Agile Philanthropy: Understanding Foundation Effectiveness

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Foreword

"Foundation effectiveness." At first glance, it may appear to be another example of foundation-speak skewered so brilliantly by the field's resident jargon buster, Tony Proscio, in his book *Bad Words for Good: How Foundations Garble Their Message and Lose Their Audience* (Proscio 2001). But, Foundation Effectiveness (FE) is all about the very opposite of the gobbledygook. It stands for clarity of processes and excellence in outcomes for all of the work foundations do.

Among practitioners of philanthropy, Foundation Effectiveness describes a growing emphasis upon defining and promoting practices that result in grantmaking that is transparent, respectful, and which creates positive and enduring social change. It holds foundations to the same high standards of performance that foundations have long required from their grantees. In short, it requires the giver to be just as capable as the receiver.

The roots of FE reach back at least to the time of the first "modern" foundations, such as Carnegie and Rockefeller, which were founded during the second decade of the twentieth century. The best foundations have always sought to act professionally, to treat applicants and grantees with respect, and to create sustainable social change by means of effective grantmaking. Such high standards, however, were by no means universal across the foundation field. Nor did even the best foundations consistently focus upon effectiveness, whether within their own organizations or those they funded. Sometimes, due to that lack of focus, outcomes failed to fulfill their full potential.

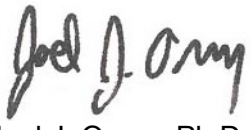
During the late 1980s and early 1990s, several foundations became convinced that one key to enhancing the outcomes of funded projects lay in the systemic improvement of the capacity of grantseeking organizations to manage their operations. In 1997, representatives from three foundations formed Grantmakers for Effective Organizations (GEO). Initially, GEO's sole focus was squarely on grantees. But, by the end of the decade, funders began to hold a mirror up to themselves and started to look inside the operations of their own organizations. Foundation Effectiveness recognizes that grantmaking is an equation: if the equation is to balance,

there must be effectiveness on both the giving and getting sides of the ledger.

In 2002, the Grantmakers for Effective Organizations annual conference featured several sessions devoted to these concerns. Among the questions examined during these sessions were some that cut to the heart of FE: Are foundations delivering adequate return on their social investments? Are they effectively utilizing the knowledge already held in philanthropy? Are foundations using or misusing tools and techniques? Are foundations supporting and promoting what works?

One of the conference sessions, “Foundation Effectiveness: A Survey of the Research,” was based on the data used to prepare this monograph. In early 2002, the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership of Grand Valley State University, with funding from the W.K. Kellogg Foundation, engaged Phillips Wyatt Knowlton to conduct a study of domestic FE research activities and prepare this monograph. The scope was limited to research activities and did not include internal projects underway at individual foundations. The specific protocols and associated methods of the study are found in Appendix C.

It is noteworthy that FE has become a matter of serious interest to grantmakers in a relatively short period of time. The advent of FE heralds a new era in the United States’ history of philanthropy, one in which the goal will be to make the practices of the best foundations, the *standard* practices of foundations across the field. As the number of philanthropic foundations and the resources they control grows, the social importance of their work expands, as well. In parallel, so does the *responsibility* of deploying these resources with maximum effectiveness for societal benefit. This is the ultimate importance of the FE movement.



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Introduction

By most counts, about 5,000 foundations were created in the United States in 2000. This record growth in organized philanthropy[1] may only hint at the tidal wave heading for shore. If wealth transfer estimates are accurate, the implications are significant. There will be many more thousands of foundations begun in the next decade. All of this represents new resources for the complex challenges of local communities, our nation, and others sharing this planet. Philanthropy is now more relevant and essential than ever before. Increased public attention on the roles and responsibilities of philanthropy in our current turbulent context has led many to ask: *How can foundations be more agile in response to calls from the field to increase both accountability and the value of philanthropy?*

By *agile* we mean adaptive capacity, which ensures effectiveness. It is synonymous with facility in competencies and consciousness which are focused on performance and produce results with a learning orientation.

Leaders and experts across the nonprofit sector have already begun to address this salient question by exploring new ways to understand and advance their Organizational Effectiveness (OE). Gathering the expertise, ideas, and perspectives scattered among foundations and their allied audiences about how to engage in the work of philanthropy with greater impact is an enormous task of huge consequence. A subtle but essential shift in attention and effort, previously focused solely on grantee performance, now definitely includes the contribution of the grantor. Interest in Foundation Effectiveness (FE) is driving significant investment and substantive inquiry focused on the identification of the knowledge, attitudes, skills, and practices across the nonprofit sector that continue to encourage progress toward more effective philanthropy.

The process ahead implies a journey of many collaborative, reflective and recursive learning cycles. The establishment of FE as a learning priority will require the capture of information, reflection, and assessment of current grantmaking processes and practices. Implied in the learning process is a strong, explicit connection between actions and results that contributes to "increasing understanding in order

The value proposition in philanthropy is about the private satisfaction of the donor and meeting important social needs.

Peter Frumkin
Associate Professor
Harvard University

There's an increasing understanding of how hard this work is and how important it is. There's broad interest across foundations and nonprofits in understanding and engaging in effectiveness. It's a tidal wave of interest.

Allison Fine
Executive Director
Innovation Network

Our board wants us to look at foundation impact and effectiveness but I don't think we can until we have a good, well articulated foundation-wide strategy [effectiveness framework] in place.

Marty Campbell
Director of Evaluation
The James Irvine Foundation

[1] Meaning corporate, community, family/private foundations.

I think the field is hungry for guidance, and at the same time the field is afraid of more scrutiny or more regulation and accountability… We don't want to hamstring the only flexible sources of capital for the social good.… I think we should hold the mirror up to the field and ask, what more could we do to improve what we get out of the investments we make?

Barbara Kibbe, Director
Organizational Effectiveness & Philanthropy
The David & Lucile Packard Foundation

to do things better" (Allee,1997, p. 89). In that the knowledge generated and actions taken in the future will be the direct result of where the field places its attention, current choices will shape the emergent FE learning agenda. A map of current assumptions and activities is needed to describe the FE landscape. Such a map could serve to initiate and inform the collegial conversation that will frame the learning and inquiry ahead.

This monograph is an attempt to construct such a map of contemporary thought and early research on Foundation Effectiveness. It is our hope, as well as that of the study sponsors, that this environmental scan of FE research will serve as an advance organizer that both informs and galvanizes the field to move forward from promising exploration and discovery toward collective action and transformation.

Overview

This monograph consists of three sections and three appendices.

Following the brief introduction above, Section I presents a scan of existing literature pertinent to the study, a synthesis of practitioner interviews, and a snapshot of the current state of philanthropic applied research relative to FE.

Section II focuses on an overall interpretation of the findings distilled from the study described in Section I. Here we offer one possible model for FE. This model is used to suggest that the diversity of theory and practice discovered relative to FE research contributes to a vital learning environment for the field. This section also describes the preconditions thought to be necessary to begin to assemble a conceptual foundation for furthering the emerging FE movement.

I'm hoping that there will be all these horizontal and vertical connections, looking at it [FE] by first doing what a good grantmaker does, just scanning the landscape and trying to connect people…get connected with them and go down this path.

Jan Jaffe, Senior Director
The Ford Foundation

Section III suggests steps to identify the learning priorities needed to move FE knowledge into explicit action focused on improving agility across the philanthropic sector.

Appendix A contains the profiles of Foundation Effectiveness activities created for each of the organizations we explored during the course of the qualitative study. Appendix B consists of an annotated bibliography of the main resources used to guide and inform the preparation of this monograph. Appendix C provides a brief description of the methods used to conduct the scan.

I. Taking Stock: Views of Foundation Effectiveness

Background and Rationale for the FE Research Scan

Foundation Effectiveness in Context

Foundation Effectiveness is considered a corollary of Organizational Effectiveness (OE). According to the Lewin Group (2000) the term Organizational Effectiveness was first used in organizational behavior theory and is often defined using organizational skills/capabilities, characteristics, and outcomes. Foundation Effectiveness (FE) has a more specific context—it reflects the specific culture and context of philanthropy. OE has been the object of study by the nonprofit sector for some time; FE is in an early developmental stage.

There is tremendous interest in Foundation Effectiveness across the philanthropic sector. Leading foundations are making FE a learning priority and are supporting it with a significant funding stream.

The growing body of published research and foundation-sponsored briefing papers on OE is complemented by a wealth of practitioner wisdom about Foundation Effectiveness. But, much of this information remains untapped.

Thus, *access* to information—both new and existing—will serve as a much-needed catalyst to move foundations into deeper inquiry on how they can be more effective. In short, foundations must learn and share more broadly about foundation performance. This is the province of field development which relies on advancements garnered through elevating and aggregating learning at the level of the individual organization across a variety of institutions and situations.

The Catalytic Role of Organizational Learning

Allee (1997) writes "transformational learning is a process of discovery and deep reflection that leads to a profound shift of direction, behaviors, values, beliefs, and operating assumptions" (p. 91). This proposes a deeper level of learning which significantly affects the prospects of improving foundation performance.

We are particularly interested in the effectiveness of foundations…So when we think of effectiveness, we will be especially concerned about the sustainability of the nonprofits. If they are more sustainable, the foundations become more effective in the work they do with them.

Robert Long
Vice President Program
W.K Kellogg Foundation

In the end, what we care about is whether or not foundations are making a difference in improving the social conditions in their program areas. Ultimately, the product in philanthropy is social change or improvements in human conditions.

Denis Prager
Foundation Consultant
Strategic Consulting Services

It's working knowledge in the field. It's wisdom we all have but it's not written up nor shared in readily accessible ways that can inform practice.

William Bickel, Senior Scientist
Learning Research & Development Center
University of Pittsburgh

We don't use evaluation in a punitive way. So if grantees…We want to see that they are acting on the evaluation information, that they are internalizing it, and that they're using it to inform the program strategy or implementation.

Marty Campbell
Director of Evaluation
The James Irvine Foundation

Kim (1993) defines organizational learning as the capacity to take effective action. Undoubtedly, organizational learning brings value to philanthropy and can contribute to Foundation Effectiveness. Cognitive psychologists and advocates of organizational learning suggest that the process of learning for individuals and organizations is an iterative series of what could be called deliberate cycles of exploration and experimentation (Kolb, 1984; Redding & Catalanello, 1994; Nonaka and Takeuchi, 1995). We expand on this concept of learning to include a spiral of socialization or sharing at each stage that supports knowledge creation and application (see Figure 1).

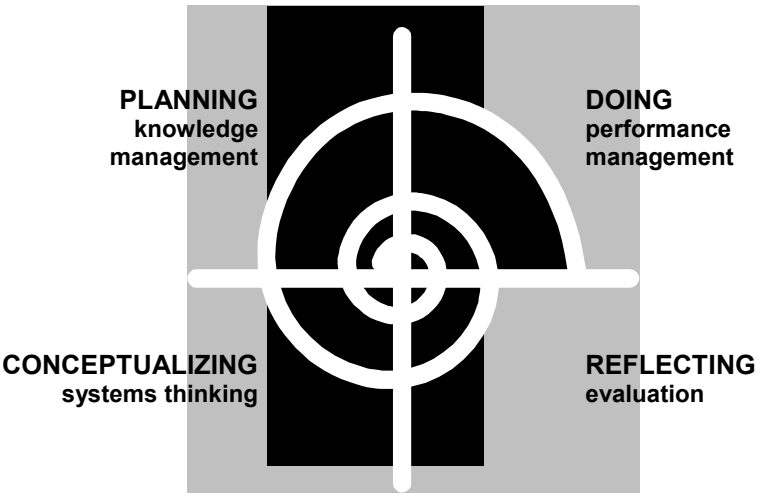

Figure 1. Tools for Organizational Learning.[2]

[As a sector] we are really heavily underinvested in the infrastructure of collecting information—at the organizational level and then at the more systems level in terms of beginning to understand what kind of performance is reasonable and possible. What does high performance look like and where are the opportunities to improve performance?

Mike Allison
Director, Consulting and Research
CompassPoint

Clearly, foundations already have organizational learning skills. They are used to capture, assimilate, interpret, and disseminate the profound streams of information which foundations navigate every day. These skills can be enhanced by a set of tools which show promising literature and theory in support of organizational learning—systems thinking, evaluation, performance management, and knowledge management. These four organizational learning tools can contribute to a deeper exploration of Foundation Effectiveness. A brief summary of each follows below.

Performance Management. Drucker (1998) suggests the continuing responsibility of the manager is achieving (economic) results from the resources currently employed. In

[2] Figure adapted from: Kolb (1984).

philanthropy, such results correspond to Foundation Effectiveness. Like business managers, foundation staff try to produce results or improve performance as the ultimate outcome of their efforts. Business executives share some of the same questions foundation leadership have about how to organize for the task at hand and how to tell the important activities from those which waste effort and resources.

