between foundations and agencies Broaden the purpose of assessment
Implementation **3**	Six all-agency workshops were to introduce the framework and to create shared-learning opportunities	Shifted consultants' time from workshops to customized technical assistance	Allocate sufficient time for intensive, customized technical assistance delivered on-site
	Four on-site sessions with small groups of managers in each agency were to be provided	Worked with much larger groups of staff from agencies	Involve a broad range of staff
Outcomes **4**	Programs were to improve through enhanced performance measurement systems	The outcome evolved to become more specific, entailing the expectation that each agency would complete a performance measurement plan, a dictionary of operational definitions, at least one management report tied to the new plan, and a plan for implementing the system. As the project unfolded, the importance of working to foster shifts in organizational culture emerged	Ensure that staff can devote sufficient time Focus on cultural change as much as change in systems

The Key Findings:

Overall Outcomes and Lessons

The central goal of the two-year WOW Project was to improve the capacity of six nonprofit organizations to measure their own performance. Here are the key findings on the project's outcomes and lessons.

○ **All six agencies better understood the techniques for systematically collecting and using performance data.** Four of the six agencies produced performance measurement plans that reflected well-aligned goals, outcomes, practices, inputs, and performance targets. The remaining two agencies had nearly completed plans by the end of the project. All six agencies designed new, user-friendly report templates that reflected the program outcomes and practices they wanted to measure. Most of the organizations began to add new items that would be measured in automated management information systems.

○ **Most agencies experienced multiple benefits as their organizational culture increasingly supported the process of self-evaluation.** Among most organizations, signs of a new mindset about the value of self-evaluation were emerging by the end of the project. Staff opened new lines of communication across agency divisions or programs through participating in open discussions about mission, values, and assumptions that had never really been described or fully understood.

○ **By the time the project ended, one agency had already begun to use information gleaned from their performance measurement systems to improve performance.** One organization found that certain programs had steadily suffered low enrollment, so it eliminated one program, closely monitored others, and experimented with various recruitment strategies for different populations and service regions. Ultimately, it was able to increase the cost effectiveness of its programs.

○ **Motivation turned out to be a better indicator of organizational readiness than maturity, size, or level of infrastructure.** Some of the organizations with the least sophisticated systems at the beginning of the project invested the most amount of time, expressed the greatest enthusiasm, and made the greatest gains.

○ **It took more time and resources than expected to develop a performance measurement system among the six agencies.** The project team had envisioned using six workshops to explain the concepts of the performance measurement framework and supplement them with several on-site technical assistance sessions. Instead, the team cut the number of workshops devoted to performance measurement by four and added far more customized technical assistance sessions—an average of 12 per agency.

○ **Follow-up sessions with agency executives highlighted the need for more up-front involvement of key staff to generate a sense of ownership.** In several cases, staff resisted the project's imposition of a specific framework for measuring program performance. At least one executive said it would have been worthwhile to use a focus group of the agency directors to help design the project.

The Design:
Training and Planning for Evaluation

When the WOW Project was conceived in 1998, most workforce development providers across the country were reorganizing their service delivery systems in response to significant changes in public policy. Welfare reform in particular led these providers to anticipate a surge in clients who would soon no longer be eligible for public assistance. In addition, the Workforce Investment Act (WIA) required a market-driven approach to service delivery, which meant organizations had to market, monitor, and report on their services in new ways.
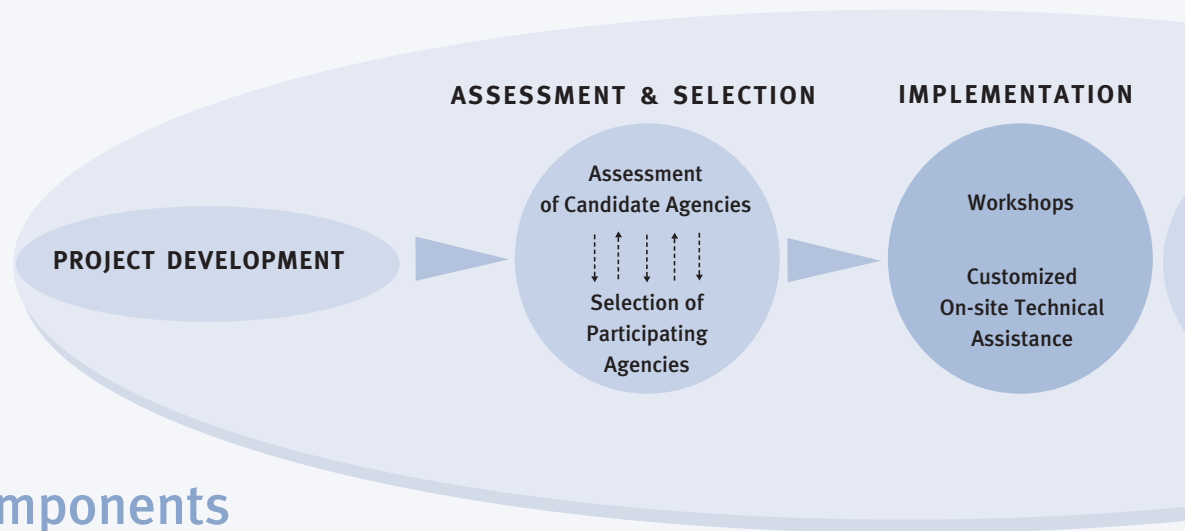
The James Irvine Foundation created the WOW Project as a way to help a group of its workforce development grantees respond to these changes, collect and use data well, and learn from each other in the process. The Foundation also wanted to share lessons from this work with the broader community of funders, consultants, evaluators, and others likewise concerned with helping nonprofit human-service agencies improve their capacity to evaluate themselves.

