

# EVALUATION IN FOUNDATIONS:

## The Unrealized Potential

### ACKNOWLEDGMENTS

Prepared for the W.K. Kellogg Foundation Evaluation Unit,  
Patricia Patrizi and Bernard McMullan, December 1998

We first and foremost wish to express our appreciation to the participants in this study. Each willingly gave their time for an extensive interview and shared insights and materials with us as well. Later, they carefully reviewed our draft report and provided thoughtful and insightful comments. Their efforts greatly improved this final report. We are very grateful to all of them.

We also wish to thank our colleagues, William Bickel, S.A. Stephens, Peter Szanton and Heather Weiss, for reviewing earlier drafts of this document and offering keen insights and suggestions. Ricardo Millett contributed much time, energy and thought to our work throughout the project. We are grateful to the Kellogg Foundation for its support of this study. Elise Choukroun provided absolutely critical research, scheduling and other support through the project. Our work has been greatly strengthened as a consequence of the support of these colleagues. Of course, the responsibility for the work rests with us.

Patricia Patrizi and Bernard McMullan

### INTRODUCTION

This work is part of an ongoing effort by the Evaluation Department of the W.K. Kellogg Foundation to improve its work through periodic reviews of best practices and trends in philanthropy. It is the wish of the Foundation to use evaluation to its best potential. This paper is part of a series of reviews conducted over the last four years to meet this goal.

The purpose of this paper is to examine the uses of evaluation in foundations. It is important, we feel, to acknowledge our particular assumptions about evaluation in general, and within foundations in particular. Fundamentally, we believe that evaluation and, more broadly, information are central to the growth and development of systems, organizations, and individuals. Whether considering a foundation, its staff, or the communities and systems they hope to influence, information occupies a central position in their evolution. As investors in social change, foundations must have access to wide-ranging, in-depth information and the capacity to interpret it. This is particularly evident if we consider the substantial array of choices and options faced regularly by foundations:

- At the broadest level, foundations need to investigate and draw conclusions about the field or fields in which they invest. What are the target areas of need? What are appropriate levels of investment? What is the relative viability of competing strategies? How can their contribution improve the situation? Who are the important actors in the field? What are the politics of the field? To what degree can the foundation's existing policies enable or hinder possible initiatives?

- At another level, foundations need to have confidence in the grantee organizations they are funding. Are they sound institutions with the ability to get things done? Are they respected in their fields or, alternately, are they too wed to the status quo to create changes? Do they know their target population? Are they effective at what they do? Have they proposed strategies likely to effect desired change? Do they have the capacity to implement these strategies well?
- At the third level, since individual grantees can rarely accomplish the goals of the foundation by themselves, foundation staff need to develop an understanding of the cumulative and integrated effects of their grantmaking both across grantees and over time and need to make sense of this information within the broader context of other actors, efforts, funders and governments.

If we consider the nature of these decisions, it is then quite plausible that one could consider the management of information as a core organizing device for foundations. Handling information well is pertinent not only to foundations. Effectively gathering, synthesizing, and learning from data is the hallmark of excellence in most organizations in today's society. We posit, however, that dealing well with information is even more important within foundations, because, fundamentally, their currency in the world of societal change is embedded in what they know and how they put that knowledge into action.

## **EMERGENCE OF THE EVALUATION ROLE IN FOUNDATIONS**

Foundation program staff have always conducted evaluations of their grantmaking. Their jobs require them to assess proposals and regularly make decisions regarding renewal, expansion, diffusion and replication. Evaluation units have evolved in many foundations as natural, specialized extensions of the program staff role. Several factors have contributed to the emergence and definition of this new role:

- Increased complexity of grant initiatives—larger, more sophisticated, more complex grant initiatives have often demanded comparably sophisticated evaluation approaches involving increased technical sophistication.
- Overall expansion in grantmaking—the explosive growth in grantmaking in many foundations has placed substantial demands on program staff to identify promising approaches, assess the capacities of grantee applicants and provide support to foundation initiatives. The creation of evaluation units permits program staff to delegate some of these responsibilities to another staff member.
- Expanded needs for objective evidence—the increasing demand for greater accountability has created the need for "objective," outside information and assessment about program implementation, outputs and achievements. Formal evaluation processes may also contribute to the perceived and actual legitimacy of grantee proposals and foundation funding decisions.

Many foundations, both large and small, have incorporated program evaluation into their standard operating procedures. The number of full-time evaluation directors in foundations has at least doubled in the last 10 years and many other foundations without this position expect program staff to take on increased responsibility for evaluation. Some foundations have gone through "generations" of evaluation activity and learning from their past and have designed either "systems" of evaluation or "approaches" to evaluation. Integrated systems of program planning, evaluation and communications are on the rise. Genuine attempts to think through organizational learning and evaluation's role in it have just begun. Creative approaches to staffing evaluation, defining more useful products and assessing strategy have emerged. The Council of Foundations has a vigorous evaluation affinity group. A variety of books and articles have recently been published examining different aspects of evaluation practice in philanthropies.<sup>1</sup>

The issue, then, is not whether evaluation is used by foundations, but *why?*, *how well?*, *under what conditions?*, and *to what effect?* The current study examines neither the effectiveness of those foundation staff charged with evaluation responsibilities nor the quality of evaluations that are conducted. Rather, the study reflects a self-critique of foundation evaluation use by those most directly involved in it. Our respondents' insights into the role and use of evaluation and the factors that challenge its utility in achieving foundation objectives create a compelling narrative about an increasingly important function in philanthropy.

Overall, it appears that perception of use of evaluation is mixed. In our interviews, we heard of numerous exciting approaches to considering how and when evaluation should be employed—efforts to put real learning at the center of decisions about evaluation in particular and information more generally. In some instances, the surveyed foundations report near unequivocal success with evaluation, but we encountered many examples of non-use, under-use or dissatisfaction with evaluation. We identified problems in defining the *audience*, and *concomitantly*, the *purpose* for evaluation, with direct implications for foundation experience of satisfaction with the *product* of evaluation. We found that the question of purpose is multi-layered, involving issues of client and audience identification and the conscious consideration of how evaluation information will be used—and, ultimately, to what end. Similarly, issues about the role of evaluation within foundation activities—authority, use, control over evaluation products—emerged as a challenge. We also heard that each of the major audiences of evaluation—board, management, staff, and grantees—had contributed in its own way to the "use" of evaluation within the foundations surveyed.

Those involved in the planning, execution and use of evaluation in foundations grapple with substantial social, organizational, political and technological issues on a daily basis. We note that the role, responsibilities and capacity of an evaluation unit—be it a single individual or an eight-person staff—are continuously re-negotiated within the confines of the foundation. Evaluation units are situated, at best, in the intersection among program staff, foundation management, foundation boards and grantees, and seek to provide service to all or some of these constituencies. At worst, evaluation staff are relegated to a peripheral role, haphazardly called on to justify or to provide legitimacy to grantmaking decisions, be they positive or negative. The challenge for many evaluation units in negotiating their duties is to remain steadfast in their assigned role of providing useful information and insights without being a needless brake or drag on the entrepreneurial spirit of program staff. The challenge for management is to make sure that a clear role is assigned to evaluation.

While this study did not assess the performance of evaluation staff in foundations, we became well aware of the contribution they make and the extensive efforts they undertake. In their work, foundation staff are pressing the limits of existing evaluation practice, forcing it to stretch to address increasingly complex questions and issues. Evaluation professionals in foundations are often at the front line of knowledge gathering and interpretation and contribute substantially to further the integration of this knowledge into foundation practice. The best bring an array of intra-organizational and interpersonal skills that allows them to negotiate the tricky balance among:

addressing accountability, providing valuable insights, devising evaluation strategies that meet the needs of multiple constituencies, introducing creativity and humor into processes that appear to be fundamentally mundane, and maintaining a sense of professionalism that inspires confidence among their peers.

