A Framework to Assess the Performance of The James Irvine Foundation

This document describes the framework used at the Irvine Foundation to assess the Foundation's performance over time. The first iteration of this framework was developed in 2005 by the board and staff of Irvine. At that time we wrote that the framework ought to be flexible and iterative in nature, with data collected and information gathered serving as a basis for ongoing refinement and improvement of this framework. The current framework reflects continuous adaptations through the development of five Annual Performance Reports. It also incorporates feedback and suggestions from the board in key areas such as adding information about program context and increasing our focus on achievements and results.

Ultimately, the central purpose of this performance assessment work has been to sharpen and focus how the Foundation believes it can best understand its progress towards its mission of expanding opportunity for the people of California. By identifying, in specific and tangible fashion, how the Foundation intends to track its progress, we clarify the ways in which the Foundation's activities have the potential to lead to lasting, positive impact for Californians. We believe that engaging in a rigorous approach to assessing our progress enhances our ability to achieve such an impact.

In order to describe our approach to foundation performance assessment we describe the goals and assumptions underlying the framework before outlining the six elements of the framework itself.

Goals

The goals for this framework are:

- To clarify the key elements of Irvine's approach to measuring its progress towards its mission of service to the people of California;
- To create a shared understanding between board and staff regarding ongoing assessment of and reporting about Irvine's performance;
- To assist the board in fulfilling its fiduciary and oversight responsibility by providing concrete evidence of accountability and impact by the Foundation;
- To inform future choices about program refinement, including further sharpening of Irvine's grantmaking strategies.

Key Assumptions

The following assumptions inform how we evaluate the Foundation's effectiveness and impact. As these assumptions drive the elements of this framework, they provide an important base upon which this approach has been constructed:

- In order to assess the impact of the Foundation's individual programs, we need to understand the broader context about the fields in which those programs operate.
- To ensure the assessment framework is both meaningful and useful, we must be selective and targeted in what we measure and should not endeavor to measure everything.

- As the nature of philanthropic work is inherently complex and we engage in solving problems that do not necessarily lend themselves to precise measures, both qualitative and quantitative measures should be employed.
- For the assessment framework to be successful, the Foundation has to foster a culture committed to measurement, dedicated to ongoing improvement and willing to engage in candid discussion when things don't go as planned.
- Establishing an initial framework to assess the Foundation's impact represents a first step in what will be an ongoing and iterative process by which board and staff will hold themselves and the Foundation accountable to a set of agreed-upon outcomes.
- In addition to investing board and staff time and institutional resources for assessment and evaluation, we are committed to sharing lessons learned with the broader field.

Framework Outline

Flowing from these assumptions, we believe that the Foundation's impact can be measured by establishing clear goals, examining relevant data and assessing progress against desired outcomes in two broad sections:

- *Program Impact*: This section analyzes indicators of the Foundation's progress and effectiveness in achieving its programmatic objectives and the ongoing learning and refinement in our programs.
- *Institutional Effectiveness*: This section considers a number of measures of the Foundation's institutional effectiveness, especially in fostering and sustaining a solid organizational base upon which to pursue our programmatic agenda.

We describe the framework below.

1. PROGRAM IMPACT

The Foundation's core activity is making grants to organizations whose work advances the Foundation's mission and program objectives. Accordingly, any assessment of the Foundation's impact must begin with a consideration of progress in achieving our stated objectives in each of our program areas.

To that end, we track three broad categories to assess program impact, examining a set of specific measures and indicators in each category:

a. Program Context: What do we know about our program fields and how does it shape our work?

We recognize that our programmatic work does not occur in isolation from a broader environment that shapes our program strategies and grantmaking decisions. We share key pieces of research and context with the board on a continual basis to keep them informed of developments in California and our program fields. Each year we compile a set of context indicators relevant to each of our program areas that inform our strategic decisions and grantmaking. The indicators can inform our decisions about specific grantmaking initiatives, such as prioritizing civic engagement activities with particular groups of Californians. The indicators may also relate directly to a program goal, such as rates for high school dropouts and college enrollment. In each case they convey the environment that shapes our work but are distinct from the outcomes we describe in the following chapter.

b. Outcomes: Are we achieving what we set out to achieve?