The Foundation invited two Bay Area consulting firms— one with expertise in providing management consulting to community-based nonprofits (Hernandez & Associates) and the other with expertise in conducting research and evaluation (MPR Associates, Inc.)—to help design and implement this two-year project. The Foundation and its consultants used an approach that grew out of a simple theory of change. The basic idea was that already successful organizations could be even more effective if they had data that could show what was working and what was not. The design of the project focused on the components as illustrated on the next page spread.

THE PARTICIPATING AGENCIES

✳

Jewish Vocational Services

✳

Jobs for Homeless Consortium

✳

Mission Hiring Hall

✳

Goodwill Industries of the Redwood Empire

✳

Goodwill Industries of San Francisco, San Mateo, & Marin Counties

✳

Goodwill Industries of the San Joaquin Valley

Assessment
of Candidate Agencies

PROJECT DEVELOPMENT

Selection of
Participating
Agencies
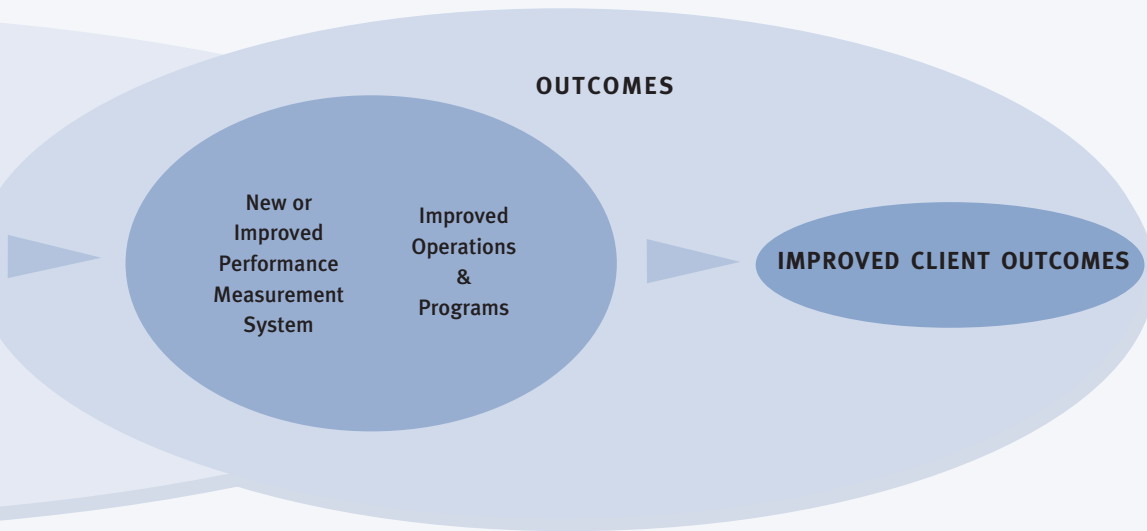
Workshops

Customized
On-site Technical
Assistance

WOW
Project Components
and Desired Outcomes

the desired outcome for the two-year WOW Project was that each agency, with the support of the consultants, develop a new or improved measurement system for their own use in evaluating themselves. The WOW Project was designed to develop the evaluation capacity of the six agencies. The long-term goal was to enable the agencies to improve their overall operations and programs through the use of the measurement systems and the data that they generated. This, in turn, would ultimately mean improved conditions for their clients.