An exploration of the use of evaluation is necessarily complex, in part because good use of information is determined by such a varying group of important issues, including organizational culture, structure, day-to-day internal processes, and issues of authority. To address these issues, we have organized our paper in the following way. We begin by examining the basic structure, organization and practice of evaluation within foundations, including a discussion of the role of evaluation staff in these organizations. Second, we examine the multi-faceted question of how evaluations are used, recognizing that the notion of "use" refers to intended purposes as well as actual outcomes. Third, we explore how foundations' powerful operating cultures affect evaluation. We therefore look at issues of influence, control, structure and authority surrounding evaluation. The paper concludes with a set of propositions regarding how the function of evaluation in foundations might be improved.

## **STUDY SAMPLE AND METHODS**

We surveyed and interviewed representatives of 21 foundations across the country, selected purposively from among those foundations with extensive experience in evaluation. Of the 21, we interviewed respondents at most of the largest foundations in the country. We also interviewed staff at several of the newest—but already quite prominent—foundations (Packard, California Endowment, California HealthCare Foundation). Our sample was rounded out by a number of regional foundations making distinctive investments in evaluation. The common denominator was that evaluation was part of the fabric of grantmaking at each organization participating in the study.

### ***Which foundations participated?***

As shown in Table 1 below, our study included foundations with international and national grantmaking agendas and those whose scope of giving was more limited. Cooperation in the study was excellent. Foundation staff made themselves available for in-person or telephone interviews and the large majority completed a relatively lengthy questionnaire about evaluation issues as well. Two foundations that had just recently appointed new directors of evaluation declined to participate with regret, noting that evaluation policies were under review.

**Table 1. Participating Foundations**

<b>National Foundations:</b>	<b>Regional Foundations:</b>
Atlantic Philanthropic Service Company, Inc. <sup>2</sup>	The Mary Reynolds Babcock Foundation
Annie E. Casey Foundation	The California HealthCare Foundation
Edna McConnell Clark Foundation	The California Endowment
The Ford Foundation	The Heinz Endowments
The William T. Grant Foundation	The James Irvine Foundation
The Robert Wood Johnson Foundation	The McKnight Foundation
The Ewing Marion Kauffman Foundation	The Skillman Foundation
The W.K. Kellogg Foundation	
The DeWitt and Lila Wallace-Reader's Digest Funds <sup>3</sup>	
The Lilly Endowment	
The Charles Stewart Mott Foundation	
The David and Lucile Packard Foundation	
The Pew Charitable Trusts	
The Rockefeller Foundation	

***Who was interviewed?***

Of the 21 foundations surveyed, 12 had directors of evaluation. In some instances we attempted to interview persons with overall evaluation responsibility; in other cases we chose to interview at least two members of the staff in order to acquire a well-rounded view of evaluation practice in more decentralized settings. Given the purposive process of selecting these foundations, we readily acknowledge that this study is not representative of all foundations but rather reflects the experiences of those foundations whose investment in evaluation is substantial.

Across the 21 participating foundations we interviewed 12 individuals<sup>4</sup> in the position of Director of Evaluation (or equivalent title). At another six foundations, we interviewed a senior management staff member (the Executive Director, President, Executive Vice President for Program, etc.) with direct responsibility for evaluation activities. In the remaining four foundations, program officers with extensive experience in commissioning evaluations on behalf of their program areas were questioned. At several foundations, additional staff besides the primary contact were consulted about specific elements of the evaluation program.

## **OVERVIEW OF THE EVALUATION FUNCTION IN FOUNDATIONS**

### ***How is the evaluation function staffed?***

Staffing levels for evaluation vary substantially across the 21 foundations studied. Two-thirds of the foundations have staff specifically assigned to evaluation. In six of the 12 foundations with directors of evaluation, the director was the sole professional staff assigned to evaluation. In contrast, evaluation units in six foundations (Kellogg; Pew; Robert Wood Johnson; Kauffman; Annie E. Casey; DeWitt and Lila Wallace-Reader's Digest Funds) have three or more professionals, including three units with six or more professional staff.

### ***What are typical activities included in the evaluation function?***

There are close parallels across foundations in evaluation staff responsibilities and activities.

First, it is uncommon for evaluation staff to conduct evaluations themselves. Most foundation respondents reported that evaluation staff rarely or never conducted evaluations. Only one foundation reported that conducting evaluations was a regular staff responsibility.

Second, evaluation staff often serve as internal consultants and advisors to program staff about evaluation strategies and approaches. This consultative role takes a variety of forms that include: conducting periodic seminars on evaluation design and approaches; helping program staff (and grantees) define appropriate evaluation questions; jointly or independently developing requests for proposals for evaluation services from outside evaluators; identifying potential evaluators; reviewing and screening evaluation proposals and vendors; and reviewing evaluation products.

Third, foundation evaluation units, for the most part, accept responsibility for managing evaluations to their conclusion on behalf of the program staff or foundation. They oversee the evaluation contract; set standards for the evaluation; monitor performance; manage evaluator/grantee/program staff relations; and approve evaluation products. In only a few foundations, the evaluation unit's role is essentially concluded once the evaluation design has been approved and an external evaluation team appointed. In these instances, the external evaluator reports directly to program staff.

### ***What is the typical tenure of evaluation directors in the study?***

The tenure of the current set of evaluation directors is relatively short, as a number of evaluation directors have recently left their positions. Of the 12 directors of evaluation with whom we spoke, six had been in the position for fewer than five years, including three who had accepted the position within the last 18 months. One director of evaluation had held the position for more than 10 years. As noted above, the two foundations who declined to participate in the study cited the fact that their evaluation directors had recently been appointed and decisions about the role of evaluation were still under review.

### ***What other roles are assigned to foundation evaluation units?***

Beyond these common attributes found in evaluation units, there are a variety of other responsibilities. About one-third of the evaluation units have a role in overseeing or developing foundation-based management information systems and knowledge management functions. Grant records administration is sometimes assigned to departments that also oversee evaluation. In several foundations, evaluation staff conduct independent research on issues of interest to the foundation. These research activities may include independent collection of data and meta-analyses of findings of other foundation evaluations. In a small number of foundations, evaluation units are intimately involved in supporting strategic planning of the foundation. For example, at The Pew Charitable Trusts, planning has emerged as a major component of the evaluation unit's work. Under a new approach, each program area develops strategy papers for its major initiatives, framing them in terms of overall program goals and sub-goals. The strategy papers provide a forum within the foundation to discuss initiative goals, outcomes, scope and scale and begin to define how progress against goals might be measured. The evaluation unit works with program staff to help them articulate the types of data and evidence they will need to discern how much progress they are making toward their overall program goals.

### ***How is funding allocated for evaluation?***

Among the 16 foundations that report how their evaluations are funded, 15 say that program area funds authorized by program staff are used to support evaluation. In only three foundations do evaluation units have separate budgets from which to fund evaluations and among these, only one foundation reports that evaluations are exclusively funded from an evaluation budget. Foundation administrative budgets in seven foundations are used to supplement funds for evaluation.

A large number of foundations say it is very difficult to estimate the total evaluation costs because evaluation is often supported as part of programmatic grants and is not tracked as evaluation per se. Therefore, figures are, for the most part, estimates. When considering evaluation costs as a percent of total grantmaking, seven of the 11 foundations providing data on this item say that their evaluation expenditures represent between 1.5 and 7 percent of total grantmaking. Two report that evaluation funding comprises less than 1 percent of total giving. Discussions with staff at foundations also reveal that, while guidelines exist for the amount of funds that should be reserved for evaluation, many operate according to a zero-based budgeting model and negotiate evaluation expenditures based upon the needs of the program staff and foundation in any given year. In two foundations this has meant that evaluation expenditures have exceeded 10 or 15 percent of total grantmaking in some years.