In his essay, "Managing for Business Effectiveness," Drucker (1998) distinguishes between effectiveness and efficiency within the organization, noting that the former is about doing the right things, while the latter is about doing things right. Confusion between the two can hamper manager/leaders efforts to improve performance. Drucker acknowledges that most tools focus on efficiency, while the more compelling need is usually identifying those areas in which significant results are feasible, i.e. being more effective, *and then* following through with efficient execution. Robert Wood Johnson Foundation's former CEO, Steve Schroeder (2002), references tactical capacity in his farewell comments when he asserts that "execution trumps strategy" (p. 48). He seems to suggest that a preoccupation with strategy glosses over implementation. And, as a remedy, neither gets over weighted but foundation staff should be chosen for abilities in *both* strategy and implementation.

The health of the knowledge economy in organizations and even among sectors is highly related to their performance. Drucker (1998) writes, "The organization's function is to put knowledge to work—on tools, products, and processes; on the design of work; on knowledge itself" (pp.114-115). Most would enthusiastically concur that the choices and techniques well-defined in performance management and highly dependent on knowledge are a quintessential challenge of philanthropy. They are also highly connected to commonly-held conceptualizations of Foundation Effectiveness.

Evaluation. Forrester (Zemke, 2001) defines feedback as information about performance, which if returned to the system, could inform and serve to modify its future behavior. In philanthropy, reflection on performance data can vary widely in format, but it is most often and formally known as evaluation (Hatry, 1999; Hatry & Lampkin, 2001). In conducting evaluations, the tools of organizational learning are just as useful in the philanthropic sector as they are in business—although the nomenclature is often different

Although the Council on Foundations and some others offer professional development, there's not enough training for foundation staff. Moreover, there is a real need to increase the knowledge base that informs training programs.

Alan Abramson, Director
Nonprofit Sector Research Fund
Aspen Institute

I think it's a sin to give away money. I think you should make good investments.

David Hunter, Director
Evaluation & Knowledge Development
The Edna McConnell Clark Foundation

This is not saying you have to set up an evaluation for every project…, but this is important….You need to know if [a strategy] has worked in the past, what does it take to get to scale? …But really looking at testing it in the field, testing whether [a strategy or program] is working.

Patti Patrizi, Consultant
Patrizi Associates

There is a need to focus on the tandem connection between foundations and grantees. Part of the effectiveness of both parties derives from the nature and dynamics of the relationship between the two, not so much from interpersonal relations, but from the learning and the structure which can support effective outcomes.

Peter Shiras
Senior Vice President, Programs
INDEPENDENT SECTOR

The thing that gets me more often than not in the middle of the night is that this is a two-way street…There is a way that this issue shines a light on the grantmaker—people immediately say well, what about the grantee? The grantee is important but it is also really important to think about what resources are available for the grantmaker as well.

Jan Jaffe, Senior Director
The Ford Foundation

(Bertlesmann, 2000; Fine, Thayer, & Coghlin, 1998; Walker & Grossman, 1999). For example, what Senge (1990) might call mental models and leverage points are commonly known across foundations as logic models and strategies, respectively. But no matter what the terminology, meaningful evaluation and its contribution to organizational learning about Foundation Effectiveness is premised on the availability of valid and reliable performance data.

Systems Thinking. The early writing of Massachusetts Institute of Technology engineering and management professor, Jay Forrester, uses the concept of "system" to refer to "a collection of parts working interdependently to create a specifiable outcome" (Zemke, 2001, p.42). For the foundation, these "parts" might be identified as people, processes, priorities, and products or results, all of which contribute to foundation performance. Increasingly, foundations find themselves part of an expanding constellation which includes such resources as grantees, intermediaries, and external consultants all functioning as key players acting on a shared agenda. The nature of interaction and interdependence with external resources in response to (or in anticipation of) complex social issues and sustainable impact is a challenging management proposition. It can daunt experienced leaders. The dynamic characteristics of the philanthropic system create the conditions under which the practice of grantmaking is both exciting and tremendously challenging. A systems-thinking approach provides the intellectual architecture needed to support conceptualization of FE and engage in the processes of interpreting information, sense-making, and the creation of new mental models to guide action.

Knowledge Management. Knowledge management can strengthen the connection between the practices and results of philanthropy. Most definitions of knowledge management focus on managing intellectual assets created and sustained by organizational learning environments which can generate, acquire, and/or transfer those assets. Bixler (2002) writes about the convergence of organizational learning and knowledge management within an enterprise as generally characterized by learning through asset utilization. As a practice, knowledge management is generally understood as the conscious act of securing the right information for the right people at the right time. Knowledge management enables people and systems to access and harness the

power of what they know to improve performance (Davenport & Prusak, 1998; O'Dell & Grayson, 1998). Knowledge assets within the foundation are usually found in its documents (explicit knowledge) as well as in the general discourse and individual consciousness of staff, leadership, and trustees (tacit knowledge). Accessing and leveraging these immense assets can make an enormous contribution to strategic planning and overall effectiveness for foundations, just as it has in the world of business.

What Our Approach Suggests

We believe that the creation of a learning and research agenda for FE can be supported through strategic, intentional application of these organizational learning tools. These knowledge areas can, and are, already being used to address the substantive questions presented by both the context and content of philanthropic work. Our preliminary investigation suggests that foundations have already begun to apply these tools, thus it is through the lens of organizational learning and this set of four tools (performance and knowledge management, evaluation and systems thinking) that we present and interpret our findings.

It's fair to say that the emerging idea of FE can draw on a "line of credit" composed of the reservoir of practitioner wisdom coupled with these *knowledge-generating* tools of organizational learning. This line of credit is substantial and will find ready use improving philanthropic practice.

In general, there is growing consensus that: (a) some information about FE and its component parts is already available but it is quite diffuse, fugitive, and as of yet untapped, and (b) there are likely to be variations from institution to institution that could reinforce resistance to field-building. These perspectives present some challenges. However, there are bodies of knowledge ready for transfer, adaptation, and application. The *Foundation Effectiveness Research Scan* was intended to survey and then map the philanthropic landscape as it is presently. The scan gives us a glimpse of the geography which can inform those charting the future course of philanthropy.

When we discuss our organizational performance, we talk about the progress being made toward programmatic objectives. What outcomes are we helping to advance? What are our successes and failures? What are we learning from both? Internal discussions on effectiveness tend to be framed more in those terms.

Lester Baxter
Planning and Evaluation Officer
The Pew Charitable Trusts

Scan Findings

Here we present a summary of the responses given during our interviews. First, we present those responses that represent the diversity of thought and opinion on the definition of FE. Second, we reveal some of the ways in which philanthropic organizations are currently promoting FE. The main findings that emerged during the interviews are presented below and are followed by a brief commentary. Third, we summarize the current state of the emergent FE learning and research agenda.

How the Field Currently Perceives FE

Foundation Effectiveness is an emergent topic. FE is acknowledged as a new, important topic for philanthropy to consider but as yet remains an elusive concept. Although everyone we interviewed was familiar with the term Foundation Effectiveness, a large number of those we spoke with described FE as primarily a field-driven, emergent, and/or evolving concept. Our scan indicates that a consistent, clear definition of FE has yet to develop. Nearly half of our interviewees indicated that either they were not yet aware of a formal definition of FE or that it is not used in their organization (similar terms such as “readiness,” “learning about practice,” and “quality of investment” are used as alternatives).

I’m seeing a lot of fuss coming up around effectiveness that has to do with board satisfaction, grantee satisfaction, good decision making [and] strategic alignment…. I think the bottom line is--does anything change? Do things improve?

Patti Patrizi
Consultant
Patrizi Associates

*FE should focus on results/outcomes***.** Nearly all of the experts we interviewed agreed that FE ought to be measured as an outcome relative to the goals and/or mission specific to each foundation (including donor and public purposes). A few individuals explicitly stated, but most inferred, that FE is the way philanthropy might determine the strength and direction of grantmaking strategies/practices against a given mission/program niche over time. We found strong consensus among our respondents that grantee performance was the measure of choice to use with respect to defining FE outcomes. There was wide variance of opinion however, as to whether grantee performance was best gauged by: (a) the quality of grantee/grantor relationships, (b) increased grantee capacity and capability to improve programs and services, (c) general progress toward achievement of desired results, and/or (d) contribution to sustainable social change (see Table 1 below).

Table 1. Summary of FE Levers and Outcome Variables Mentioned.

Practice Levers			Outcomes
People (20%)	**Priorities (9%)**	**Processes (30%)**	**Products (41%)**
Organizational Culture and Infrastructure (2) Leadership (includes Board and Management (5) *Staff Capacity and Competence* (15)	*Grantmaking Strategies/ Priorities (includes change agenda, programmatic reach/identity, timing, and geography)* (7) Resources and Allocation Parameters (3)	Organizational Learning and Development (5) *Program Design and Decision-making* (*includes theory of change and strategic alignment)* (18) Evaluation (5) Communication and Marketing (2) Knowledge Management (1) Accountability (1)	Grantee Relationships (includes trust, transparency, collaboration, co-investment, and satisfaction) (13) Grantee Capacity (8) *Grantee Results* (21) Sustainable Impact (3)

Note: A total of 109 FE levers and outcomes were identified by our respondents. The numbers in parentheses indicates the number of times a given category was mentioned. In each column, *italics* are used to indicate the predominant category.

Organization development, culture, learning and evaluation are key components of foundation effectiveness.

Allison Fine
Executive Director
Innovation Network

People, priorities, and processes are key practice levers that contribute to FE. Our respondents shared a variety of perspectives on the aspects of foundation infrastructure and philanthropic practice (levers) that they believe contribute most significantly to Foundation Effectiveness. A number of individuals specifically mentioned that grantors, their intermediaries, and grantees all contribute to similar sets of levers that influence FE. A wide variety of individual variables were cited as contributing to FE. Using qualitative data analysis techniques we collapsed these variables into 11 categories across three key levers (see Table 1 above). Staff capacity and competence, strategic grantmaking priorities, as well as program design and decision-making were described most often as contributing to FE. Organizational learning and its tools (performance management, evaluation, systems thinking, and knowledge management) were least-often mentioned.

Early efforts at field-building and institution-specific FE research have already begun. When asked what they or their organizations were doing to promote FE, roughly two-thirds of our interviewees responded they were primarily engaged in field-building, exploratory studies to describe

various aspects of the FE landscape. The other one-third were mainly studying the organizational development and improvement aspects of FE within individual foundations. With the exception of a few studies, most of the FE-promoting efforts (inquiry and investment) pointed out to us described the very early stages of planning and implementation. Thus, realistically, the findings and subsequent opportunities for learning and application from current FE research are a few years away.

Efficiency and effectiveness are used interchangeably. Although the relationship between actions and outcomes was explicitly indicated by only a few individuals, our conversations yielded strong evidence that Foundation Effectiveness is perceived as the ratio between resources dedicated and results delivered. The scan reveals that nearly all of the interest and investment in understanding FE thus far have been on exploration and description of the practice of philanthropy (efficiency). This presents one of the most significant tensions noted in our scan. Despite the overwhelming consensus of opinion on the importance of results in defining FE, nearly all of the field-building and most of the institution-focused FE research sponsored to date is about the variation in philanthropic practice across and within organizations.

An emphasis on practice, with limited consideration or connection to results achieved, suggests a focus on efficiency rather than effectiveness. Even though efficiency and effectiveness were sometimes used interchangeably by our respondents, they are different.

- *Effectiveness* is defined in terms of "producing a decided, decisive, or desired effect; it stresses the actual production of, or the power to, produce an effect."[3] As some of those we spoke with explained it, effectiveness is about "doing the right things" in terms of mission/goal accomplishment. It implies what is known as "double loop"[4] learning that challenges the assumptions and program decisions that underlie philanthropic investment in order to improve results.

[3] Merriam Webster online dictionary [http://www.webster.com/cgi-bin/dictionary].
[4] Argyris, C. (1991). Teaching smart people how to learn. *Harvard Business Review,* 69(3): 99–109.

- *Efficiency* is defined in terms of "acting or a potential for action or use in such a way as to avoid loss or waste of energy in effecting, producing, or functioning."[5] Efficiency is about "doing things right," implying "single loop" learning that works to improve process quality or expedience but may or may not necessarily influence results.

How the Field Currently Explores and Investigates FE

This section summarizes the philanthropic sector's current FE-related activities that were shared during our interviews. These findings can be viewed as a set of studies that represent the field's inaugural effort to explore and understand its own effectiveness. It is our intent to map this seminal work of FE-applied research so that charting the future direction of investment in learning and research related to FE can begin.[6]

Although we specifically mention only a few of the studies in the narrative that follows, all of the FE efforts identified in the scan are summarized in the profiles included in Appendix A. These profiles are organized by institution and include links to additional information as well as contact information for the individuals interviewed. Most of the work profiled in the FE scan is in the early stages of design, development, and/or implementation.

As noted above, FE is an emergent topic. While inquiry and learning are fairly new, there is a vast amount of FE-related information currently being collected and analyzed. In the coming years, there should be a wealth of data to vigorously drive the FE learning and research agenda.