The Performance Measurement Planning Framework

Step 1
✳
Set Goals

Step 2
✳
Identify Outcomes, Practices, and Inputs

Step 3
✳
Determine Performance Measures

Step 4
✳
Examine Data

Step 5
✳
Set Performance Targets

Step 6
✳
Determine Performance Measures

Project Development

1 The consultants chose a framework that would encourage agency staff to think about measuring their performance in terms of six phases, described in the chart at right.
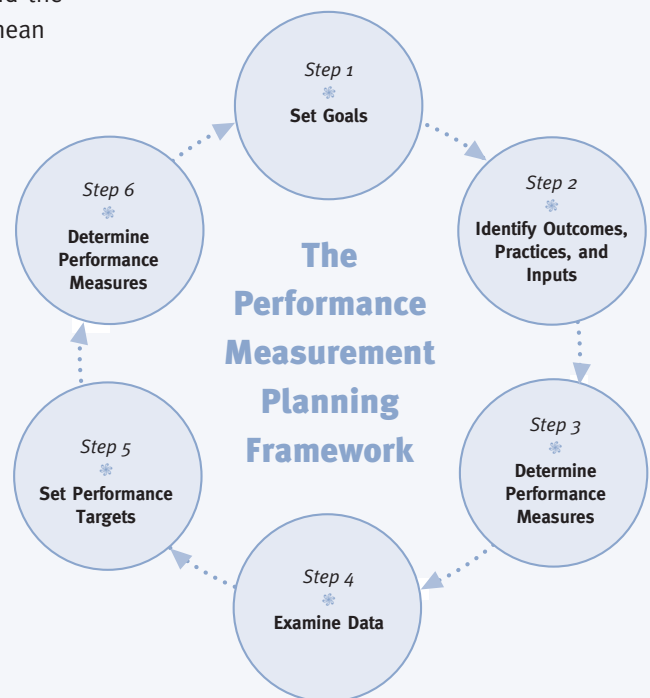
Assessment and Selection

2 By visiting workforce development organizations that the Foundation identified as potential participants, the consultants would get a sense of how, and how well, the agencies operated, as well as give senior staff at the agencies a chance to meet them and learn about the project in detail. They would pay special attention to the agencies' internal capacity to collect and use performance data. The participants selected would receive grants to support their development and implementation of performance measurement systems.
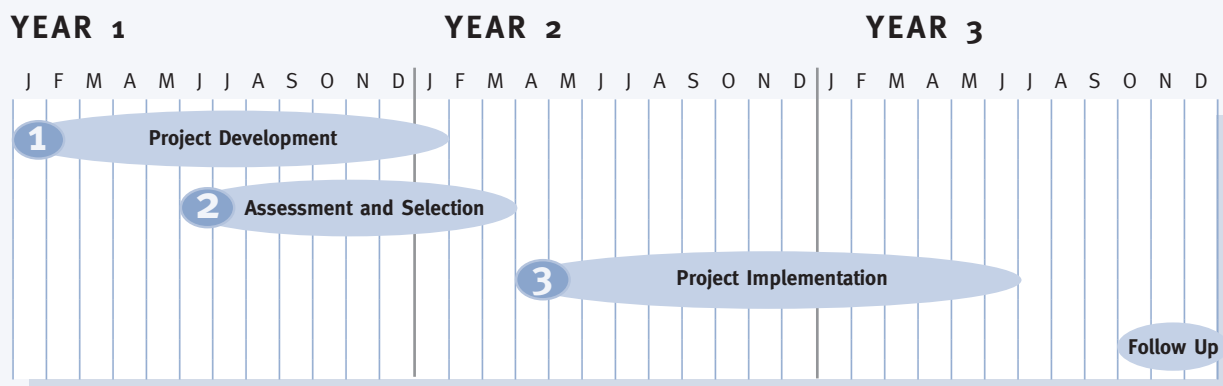
OUTCOMES

New or Improved Performance Measurement System

Improved Operations & Programs

IMPROVED CLIENT OUTCOMES

Project Implementation

3

The consultants planned to use six workshops to introduce agency directors and managers to performance measurement concepts. They also hoped participants would learn from each other at these workshops and share ideas as they proceeded to put their plans in place. After each workshop, the consultants would come to the agencies to help staff apply lessons learned in the workshops to the employment and services divisions within their own agencies.