### ***What are the general priorities for evaluation?***

Not surprisingly, major initiatives and grants are the objects of evaluation efforts in most foundations. Twelve of the 16 foundations with major initiatives report that almost all of them are evaluated; two of the others report that more than half of major grants are evaluated. Even smaller grants receive some evaluation scrutiny in many foundations. Eight foundations report that at least half of all grants are evaluated in some way. The work of the foundation as a whole, however, is rarely the object of evaluation.

### ***Is the importance of evaluation changing?***

The importance of evaluation within foundation activities has increased in many foundations. (See Table 2.) Eight of 16 foundations responding to this question report that it has increased significantly in the past five years. Another five say it has increased slightly. The increase, in most cases, reflects an increased concern about accountability and outcomes among board members.

**Table 2. Changes in Importance of Evaluation**

<b>During the past five years, has the importance of evaluation within the activities of the foundation:</b>	<b>Number of Foundations</b>
Increased significantly	8
Increased slightly	5
Remained about the same	1
Decreased slightly	2
Decreased significantly	0
Not applicable (foundation new)	2
No answer	3

Another indication of the rising importance of evaluation within foundations has been the recent creation of evaluation units in several foundations contacted for this study, including the Edna McConnell Clark Foundation, The Irvine Foundation, and the California Endowment. The Packard Foundation has created an internal (cross-program) committee to plan the evaluation function at the Foundation. A decision about creating an evaluation unit will be made in 1999. In at least five foundations, staff told us that internal memos or white papers had been prepared during the past year examining the role of evaluation in foundation activities.

<sup>1</sup>Sandra Trice Gray and Associates, *Evaluation With Power: A New Approach to Organizational Effectiveness, Empowerment, and Excellence*, Jossey-Bass Publishers, San Francisco, CA, 1998; McNelis, Rosemary Hattrup and William E. Bickel, "Building Formal Knowledge Bases: Understanding Evaluation Use in the Foundation Community," *Evaluation Practice*, Vol. 17, No. 1, 1996, pp. 19-41; McNelis, Rosemary Hattrup, William E. Bickel, and Marie Connors-Gilmore, "A National Survey of Small and Mid-Size Foundations: The Role of Evaluation," July 17, 1996; McMullan, Bernard J. and Wendy Wolf, "A Framework for Using Assessment to Strengthen Grantmaking," Center for Assessment and Policy Development, April 1994; Weiss, Heather B. and M. Elena Lopez, "New Strategies in Foundation Grantmaking for Children and Youth," draft version of paper prepared for the W.K. Kellogg Foundation, 1998.

<sup>2</sup>Atlantic Philanthropic Service Company, Inc., is not a foundation. It is a grantmaking service organization engaged by donors to assist in selection, development and monitoring of a full grantmaking program. Funding awards are made directly by these donors and not by APS.

<sup>3</sup>Although the DeWitt Wallace-Reader's Digest Fund and the Lila Wallace-Reader's Digest Fund are separate foundations with separate staffs, they share an Evaluation Department. For this reason, in this study we have treated them as one and will hereafter refer to them as the DeWitt and Lila Wallace-Reader's Digest Funds.

<sup>4</sup>[Note: The Appendices were not included in the online version]. A complete list of individual participants is presented in Appendix 1. Copies of both the interview guide and the questionnaire are included in Appendix 2. At The Edna McConnell Clark Foundation, the position of director of evaluation was not filled when we conducted the study. [Note: The Appendices were not included in the online version]. A complete list of individual participants is presented in Appendix 1. Copies of both the interview guide and the questionnaire are included in Appendix 2. At The Edna McConnell Clark Foundation, the position of director of evaluation was not filled when we conducted the study.



## **EMERGING THEMES IN FOUNDATION EVALUATION**

We noted several themes in our discussions with foundation staff about evaluation that help frame our understanding of current evaluation practice and its potential roles in the future. The overarching themes relate to issues of purpose, audience and products; structure and control; and the emerging role of organizational learning as a context for using evaluation to strengthen foundation effectiveness.

### **Purpose, Audience, and Products**

We asked foundation staff a series of questions related to the functional role of evaluation in their organizations, including what is the purpose of evaluation, who are its constituencies, what is the assessment of evaluation products by these constituencies, and what are the steps that foundations use to disseminate the findings and results of evaluation.

#### ***Why do foundations conduct evaluation?***

Foundations see many purposes for conducting evaluations. Table 3, below, displays nine different possible purposes of evaluation and the number of foundations that reported each as "very important" or "somewhat important."

**Table 3. Relative Importance  
of Different Purposes of Evaluation**

Purposes of Evaluation	Number of Foundations	
	Very Important	Somewhat Important
Improving grantee practice and implementation	10	4
Improving foundation practice and grantmaking	9	5
Responding to foundation board requests for evidence on benefit of grant investments	10	3
Public policy planning, development and analysis	10	2
Development of best practices and models for the field	9	3
Identifying areas for new foundation program initiatives	2	9
Deciding on grant renewal or expansion	3	7
Deciding on project replication	1	7
Assessing foundation program staff performance	0	4

Five distinct purposes head the list: improving grantee practice and implementation; improving foundation practice and grantmaking; responding to foundation board requests about the benefits of grants; informing public policy; and identifying best practices in the field. It is interesting to note that there is little differentiation in importance or priority assigned to these different target purposes.

Perhaps as interesting are purposes that were *not considered* "very important" by the majority of those responding to our survey: identifying new areas of foundation giving, and helping to decide on grant renewals, and on project replication. Although these issues are still seen as "somewhat important" as a purpose of evaluation, only four foundations report that helping decisions about future grantmaking in these ways are "very important." Further, among the four foundations who indicate that these purposes were "very important," none, when probed further, rated the relative priority of these purposes as a first or second priority.

Our respondents offer a variety of hypotheses for the limited role of evaluation in decisions about future grantmaking. A number of our respondents report that this reflects either that evaluations do not answer the relevant questions, the information is too late in coming or decisions are based on other information than the type garnered by evaluations. Others hypothesize that evaluations of current projects may become irrelevant as foundations move into new programmatic directions. Others note that evaluations may be used to support negative decisions on grant renewals but that they guard against the use of preliminary evaluation findings to affect renewal decisions because doing so may be misleading and may jeopardize the willingness of all grantees to participate fully in future evaluation efforts. Others say this may reflect the fact that evaluation is simply one input into the decision-making process in awarding grants.

Of note is the response that "assessing program staff performance" through evaluation is not regarded as a major objective of evaluation activities in the foundations surveyed. Though some staff at foundations cite examples in which negative evaluation findings have been used as part of performance reviews of program staff, most state that their evaluations are not designed to be used in this way.

The wide range of purposes seen as "very" or "somewhat important" raises questions about the capacity of evaluations to meet successfully the broad array of demands placed on them. Different purposes often imply different questions and focus and often require different evaluation strategies and approaches. For example, evaluations designed to strengthen grantee work will likely focus on program implementation. Questions about implementation, appropriateness of the model and unanticipated impediments would be of paramount importance. In contrast, addressing board questions about the "value of a strategic direction" implies a wider investigation into the needs of a field and the foundation's capacity to meet those needs. Alternatively, evaluations aimed at informing public policy is more likely to focus on a close examination of program processes, outcomes, costs and benefits.

How foundations balance these competing demands or expectations for evaluation varies. Some foundations attempt to do it all, commissioning multi-tier, multi-strategy evaluation efforts. Still others appear to de-emphasize some purposes to ensure that other purposes are achieved.