In order to increase shared understanding of program strategies within the Foundation and with our grantees, program teams are responsible for identifying and tracking a set of progress indicators. The information captured in these progress indicators can be from a variety of sources such as grantee reports, external evaluations or independent research commissioned by the Foundation.

Reporting on progress indicators for each program is the central area within the Program Impact section and the one that will require the greatest attention and level of staff and financial resources. For this dimension of our assessment work to be successful, we must be articulate at the outset about what we hope to achieve within the central strategies for each program, and with selected clusters of grants or initiatives, as appropriate. Each program area is organized along the following hierarchy:

Level 1: Program Area (example: Youth)

Level 2: Program Strategy (example: Linked Learning)

Level 3: Program Initiatives or Clusters (example: California Linked Learning District Initiative)

Level 4: Individual Grants

In each of our three programs, as we proceed from the general (program area) to the specific (initiatives/clusters or individual grants), we are able to be more targeted about our intended impact and will likely be better able to assess our progress in a specific way. Accordingly, we intend to focus our formal evaluation activity at Level 3, or the “program initiative/clusters” level, seeking to assess impact linked to specific initiatives or clusters of grants related to each program area’s key priority areas. Such evaluations will generally be organized around selected program initiatives, specific clusters of grants, or, in rare circumstances, individual grants.

This focus at the program initiatives/clusters level is not intended to suggest that we will avoid assessing our progress at the higher levels of program area or program strategy. It’s simply an acknowledgement that assessing progress against necessarily broad program area goals will be more difficult to accomplish and that we should more constructively focus limited resources on those areas where measurement of impact and connection to the Foundation’s engagement will be more evident. This requires a clear and focused articulation of what we seek to achieve, so that our strategic initiatives and clusters flow from clear, focused and concise articulations of our overarching goals and strategies.

c. Results, Learning and Program Refinement: What are we learning from our program work and how does that improve our approach?

In addition to the important evaluative work described above under Outcomes, which is a more time- and resource-intensive approach, we believe that providing ongoing reflection about the insights and implications of our program work is a critical complement to these “harder” measures. These assessments are provided to the board by program leadership at key intervals in a program’s development and evolution, and they are intended not only to reflect on our successes and failures, but just as importantly on how our learning is incorporated into improving our approach in the future. The Results, Learning and Refinement section of the Annual Performance Report provides a consistent place to gather key insights and refinements each year.

We are also devoting more time within our board meeting agendas for these qualitative discussions. As program staff are able to articulate with greater clarity and focus the intent of our program work, and as the board deepens its knowledge of the Foundation's activities, we need to build on that shared understanding by engaging in candid and substantive discussions together about what is working, what we are learning, how we are refining our approach based on that learning, and where we are not proving to be as successful as we had hoped. As part of that process, we describe our approach and assumptions when we launched a particular line of program activity and how that evolved as we moved to implement the program. In addition, in the context of an ambitious programmatic agenda at the Foundation, these discussions also provide opportunities to describe how we consider "risk" in each of our programs, which we recognize as a necessary by-product to achieving some of our program goals. As part of those discussions, we describe the steps we take to mitigate such risks as much as possible.

Our success in this domain is not only be measured by whether we devote the requisite time at board meetings for such discussions, but, just as importantly, by whether we have created and fostered a culture of free exchange between board and staff that strikes the right balance between a commitment to learning and ongoing improvement, on the one hand, and a focus on accountability and results, on the other.

In addition, working in partnership with our Communications office, we develop strategies and approaches to ensure that we share our learning with the broader field. In doing so, we need to be strategic about intended audiences (other funders, leaders in the areas in which we work, policymakers, etc.) and the specific tools (publications, website, op-ed, etc.) that can be used for best reach and impact.

2. INSTITUTIONAL EFFECTIVENESS

As we assess our program work, we also believe that understanding the Foundation's performance requires us to look at areas beyond our direct grantmaking. The Foundation's ability to achieve its mission and goals relies upon our ongoing attention to maintaining an organization that achieves excellence in all domains, that operates efficiently, that uses its financial resources prudently, that is governed effectively, that serves its varied constituents with fairness and professionalism, and that aspires to providing leadership in targeted ways.

To that end, we consider the following three broad categories to assess institutional effectiveness, with specific measures and indicators for each category:

a. Leadership: How is the Foundation exercising leadership?