Through the workshops and hands-on guidance from the consultants, staff from the agencies would learn how to translate the concepts into action. It would require a commitment of about a year, during which time staff were expected to revisit their program goals, identify resources they needed, decide what they wanted to achieve and measure, determine which of their practices were linked with specific outcomes, and set performance targets derived from baseline and benchmark data.

Key Milestones and Project Phases of the Wow Project

YEAR 1   YEAR 2   YEAR 3

J F M A M J J A S O N D | J F M A M J J A S O N D | J F M A M J J A S O N D

1 Project Development

2 Assessment and Selection

3 Project Implementation

Follow Up

The Process:

Reflections on What Worked, What Didn't, and Why

as consultants to the WOW Project, we quickly discovered that most of our plans had to change once the project got rolling. We also found that it was in the gaps between design and reality where much of the richest learning took place. In this section, each step of the process is described and analyzed for how well the plan held up when put into action, what worked and what didn't.

1 Project Development
Initial Buy-in Was Slow

The leaders of all six agencies agreed from the start that they were interested in the project and volunteered to participate. Beyond that, however, they were not involved as a group in discussions about the approach or specific outcomes. As a result, initial buy-in was a problem in some agencies, and momentum was slow to build. As the project team learned more about the agencies and built on their experience, the initial plan—or theory of change—had to be revisited and revised, almost continuously.

2 Assessment and Selection
The Six Selected Organizations Had Similar Missions

Foundations often base their assessments of an organization's capacity to benefit from a project such as WOW on factors such as organizational maturity, budget size, reputation within the funding community, and level of infrastructure. The assumption is that organizations should be stable and flexible enough to benefit from this kind of work, and large enough for the intervention to make a difference for a significant number of clients.

The Foundation began with several grantees that fit this description. Three of these were Goodwill agencies—independent franchises of Goodwill Industries, International—and grantees of the Foundation; the other three were community-based workforce development agencies with solid reputations in the community. All six were medium- to large-sized as measured by the number of clients served (ranging from 800 to nearly 2,000 per year), as well as by the array of services offered. Of these organizations, five were in the nine-county San Francisco Bay Area and one was in the Central Valley.

All six participating organizations had similar missions: to assist unemployed or underemployed individuals achieve economic self-sufficiency through job search assistance and job training. (The three Goodwill agencies shared more than just their missions; they also had similar programs and clients.) These commonalities allowed staff from across the organizations to communicate easily with each other, and they enabled the consultants to develop materials and use techniques that applied equally well to all six agencies. For example, no one had any problem understanding the jargon of the employment and training world, such as "WIA," "OJT," "job clubs," "entered employment rate," and "hard-to-serve." Although they were similar organizations focused on similar populations, this was not sufficient qualification to determine readiness for the project.

As it turns out, selecting the organizations most likely to benefit from the project was critical, but one criterion for selection seemed to matter the most: motivation. How much an organization accomplished through this project had less to do with their size, stability, finances, and reputation than it had to do with the level of enthusiasm the leaders brought to the project and how well they conveyed that enthusiasm to staff.

Assessment Visits Yielded Unexpected Benefits

The assessment visits, which were planned to gauge how well the agencies were prepared for the project, turned out to be time well spent for other reasons. First, they allowed the consultants an opportunity to establish rapport with the agency managers and staff. These relationships were essential later on as the technical assistance got under way and the consultants were called upon to facilitate staff discussions around practices that were sometimes painful and difficult.

Second, the assessments provided a baseline against which to measure progress. By comparing the organizations' capacity to measure performance before the technical assistance began with that capacity when it ended, the project team learned a good deal about how effective the project was in meeting its goals.

Third, the information that consultants gathered during the visits helped them rethink some aspects of the project design. For example, the consultants realized how much the agencies varied in their initial ability to measure performance. That led to a plan for more intensive and customized technical assistance sessions.

3 Project Implementation
Workshops and Assistance Didn't Always Work According To Plan

The workshops were originally thought to be a cost-effective way to present information to several agencies at once and create a collegial environment that would encourage agencies to learn from each other. The consultants spent considerable time preparing for each workshop. Agency staff who attended generally found them useful and gave the content and delivery good marks on a satisfaction survey conducted by the consultants after each workshop.