To explore this, we asked foundation staff to rank the relative priorities that foundations give to the purposes they identified as "very important." Only two foundations reported that informing public policy debates was a first or second priority for evaluation. Instead, high priority is given to using evaluation to strengthen grantee, foundation and field practice. This implies a much more limited approach to evaluation and use of evaluation findings than is typically presented by foundations. Evaluation staff at several foundations noted they set a higher standard for both programs and evaluations when trying to inform policy. They note that evaluations for this purpose usually require a longer time frame and substantially greater investment of resources.

### ***Who are the audiences of evaluations?***

Foundation staff were asked to identify and assess the priority they give to different constituencies as intended audiences when designing evaluations. In contrast to the multiple purposes of evaluation named as "very important" discussed above, foundation staff identified a more limited set of high priority audiences for evaluation findings and results. Among the 16 foundations that reported target audience priorities, seven identified just two constituencies<sup>5</sup> as the primary audiences of their evaluation. Four more named three priority audiences. Five named four or more constituencies as top priorities for evaluation results and findings. Several foundations, however, stated that they did not and could not prioritize audiences.

Table 4 displays the distribution of the priority of key constituencies that foundation staff report they consider when designing evaluations. The primary audience targets for evaluation results and findings among virtually all foundations are their boards, management and staff. Grantees are given a bit lower priority. Policymakers and practitioners and others are given even less priority.

**Table 4. Relative Priority of Key Constituencies of Foundation Evaluation**

Constituency Audience	Number of Foundations	
	Top Priority	Secondary Priority
Foundation Board	14	1
Foundation Staff	14	1
Foundation Management	13	1
Grantees	8	8
Policymakers	7	4
Practitioners	5	7
Public	1	4

Foundation staff are often keenly aware of their various constituencies and struggle to achieve some balance in addressing their interests. Regarding the needs of their varying constituencies, foundation staff reported the following:

- **Boards**

Boards are increasingly outcomes-oriented. Many of the respondents reported their boards are asking questions about the bottom line with greater frequency. "What has changed?" is beginning to replace the question of "what have we done?" They are now asking questions regarding the efficacy of foundation strategies, i.e., "is this the best way to spend our money?" They are additionally more savvy about the limitations of evaluation to speak definitively about impact, but expect evaluations to produce convincing information. As one respondent told us, "Our board is now saying, 'If you can't do causality, then let's do compelling.'"

At the same time, some foundation staff report that their boards want definitive answers when answers that are somewhat gray or opaque are the best that can be mustered. Finally, some boards want to be able to attribute the effect of a program directly to the foundation's contribution even when that is difficult.

Although the board is seen as a primary target of evaluation work, foundation staff stated that evaluation results are generally not used by many boards when considering grant renewal or program area expansion. This interesting finding may reflect a number of factors including an organizational culture that is not geared toward use of empirical information; a staff interested in "selling" new programs and reluctant to share potentially negative information; evaluation results of insufficient relevance or adequacy to be useful to the board, or simply a case of the board being fully occupied with approving future grants with no spare time to consider how past grants have performed.

- **Foundation Management and Staff**

While most respondents report that management is a primary audience for evaluation results, many also say their management is not fully involved in evaluation. In 11 foundations, staff report that management demonstrated little interest in evaluations of individual programs. This was especially true in foundations with no specific evaluation unit or strategic plan for conducting evaluations. Our respondents reported that project evaluations often do not provide information useful to the type of decisions that management needs to make about strategy and overall foundation effectiveness.

Our respondents reported that program staff voice similar concerns. Staff increasingly need information to help them better define problems, find plausible solutions and monitor their grant investments over time. One issue raised is that evaluation has a tendency to be out-of-synch with the calendar of grantmaking. Program staff are keenly and resolutely focused on the future and the grants-to-be-made. By its nature, evaluation looks backward to what has happened. Program staff have essentially moved forward to the next round of grantmaking and have lost much of their interest in the results of evaluations of earlier grants.

We also heard that foundations increasingly think of their grantmaking as a portfolio wherein a set of related grants are made to address a single objective. Therefore, information about emergent trends in a field, context, or new and best practices are of increasing relevance. Traditional evaluations focused on single programs are typically not well suited to this purpose. To the extent that evaluations produce information about major initiatives or constellations of related grants of strategic importance, they are valued. For a large number of grants of less strategic importance, evaluation is not a priority (although at least eight of the fifteen foundations responding to the survey question require evaluation of 50 percent or more of their grants).

Strategic assessment of entire portfolios or "clusters" of grants is increasingly seen as a more directly useful and innovative approach of evaluation from the perspective of program staff than are evaluations of individual grants. As an example, the McKnight Foundation found a strategic review of its arts grantmaking to be central to program development and that it facilitated a broader conversation with the grantee community about new directions. Such reviews now represent the great majority of evaluations funded by The Pew Charitable Trusts. Likewise, five other foundations—Heinz, Kellogg, Rockefeller, Lilly, and Mott—have successfully conducted and used cluster reviews or similar approaches especially among their more established program areas.

In an effort to address the emergent needs for new kinds of information, a number of foundations have employed new strategies to gather information deemed more useful. These include:

- periodic "scans" of changes in the policy domains in which they are involved;
- benchmarking efforts to assess their investments in relation to other granters in the field;

- best practice studies to determine more objective standards for emergent practices; and
- indicator tracking—begun before foundation intervention begins and continued during and after initiatives—to monitor large-scale shifts in the incidence of a problem or in public attitudes.

Some foundations experimenting in this regard include Robert Wood Johnson, Rockefeller, Kauffman, and Mott.

- **Grantees**

Information regarding grantees as both a client of and an audience for evaluation was inconsistent. Consider the following: Eight foundations in our study require all of their grantees to be evaluated, relying heavily on grantee self-evaluation and reports. At the same time, they acknowledge that evaluations undertaken by grantees are not always useful (at least in terms of the foundation's purposes). We heard that grantees' information needs are, for the most part, different from those of the foundations. Some grantees—though not all—actively seek information about implementation progress, productivity, and effectiveness, all of which are generally encouraged by foundations. Our respondents report that many grantees need assistance in collecting, using, and interpreting data, although a sizable number of our respondents are reluctant to invest in these efforts.

One evaluation director described the challenge, "We [foundations] say we want to improve grantee practice and learning, but we're unwilling to pay for some of the things that might help, like data systems or research, since we're not going to use them ourselves." This dilemma reflects how foundations and grantees may be working at cross purposes. Many foundation-initiated evaluations are not particularly helpful to grantees. At the same time, grantee-initiated evaluations are either viewed with skepticism or are not pertinent to the information needs of foundations. Moreover, while funding grantee management information and data collection systems may be a plausible *program* investment opportunity for a foundation, requests to support grantee data systems and/or information capacity building are typically treated, by program staff, as "evaluation costs," thereby inflating the overall cost of assessment.

This appears to amount to a lack of clarity over the linkages and distinctions between program operations and evaluation, at least regarding the issue of when and how to support grantee-directed evaluation or capacity-building in the domain of information use. For a host of historical and other reasons, when issues related to data collection—especially quantitative data collection—have arisen, foundation staff with an expertise or interest in research have been invited to share that expertise. It appears that over time, any issues involving data have now been delegated to evaluation units and that many issues involving data—including normal program operations information systems—have been defined as evaluation and not program. However, data collection efforts undertaken by grantees are a vital part of operations, management and implementation. While the data derived from them *may* be useful for the purposes of evaluation, they are typically not a total substitute for it.

The competing informational needs of these main constituencies place a substantial burden on evaluation units trying to meet all needs. As one evaluation director pointed out, it is often unfeasible to plan and fund distinct evaluation approaches and products tailored to each constituency. No single evaluation strategy or report can effectively respond to each of these constituencies.