Three Types of FE Effort Are Predominant. Our respondents from across the sector described three main avenues for learning and inquiry targeting FE. First are those learning efforts categorized as *Dialogue and Learning Resources*—study groups and meetings to explore specific topics, as well as tools to support self-assessment relative to raising

What I see out there on the issue is more criticism of foundation ineffectiveness without helping us better understand and promote how to become more effective….How do you become part of the solution? I think it is going to take a more sophisticated relationship between researchers and foundations. A willingness on the part of researchers to work in partnership with foundations to become part of the solution and design research that is deeper.

Robert Long
Vice President Program
W.K. Kellogg Foundation

[5] Op. cit.

[6] The FE efforts we focus on here are those that are among the largest in terms of size, scope, and investment. They reflect the work being done across philanthropy, those for the most part aimed at FE from a field-oriented perspective, and/or those with potential to inform external audiences. Although many we spoke with shared knowledge of the internal FE work being done by individual foundations, those efforts are not emphasized here.

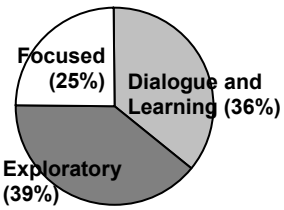

Figure 2. Types of FE Efforts Underway (*n*=36).

awareness and generating advocacy for a wide variety of FE issues. Second are *Exploratory Studies* which include primarily descriptive inquiry efforts aimed at discovering and defining FE practice levers and outcomes. Third are *Focused Studies*—investigations of defined variables (levers), their inter-relationships, and/or contribution to specific FE outcomes (see Figure 2).

The emphasis is on grantmaking, but there is some nonprofit capacity building and general field building activity. Two-thirds of the FE studies identified could be described as targeting increased understanding of the nature of grantmaking practice.[7] In particular, these studies are designed to gather information about the core tools and processes of philanthropy. Inquiry of this type is most often conducted using interviews; however, a variety of methods such as survey, case study, and document review are also used. In addition, most of the studies of this type include representation from a cross-section of a large number of foundations (see Table 2 below). Examples include:

- *Knowledge, Attitudes, and Practices of Effective Philanthropy* conducted by the Urban Institute, sponsored by The David and Lucile Packard Foundation and Grantmakers for Effective Organizations. Key elements include definitions, practices that increase effectiveness, influences on attitude and practice, and obstacles/solutions.
- *Foundation Performance Metrics Project* conducted by The Center for Effective Philanthropy, sponsored by The David and Lucile Packard Foundation, The Atlantic Philanthropies, and The Surdna Foundation. This pilot study is designed to advance the state of knowledge, stimulate informed debate, and demonstrate the potential of performance measures relative to effectiveness.
- *Improving the Practice of Philanthropy* conducted by Patrizi Associates, sponsored by The Robert Wood Johnson Foundation, The Ewing Marion Kaufmann Foundation, The David and Lucile Packard Foundation, and The John S. and James L. Knight Foundation. This study focuses on efforts to make transparent and improve those grantmaking practices that specifically target community-based change. Key

So there is a variety of tools and resources [grantmakers] use for effective grantmaking. And they talk about things that have worked well…the idea is to help people and get them under the hood of grantmaking…both the lessons learned and the dilemmas they face. I think the key to effective practice is to hear from practitioners about their experiences and you begin to see the patterns in those.

Jan Jaffe, Senior Director
The Ford Foundation

[7] More information on the studies mentioned is available in the profiles provided in Appendix A.

elements include the role of the philanthropist, field practices, prerequisite content knowledge, processes, skills, and technology.

Approximately one-fifth of the FE studies identified could be described as targeting increased understanding of the nature of *nonprofit capacity building*. In particular, these studies are designed to gather information about the nature of organizations and are used to inform grantmaking strategies. Inquiry of this type is most often conducted using interviews; however, a variety of methods such as survey, case study, and document review are also used. In addition, most of these studies include representation from a cross-section of a large number of foundations. The majority of studies in this category tended more than others to emphasize the connection between the strategies (practices) and outcomes of philanthropy. Examples include:

- *Toward Ordinary Excellence*, a research study recently completed in March 2002 by The Brookings Institution involved interviews with 250 leading thinkers from philanthropy, academia, and consulting as well as 250 executive directors of some of the nation's most effective nonprofit organizations. This study explores the concept of high performance in terms of characteristics, practices, and challenges. Capacity building, leadership, and governance are cited as among the key mediating variables.
- *Organization Capacity Grants Initiative* is a project sponsored by The Peninsula Community Foundation, The Schwab Family Foundation, and The Sobrato Family Foundation. This CompassPoint project explores group-level learning among 16 nonprofit organizations and their foundation partners in an attempt to study and improve the effectiveness of nonprofits and grantmaking practice.
- *Philanthropic Capacity Building Resources* is a project conducted by the Human Interaction Research Institute. This information infrastructure effort is developing a national database of capacity building programs funded and/or operated by American foundations. This work is sponsored by a multi-foundation consortium including The John S. and James L. Knight Foundation, The Meyer Foundation, The Bruner Foundation, and The Ewing Marion Kaufmann Foundation.

Organizational capacity is the strength of an organization to achieve whatever its mission is. And that applies equally whether one is talking about a funder or about a nonprofit organization…A lot of what contributes to the effectiveness of the funder is in providing good capacity building for the nonprofits it funds.

Thomas E. Backer, President
Human Interaction Research Institute

Table 2. Examples of FE Learning and Research Efforts.

	Dialogue and Learning Resources	Exploratory Studies	Focused Studies
Grantmaking Practice Building	*Foundation Initiative* —The Aspen Institute *Community Foundation Technology Roadmap*—Community Foundations of America *ImpactMgr*— Community Foundations of America *Learning Circles Project*—Innovation Network *Knowledge Management Initiative*—Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership *Tools and Skill Inventory*—The Ford Foundation *Evaluation and Organizational Learning in Foundations*—University of Pittsburgh *Evaluation Roundtable*—Patrizi Associates	*Performance Metrics Study*—The Center for Effective Philanthropy *Generations of Giving Study*—National Center for Family Philanthropy *Knowledge, Attitudes, and Practices in Effective Philanthropy*—The Urban Institute *Foundations and Public Policymaking*—Center on Philanthropy and Public Policy *Rethinking Foundation/Nonprofit Relations*—The Hauser Center for Nonprofit Organizations *Grantcraft Project*—The Ford Foundation *Improving the Practices of Philanthropy*—Patrizi Associates	*Customer Feedback Project*—The James Irvine Foundation *The Role of Partnership in Community Change*—Human Interaction Research Institute *Social Venture Partners Evaluation*—Blueprint Research & Design, Inc. *Structures Project*— The Hauser Center for Nonprofit Organizations *Economic Divide Initiative*— Blueprint Research & Design, Inc. *Trustee Compensation Project*— Center for the Study of Voluntary Organizations and Service *Strategic Giving*—John F. Kennedy School of Government *Portrait of American Family Philanthropy*— National Center for Family Philanthropy
Grantee Capacity Building	*Capacity Building Database*—Human Interaction Research Institute *Study of Capacity Building Initiatives*—The Brookings Institution	*Strengthening Nonprofits*— The Brookings Institution *Toward Ordinary Excellence*—The Brookings Institution *Environmental Support Center*—Innovation Network	*Organization Capacity Grants Initiative*—CompassPoint
Field Building	*Marco Polo Project*—Millennium Communications Group *International Network on Strategic Philanthropy*—The Hauser Center for Nonprofit Organizations *Waldemar Nielsen Lecture Series*—Center for the Study of Voluntary Organizations and Service, Georgetown University	*Leadership for a New Philanthropy Study*— National Center for Family Philanthropy *Innovation in Context*—Human Interaction Research Institute *Raising the Value of Philanthropy*—Strategic Consulting Services *Organizational Effectiveness and Philanthropy Program*—The David and Lucile Packard Foundation	

Note: More detailed information including funding sponsors/partners, contact information, and additional links are available in the profiles in Appendix A.

Approximately one-fifth of the efforts identified by the FE scan could be described as *field building*. The examples in this category tended to be fairly broad and diffuse with the intent of promoting FE by encouraging investment, exploration and opportunities to convene for reflection and conversation about a common FE learning and research agenda.[8] Most of these studies tended to examine a large number of variables descriptive of philanthropic practice.

- *The Organizational Effectiveness and Philanthropy Program* of The David and Lucile Packard Foundation pursues grantmaking directed toward enhancing the effectiveness of foundation grantees, building the field of nonprofit management, and fostering more effective philanthropy. In particular, the Fostering Effective Philanthropy program has 31 currently funded projects that include the exploration and evaluation/testing of new concepts in organization effectiveness including FE targeted research.
- *The Foundation Initiative* is one of the projects sponsored by The David and Lucile Packard Foundation's Fostering Effective Philanthropy Program. This project has established a fund for nonprofit research through the Aspen Institute to explore how foundations change internal operations to be more effective and the ways in which foundations support change in society. Additional support is provided by The Charles Stewart Mott Foundation to focus specifically on community foundations.
- *International Network on Strategic Philanthropy* is a project being conducted by the Hauser Center for Nonprofit Organizations at Harvard University. It is designed to identify benchmarks and promote standards grounded in foundation organization and management. This work is sponsored by an international multi-foundation consortium which includes: The Atlantic Philanthropies, The Bertelsmann Foundation, The Charles Stewart Mott Foundation, Compagnia di San Paolo, The German Marshall Foundation of the US, King Baudouin Foundation, and The Ford Foundation.

[8] More information on the studies mentioned is available in the profiles provided in Appendix A.

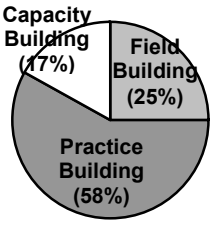

Figure 3. Types of Emphasis Reflected by FE Effort (*n*=36).

This is what building the field is. It's knowing when things don't work and working to improve it and working to know more.

Patti Patrizi
Consultant
Patrizi Associates

In order for philanthropy to gain access to the types of technologies needed to enhance our effectiveness, we will have to create new habits of co-investing with one another, using strategies widely practiced in the for-profit sector. Because it is clear that individual foundations don't have the money, time, resources, and skills needed to address these issues on their own. And we can't just sit by the wayside and make do with the resources we have.

Carla Dearing
President and CEO
Community Foundations of America

Funders don't want to tell funders what to do.

Lucy Bernholz, Founder and Director
Blueprint Research & Design, Inc.

So far, more description than definition. It seems that much of this early FE learning and research effort is descriptive and exploratory, focused primarily on inquiry into the practice of philanthropy. The intent is to capture and aggregate information about practice which contrasts the emphasis described previously relative to the emerging field definition of FE.

Although all of our respondents indicated that FE is about the contribution of funders and grantees to accountability and results, efforts to investigate FE are almost all focused on foundation operations and grantmaking practice. To truly investigate effectiveness, the connection between actions (practice) and results (outcomes) needs to be more closely examined. The tough question is: "Did we do the right thing?" not "Was it done expediently or cost effectively?" If we return to consensus from the interviews, the bottom line is FE should connect to the return on philanthropic investment (RPI). See Figure 4 below.

A Map of Current FE Learning and Research Activity

I think the key questions are: What is good work and are we investing in good work?

Marcia Sharp, Principal
Millennium Communications Group, Inc.

To facilitate interpretation and discussion of our findings we constructed a simple logic model that "maps" the relationships and relative emphases among the types of FE learning and research activities identified by our scan.

FE serves foundations and the field. Field-wide commissioned studies in general tend to be less directed toward RPI than their counterparts in internal studies sponsored by individual foundations. The emphasis tends to be more on the relationship between strategy and results. In those few studies that did address elements of RPI, grantee capacity building was the most frequent outcome examined.[9] Clearly, foundations are looking both inward and outward, investing in specific focused studies pertinent to their own

[9] RPI may be included in more of the extant and emergent FE work than is illustrated here since the figures and narrative focus on those areas were most emphasized by our respondents in our conversations. Many of the studies and other efforts underway are still in development—follow-up will be needed to adjust and refine the map as the work evolves. This study was a scan to survey the surface of the landscape (topography) and determine where the work was being done. It is not meant as an exhaustive review of all of the work, just the work the people we interviewed were either directly involved in or were indirectly aware of.

grant portfolio, and investing in studies with the intent of informing the field at large.