However, when the consultants began to visit the organizations after the workshops, they discovered that either most of the material covered in the workshops had not been absorbed by staff and needed to be re-introduced, or that many of the staff who had attended the workshops were not the same as those who participated in the on-site sessions. That meant more time had to be spent revisiting material already covered.

By sharing both their challenges and successes during the workshops, the agencies were expected to learn and work together. Although some staff said they were glad to be going through the capacity-building process with other organizations because it helped them stay motivated, most said they did not learn very much from other organizations. One participant said her group felt slowed down by the others, while another individual from a different agency thought the pace was too fast. Some who shared the same geographical area and funding streams reported it was difficult to be candid in a room full of one's competitors.

The consultants visited agencies about once a month during the first half of the year in which they offered assistance. The rate of visits picked up considerably during the second half because the agencies were anxious to have a plan in place by the end of the project. Over a 12-month period, the consultants visited each agency from four to 20 times.

In general, the consultants found they were more able to sustain momentum when they worked with the agencies intensively, say once or twice a week over a few months, rather than spacing out the visits over a year or more. Start-up problems or other disruptions, such as the departure of key staff, caused the pace and intensity of the work to vary. The agencies themselves also differed in the amount of effort they were willing to invest between the visits from the consultants. In some cases, mid-managers and their staff invested hundreds of staff hours working in small groups, thinking through the outcomes they wanted to achieve, developing meaningful measures, and reviewing earlier performance data to make decisions about new targets.

> "
> **I keep thinking that there could have been something with us and our colleagues in the other workshops, but I never got it. It seems like there could have been some richness there . . . the shared learning concept [was] a good one, but for some reason it didn't happen . . .**
> —*CEO of a WOW agency*
> "

Project Scope and Staff Varied Across Agencies

Once the agencies grasped how much work was involved, they made strategic decisions about how ambitious a performance plan to take on. While all directors decided they would measure their employment and training services, three decided to develop plans that reflected their entire agency operations—including facilities and operations, administration and fundraising, and for-profit business divisions for those who had them.

At the outset, the consultants worked with a core group of agency executives and senior managers to reach an understanding about the process and to ensure a commitment from the organizations' leadership. After that, the agencies were free to decide who or how many staff should play a role in the work. The result was considerable differences both in the number and positions of staff whom the directors assigned to work with the consultants. In some agencies, three people were present for the technical assistance sessions. In others, the number was as high as 25. In one agency, all of the middle managers did most of the work; in another, staff from all levels of the agency were involved, from line staff to the CEO; and a third agency appointed a committee that represented different staff positions to do most of the work. What mattered was whether people at all levels of the agency, particularly in management, bought into the project.

Middle managers were key players because they provided reality checks for senior managers. Because they were more familiar with the day-to-day workings of the programs, they could, for example, remind senior managers about what level of performance was actually feasible. They also could keep the work moving ahead between technical assistance sessions.

The Outcomes:

Performance Measurement and Organizational Results

The WOW Project had specified only one intended outcome in the beginning: the development or enhancement of performance measurement systems within the organizations. What the consulting team realized during the project—and what this report is singling out as the project's key lesson—is that mindset mattered as much as tools and techniques. Unless the project could foster change in the way organizations think about critical self-review, the performance measurement system itself might be worth little.

This section begins with an assessment of the progress the agencies made in the first outcome: improving their performance measurement systems. The discussion goes on to reflect on how far agencies came in achieving the second outcome: building a culture of self-inquiry and reflection.

The Key Outcome: Building the Capacity to Measure Performance

Agencies Had Different Starting Points and Common Problems Around Measurement

Prior to their involvement with the WOW Project, all six organizations had, of course, some methods in place to report the success of their programs. But those methods varied in their sophistication. One agency had a sophisticated automated reporting system developed with the help of an outside consultant. This agency was able to track a great deal of information that they used regularly both for "reporting out" and for internal management. Another agency had a management information system that stored huge amounts of data, but could barely generate a single useful report. This agency was "drowning in data but starving for knowledge" to use the words of one exasperated manager. A fourth agency could, with great effort, pull data together periodically to report to funders, but it was not using program data at all to inform program decisions.