### ***What are the expectations of evaluations?***

Our conversations with foundation staff yielded some interesting insights about how foundations perceive the products of evaluations and the worth of evaluators, and how interactions among foundation staff, grantees and evaluators can quickly become very complicated.

Several foundations are beginning to redefine the role of evaluator to include activities focused on building the capacity of grantee organizations to use evaluation activities and results as a normal part of program operations. This redefinition has sometimes raised additional challenges as foundations have tried to find evaluators with a broader set of skills beyond those of traditional, "academic" evaluators. In the same vein, we heard that so-called "data jocks" are also unlikely to fit the bill. On the side of success, we heard that evaluators who thoughtfully consider the *process* of evaluating are likely to be appreciated by foundations. These highly regarded evaluators invest heavily in face-to-face conversation with foundation staff and grantees. They bring well-honed skills in facilitation and reflection into the work of program evaluation.

Additionally, many foundations have designed and funded complex initiatives of considerably greater scope and scale that require much more intricate evaluation strategies. They have come to recognize the importance of identifying appropriate intermediate outcomes; the need to address issues of environment and inter-organizational linkages; the effective use of diverse data collection strategies; and the importance of skills to facilitate information use. Although often difficult, redefinition of the goal of evaluation requires early conversations with grantees to build a joint agenda for evaluation and to solidify the questions being asked. Likewise, it also requires evaluation specialists to demystify techniques, approaches and strategies so that program operators (as well as foundation staff) can make informed use of findings and results.

Foundations are beginning to identify the need for a range of evaluation-based products that help redefine the relationship between evaluator, foundation and grantee. Among the classes of new products being considered are the following:

- reports and activities specifically designed to support foundation planning—defining the key problems in a field; scanning promising strategies; tracking appropriate indicators.
- interim reports and briefings based on emerging findings in the field (rather than exclusively updates on the progress of the evaluation or the program) that ensure that vital information is being relayed to foundation staff and grantees in time to make corrections or modifications. Sometimes, findings or insights about the program or its environment/context emerge *during* an evaluation and have significant implications for the foundation, the grantee, or the field (e.g., changes in federal or state policy that affect implementation; shifts in the composition or needs of populations being served; loss of local constituency support, etc.). Interim reports—both planned and spontaneous, capturing serendipitous observations during an evaluation—can bring this information to the fore quickly and efficiently. Flexibility in budget, design, and time—on the part of both the foundation and the evaluator—are needed, however, to encourage this kind of useful reporting.

- focused products, explicitly tailored to the needs of various target constituencies, in which the challenges and tactics of the intervention are the topic report. For example, a product (of broad value to practitioners) might focus on key steps of program implementation, such as client recruitment or overcoming institutional or regulatory barriers to adopting particular strategies. While expanding evaluations in this way may increase evaluation costs, it simultaneously requires that the specific questions of various constituencies be placed on the evaluation agenda from the start and encourages more up-front reflection on evaluation resource allocation and on the possible uses of the evaluation.
- meta-analyses designed to summarize the key learnings from research findings and program experiences across initiatives supported by many different foundations and agencies and placed within the context of a field of practice or policy. The purpose of such analyses is to reduce both the phenomenon of "reinventing the wheel" and over-dependence on a single finding or program that appears successful, but has not been examined more broadly within the context of alternative choices.

### ***What are the common complaints about evaluations?***

While most favor evaluations, we noticed that when foundation staff describe evaluations unfavorably, much of their irritation is focused on the product—the report or briefing presented by the evaluation team. Their dissatisfaction centers on:

- **Belated results and findings:** One of the most common complaints about evaluations is that often the presentation of results comes far too late to be useful to grantees whose programs may have already closed or mutated; to foundation staff who have moved on to the next generation of grants; or to foundation boards who are about to approve new foundation agendas.
- **Irrelevant findings:** A second concern expressed is that some evaluations answer academic research questions, not program evaluation questions. Such work has little utility for project managers or foundation program staff. Additionally, program evaluation findings are generally seen as unhelpful when they are disconnected from relevant policy and practice contexts.
- **Lack of flexibility:** Foundation staff noted that many programs or initiatives may change their focus, structure or strategy in response to changing conditions. Sometimes, evaluations fail to adjust accordingly and continue to focus on a set of questions that are no longer relevant or appropriate.
- **Unhelpful products:** For a variety of reasons—lack of up-front agreement about evaluation purpose; too many evaluation questions being addressed; "piling-on" of different agendas—some evaluations produce reports or products that are not focused, are too long or offer unclear conclusions or evaluative stances. Foundation staff were especially critical of evaluation reports that were too narrowly focused on idiosyncrasies of a single project and did not address larger strategic issues of interest to the foundation.

### ***What are some of the solutions being tried?***

When describing evaluations that they find effective or strong, foundation staff focus more on the *process* of evaluation rather than the product, noting instances when evaluators become part of a broader team, interact effectively with both grantees and foundation staff and exhibit flexibility in producing information helpful to foundation staff.



- **Clarifying the purposes of the evaluation:** Foundations are taking active steps to secure agreement on the questions to be answered by an evaluation well before it is commissioned. For example, at the Lilly Endowment, focusing memos are prepared to explore possible objectives of an evaluation, and are reviewed by program staff and management. These focusing memos are continuously updated throughout the process and reviewed to maintain clarity and agreement on what is being done and learned. At the Annie E. Casey Foundation, an internal RFP process serves to clarify the purpose, scope and potential types of evaluators that might be used to assess a foundation initiative. The evaluation unit at the Kauffman Foundation conducts many of its own evaluations and submits an evaluation plan to program staff clarifying evaluation objectives, key questions, proposed methods and time lines.
- **Securing grantee involvement:** Many foundations report they are seeking to bring grantees into the process of evaluation design much sooner than they did previously. This can ensure inclusion of some of the questions that grantees want addressed and can reduce the discrepancy between information needed for "evaluation" and information that project managers need. For example, within both the W.K. Kellogg Foundation and the DeWitt and Lila Wallace-Reader's Digest Funds, grantee questions are used to help frame and focus evaluations and communications strategies. In addition, reflection on what is being asked by grantees is used as evidence of what is important to them. As noted above, a number of foundations have used the evaluation process to strengthen the capacity of grantees to collect and assess data as part of on-going self-reflection and program improvement. Skillman, Robert Wood Johnson, the DeWitt and Lila Wallace-Reader's Digest Funds, Annie E. Casey, and others have engaged management information experts to work as part of evaluation teams in order to produce better information for the evaluation and to leave information legacies as a positive consequence of evaluation. Each of these steps is designed to increase grantee support of evaluation.
- **Increasing interaction between evaluators, program staff, and grantees:** Since many foundations are very interested in improving grantee implementation, staff frequently told us they are attempting to structure increased opportunities for reflective, formative feedback to program staff and grantees. At the Annie E. Casey Foundation, this takes the form of regular meetings between evaluators and program staff five or six times a year. In other foundations, meaningful interim reports are part of the product list expected of evaluators. These interim reports are designed to disclose early successes and challenges in implementation and also serve as a check on the congruence across the perspectives of foundation staff, grantees and evaluators. At the James Irvine Foundation, "learning coaches"—external experts engaged by the Foundation—convene program staff, evaluators and multiple grantees around specific issues or questions that they share. Their role is to raise questions about the program model, its implementation and the evaluation itself while advancing the understanding of professionals both within and outside the Foundation. These various approaches represent continuing investment by foundations in grantees, bringing together long-term external observers, evaluators and consultants to strengthen overall implementation of grantee activities.