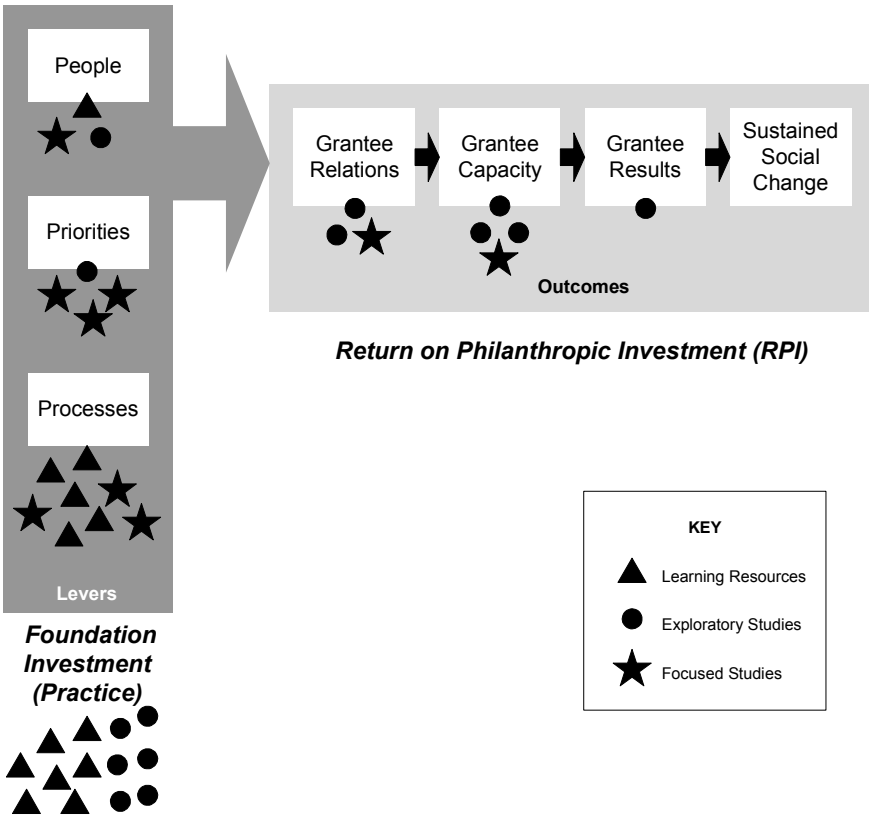

Figure 4. Systems Map of Current FE Learning and Research (*n*=36).[10]

Gaps and Challenges. The FE work we identified is mainly focused on understanding and improving the practice of philanthropy (efficiency) through increased transparency, reflection, and conversation. There is intense interest in this aspect of the FE learning and research agenda. Efforts to connect practice to results (effectiveness) and to improve the outcomes of philanthropy are moving more cautiously, however. Of all the organizational learning tools available to support the sector in its desire to capture and apply learning around FE, evaluation is by far the most frequently mentioned—with performance management, systems

It is so important that we just don't look at the performance of grantees, we also need to look at the foundation, and we need to walk the talk. I don't think we need to do so much convincing now, I think that now foundations are looking for help around how to assess their own effectiveness.

Marty Campbell
Director of Evaluation
The James Irvine Foundation

Why don't the boards make more demands of foundations? They do of their own enterprises.

Marcia Sharpe
Principal
Millennium Communications Group, Inc.

[10] In all, 36 studies were identified by our FE scan. Each of the symbols on the "map" refers to a single study. The set of symbols outside the map reflect general exploratory studies that are in the early planning phases such that the specific components, as represented on the map, have yet to be described.

thinking, and knowledge management barely on the horizon. In addition, competence, culture, and context are yet to emerge to any great degree to influence program design and its relationship to FE. In particular, the roles and responsibilities of foundation boards and executive leadership relative to FE have not yet emerged—these responsibilities currently lie with program staff and grantees. Several of the FE efforts identified by the scan respond to an expressed need for instrumentation, tools, and processes to support further exploration and assessment across the sector.

I think one thing funders are doing but need to do more of, is collecting and aggregating performance standards… what kinds of results people are able to bring about over time, with what strategies, and so on…this is something that is hard and expensive to do.

Mike Allison, Director
Consulting and Research
CompassPoint

Perhaps the greatest challenge is that many across the sector believe that it is not possible to investigate the connection between actions and results in aggregate across philanthropy at large. This hesitation may partly explain why so few of the early FE efforts we identified in the scan are focused on results.

Common Themes. Those we spoke with agreed that to further our understanding of FE, it will become increasingly important to measure the right stuff with the right tools. However, for the most part, our respondents indicated that these tools currently are institution-specific and not widely available. In addition, they agree that infrastructure across the sector will need to be built to support the communication, sharing, reflection, and conversation required to apply knowledge of FE as it evolves. There is also consensus that FE is more than just the purview of the foundation in isolation. There is firm belief in the value of co-creation, and in the development of individual, organizational, and field relationships. Many respondents refer to FE in terms of the systemic relationship that exists between stakeholder audiences.

The way that foundations typically organize and go about their work can present significant challenges to effectiveness—structural and cultural issues that are embedded in the way foundations are situated, their knowledge economy, and the way they do grantmaking….The interest in becoming effective largely rests as the option of the individual organization, there is little external leverage on this class of organizations to do so.

William Bickel, Senior Scientist
Learning Research & Development Center
University of Pittsburgh

Creative Tensions. There is evidence of creative tension[11] across the sector with respect to the emerging FE learning and research agenda. These tensions ebb and flow across our conversations regarding the various FE work identified

[11] Peter Senge (1990), noted author of *The Fifth Discipline: The Art and Science of the Learning Organization*, defines the term as follows: "The juxtaposition of vision (what we want) and a clear picture of current reality (where we are relative to what we want) generates what we call *creative tension*: a force to bring them together, caused by the natural tendency of tension to seek resolution…Learning in this context does not mean acquiring more information, but expanding on the ability to produce the results we truly want in life" (p. 142).

by the scan. First, the tension between investment in exploration of FE in terms of operations (efficiency) vs. program results (effectiveness). There is variance across the field in how investments are made relative to initiatives or grants, private organizations or public purposes, and also in the degree of grantee autonomy that may influence how data on results may be aggregated.

Second, is the tension between the foundation's private nature and public scrutiny. Roughly half of the studies identified are sponsored to increase the transparency of philanthropic practice, yet very few make explicit connections to results regardless of whether they are field-focused or institution-specific. Movement toward consortia of funders and aggregate data across the sector may illuminate concerns that traditionally have been tightly guarded by individual foundations. In short, tensions do abound in the philanthropic sector as it evolves. But it is through this very process of challenging assumptions and courting theories of change that it may be vaulted to new levels of effectiveness.

I think the most important challenge is one of changing the incentive system, both for funders and for the nonprofits they support…with a focus on effectiveness….The incentive structure needs to change if you really want to get an increase in serious attention to the issues of effectiveness…you need to pay attention to human dynamics if you want to motivate change.

Thomas E. Backer, President
Human Interaction Research Institute

II. Making Sense: Advancing the Concept of Agile Philanthropy

Overall, the findings from the FE Research Scan reveal that both the definitions and investigative approaches vary at this early juncture. Efforts to understand philanthropic practice, or *investment* (what it takes to do the work of philanthropy), to date have focused primarily at the level of the individual foundation. However, we found substantial evidence that many foundations are now exploring the possibilities, as well as supporting innovative projects, aimed at moving toward common definition and measurement of practice at the field level. The ways and extent to which results are emphasized and framed as *return on philanthropic investment* also differ. Here the main challenge to moving further toward inquiry at the field level identified by our respondents was the widely-held perception of the unique, contextual nature of the programming niche that bounds the work of each foundation.

When I think about effectiveness, I think primarily about strategy. Is there deliberateness, intentionality, clarity about vision and values? And then is there alignment between all that and actual practice?

Doug Easterling, Director
Division for Community-based Evaluation
University of North Carolina, Greensboro

In stepping back from our data to engage in deeper inquiry and reflection three very clear thematic patterns began to emerge from our analysis and subsequent interpretation. The first theme was that although the particular aspects of FE (practice and results) emphasized by our respondents tended to vary, there was evidence of a set of distinct categories that could be used to harmonize and construct a general model or framework for how the field currently envisions FE. The second theme was that we discovered that diversity of approach and opinion is a tremendous strength when attempting to build support for a FE research and learning agenda at the field level–variation contributes to increased agility. The third theme was that there was evidence of a set of preconditions already on the rise that most of our respondents identified as crucial in moving the FE learning and research agenda forward.

A Possible Conceptual Framework for Foundation Effectiveness

Our findings indicated that there is a strong connection, but as yet barely understood at the level of the individual foundation, between the practice of grantmaking and the results achieved. We saw evidence of this both in the ways in which our respondents talked about FE during the interviews, as well as in the “map” of research activities

currently underway. Drawing upon these data we attempt to construct a possible field-wide general model for framing the concepts central to a learning and research agenda for FE. In light of a simple model such as this, many of the questions and tensions that emerged from the interviews begin to be resolved (see Figure 5 below).

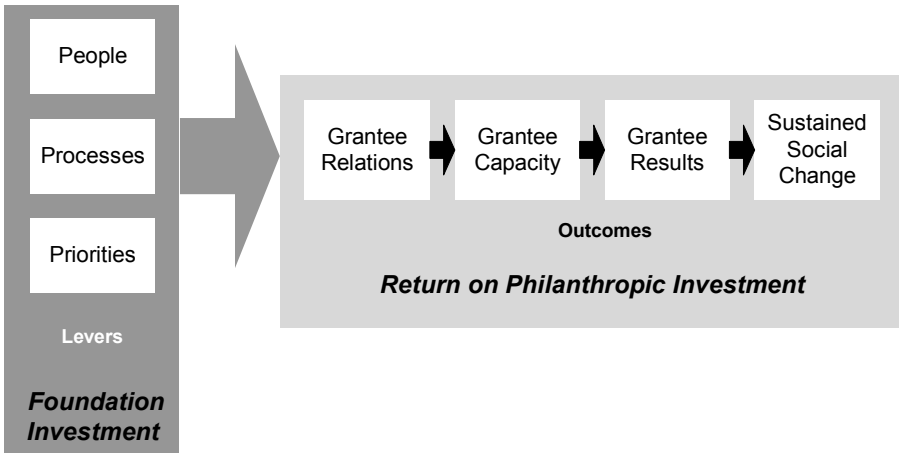

Figure 5. One Possible Model of Foundation Effectiveness.

Those we spoke with clearly envisioned foundation investment (philanthropic practice) as being comprised of three main components that contribute to the outcomes sought by philanthropy. *People*, as a concept would include aspects of leadership, staffing, and competencies relative to organizational culture. *Processes*, would reflect the organizational structure in terms of the programming activities and support services deployed by grantmakers. *Priorities*, then represents the organizational strategies emphasized by grantmakers to define, manage, and refine their efforts in a given programming niche. Together, this set of inputs could be thought of as the levers foundations have at their disposal to direct and target their investment toward desired ends.

Similarly, our respondents described the outcomes of philanthropy in terms of a logical sequence or continuum moving from the nature of grantee/grantor relationships and responsiveness, to grantee capacity, to grantee results, and beyond to include contribution to sustainable social change. Regardless of where on this continuum our respondents placed most emphasis to describe the value and worth of

In order to track and articulate their effectiveness, community foundations have to go to a more granular level, breaking data about grantee performance intro manageable chunks that can be tracked and analyzed. Only by doing so will they be able to tell stories of community impact, and have the data needed to back up those claims.

Carla Dearing
President and CEO
Community Foundations of America

their efforts, the outcomes sought by philanthropy were expressed as a *Return on Philanthropic Investment* (RPI).

Although this is just one of the myriad of models or frameworks that one could construct from our data, it is a plausible one that distills performance concepts and relationships supported by the business (Allee, 1997; Davenport & Prusak, 1998; O'Dell & Grayson, 1998) and nonprofit literature about Organizational Effectiveness (WKKF, 2000; Brown & Garig, 1997; Heuer, 1999, Light, 1998; Letts, Ryan, & Grossman, 1999; Praeger, 1999). The model we propose is one that could serve as a starting point to initiate and inform further conversation as well as promote movement toward field coherence and consensus around the concept of FE. This simple model could be used to describe as well as investigate the connection between actions and results for a single grant, an initiative comprised of multiple grants, a single program area within a given foundation, an entire foundation portfolio, and/or a group of allied foundations with common interests.

Building on this simple model we can anticipate, given existing organizational learning literature, the essential elements in this hypothetical FE "equation" are the notions of interdependence and shared responsibility. Having the organizational learning tools in place (such as evaluation, systems thinking, and knowledge management) to encourage feedback and information exchange within and between the foundation and the grantee can also be anticipated. Our respondents clearly resonated with the notions of interdependence and shared responsibility between the foundation and its grantees. However, the gaps and challenges that surfaced from analysis of our data indicate that information structures and the widespread use of related organizational learning tools are not yet at the forefront of thinking across the field of philanthropy. Figure 6 below illustrates a more comprehensive model for FE that illustrates how the field might, prospectively, frame a FE learning and research agenda.

We assert that the evidence (combining what was and was not emphasized as pertinent to FE) distilled from our interviews suggests an elegant "both/and" operational model which synthesizes divergent FE definitions and delineates the beginnings of coherence for a learning and research agenda. The model proposes there are not two distinct,

competing approaches to FE (i.e., reflective examination and description of practice at the field level vs. program specific outcome-oriented research conducted by individual foundations), but a continuum of approaches that evolved over time and varied according to circumstances; from single project/grantee to a group of projects addressing a specific issue to an entire goal or program area, and finally on to an enterprise or field-level view. The numbered items reflect inquiry relevant to the research scan.