In general, agencies experienced a common set of problems with their existing performance measurement systems:

- Confusion over how to define core measures

- A tendency to rely on measures of program output, rather than on measures of client outcomes

- Limited measures of the quality and effectiveness of their program practices

- Insufficient automated or manual processes for generating useful management reports for staff

> "
> **I'm almost embarrassed. This is a 30-year-old organization and we've never had an annual report done. What can I say? I want to be the first one to do that, and I want to use this process to get those data into the annual report.**
>
> *—Executive Director*
> *of a WOW agency*
> "

This last point was a key source of frustration for managers and service delivery staff alike. Managers could not get the data they needed to help them make decisions or to be informed about the status of a given program. Even where data existed, they were often not very accessible. At one agency, for example, a case manager ruefully described how she handed over intake and service information on her clients to the agency's Information Systems Manager but never got any summary information back. In another agency, staff were so frustrated with the agency's cumbersome tracking system that they had invented their own systems to keep tabs on their own clients.

Each Agency Showed Some Evidence of Improvement

The consultants asked each agency to prepare, with their help, several products that would ultimately reflect how well the agencies succeeded in their task to enhance their performance measurement systems. These deliverables included a new performance measurement plan and at least one user-friendly management report (*see Appendix A for an example*).

By the end of the project, all six agencies showed evidence of at least some improvement, and some saw substantial change for the better. Four agencies had complete performance measurement plans in place that contained well-aligned goals, outcome and practice statements, measures, baseline data, and performance targets. Two agencies had gotten to the point of articulating their program measures but were not able to fill in baseline data or specify performance targets for the coming year by the project deadline. (In post-project interviews, however, it became clear that these organizations had continued to work on their plans after the technical assistance ended.)

Whether or not they fully completed their performance measurement plans, all six agencies produced new report templates that reflected the program outcomes and practices they wanted to measure. As the project drew to a close, most of the organizations also were beginning to adapt their automated management information systems to include new data elements needed for the management reports they now wanted to generate.

How One Agency Used Data To Improve Performance

One of the six organizations had its performance measurement system up and running for several months by the time the project ended. Within this organization, systematic monitoring of data had indicated a continuing trend of very low enrollment in one of its programs. Despite marketing efforts, the program continued to suffer from low demand and operated at a deficit. Confronted with the data, managers made the hard decision to shut down the program.

> "We're all looking at it [the data] together and that's not always comfortable. Some of those things, you go, 'Oh my gosh, we're not doing that as well as we thought we were all this time.' [But] the other side is that, because it becomes so obvious, everyone sees where the deficit areas are and that allows for a lot of creative thinking…"
>
> — *CEO of a WOW agency*

This same organization also discovered low enrollment in some of its other programs. Staff began to experiment by using new, targeted marketing and recruitment strategies for its programs in a variety of service regions. Managers developed a weekly monitoring report that could give them real-time information about how many people were entering their service system, in which regions, and in which programs. Now program managers could quickly determine which recruitment practices were most effective for specific regions and populations. They were able to dissect the problem of low enrollment and subsequently develop the most effective strategies for each region. This data-driven strategy ultimately increased enrollment and led to more cost-effective programs.

A New Outcome:
Building a Culture of Self-Inquiry

About halfway through the project, the capacity-building work in some of the organizations suddenly started to flow more smoothly. Staff who had initially seemed resistant appeared to warm to the project. There was a level of excitement and a sense of forward motion. The consultants began to characterize this shift as a light bulb going on, as if something had "clicked," a new mindset taking hold. As they continued to work with the agencies to improve their technical capacity, they actively began to look for signs of this new culture and to foster it.

In follow-up interviews with agency participants, the consultants attempted to determine the level of "inquiry-mindedness" by asking agency staff questions about if and how their norms and practices had changed based on the measures described below.

Indicators of Inquiry-Minded Cultures

○ New lines of communication are created across and within agency divisions.

○ Organizations move from using the performance measurement system in one department or division to using it throughout the agency.

○ The performance measurement plan is revisited and revised to adapt to new information, conditions, ideas, or policies.

○ Agencies use performance findings as a springboard for discussions about agency values and mission and about hidden assumptions embedded in their practices.

Some Agencies Created
New Lines of Communication

Staff in four of the six organizations said they were communicating more with staff in other divisions or departments within their organization. They said these conversations expanded their knowledge about their agency, broadened their perspectives about solving problems, and gave them greater appreciation for the work of their peers. Group discussions and reflection on their work brought to light the work of several staff members, who said they felt more appreciated and validated because of that result.