- **Improving program logic:** About half of the foundations in our study specifically report that they have adopted logic models or theory of change approaches to trace the links between program goals, assumptions and activities. At the W.K. Kellogg Foundation, for example, all major initiatives are scrutinized and reviewed using a "logic model" approach. These approaches, firmly grounded in evaluation methods, have helped press program staff and grantees to clarify how they believe their activities will make a difference in selected outcomes and may also identify previously unrecognized gaps in model design. A second product of logic model work is the identification of appropriate intermediate outcomes by which progress toward longer term goals might be marked. For example, as a routine part of its work, the Kauffman Foundation prepares program logic models to demarcate baseline, intermediate, and long-term progress. In developing such indicators, grantees and program staff have a direct role in framing how evaluators will assess grant progress.
- Cluster reviews are also emerging as a common technique to examine entire grantmaking areas with an eye toward providing a grounded framework for thinking about the field and its problems. One evaluation director stated, "These reviews can increase credibility about a corpus of work within a foundation, introducing a level of accountability into grantmaking that reduces the risk of simply focusing on one or two 'failed' grants." Strategic reviews can underscore what is already known and what works and may begin to shape alternative approaches to problems or challenges that remain. They also provide impetus to clarify grantmaking objectives in ways that allow deeper examination of selected strategies and their effects over time.

<sup>5</sup>The questionnaire provided foundation staff with a list of 14 different constituencies. We have collapsed these into seven categories: (Foundation Board; Foundation Management; Foundation Program Staff; Grantees—evaluated grantee, other grantees in same area; Practitioners—practitioners, national and state associations; Policymakers—national, state, international and staff in other foundations; and the Public—the public and the press).

### ***How do foundations disseminate evaluation findings and results?***

It is important to distinguish between two types of dissemination of the results and findings of evaluations—internal and external. Internal distribution of evaluation findings to those most deeply involved in a particular project or initiative—grantees, related program staff—is common across all foundations.

Broader dissemination of evaluation results is far less common. However, some do this particularly well. The Robert Wood Johnson Foundation publishes an annual anthology of evaluation-based findings from their grant programs. The Edna McConnell Clark Foundation and the DeWitt and Lila Wallace-Reader's Digest Funds issue syntheses of lessons learned derived from evaluations of their major programs. Similarly, the Annie E. Casey Foundation has an extensive portfolio of publications that report the findings of evaluations of their major national initiatives. The Kauffman Foundation places results of impact studies on its Web site as well as publishing them as monographs.

The Kellogg publishes lessons learned on its bigger initiatives and clusters of projects in both print and electronic form. Several foundations have used practitioner and policymaker conferences as a forum for sharing evaluation findings. The Charles Stewart Mott Foundation has recently established a "community of learners." After issuing an RFP to which more than 200 applicant community development organizations responded, Mott decided to maintain contact

with all applicants using the Foundation's Web site and e-mail capacities. It sends all 200 applicants correspondence and updates on the experiences of the project and the ten organizations that received grants. It plans to organize conferences to report results to which all of the initial applicants are invited.

Overall, our respondents report that the prevailing emphasis placed on *making* grants occupies much of the energy of foundation staff. Consequently, much less time is available to attend to evaluation findings and incorporate them into learning that informs future grantmaking.

## Authority and Influence over Evaluation

We were not surprised to learn that the role and activities of evaluation are defined through a continuing process of negotiation within foundations. Few directors of evaluation believe their roles are clearly demarcated within the foundation. Evaluations produce information, an important type of currency within any organization. Consequently, the role, strategic importance and use of evaluation are often critical junctures of compromise among foundation staff.

We heard from numerous respondents that the high stakes evaluation questions can set program and evaluation staff at odds and complicate the agenda for evaluation. These questions include:

- What gets evaluated?
- What questions are asked?
- Who selects the evaluators?
- To whom do evaluators report?
- What are the consequences of evaluation?

Table 5 presents a summary of how decisions about evaluation are routinely made in the foundations surveyed.

**Table 5. Distribution of Decision-Making over Evaluations<sup>6</sup>**

<b>How decisions about evaluations are made</b>	<b>Number of Foundations</b>
Program staff have primary responsibility	11
Based on evaluation plan jointly developed by management, program staff and evaluation unit	6
Foundation board decide what they want evaluated	4

The most common approach to evaluation decision-making is to have program staff decide what gets evaluated, fund the evaluation and manage its activities. Several foundations have facilitated the incorporation of evaluation staff into this process by "routinizing" the decision process around high stakes evaluation issues. For example, six foundations have instituted varying forms of integrated planning processes for evaluation and programming and, in some cases,

communication as well. One funder overcame some historical conflicts between program and evaluation staffs by developing a joint planning process involving program staff, evaluation staff and communications staff to ensure that evaluation and communications planning would be integrated into the grant design process from the beginning.

In all foundations with separate evaluation units, the director of that unit reports to top management of the foundation. In this staff role, they have the potential to support management oversight and decision making. However, as noted above, in almost all foundations we studied, evaluation funding is generally drawn from program grant budgets. In only one foundation were all evaluation funds drawn from a separate evaluation unit budget. This creates tension between the staff role of evaluation and the way in which its activities are funded. While the authority of evaluation derives from management, each evaluation budget must be negotiated with program staff or program directors.

Interestingly, few of the foundations interviewed have solidly secured management's role in the evaluation process. A number of evaluation directors report that they receive little guidance or direction about management's expectations for evaluation, often leaving their questions open for interpretation.

Three foundations have regularized the "big" questions for their strategy or cluster reviews. For example, The Pew Charitable Trusts have standardized both their selection and approach to strategy assessment; all strategic program areas of work are reviewed. The questions for each review regarding the focus, appropriateness and likely effectiveness of the strategy have been standardized. Only the timing of the review remains negotiable.

A related challenge raised by nearly one-third of those interviewed is the management of "objectivity." Since evaluation offers an objective source of information about programs, it can be perceived by program staff (and grantees) as a threatening tool wielded by management. Alternately, this same source of objective information can be used successfully by program staff as a "safeguard" in the context of high-risk grants, providing assurances to management and boards that "someone is watching the till."

On the other hand, foundations without evaluation directors for the most part have a completely different agenda for evaluation with a more concentrated focus on "grantee improvement." In these cases the internal stakes are lower. Therefore, there is less perceived conflict with management or other internal stakeholders regarding evaluation. The issue in these instances is more a question of "how do we know if the foundation is doing well?"

## **Organizational Learning**

Investment in evaluation can be considered a part of how foundations gather and use information. This broader topic—organizational learning or knowledge management—is emerging as a core concern for many, if not most, of the foundations we sampled. A number of the foundations interviewed went as far as to say that organizational learning was the central purpose and key organizing device for the institution. One senior foundation officer described the work of learning as "the work of the foundation insofar as foundations can be considered the R&D arm of society."

Organizational learning manifests itself within foundations in three different ways. Although no single foundation could be cast as a pure type, the following descriptions typify the nature of the efforts. Moreover, it should be noted that the more ambitious endeavors have come with substantial effort.

### ***Using learning as the core organizing device for foundation work***

Some foundations have sought to reorganize their work (and, therefore, their structure and processes) to maximize staff learning, field learning and "institutional learning." These foundations distinguish themselves by their examination of and willingness to change the fundamental work processes around grantmaking, such as decision processes and internal products, in order to promote learning. In these instances, management invests time in the learning process and staff are rewarded for what they learn—and for how this translates into better grants. The distinguishing characteristic of these learning approaches is that they form the basis of the core grantmaking work, as opposed to being "extracurricular." Some examples include efforts to minimize the work of the formal "board book" or agenda processes in order to shift the work effort to more and better learning; and efforts to reorganize staff into more authentic grantmaking work groups based on similarity in the types of grants made and staffed to acquire better information. The driving question behind these efforts is, "what do I need to know in order to produce a better grant or to devise a better strategy?"