Variation and Diversity Strengthen Organizational Learning Capacity

The ability of a foundation to know when, where, why, and, most importantly, under what conditions to apply its hard-won *lessons learned* is another aspect of agility. This same concept of agility can be applied across the philanthropic sector as a whole where it can be defined as the ability to assemble scenarios from a large number of foundations, and identify the convergence and divergence among them to create a stronger learning environment.[12] These notions of *agility* are based on a multitude of lessons and are supported by current brain research which tells us that the more shades of grey in our scenarios or "vectors" in which we see and build the connection between actions and results, the deeper and more enduring our learning experience becomes as well as increasing the likelihood of movement forward into application and continuously improving performance (Churchland, 1995; Kosko, 1993; Leake, 1996; Ringland, 1998; Schwartz, 1996; Van der Heiden, 1996).

[Much of the information available about the practice of philanthropy] is all fairly homogenized but there is so much happening in philanthropy today that in fact, is different, builds on, and improves on some of what we see in mainstream philanthropy…We think that foundations would be a lot more effective if they were more open and committed to the integration of the differences and richness among us [youth, women, people of color, social entrepreneurs, and corporate social innovators] into how they organize, operate, and so on.

Robert Long
Vice President Program
W.K. Kellogg Foundation

[12] Here though when aggregating from across a large number of scenarios (meta-analysis) for the purpose of informing field-based learning and improvement, honoring institutional specificity is less important than capturing the conditions for variation. Results may be reduced for example to "worked as intended" or "did not work as intended" and actions may be reduced to a simple "yes" or "no" across a variety of domains.

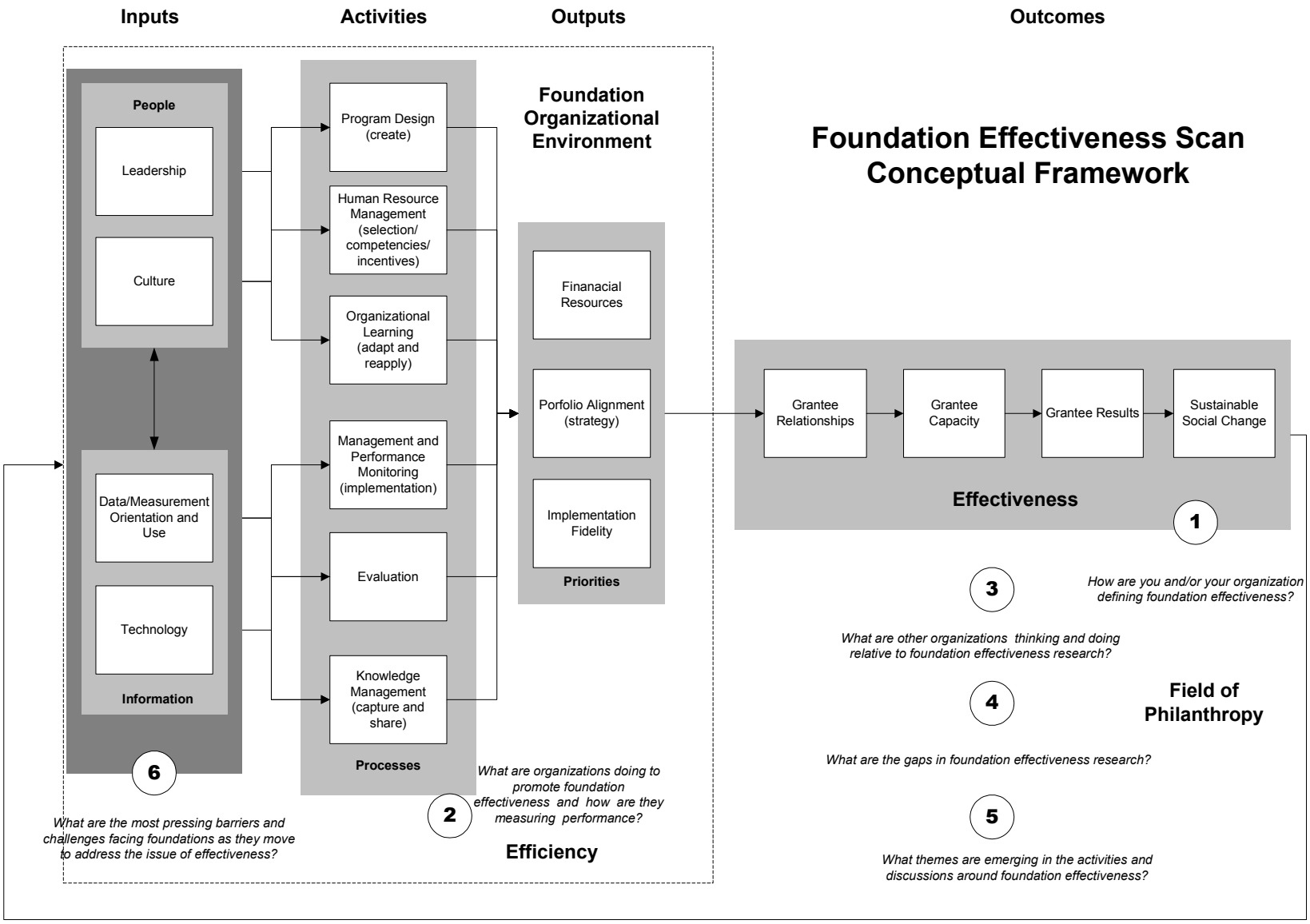
Inputs
Activities
Outputs
Outcomes
Foundation Effectiveness Scan
Conceptual Framework
People
Leadership
Culture
Data/Measurement Orientation and Use
Technology
Information
Program Design (create)
Human Resource Management (selection/ competencies/ incentives)
Organizational Learning (adapt and reapply)
Management and Performance Monitoring (implementation)
Evaluation
Knowledge Management (capture and share)
Processes
Foundation Organizational Environment
Finanacial Resources
Porfolio Alignment (strategy)
Implementation Fidelity
Priorities
Grantee Relationships
Grantee Capacity
Grantee Results
Sustainable Social Change
Effectiveness
1
3
How are you and/or your organization defining foundation effectiveness?
What are other organizations thinking and doing relative to foundation effectiveness research?
4
Field of Philanthropy
What are the gaps in foundation effectiveness research?
5
What themes are emerging in the activities and discussions around foundation effectiveness?
6
What are the most pressing barriers and challenges facing foundations as they move to address the issue of effectiveness?
2
What are organizations doing to promote foundation effectiveness and how are they measuring performance?
Efficiency

Figure 6.

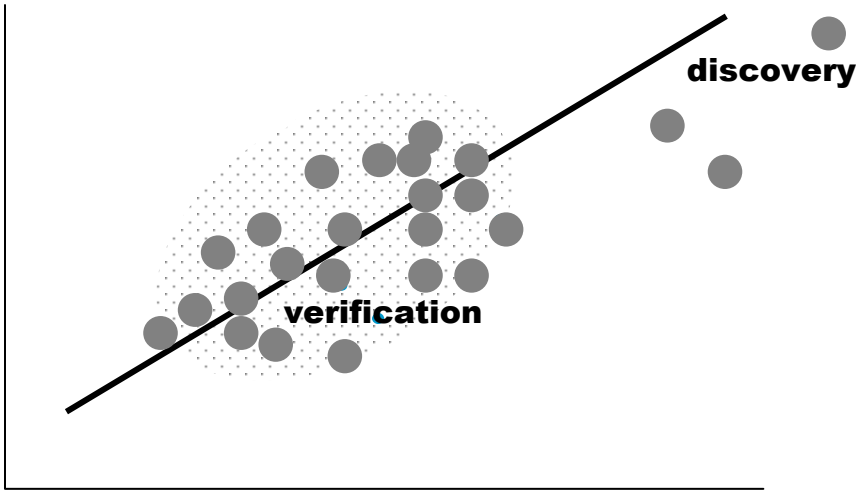

Figure 7. The Value of Unique Cases to Discovery

Note: The concept of the unique case and its contribution to discovery is drawn from the work of Robert Stake (1978). .

The graph presented in Figure 7 above illustrates why there is value in a diversity of approaches. When all experiences or cases are "average" their strength from a learning perspective is to characterize and/or verify a representative situation. The value in a diversity of experiences from a learning perspective is that the wider the range of possibilities understood, the more likely the learner is to be agile enough to be able to adapt what is known to shape the unknown under a wider variety and range of conditions.

The unique experiences of each foundation (outliers and variation in a regression model), often thought to present formidable barriers to field-based learning only present challenges to describing the average scenario. These wide-ranging experiences are, however, essential if the field is to engage in *discovery* directed at developing an understanding of FE that holds under the systemic conditions as diverse as the whole of philanthropy. Thus, rather than being a barrier, the *strength* of the emerging FE research agenda is precisely in its diversity across a landscape of complex and multivariate scenarios. In this light, we can begin to appreciate the value of an innovation and learning approach to the exploration of FE compared to the more prescriptive traditional research model that has limited learning opportunities for building the field (see Figure 8 below).

I think most [barriers] recede if you look more at what is good work and the question of–are we investing in good work? It becomes a simpler, less political…equation.

Patti Patrizi
Consultant
Patrizi Associates

	uniformity (μ)	variety (σ^2)
	Replication and Confirmation	**Innovation and Learning**
attribution	Single model, centrally designed, implemented at different sites.	Multiple models, designed by different sites according to local situation (needs/resources).
attribution	Specifics of the model are known, pre-tested, and fixed.	Developmental models, "cutting-edge," and evolving models.
attribution	Limited number of narrowly defined goals, common dependent variables.	Multiple possible goals, broadly defined, not all outcomes specified in advance.
attribution	Good framework for testing hypotheses, causal linkages, and generalizability.	Good framework for examining assumptions, and operationalizing new approach.
attribution	Top-down management and evaluation.	Autonomous, locally driven project management- dual level evaluation.
	prove	**improve**

contribution

Figure 8. The Value of Variation to Research Fostering Organizational Learning.

Glimmers of the Preconditions Already on the Horizon

Many of the findings gathered through interviews are highlighted here, but each has numerous subtexts which represents a kind of philanthropic *terra incognita* or glimmers of the preconditions for advancing a learning and research agenda for FE waiting to be explored. There are preconditions for establishing a learning and research agenda for FE that can successfully contribute to building the field implied by the scan findings. We suggest approaches for building on the good work already begun in resolving some of the challenges to a coherent FE learning and research agenda identified by the field. And, we offer a few concluding remarks in the hopes of advocating for a learning and research agenda for FE that can improve the practice of philanthropy beyond that of individual foundations in isolation.

*Field-Building and FE***.** There is an apparent general consensus about philanthropy as a "field" or "an area of specialized practice encompassing specific activities carried out by trained practitioners in particular settings." Contemporary conversation about philanthropy seems to take place under an umbrella of field-building and the

requisite elements of a field which contribute to practice. What most foundation staff know about field-building generalizes and applies to philanthropy, too. It is important to share common language, prepare practitioners and ensure professional development, cite and employ practice standards, use a shared means of communication/ information exchange, and present credible assurance of accountability to critical stakeholders. A field's work (practice) and information about it (knowledge) are the two gross domains which garner attention under the broad and deep topic of Foundation Effectiveness.

If we view information as common property, we enhance cooperation over competition. We build and maintain trust and provide a big picture perspective from many individuals.

William Bickel, Senior Scientist
Learning Research & Development Center
University of Pittsburgh

Interest in Common Measures. A scorecard for philanthropy regarding field maturation should recognize the Council of Foundations, INDEPENDENT SECTOR, and many others that have provided important infrastructure for collaboration among members and related allies. Their regular meetings, state affiliates, regional associations, and affinity groups comprise important structural support for the field. These networks can and will provide critical distribution channels for practice and knowledge as they are codified and become increasingly sophisticated. Moreover, the field as leadership among committed stakeholders (at a time of explosive growth in foundations), ready access to resources, and initial efforts in applied research essential to the field.

A key piece of effectiveness is to redefine the skill sets of staff.

David Hunter, Director
Evaluation & Knowledge Development
The Edna McConnell Clark Foundation

Staffing and Information Status. The scan also suggests that there is concern about neglect of workforce issues, specifically in selection and development. While the Rockefeller Foundation Philanthropy Workshop and Ford Foundation's GrantCraft are early and important examples of efforts which affirm professional development is necessary and appropriate for grantmakers, the issues of staff selection, competencies, and performance review are rarely discussed and certainly not standardized.

The status of philanthropy information is another emerging issue. The field has neither a single venue for information exchange nor clear, known processes for collecting, analyzing, and disseminating about practice and other knowledge. This "data chaos" is one critical symptom of philanthropy's information systems deficit.

Even though some foundations are beginning to explore knowledge management systems, at the same time there is need for the field to establish its own strategic and tactical mechanisms. Practice standards which represent the most

effective strategies also demands definition and strengthening. These are obvious areas for continued attention and may be among top priorities for the field to consider.