One executive said managers from different divisions may have previously been reluctant to share data that appeared negative for fear it would reflect on them, but that the new atmosphere of open communication helped allay their anxieties. Managers realized that others could sometimes cast the results of the data in a slightly new way, so the process ultimately expanded their capacity for problem solving.

Some Agencies Applied the
Measurement System Throughout the Organization

Initially, the consultants had envisioned that the agencies would concentrate their efforts on developing a performance measurement system for only their employment and training services. One sign that shifts in attitudes towards the value of data were taking place was when an agency decided to expand its performance measurement efforts to other divisions and functions within the organization. By the end of the project, three of the six agencies had either begun or completed performance measurement plans with reporting formats for divisions such as retail operations, finances, and human resources.

Some Agencies Revisited and
Revised Their Measurement Plan

Three of the six organizations altered their performance measurement plans to include new measures of effectiveness, efficiency, or customer satisfaction, or to delete measures that had not provided them with useful information. The remaining organizations felt not enough time had passed to evaluate the usefulness of their performance measures.

All Agencies Used the Evaluation Findings
as a Springboard for Deeper Discussions

All six organizations said the process of developing or implementing a performance measurement system encouraged serious discussion about their organization's mission and values—especially when such a discussions had been rare before. One agency's senior executive reflected, "Especially in times when not everything is running smoothly, it's really important that we come together and work on our future."

> " . . . we're starting to realign job duties in order to get at operating more effectively, more efficiently because [the performance measurement system] is showing us that we're not a very cost-effective organization.
> — *CEO of a WOW agency*

The Recommendations:

For Future Efforts to Build Evaluation Capacity

as this report has emphasized, the path the WOW Project ultimately took departed in some significant respects from the one initially charted. The most important departure was a shift in the consultants' focus from the technical aspects of creating a performance measurement framework to the organizational development opportunities associated with making it work. This last section highlights some of the project's most important lessons and recommendations.

Recommendation 1
Include Level of Motivation as a Key Determinant in Agency Selection

Although other factors certainly influence readiness, it was motivation that turned out to be the critical factor in this project. It is of course possible to bring around reluctant organizations, but this can be an arduous task.

○ Start with organizations that are sufficiently motivated to commit the time and resources.

Recommendation 2
Involve Leaders of the Organizations in the Project Design

The consultants were reminded over and over of the importance of getting buy-in from leaders of the participating agencies. In some cases, that buy-in was slow in coming.

○ Involve leaders more in the conceptualization of the project to avoid slow start-ups.

Recommendation 3
Establish High Level of Trust Between Foundation and Agencies

To engage in this work fully, agencies needed to feel free to expose weaknesses in their performance without fearing that the Foundation would later use this information against them by not considering them for future grants.

○ Be clear that the objective of evaluation is to help agencies become more effective—this will allow them to be more open about their weaknesses.

Time spent planning with the agencies allowed the consultants an opportunity to establish rapport with the agency managers and staff. These relationships were essential later on as the technical assistance got underway and the consultants were called upon to facilitate staff discussions around topics that were sometimes painful and difficult.

Recommendation 4
Broaden the Purpose of the Assessments

○ During the early phase of the work, take the time to get familiar with the agency and build relationships and rapport with its leaders.

○ Use the assessment to understand the level of motivation the agency is bringing to the project.

Having enthusiastic leaders on board is a good start, but decision-makers in the organizations also must be clear about what is necessary to sustain that motivation.

Recommendation 5
Clarify Roles, Responsibilities, and Expectations

○ Ask each organization to set up a project team, with a lead person, to spearhead the performance measurement planning process within their agency.

○ Set up a regular and intense schedule of technical assistance sessions that take the time constraints of each organization into account.

○ Develop a joint Memo of Understanding that articulates the project purpose, the expected "deliverables," the project timeline and time requirements, and the roles and responsibilities of designated agency staff and technical assistance providers.

While joint workshops can be useful for some learning, organizations tend to benefit more from one-on-one relationships with the consultants.

Recommendation 6
Allocate Sufficient Time for Intensive, Customized, On-Site Technical Assistance

○ Allocate the bulk of consultants' time and resources to intensive, individualized, and on-site work with the staff of each agency.