While no foundation does it all, a number envision a more integrated learning environment and have significantly restructured the work setting to achieve this end. In this manner, the Ford Foundation has invested significant resources into "learning organization" endeavors and has restructured its grantmaking process from strategy development through individual grant monitoring to center on learning objectives. The Foundation in its 1996 reorganization created the position of Senior Advisors for Organizational Learning, who operate without a specific grantmaking portfolio to enhance linkages across staff (domestic and international) and create opportunities for learning about the Foundation's fields. All staff with related grantmaking foci now meet in "Affinity Groups" dedicated to promoting field-based learning.

Additionally, Ford has tackled the prevailing complaint in foundations of "too little time to reflect and learn" by eliminating or streamlining a number of standard operating procedures such as traditional grant request write-ups. A newly instituted device, the Program Officer Memo (POM), provides an overview for staff's grant portfolios, and is the primary document of reference for Program Officer's work. It replaces program strategy papers and background sections of grant request write-ups.

### ***Using learning to strengthen grantmaking practice***

Many foundations have invested in a variety of efforts to improve grantmaking. These endeavors tend to occur at the perimeter of core grantmaking but are designed to improve staff skills and performance. Foundations have recently funded teaching cases, foundation-based schools (i.e. Pew University), best practice studies, cross-cutting studies (Robert Wood Johnson, Irvine, Pew, Kellogg) and reading groups (Lilly)—all focused on the "art of grantmaking." The goal here is to improve the performance of the *individual* grantmaker, through "extracurricular" activities.

Another strain of activity is directed toward improving foundation capacity to capture grant, program and foundation history. Foundations are looking to so-called "knowledge management systems" to address deficits in their ability to aggregate and learn from their histories and the field. Virtually all foundations are struggling with ways to better derive lessons learned from their grants and from trends in historical grantmaking. In theory, "smart systems" and other technological breakthroughs hold some promise, although changes in program strategy and descriptions, rigid system architecture and lack of consistent incentives have limited the utility of most systems in the past. The Kellogg Foundation has invested in the development of a system coined "Knowledge Loom" to capture lessons learned at numerous levels of specificity and generated from multiple sources.

Knowledge management, however, involves thorny issues at the intersection of technology and organizational culture, calling into play both the human and technical dimensions of learning. Better systems can still be hampered by human beings and, more importantly, the real *management of knowledge* cannot be relegated to systems analysts and their machines. One respondent pointedly stated that these efforts should not be done "just for the fun of it, but to solve *real* problems, and that means someone needs to be willing to identify and manage those problems.

Another example of an investment to learn from foundation history is the Robert Wood Johnson (RWJ) Foundation's Closed Grant Report Project, designed to capture, record and prepare for dissemination the history and lessons learned from nearly every grant made and completed under the auspices of the Foundation. A team of professional writers interview lead actors in each grant, review the grant file and prepare a document that subsequently undergoes stringent review. All reports are made available to the public through RWJ's Web site. The Closed Grant Report Project has only recently been piloted and how it will be used is not yet known. RWJ plans to conduct cross-cutting studies on lessons learned aggregated from large numbers of closed grant reports.

In service of the goal of more authentic learning, a member of the Rockefeller Foundation's senior management completed a comprehensive review of all the human capacity building activities in the foundation's science program covering five core divisions of Foundation grantmaking going back as far as 1914. The review offered generalizations about the contours of the work; encouraged foundation staff to consider cross-program learning; challenged individual programs to consider their own activities; and underscored strategic issues for the Foundation to consider in the future. While not a "formal" evaluation, the review offers an example of how reflection on past work can be used to strengthen current grantmaking.

### ***Using evaluation findings to promote organizational learning***

Findings from specific evaluations can contribute in meaningful ways to overall organizational learning, *if* they have been developed with that expectation for their use. Foundations have developed a variety of strategies for increasing the chances that evaluation activities contribute more than a "final" report. Some examples:

Several foundations, including The Annie E. Casey Foundation, the DeWitt and Lila Wallace-Reader's Digest Funds, and the W.K. Kellogg Foundation, have worked to integrate evaluation closely into the fabric of their large initiatives. Evaluation staff of these foundations work to explicate theories of change with the evaluators, program staff and grantees. These and other foundations have pushed for a clear articulation of program objectives and evaluation questions early and frequently during the process and have sought to redefine the evaluation product. Each foundation has structured in opportunities for more conversation and reflection with their evaluators.

The DeWitt and Lila Wallace-Reader's Digest Funds also require very different kinds of reports, looking for both clear intermediate outcomes and deeper understanding about the elements of process. In a somewhat different vein, the Robert Wood Johnson Foundation hopes to improve foundation learning by implementing widespread surveillance and tracking efforts so that they can monitor changes in the field and import greater and more sensitive understanding of trends in their fields of investment. The Irvine Foundation has developed the role of the "learning coach" as an interlocutor of findings among grantees, evaluators, other practitioners and the field. This design is seen to maximize the use of evaluation and other data within the context of their large initiatives. Another approach, called Impact Services, adopted by the W.K. Kellogg Foundation, blends the capacities and expertise of each of the "service units" of the Foundation—marketing

and communications, evaluation, technology, organizational learning, and public policy expertise—to enhance the types of support they offer to promote Foundation grantmaking objectives. The Pew Trusts' efforts to integrate planning and evaluation support into one unit front-loads the institution's investments to ensure that better program planning will be a top institutional priority.

Our respondents report that these initiatives—and others like them—are successful to the extent that foundation management supports them. By focusing on larger foundation and grantmaking objectives, management can reduce internal resistance to participation by foundation staff. On the other hand, the more expansive attempts to foster organizational learning require a great degree of management investment and involvement. It is not sufficient for these efforts to be simply approved. They require the displacement of many standard operating procedures and an investment in staff time. We repeatedly heard one version or another of "if management buys into it, then staff will be there."

Our discussions with foundation staff suggest that the smaller the target of organizational learning activities and the less disruptive to standard operating procedures they are perceived to be, the more likely are they to be well received and supported by foundation staff. However, when other internal and external pressures to the *process* of grantmaking, particularly ensuring that payout targets are met, are paramount, even such organizational learning activities quickly lose support no matter how potentially helpful they may be.

Another challenge to sustaining these efforts is a widespread misunderstanding about *why* learning is important—*who should be learning and for what purpose*. One director of evaluation stated that "learning needs to be connected to a purpose, not just a philosophy," reflecting frustration with what appeared to be "just another trend in philanthropy." On the dimension of *why learning*, a number of respondents questioned whether learning from the past was valued when every indication from management and board was that only the future mattered.

A final consideration raised by those interviewed is how organizational culture influences learning. Learning needs to be considered within the context of the tenure of staff; if tenure is long, then history is more likely to be relevant and interesting to those involved. Alternately, if the average tenure of foundation staff is short, it is more important to get staff quickly up to speed on making grants and focused on the problems they will tackle during their stay; organization history and its previous experiences or strategics in grantmaking are seen as less relevant. Ironically, short tenure organizations are more likely to need infrastructure investment in organizational history and learning because of the very lack of people who can pass on skills and practice from the past. On a related note, learning also needs to be considered within the context of the type of people working in foundations. One respondent spoke about the "entrepreneurial nature" of good program staff—tending more toward action than toward reflection—pointedly raising the question, "how does an organization create the incentives for this entrepreneur to take the time to think harder and to learn more?" It may very well be that standard models of organizational learning simply do not match the learning styles and needs of entrepreneurial staff. If so, such strategies may be ignored by front-line foundation staff.

## REFLECTIONS AND CONCLUSIONS

If we return to the original assumption of this study that foundations are as good as their ability to act on information, then evaluation has a critically important role in providing reliable information and in ensuring that it is the right information for the organization at a moment when it can be best used. Evaluation is considered important by many foundation constituencies and its importance is increasing in most foundations in our study.