Emergence of Evaluation as an Essential FE Function. The oft-used adage: "if you can measure it, you can manage it" is applicable to philanthropy, too. While foundations struggle to learn the best ways to measure, the right tools to use, and what items to measure–the critical issue is employing evaluation as a primary contributor to program investment design and re-design. While there are many issues associated with the proper implementation of evaluation, these issues should not prevent an evaluative stance toward data, knowledge, and practice norms. Calibrating or tinkering with the instrumentation in evaluation is a natural part of development. Evaluation design must improve so that gathered information can be converted to the knowledge which will in turn sharpen systemic performance capacity and competencies. The tool of evaluation has potential as a tremendous value-added lever in any foundation's operations particularly if included early in program design and used as a learning tool throughout implementation for all stakeholders. Our scan suggests that field leadership see evaluation as an essential element in a foundations' impact on results.

The knowledge we have is scattered, fugitive, and ephemeral. There is no easy way to get access to it or to use it.

Joel J. Orosz
Distinguished Professor of Philanthropic Studies
Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership
Grand Valley State University

Foundations are getting more restrictive in terms of access to knowledge… There is a huge knowledge base within the archives of all these foundations….There is no way to get at this information.

Paul Light
Senior Vice President
The Brookings Institution

Emergence of Grantees and Other Partners as Key FE Contributors. More and more thoughtful foundation staff are understanding grantees, vendors, and other resources (e.g., intermediaries) as belonging to the dynamic system of philanthropy. There is robust discussion about the relationship with grantees, their competencies and capacities, and their optimal roles. There is also an underlying tension about both selection and development of resources external to the foundation. What most of philanthropy recognizes is that whom a foundation allies with matters–and matters a lot. How the alliance is shaped matters, too. Some practitioners are willing to cede foundation "success" entirely to grantees and vendors. Creating and sustaining a high level of interdependence across organizational boundaries or in untried configurations, may demand new expertise in both strategy and implementation. Our scan makes it clear that there are many contributions to be made by resources outside the

Pick the right people. Give them the tools they need to do the work and build them up, don't evaluate too soon. Define your success as their success.

David Hunter, Director
Evaluation & Knowledge Development
The Edna McConnell Clark Foundation

foundation—and that the interdependence of the players has many dimensions and implications.

Power and Private Organizations with Public Purposes. The inevitable tension that permeates foundations is created by their unique character. Foundations are very often private organizations with public purposes. In addition, the ever-present power issues of foundations holding resources while others seek them are a confounding factor. As the scrutiny of performance intensifies and the means to garner better results continue to develop, the long-held norms which have created high fences between insiders and outsiders could be impediments to the field's overall maturation and learning. Some name elitism, arrogance and *hubris* as barriers to field development. We believe philanthropy can flourish if internal and external cultures will embrace learning.

It's a somewhat closed culture and somewhat exclusive…It's only exacerbated by the fact they have money and others are asking for it.

Virginia Hodgkinson, Director
Center for the Study of Voluntary Organizations & Service
Georgetown University

This suggests the need for a safe climate. Paul Light, author of *Sustaining Innovation* (1998) and former program director for The Pew Charitable Trusts, shared: "The issue with learning platforms of one kind or another is who wants to reveal their mistakes?" A complicating aspect of the philanthropic culture is its mystique, its envelopment in a sort of pervasive mist through which the general public and policymakers try to make sense of foundation behavior. This mist acts as both an attractor and disabler. Denis Prager, a well-known author and foundation consultant, recently said, "Philanthropy is kind of an unknown secret enterprise to most people. They don't quite understand it…So they're intrigued by it, but they don't want to sit and read factual work about philanthropy. They want to read gossip about it."

I think there is a desire to create a framework…that would be very helpful because as you know we are all talking about something completely different.... Funder effectiveness means something completely different for everyone that says it. So getting some greater clarity about what we mean by that without getting overly compulsive about it would be a good idea.

Jan Jaffe, Senior Director
The Ford Foundation

A desire for the common language of a clearly defined field; concern over how information is gathered, its completeness, and accessibility; evaluation as a powerful tool; the growing acknowledgement of external resources as part of the philanthropy; and coming to terms with the unique tensions of the field profile our interpretation of the current landscape. A nascent blueprint for advancing FE is offered in the next section as contribution to the important agenda grantmakers and others could create.

III. Proposed Next Steps: Agile Philanthropy Under Construction

Many people say foundations should be more transparent, they should be more accountable. They should collaborate more. They should be strategic. They should add value. We don't know what's behind all that. We need clarity and better definitions.

Barbara Kibbe, Director
Organizational Effectiveness & Philanthropy
The David & Lucile Packard Foundation

Finally, we make a set of action oriented recommendations that we offer in the spirit of encouraging further movement toward the construction of a FE learning and research agenda which serves the field. These proposed next steps are built by applying what the business and nonprofit literature says about the central contribution of organizational learning to achieving improved performance relative to the strengths and limitations of current FE effort described by our scan.

Encourage the Creation, Sharing and Management of Knowledge

"If only we knew what we know," is a large part of a short and simplistic answer to the question: How do we improve Foundation Effectiveness? The application of knowledge management in a learning culture is the remedial response to the hidden treasure troves of information within foundations nationwide. As individual foundations wrestle with internal processes to mine information, the field is concurrently taking early steps to create, identify, and collect materials. Identifying incentives that encourage more and better efforts in this area is a timely, important, and strategic undertaking. Once information becomes knowledge–sharing it is essential.

Having a supportive executive and board is essential. If they aren't supportive, you can't push this work to the level necessary to add the greatest value to the organization…You need to strike partnerships with people who are genuinely interested in the value that this kind of work can add to their ability to pursue meaningful outcomes.

Lester Baxter
Planning and Evaluation Officer
The Pew Charitable Trusts

One might fairly, if not simplistically, define the scope of work before philanthropy as encouraging and fostering field learning as well as building the infrastructure for knowledge management. We know about how individuals, small groups, and institutions learn. We also have some case histories of how other fields have developed. This literature and experience has transfer value for philanthropy. We have assembled just one potential approach here and undoubtedly other approaches will emerge.

Encourage Dialogue and Collaborative Learning

Insiders see the knowledge base about practice as growing in substantial ways. Language to name standards and norms about how change happens is prospering. Systems to manage knowledge in some large foundations are improving.

Collaborative learning requires conditions which are inviting to others. Such conditions are in part created by encouraging powerful questions and addressing areas that have not received proper attention. Our analysis suggests the need to dive deeper and broader–beyond the descriptive and efficiency studies now underway. There needs to be more focused inquiry *about what approaches under what conditions will yield demonstrable and significant changes in social conditions.* More and better focused studies will produce a more robust understanding of practice.

It makes good sense for philanthropy to learn much more about its program staff–the people largely responsible for the front-line strategy and implementation of grants and initiatives representing foundations. For the most part, what foundations know about such people is captured in position descriptions. There is not any applied research that truly tries to build a profile or identify skills sets beyond the one nascent, exploratory study on the topic (Wyatt Knowlton, 2000). The Center for Effective Philanthropy's (2002) recent paper, *Toward a Common Language* (and other studies) indicate "a desire for more robust information…The field does not have a common conception of the skill set necessary" (p.12). While the Center's work suggests agreement about the quality of management and program staff as a direct influence on foundations' overall effectiveness, the current inventory reflects mostly descriptive information (e.g., compensation, diversity status). Creating profiles which can link skills and attributes to knowledge management and improving FE would be a significant step toward finding and cultivating such professionals.

Whether it's to pursue our agenda or simply to promote practice in a field, there is a third step, which is to be available to the world for all of those others who want to know about it and to learn from it. There is a growing movement among foundations…around being more responsible for what we have learned.

Robert Long
Vice President Program
W.K. Kellogg Foundation

Expand the Knowledge Network Horizontally

It requires the foundations to be open to…a closer examination of what is happening—which requires a willingness to admit failure, to show mistakes, and to be open to their examination of learning from them….It requires creating a climate of transparency and honesty…admitting that it is difficult to do but essential.

Robert Long
Vice President Program
W.K. Kellogg Foundation

There is tremendous potential for knowledge-building outside of the individual institution, and the structures to do it already exist in the many affinity groups associated with the Council on Foundations, INDEPENDENT SECTOR or in related organizations like the National Center for Family Philanthropy and the Association of Small Foundations. It is *what* these entities do and *how* they do it which projects the field's learning potential. This "horizontal" expansion of the knowledge base involves peers both inside foundations and outside foundations, a practice with which foundations are already familiar. Peer reviews of proposals, for example, have long been a foundation norm, and the tools and experiences to conduct those reviews continue to improve. Peers usually ask better questions because they are questions about the "right" strategy, and the "right" timing and the capacity for quality execution.

The literature suggests that learning is more than transference. Learning builds understanding in social, physical, and temporal settings. In this sense the affinity groups become knowledge networks for sharing interests, encouraging communication, and inciting face-to-face convenings.

These knowledge networks can be expanded by encouraging their development and by supporting the technologies that nourish them. Exciting efforts by field leaders to establish a locus of activity and resources like the Aspen Institute's Foundation Initiative Fund are critical examples of support which encourage discovery and application. Supporting technologies include document management, on-line access, databases, bulletin boards, print and e-journals, expert systems for decision-making and performance support, as well as new ways to reveal patterns of relationships in data. The interpretation of these technologies in the field-building ahead poses many options.

I think a learning organization is equivalent to an effective organization. Three of the most important attributes are inquisitiveness, humility, and non-judgmentalness…An organization with those traits is a place where people feel it is okay to just hang out and explore things, and a place where people listen to one another. That kind of culture can only exist if it is promoted from the top of the organization.

Doug Easterling, Director
Division for Community-based Evaluation
University of North Carolina, Greensboro

Encourage a Safe Learning Climate and Foster Transparency

Philanthropy's own culture may be the most stubborn obstacle to advancing Foundation Effectiveness, but engineering safe places for learning and sharing is essential to both organization development and field maturation. Allee (1997) suggests grappling with key assumptions and beliefs

for knowledge and learning to emerge as priorities is necessary because hoarding information (and knowledge) is an old and deeply ingrained habit. Challenging old habits both inside and outside philanthropy can bring risk. An important action would be to explore ways in which information can be contributed in ways that assure confidentiality and extracted with specificity of purpose. As safe learning climates inside foundations become more common, it's likely to be evident in the field, too.

This transparency within the philanthropic sector is probably inevitable. Such trends often make their appearance first in the private sector, and transparency is a wave just cresting there. Barbara Kibbe, Director for Organizational Effectiveness and Philanthropy at the David and Lucile Packard Foundation, urges foundations to meet the same expectations as they have for their partners.

One example of recent public disclosure is the Robert Wood Johnson Foundation's on-line library of Grant Results Reports which shares grant evaluation information.

Conclusion

Recognizing the external and internal pressure for increased responsiveness and accountability, the conversation in philanthropy is abuzz about the best leverage points to improve foundation performance. These are exciting signs of both potency and maturation as grantmakers look in their own mirrors and recognize areas which need codification, adaptation, and incremental improvement to affect program-level and organizational outcomes. The synergy of shared data has the potential to help grantmakers make the big changes faster. If the field tends its own garden and intentionally shares knowledge about practice, collectively it can "leap-frog" innovation of practice while individual foundations may more likely continue their management through modest, organic processes.

Despite increasing scrutiny, the incentives and pace for change to occur in philanthropic practice is largely shielded from the influence of external factors. The new conversations and applied research appear driven by foundation staff (and consultants) with high expectations, a keen sense of stewardship and deep internal motivation about responsibility and accountability in performance.

We ask grantees to evaluate, assess, and align. We ask them to show us their books and all the rest. Are we willing to have the same standards applied to ourselves?

Barbara Kibbe, Director
Organizational Effectiveness & Philanthropy
The David & Lucile Packard Foundation

Part of the challenge is to whom and how are foundations accountable?

Christine Letts, Associate Director
Hauser Center
Harvard University

Together [we] could really accelerate this effectiveness drive if people recognized the imperative for co-investment and the extent to which *business as usual* won't fly. That's the marketing challenge…we need for people to see there is a problem… and start to create some buzz.

Carla Dearing
President and CEO
Community Foundations of America

We've been working on problems for decades now…and [we] have a sense that maybe the grants aren't summing up….I mean there seems to be some soul searching on the part of philanthropy right now…that shows the desire to learn….Most grantmakers really want to do better.

Paul Light
Senior Vice President
The Brookings institution

It is important for a wider audience of foundation staff and trustees to notice what Grantmakers for Effective Organizations (GEO) has identified already—Foundation Effectiveness is *not* another bandwagon—it's the stage. It is the whole theatre of philanthropy. Clearly articulating the agenda and investment rationale in Foundation Effectiveness is necessary to catalyze community in the field and to preempt the pressures from the propositions for external regulation and public accountability.