Recommendation 7
Involve a Broad Range of Staff

The organizations that were most successful in developing their performance measurement plans seemed to be those that rallied the broadest participation of staff while keeping mid-level and top managers active throughout the process.

○ Involve staff from throughout the organization in the work of changing the culture and systems around performance measurement.

○ Ensure that middle and high-level managers stay involved, too, to add credibility and continuity to the process.

Recommendation 8
Ensure That Staff Can Devote Sufficient Time

The organizations that found ways to integrate evaluation into their other work made the most progress. Organizations that simply dropped this set of tasks on top of their existing load seemed most overwhelmed and made slower progress.

○ Give staff the training, time and incentive to incorporate evaluation into their regular workload.

○ Make sure everyone agrees on the level of staff time to be invested.

Recommendation 9
Make Deeper Cultural Change Part of Building Capacity

Fostering a spirit of inquiry will help agency staff be more excited about learning more about their clients and be more creative with the use of that data.

○ Work to nurture change in the organizational "mindset" around the value of self-evaluation while helping organizations improve their technical capacity to use data.

○ Move agencies from thinking about data as something that is done to the organization to something done by and for the organization.

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Acknowledgments

Sample Performance Measurement Overview
Goodwill Industries of the San Joaquin Valley, Inc. (2001-2003)

Mission: "Goodwill Industries of San Joaquin Valley, Inc. is a not-for-profit agency that provides job training and place-ment services to assist people with employment barriers to become self-sufficient. The Agency is especially committed to serving people with disabilities. Goodwill does this by operating retail stores and other businesses in the community that provide on-the-job training and fund Goodwill's programs."

TARGETED OUTCOMES	RELATED PERFORMANCE MEASURES	2000 Actuals	2001 Target	2003 Projected
GOAL 1: Assist individuals with barriers to employment in achieving self-sufficiency.				
A. People with barriers to employment receive high quality Pre-employment Services	A1) Number and percentage of people with disabilities served A2) Total number of people served by Goodwill			
B. People with barriers to employment will obtain employment	B1) Total number who obtained employment as a result of Goodwill Placement Services B4) Number and percentage of individuals with disabili-ties who have gone to work B5) Number of individuals who were not referred to Goodwill Placement Services but who have found employment as a result of receiving services from Goodwill			
C. Individuals who have obtained jobs will remain in the work force	C1) Number and percentage of people placed by Goodwill Placement Services who maintain employment a minimum of 90 days			
GOAL 2: Increased public support for Goodwill's mission				
A. Increased number of people served	A1) Reported above			
B. Increased number of donors and increased donations	B1) Total number of material donors B2) Total number of cash donations B4) Percent of Board of Directors making financial contri-bution			
C. Increased number of customers who purchase goods and services	C1) Total number of retail transactions C2) Total number of CS customers C3) Sales per square foot			
D. Increased awareness of Goodwill's mission among community, business and civic leaders	D1) Number of tours & community presentations D2) Number of active BAC members D3) Number of Rotary Club presentations			
E. Communicate Agency mission through signage, print and technology	E1) Number of media hits (unpaid) E2) Number of media hits (paid) E3) Number of web site hits			
F. Increased internal information sharing	F1) Number of new employee orientations F2) Number of employee newsletters F3) Number of HR newsletters			

TARGETED OUTCOMES	RELATED PERFORMANCE MEASURES	2000 Actuals	2001 Target	2003 Projected
GOAL 3: Maximize resources to fund Goodwill programs				
A. Increased revenue	A1) Total revenue Agency-wide and by strategic business unit (excluding administration) – Donated Goods – Fund Raising – Contracts – Career Services – TOTAL REVENUE A2) Total revenue based on fees for services A3) Total revenue based on grants received designated for services A4) Cash reserves A5) Net worth to assets			
B. Effectively managed resources	B1) Return on assets B2) Profit Agency-wide and by strategic business unit (excluding administration) – Donated Goods – Fund Raising – Contracts – Career Services – TOTAL PROFITS B3) Expense to revenue ratios – Donated Goods – Fund Raising – Contracts – Career Services B4) Administration cost to revenue ratio B5) Average cost per person served B6) Average cost per person placed B7) Court Referrals and Community Volunteers			
C. Increased assets	C1) Net worth			
D. Financial stability	D1) Net worth to assets D2) Profit Agency-wide and by strategic business unit (see Goal 3, B2) D3) Cash reserves			

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