The Foundation aspires to be a leadership institution, helping to frame understanding of key issues facing California, supporting the formation and implementation of solutions to those challenges, and working collaboratively with others to achieve its mission and goals. As such, we intend to identify measures that can help us to assess how well the Foundation is achieving its leadership aspirations. Measures may include: tracking effectiveness of various communications strategies; understanding the foundation's reputation as a thought leader and innovative grantmaker; assessing our ability to leverage and marshal other resources to issues we focus on; and determining our effectiveness in leading key stakeholders to issues of common interest.

There are certain proxy measures we consider such as website hits, number of speeches given by senior staff, invitations to have staff participate on panels, staff membership in various key committees or panels (especially leadership roles within such efforts), or the number of convenings organized by the Foundation. In addition, a more direct approach to understand the Foundation's role as a leadership institution entails hiring an independent consultant to interview representatives of selected target audiences, for example, opinion leaders and key observers in our areas of interest, to assess understanding of the Foundation's agenda, to determine how Irvine is perceived, and to learn how Irvine might be a more effective leader in certain fields or areas of interest. Working with the President, the Director of Communications plays a central role in developing our approach to develop both quantitative and qualitative measures to understand better the Foundation's success as a leadership institution.

b. Constituent Feedback: How do key stakeholders perceive us and how does our understanding of these perceptions inform our work?

Because foundations are traditionally well-insulated from direct and candid feedback, we must devote special attention to finding ways to gather feedback from various key constituents, which we would identify as grantees, grantseekers, other funders, key leaders in the state, board members and staff. Primarily using strategies such as anonymous surveys, targeted and confidential interviews by third parties, and organized dialogues with key constituents, we will demonstrate our commitment to understanding how our constituents view the Foundation and, just as importantly, what strategies and approaches we might consider to enhance our effectiveness.

As we determine which feedback mechanisms will prove most useful to us, we believe that those approaches that help to contextualize how Irvine is perceived within a broader universe of foundations similar in size and approach to us will be the most beneficial, especially given how difficult it is for outsiders to be critical of philanthropic institutions. We also agree that assessing trends over time is valuable so we can determine how we are improving (or not) in the eyes of key constituents.

c. Finance and Organization: How are we doing along various measures of financial health and organizational effectiveness?

In view of our significant assets, our commitment to prudent fiscal stewardship and our dedication to managerial efficiency and effectiveness, we track a number of indicators related to the Foundation's financial condition and operational effectiveness. The financial measures are best assessed in consideration of data from other similar institutions. Among the measures to consider are investment performance, operating ratios and costs, and resources devoted to complementing a relatively lean program staff with outside consultants. We must also consider key operational measures related to ensuring we hire and maintain a high quality and diverse staff, maximizing the efficiency of our operations, and supporting strong governance and leadership for the Foundation.

Building on what we have done for our programs, this chapter of the Annual Performance Report incorporates key measures in the finance and organization areas that provide the board with a summary of our performance in this area. We also consider other ways to address less quantitative measures that relate to organizational health through activities such as an annual state-of-the-Foundation presentation by the CEO at the board retreat and having the board engage in self-evaluation activities on a frequent basis to assess its own effectiveness as a governing body.

APPENDIX: GRANTMAKING IN REVIEW

While much of the Annual Performance Report focuses on progress, results and outcomes of past grants, we also recognize that it is important to track our grantmaking along a range of meaningful indicators in order both to have an informed understanding of the range of institutions we are supporting and to ensure that our grantmaking reflects our strategic priorities (i.e., regional emphases) and our values (i.e., important to serve both small and large organizations). Accordingly, we will continue to prepare quarterly and annual "dashboards" that measure a broad set of quantitative inputs, such as breakdown of grants by program area, types and sizes of organizations we support, the regional distribution of our grants, and grant size and duration. The "dashboards" help us to assess overall trends about where our grantmaking is going and if it continues to achieve our aspirations related to specific targets, such as our goals within the Foundation's priority regions.

Ultimately, the success of this framework will rely heavily on how we use the data and information we gather and organize to inform both sound judgment today and thoughtful planning for the future. The central purpose of this framework is to make us a better philanthropic enterprise, and we intend to assess, on an ongoing basis, each of our activities against that overarching aspiration. Keeping our eye on that objective is fundamental and will determine the usefulness and success of this framework.

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