Approaching the problems of Foundation Effectiveness systematically is the new work of philanthropic leadership as they persistently and incrementally employ a learning cycle of planning, doing, reflecting, adapting together with the knowledge and insight of past practice and experience. Practitioners and key influentials are starting to "see" this work. Organizing it with some internal coherence, the right sequence, and sufficient resources are the next steps in creating and supporting a contemporary brand of "agile philanthropy," one which builds the adaptive capacity foundations both need and expect of their allies—and themselves.

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Inventory of Foundation Effectiveness Research Activities

Summary Profiles

Appendix A

Foundation Effectiveness Research Activities

Summary Profiles

In June 2002, updated information was gathered to supplement interviews completed earlier in the year. Representatives of the Nonprofit Academic Centers Council, nonprofit organizations, foundations, and individuals associated with and in philanthropy provided information to summarize contemporary (recent and on-going) applied research in Foundation Effectiveness. The profiles presented here share what was learned from the *Foundation Effectiveness Research Scan*.

The reference "foundation effectiveness" and/or "funder effectiveness" was not predetermined. The terms were used interchangeably and defined by the participants themselves and includes a broad continuum of factors and perspectives. The following materials provide, in brief, a snapshot of what's happening across the field of philanthropy relative to Foundation Effectiveness—by whom, its status, related publications and primary sponsoring foundations.

These summary profiles are not exhaustive or necessarily entirely inclusive of current activity in philanthropy and the nonprofit sector. Please note these profiles are intended as an accurate representation of current Foundation Effectiveness-related activities specifically mentioned during the interview process. The profiles have been reviewed and approved by the contact person identified, however any errors or omissions remaining are unintended.

Nonprofit Resources

Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA)

Contact:	Kathy Finley, Director
Address:	550 West North Street, Suite 301 Indianapolis, IN 46202-3162
Phone:	317.684.2120
Fax:	317.684.2128
E-Mail:	NA
URL:	http://www.arnova.org

Project(s): The Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) is an international, interdisciplinary membership organization. Their members include scholars and nonprofit leaders fostering the creation, application and dissemination of research on voluntary action, nonprofit organizations, philanthropy and civil society. Although this organization neither conducts nor sponsors Foundation Effectiveness research they are actively engaged in efforts to monitor performance and assess their Organizational Effectiveness—as measured by indicators such as membership growth and satisfaction. This organization publishes a journal,

Nonprofit and Voluntary Sector Quarterly, sponsors a listserv, and holds an annual conference (searchable access to conference session abstracts are available on-line) that provide the field with a variety of avenues for the dissemination of Foundation Effectiveness research.

Funder(s): NA

Status: NA

Publications: NA

The Aspen Institute – Nonprofit Sector Research Fund

Contact: Alan Abramson, Director
Address: One Dupont Circle, NW
Suite 700, Washington, D.C. 20036-1133
Phone: 202.736.5829
Fax: 202.293.0525
E-Mail: abramson@aspeninstitute.org
URL: http://www.nonprofitresearch.org

Project(s): *Foundation Initiative*
The Nonprofit Sector Research Fund (NSRF) will support research and dialogue to expand understanding of U.S. foundations. A new advisory committee is guiding the Fund's work on foundations. The committee's initial interest is in work on: foundation leadership, foundation strategies, and foundation impact. Resources from the Charles Stewart Mott Foundation will support work specifically on community foundations. Guidelines for participating in the Fund's foundation and community foundation initiatives will be posted on the Fund's website in Summer 2002.

Funder(s): The David and Lucile Packard Foundation and The Charles Stewart Mott Foundation.

Status: In development.

Publications: NA

Other: Guidelines for the Foundation Initiative Fund are in development now and will be posted on the NSRF website when completed.

The Center for Effective Philanthropy

Contact: Phil Buchanan, Executive Director
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Boston, MA 02116
Phone: 617.956.0800
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E-Mail: philb@effectivephilanthropy.com
URL: http://www.effectivephilanthropy.com/

Project(s): *Foundation Performance Metrics Pilot Study*
The Pilot Study is a preliminary step toward developing tools for foundation executives and trustees to assess the overall effectiveness of their foundations. The study objectives are to gather sufficient data and analysis to advance the state of knowledge, stimulate informed debate, and demonstrate the potential of performance measures. Methods include structured interviews and document review of financial and other foundation data.

Funder(s): The Atlantic Philanthropies, The David and Lucile Packard Foundation, and The Surdna Foundation. In addition, The Ewing Marion Kauffman Foundation has provided general operating support for CEP.

Status: Data gathering activities are complete. Analysis and final report draft in development.

Publications: See website for briefing paper, *Toward a Common Language* as well as a bulletin providing status.

Other: Mark Kramer and Michael Porter are affiliated with CEP.

Community Foundations of America

Contact: Ms. Carla Dearing, President and CEO
Address: 462 S. Fourth Avenue, Suite 405
Louisville, KY 40202
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E-Mail: cdearing@cfamerica.org
URL: http://www.cfamerica.org/page55.cfm

Project(s): Community Foundations of America was developed by community foundation leaders to provide the tools and environment they need to excel in the current competitive environment. As a recent grantee of the Packard Foundation's Organization Effectiveness program, Community Foundations of America has efforts currently underway to define and promote Foundation Effectiveness. Two examples include:

Community Foundation Technology Roadmap: Working with other partners in the field, CFA has been able to define the comprehensive functional requirements needed for a competitive community foundation infrastructure and management information system. The Roadmap enables community foundations to 1) Talk intelligently about shared technological needs; 2) Individually assess technology readiness and capacity; 3) Individually plan for the future; 4) Co-invest in needed technology enhancements.

A description and timeline for this effort are available on-line: http://www.cfamerica.org/page2897.cfm

ImpactMgr: CFA is developing ImpactMgr, a suite of tools that will increase the ability of community foundations and their donors to more effectively allocate resources. Implicit in this goal is also the desire to improve the ability of nonprofit organizations to track and increase their own effectiveness. Project partners include an evaluation team consisting of representatives from numerous community foundations, B2P Commerce Corporation, and Microsoft Corporation.

A description and timeline for this effort are available on-line: [http://www.cfamerica/page1576.cfm].

Funder(s): The W. K. Kellogg Foundation, The David and Lucile Packard Foundation, and The Charles Stewart Mott Foundation.

Status: VisionMgr and the Community Foundation Technology Road Map are available on the CFA website. ImpactMgr is currently in the beta testing phase with general release to community foundations scheduled by year-end, 2002.

Publications: NA

CompassPoint Nonprofit Services

Contact: Mike Allison, Director of Consulting and Research
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URL: http://www.compasspoint.org

Project(s): This organization was formerly known as the Support Center for Nonprofit Management/NDC. With offices in San Francisco and Silicon Valley, CompassPoint Nonprofit Services is one of the nation's leading consulting and training firms serving nonprofit organizations. In addition to workshops and consulting, CompassPoint publishes three free electronic newsletters: the Board Café, Food for Thought, and Silicon Valley Food for Thought. CompassPoint's mission is to increase the effectiveness and impact of people working and volunteering in the nonprofit sector. CompassPoint has consulted with several foundations on designing and implementing capacity building strategies for nonprofits. One example of CompassPoint's contributions to Foundation Effectiveness research shared during the interview is presented below:

Organization Capacity Grants Initiative (OCGI)
This nearly four year project, supported by a multi-foundation consortium, includes a significant investment in group-level learning among grantee and foundation partners. The effort is an attempt to study grant making practice and to create a "laboratory"

of sorts to experiment with new approaches. Together, these foundations sought to create a program that would explicitly attempt to achieve measurable increases in the organizational capacity of a select group of grantees.

Funder(s): The Peninsula Community Foundation, The Schwab Family Foundation, and The Sobrato Family Foundation.

Status: Completed.

Publications: Allison, M. *An experimental collaboration on organizational effectiveness*. Available on-line: [http://www.allianceonline.org/gbpg70.html].

Summary and PDF copy of comprehensive evaluation conducted by BTW Consultants available on-line at: http://www.compasspoint.org/management_consulting/special.html#ocgi.

Human Interaction Research Institute

Contact: Thomas E. Backer, President
Address: 5435 Balboa Boulevard, Suite 115
Encino, CA 91316
Phone: 818.386.9137
Fax: 818.386.9582
E-Mail: HIRILA@aol.com
URL: http://www.humaninteract.org

Project(s): The nonprofit Institute conducts research and provides technical assistance to funders and nonprofits on how to handle innovation and change, primarily using behavioral science approaches. Four examples of the Human Interaction Research Institute's contributions to Foundation Effectiveness research shared during the interview are presented below:

Commissioned Studies
Two studies pertinent to Foundation Effectiveness were commissioned and published that: (1) explore innovative foundation approaches to evaluation, collaboration, and best practices and (2) review research and practice on capacity building as a philanthropic strategy.

Funder(s): The John S. and James L. Knight Foundation.

Status: Completed.

Philanthropic Capacity Building Resources
A multi-funder consortium is supporting a three-year effort to create and maintain a national database on capacity building grantmaking, direct financial support and direct service programs of American foundations. Negotiations are underway to make the database more readily available through the website of a national organization, beginning in Fall 2002. Other activities of this

initiative are supporting community building for nonprofit capacity building in several large American cities, and identifying philanthropic "good practices" in this area for wide dissemination.

Funder(s): The John S. and James L. Knight Foundation, The Meyer Foundation, The Bruner Foundation, and The Ewing Marion Kauffman Foundation.

Status: Efforts are ongoing.

The Role of Partnerships in Community Change

The Human Interaction Research Institute has been exploring the role of partnerships in community change for over ten years. In particular, one study conducted in California revealed a set of thirteen factors that helped account for the sustained success of multicultural coalitions. Another project tested a model for capacity building technical assistance to nonprofit organizations wishing to begin or enhance a partnership and a third project used the same model to test an approach to strategic communication planning. A fourth study, just completed, looked at nonprofit and funder partnerships in the arts.

Funder(s): The California Endowment and The W. K. Kellogg Foundation.

Status: Efforts are ongoing.

Stakeholder Interactions in Philanthropy

This project is exploring five major questions: (1) Interactions for what? Why are stakeholder interactions important for philanthropy? (2) Who are the stakeholders? (3) What modes of interaction bring them together? (4) What are the human dynamics of these interactions? (5) How can these interactions be improved? A July 2002 convening in Baltimore of leaders in the foundation and nonprofit worlds addressed these questions. Results will contribute to a paper being prepared for the International Network on Strategic Philanthropy, which will examine the global aspects of stakeholder interactions.

Funder(s): The Annie E. Casey Foundation

Status: Efforts are ongoing.

Publications: Backer, T. E. (1999). *Innovation in context: New foundation approaches to evaluation, collaboration, and best practices*. Encino, CA: Human Interaction Research Institute.

Backer, T. E. (2000). *Strengthening nonprofits: Capacity-building and philanthropy*. Encino, CA: Human Interaction Research Institute.

Backer, T. E., & Norman, A. J. (2000). Partnerships and community change. *California Politics and Policy*, 39-44.

INDEPENDENT SECTOR

Contact:	Peter Shiras, Vice President, Programs
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Phone:	202.467.6100
Fax:	202.467.6101
E-Mail:	NA
URL :	http://www.indepsec.org/
Project(s):	On-going dialogues among funders and grantees on Foundation Effectiveness.
Funder(s):	NA
Status:	Focused project in development.
Publications:	NA

Innovation Network, Inc.

Contact:	Allison Fine, Executive Director
Address:	1001 Connecticut Ave., NW Washington, DC 20036
Phone:	202.728.0727
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E-Mail:	afine@innonet.org
URL:	http://www.innonet.org
Project(s):	Innovation Network is a Washington, DC-based 501(c)(3) organization incorporated in 1992 to build the evaluation and planning knowledge and skills of nonprofit organizations and grantmakers, thereby strengthening their ability to advance their agendas and expand their good works. Current portfolio emphasizes advocacy, capacity building, and technical assistance related to organizational development—program planning, program evaluation, and organizational effectiveness (funder and grantee). Two examples of the Innovation Network's contributions to Foundation Effectiveness research shared during the interview are presented below: ***Environmental Support Center*** Recent work documents proven capacity building principles for nonprofits.
Funder(s):	The David and Lucile Packard Foundation
Status:	Effort is ongoing.
Publications:	A summary report describing this work, *Echoes from the Field,* is available on-line: [http://www.innonet.org/resources/SummaryReport.pdf]

Learning Circles Project
This project focuses on efforts to improve the effectiveness and health of nonprofit organizations through the use of self-assessment and in-depth technical assistance in program, evaluation, and fund-raising planning. A full report on the project that includes a description of the Rapid Assessment Tool, developed by the Innovation Network and used in a pre-/post-test evaluation design, is available on-line: [http://www.innonet.org/resources/LearnCirclFinal.pdf].

Funder(s): The Fannie Mae Foundation and The Eugene and Agnes E. Meyer Foundation

Status: Effort is ongoing.