We conclude that evaluation has been useful to foundations when:

- evaluation speaks to how well the foundation itself performs as reflected by its strategy formulation, execution and outcomes;
- the evaluation function is located at a level in the foundation where it can best facilitate the use of findings to strengthen overall foundation strategy;
- management is genuinely involved in setting the purpose, tone and broad direction of evaluations;
- evaluation is aligned with the culture of the organization, considering issues such as the pace of grantmaking, the tenure of staff, and the duration of the institution's investment in a field;
- evaluation products are characterized by flexibility in method, presentation, timing and product;
- evaluation distinguishes among the different needs of the foundation board, management, staff and grantees and recognizes these differences in their design;
- evaluations address the specific needs of their target audiences; and
- foundations disseminate evaluation to its constituent users.

We found, however, that there are several beliefs about how evaluation is or should be used within foundations, that may undermine its potential effectiveness:

**Accountability:** For many foundations, accountability is embedded within the issue of whether the grantees did what they said they would do and whether the foundation exercised due diligence in awarding the grant and maintaining appropriate fiscal oversight. Questions remain about accountability: Accountability to whom? Accountability over what? And, accountability to what end?

Many of these questions have become tangled in concerns regarding avoidance of risk and the price for freedom to take risks. Foundations are one of the few institutions in society relatively free to assume risky ventures. Information may, at times, be seen as a threat to this freedom, in part because experience has taught many individuals that mistakes will be punished. This attitude and practice will inevitably continue until replaced by a practice of greater tolerance for *well-informed* mistakes. We are reminded of the often-referenced venture capitalist model of philanthropy. If taken seriously, then foundations would in fact embrace the notion of well-informed mistakes.

Accountability takes on new meaning when foundations can answer questions regarding "why some bets pay off and not others," and can provide real advances to knowledge based on what was learned from the past and from the experiences of others. To the extent these questions were explicitly answered, the relationship between accountability and evaluation would be much clearer.

**Contributing to public policy debates:** If evaluation is to make this kind of contribution to policy, both programs and evaluations would have to meet higher standards of design and execution. Good evaluation of strong programs dealing with serious social problems can yield learning of much wider application—within other initiatives and for public policy—than simply enlightening a foundation's own grantmaking. But, this investment in strengthening policy must be conscious, deliberate and designed into both program and evaluation to achieve this aim.

**Improving grantmaking:** Foundations need to examine what lies beneath the assertion that evaluation "informs our grantmaking." Exactly which decisions are being informed and how well? More investment needs to be made in investigating the extent to which management is genuinely vested in, receives and uses evaluation. We also know that the "past-tense" nature of most evaluations may make them less salient and persuasive to



grantmakers who are chronically future-oriented. It may be that new efforts to improve program planning, and to produce information that is timely and salient, will prove effective, as well as attempts to mine evaluation information more expediently or to address questions at hand.

We believe that there is likely no single "right" way to be a good grantmaker. Foundations are *not* all in the same business, and information needs of different foundations will vary. Some invest in long-term solutions to single problems. Others are dedicated to being on the cutting edge on a range of issues and seek to finance more limited solutions. And yet others seek to strengthen core institutional functions.

Along this line of thought, foundations need to examine the meaning of organizational learning for themselves. If foundations align organizational learning with the core tasks and goals of the institution, staff incentives for participation should become clearer. Consequently, in developing their "learning agendas," foundations must take care to ground them in foundation goals and objectives.

Evaluation processes have, for the most part, been underused to foster performance standards for the foundation as a whole and for its staff. Foundations cannot assume that their programs will necessarily achieve intended outcomes. However, they can and should be vigilant about doing all that is possible and appropriate to ensure that their goals are reached. If evaluation were used to examine how the organization exercised due diligence in constructing program theories, in selecting grantees and in providing appropriate, on-going support to help ensure desired program outcomes, a new incentive structure for using information effectively would emerge.

**Improving grantee implementation:** Many foundations see grantees as important constituents for evaluation. Yet they are torn between supporting evaluations that provide on-going, immediate feedback to grantees and evaluations that ostensibly address issues of accountability, policy and improved grantmaking. We think foundations need to invest in strategies—management information systems (MIS), and other information-building strategies—that increase the ability of grantees to reflect on their own practice.

Clearly, evaluations cannot answer all possible questions. And, there is no single right way to design the evaluation function for a foundation. However, we believe that there are some critical factors that should inform the design process.

- Discussions with foundation staff suggest that the prevailing organizational culture is a key determinant of the kind of evaluation needed and how it will be used. But foundations are not all in the same business. Foundations can be extremely fast-paced, responding to new social problems as they emerge. Others alternately have exhibited long-term investment in entrenched social problems. Some foundations value a long-term commitment to experienced staff, while others seek to introduce new ideas through new people on a regular basis. Some foundations approach grantmaking on a grant-by-grant basis, essentially retailing their investments while others wholesale their activities through intermediaries or outside organizations. Where foundations fall along these different dimensions will in large part determine what type of evaluation strategy makes best sense for them. To be useful, the style and parameters of the evaluative function within a foundation must fit into the prevailing culture of that organization.

- Evaluation in most foundations appears to function out of a hybrid structure. We would assert that any evaluation unit can work well with program staff facilitating organizational and grantee learning. As such, the evaluation plays a service role to foundation program staff. On the other hand, we also believe that evaluation can leverage organizational accountability and assist management in promoting strategic direction and quality assurance. In this capacity, the evaluation unit staffs foundation management. Both roles are plausible and helpful to the organization, but some choices need to be made and priorities set if either of these roles is to be filled well.
- The needs and demands on foundations to perform are escalating and the use of information to inform programs is in need of re-conceptualization. Good programs need good information for good planning, management, learning and, if needed, replication.

Foundations must recognize that different key constituencies have overlapping, but distinct, information needs. Accurate, up-to-date information about implementation, trends in practice and initial outcomes can strengthen the work of program staff as well as enhance the work of grantees themselves. Good information and insights about longer term strategies and efficacy of different grant making approaches are critical to the work of foundation boards and management and can also inform policy debates. When foundations can effectively parse their informational needs and allocate resources appropriately to address these needs, we believe that much of the uneasiness and confusion about the purpose of evaluations can be markedly reduced.

We suggest that more attention should be focused on how evaluation is *currently* being used within foundations. A hard-nosed assessment of who uses evaluations, in what ways and with what results could help foundations define appropriate evaluation roles and identify gaps in understanding of evaluation's utility. Like organizational learning, the role of evaluation must be considered within the context of the particular foundation's culture. Does the culture of the foundation encourage the sharing of information—negative as well as positive—In ways that advance its overall mission? Does grantmaking tend to be "evidence-based" or not? What are the actual roles of those charged with evaluation responsibilities in the foundation? Are they strategic planners, efficiency specialists, technical resource consultants, program logic facilitators, "good" or "bad cops," or do they alone carry the burden of accountability for the foundation? Must all of these functions be served by evaluation? Are current expectations for the approach and use of evaluation congruent with prevailing organizational culture? Until the purpose of evaluation is clarified in a foundation, each and all of these roles can be attributed to evaluation units, but rarely fulfilled with great success.

Finally, we emphasize that evaluation in foundations is a tool that can be used to move the organization toward this goal. As a tool, evaluation will be effective when it assists program staff and management to strengthen standards for grantmaking resulting in better programs. Ultimately, we believe that the value of evaluation will be demonstrated best when it fosters the development of initiatives and interventions that warrant serious evaluation.

<sup>6</sup>Data in this table are derived both from the questionnaire and the interviews. Data in this table are derived both from the questionnaire and the interviews.