Publications: A report describing this work is available on-line: [http://www.innonet.org/resources/LearnCirclFinal.pdf]

Funder(s): Innovation Network, Inc. is supported by The Arcana Foundation, The Morris and Gwendolyn Cafritz Foundation, The Community Foundation for the National Capital Region, Fannie Mae Foundation, The Ford Foundation, The Eugene and Agnes E. Meyer Foundation, and The David and Lucile Packard Foundation.

Other: See bibliography for a summary of the two additional publications pertinent to Foundation Effectiveness research cited below:

Fine, A. H., Thayer, C. E., & Coghlan, A. (1998). *Program evaluation practice in the nonprofit sector*. Washington, DC: Innovation Network, Inc.

Heuer, M. (1999) *Nonprofit organizational effectiveness: A review of the literature*. Washington, DC: The Innovation Network.

National Center for Family Philanthropy

Contact: Ginny Esposito, President
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Project(s): ***The Practice of Family Philanthropy in Community Foundations***

Report on the existing practice of family philanthropy in community foundations, and on the opportunities and obstacles for expanding these practices.

Funder(s): The Charles Stewart Mott Foundation with the National Center for Family Philanthropy

Status: Completed

Publications: Published report in July/August 2002.

Other: Authored by Helmer N. Ekstrom, Ekstrom & Associates

A Portrait of Family Philanthropy in America
A descriptive, exploratory study about the scope and scale of giving and its practice. Findings from this study will be released in phases. Research conducted by The Urban Institute's Center on Nonprofits and Philanthropy.

Funder(s): The Hunt Foundation, Richard Hunt, and The Ford Foundation.

Status: Just beginning work.

Publications: NA

Generations of Giving Study
A descriptive, exploratory study of organizational development in family foundations across time and over generations, and how these affect philanthropic strategy, long-term family involvement and success. This study is family foundation specific.

Funder(s): The Surdna Foundation; seeking additional funding partners.

Status: Completed all interviews.

Publications: Phase I paper published in Q2 of 1999. A book will be published in Q1 of 2003.

Other: Kelen Gersick is primary author.

Family Foundations: A Profile of Funders & Trends
A study of data from 18,000 family foundations which identifies and analyzes grantmaking trends.

Funder(s): Foundation Center with the National Center for Family Philanthropy

Status: Completed.

Publications: Published report in 2001. See NCFP website.

Other: Authored by Steven Lawrence with Jason Born.

Leadership for a New Generation of Philanthropy
Attitudinal study of 50 leaders in philanthropy. Expects to profile motivation, interest, character or other relevant factors.

Funder(s): Seeking investment partners.

Status: In development.

Publications: NA

Other: Managed by senior fellow Sally Bowles with advisory committee.

The Urban Institute, Center on Nonprofits and Philanthropy

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Francie Ostrower, Senior Research Associate
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E-Mail: eboris@ui.urban.org or fostowe@ui.urban.org
URL: http://www.urban.org/centers/cnp.html

Project(s): ***Knowledge, Attitudes and Practices Concerning Effective Philanthropy***
Exploratory, descriptive study aimed at foundation attitudes and practices concerning effective philanthropy. Key elements of inquiry include:

- How foundations define "effective philanthropy"
- What practices are used to increase effectiveness
- What influences attitudes and practices
- What obstacles mitigate effectiveness and how are they overcome

Methods will include a national survey of foundations, structured interviews and case studies.

Funder(s): The David and Lucile Packard Foundation and Grantmakers for Effective Organizations

Status: Initial scheduling of interviews has begun.

Publications: NA

Nonprofit Academic Centers Council (NACC)

Center for Nonprofit Leadership and Management, Arizona State University

Contact: Robert F. Ashcraft, Director
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Phone: 480.965.0607
Fax: 480.727.8878
E-Mail: nonprofit@asu.edu
URL: http://www.asu.edu/copp/nonprofit/exchange.html

Project(s): Although this organization neither conducts nor sponsors funder effectiveness research specifically, they are actively engaged in efforts to monitor performance and assess organizational effectiveness among nonprofits. The mission of the Center for Nonprofit Leadership and Management is to improve the quality of life in communities by enhancing the performance of nonprofit organizations. Their work to build the capacity of nonprofit organizations pertinent to issues of funder effectiveness includes:

research; nonprofit leadership education programs; technical assistance to nonprofits; and the convening of conferences, forums and other dissemination activities.

Funder(s): The W. K. Kellogg Foundation.

Status: Effort is ongoing.

Publications: NA

Other: The Excellence Exchange Pilot is an on-line repository of best practices and promising ideas in nonprofit leadership and management. It is envisioned as a web space where nonprofit leaders can share with and learn from each other around salient topics and issues. The topic for the pilot is diversity. Additional information is available on-line: [http://www.asu.edu/copp/nonprofit/monograph.pdf].

Center for the Study of Voluntary Organizations & Service, Georgetown University, Georgetown Public Policy Institute

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URL: http://www.georgetown.edu/centers/csvos

Project(s): ***Trustee Compensation Study***

Funder(s): The Charles Stewart Mott Foundation and The Soros Foundations, with Public Interest

Status: Study will be completed Fall 2002.

Publications: NA

Other: This work is led by Pablo Eisenberg.

Waldemar Nielsen Lecture Series
Well known leaders from philanthropy offer insightful perspectives on practice and policy.

Funder: The Ewing Marion Kauffman Foundation

Status: On-going.

Publications: See website (above) for all lectures to date. Videos are in development.

Center on Philanthropy and Public Policy, University of Southern California

Contact: James Ferris, Director
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URL: http://www.usc.edu/schools/sppd/philanthropy

Project(s): ***Foundations and Public Policy Making***
A study focused on the role of philanthropy in the public policymaking process. This project examines the role that foundations can play in influencing public policy; the strategies that foundations may choose, either on their own or jointly, and the associated benefits, risks and uncertainties; and the potential consequences for the evolving relationships between philanthropy and government. The analysis will enable foundations to consider the contributions that they can make to public problem solving in an era of more devolved and fiscally constrained public decision-making. Project studies of foundation roles and strategies in policy issues in education, health and the environment are now being initiated.

Funder(s): The David and Lucile Packard Foundation.

Status: In progress.

Publications: Working papers are complete (see below). Final report is projected for January 2003.

James M. Ferris & Michael Mintrom. *Foundation strategies and public policymaking: A conceptual framework*.

James Allen Smith. *Foundations and public policymaking: A historical perspective*.

Thomas Troyer & Douglas Varley. *Private foundations and policy making: Latitude under federal tax law*.

Lucy Bernholz. *Critical junctures: Philanthropic associations as policy actors.*

Marcia Sharp. *Foundation collaborations: Incubators for change?*

Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership, Grand Valley State University

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URL: http://www.gvsu.edu/philanthropy

Project(s): Current efforts are in the early stages of applied and action research. In particular this organization is working to develop philanthropy curriculum and courses as well as identifying the ephemeral and fugitive writing on Foundation Effectiveness. One example of the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership's contributions to Foundation Effectiveness research shared during the interview is presented below:

Philanthropic and Nonprofit Knowledge Management Initiative (PNKM)

The project seeks to capture, organize, disseminate, and promote the use of *best practices* in the nonprofit sector. Knowledge management supports and encourages the selective and effective use of information and as such is particularly pertinent to issues of Foundation Effectiveness. This initiative focuses on raising awareness of the need for Foundation Effectiveness and also seeks to offer foundations the opportunity to improve the efficiency of grant making, and collaboration between grant makers and grantees for mutual success. The *Foundation Effectiveness Research Scan* is one of the projects sponsored by the PNKM initiative.

Funder(s): The W. K. Kellogg Foundation.

Status: Effort is ongoing.

Publications: Orosz, J. J. (2000). *The insider's guide to grantmaking: How foundations find, fund, and manage effective programs*. San Francisco, CA: Jossey-Bass.

The Hauser Center for Nonprofit Organizations, John F. Kennedy School of Government, Harvard University

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URL : http://www.ksg.harvard.edu/hauser/aboutus/contact_us.htm

Project(s): ***International Network on Strategic Philanthropy (INSP)***
This project is designed to identify benchmarks and promote standards, grounded in the experience of the working group, in foundation organization and management.

Funder(s): The Atlantic Philanthropies, The Bertelsmann Foundation, The Charles Stewart Mott Foundation, Compagnia di San Paolo, the German Marshall Fund of the US, King Baudouin Foundation, The Ford Foundation, and an anonymous donor.

Status: In process, scheduled for completion 2004 June.

Publications: NA

URL: http://www.insp.efc.be/

Rethinking Foundation/Nonprofit Relations
This study focuses on the organizational relationship or "engagement" between funders and grantees as well as individuals (program officers and nonprofit staff).

Funder(s): Multiple resources supported this work.

Status: Draft preliminary findings are complete. Most field interviews are complete. Some survey work is beginning.

Publications: NA.

Structures Project
This is a case-based study that examines variations on philanthropic structures/decision-making/governance as a guide for new givers.

Funder(s): Unspecified.

Status: Initial conceptualization.

Publications: NA

Other: Roy Ahn, research associate, is also staffing this project.

The Edna McConnell Clark Foundation

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Project(s): The Edna McConnell Clark Foundation has focused its work in the area of Foundation Effectiveness on (a) selecting grantees whose work is very promising and (b) helping them to develop their core organizational capacities in order to enhance their long term sustainability so they can deliver their services reliably to greater numbers of young people. One example that illustrates this foundation's approach shared during the interview is presented below:

Institution and Field Building Grantmaking Investment
The Edna McConnell Clark Foundation has engaged in an internal process for improving its grant making operations. In doing so it has benefited from ongoing consultation with the Bridgespan Group.[13] As a result of this process the foundation has adopted a grant making approach explicitly devoted to promoting the organizational development of its grantees, and has recruited professional staff with organizational development expertise to help accomplish this. This is a shift from the previous emphasis on hiring professional staff with topical or content area expertise. This effort has resulted in stronger grantee-foundation relationships, within which significant work is devoted to working with grantees to develop robust theories of change, as well as powerful business plans grounded in them. Evaluation plays a major role in program planning, monitoring, and reporting. Success indicators and progress will soon be charted on the EMCF website.

Funder(s): NA

Status: Effort is ongoing.

Publications: Hunter, D. E. K., & Kaye, J. (2001). *Mainstreaming evaluation: Evaluation as a core element of institution building at the Edna McConnell Clark Foundation*. A paper presented at the Annual Meeting of the American Evaluation Association, St. Louis, MO. Available on-line: [http://www.emcf.org/pdf/eval_mainstreamingevaluation.pdf].

[13] Contact information provided on page 26.

Other: More information on *Institution and Field Building* is available on-line: [http://www.emcf.org/programs/youth/ifb/index.htm].

The Ford Foundation

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URL: http://www.fordfound.org

Project(s): Over the last 10 years the Ford Foundation's program division has engaged in several efforts to explore, reflect, and improve upon its collective grant making practice. These efforts include an orientation program for grant makers, workshops for new and experienced grant makers, as well as work with grant making teams to improve their effectiveness with each other and their grantees. Two examples of efforts shared during the interview are provided below that illustrate this organization's contribution to Foundation Effectiveness research:

Grantcraft Project
This project will produce 12 videos and 15 guides in the voices of grant makers at the Ford Foundation and elsewhere on different aspects of their craft ranging from using competitions and RFPs to scaling up success and what to do when projects flounder and fail. All material will be available on-line at GrantCraft.org (under construction) and through the Ford Foundation. The Grantcraft Project hopes to connect with other organizations and foundations that are doing related work to create a virtual repository of assistance to grant makers worldwide.

Tools and Skills Inventory
The purpose of this project is to catalog types of workshops available to grant makers as well as a typology for what grant makers identify as tools and skills they need to make a difference with their resources. For more information contact Felicia Kahn (f.kahn@fordfound.org).

Funder(s): NA

Status: Effort is ongoing.

Publications: NA

The James Irvine Foundation

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Project(s): Irvine's approach to evaluation focuses on program improvement and effectiveness as well as foundation accountability. Irvine believes that if the Foundation undertakes evaluation in a systematic and disciplined way and opens itself and its grantees to external and critical views, the Foundation can collect useful information that allows it to make judgments about the effects of those programs and how to improve program effectiveness as well as inform its future program or grantmaking decisions. Irvine focuses the bulk of its evaluation resources (95%) on assessing its 8–10 major program initiatives. The decision to focus evaluation resources on its program initiatives is consistent with Irvine's evolution toward strategic philanthropy, beginning with its adoption in 1995 of offering grantees more significant and longer-term support.

While Irvine has made significant headway in specifying its program goals and measuring progress toward achieving those goals in its respective program areas, the Foundation has been unable to combine these separate program evaluations—which use different measures of success and which operate on different timelines—into a meaningful assessment of foundation-wide impact and effectiveness. The Foundation recognizes that it needs to identify foundation-wide goals and strategies to knit together its programming and directly support its mission. In 2002, Irvine is undertaking a comprehensive strategic planning process, which will address this need.

To date, the primary way that the Foundation assesses foundation-wide effectiveness has been through activities related to "organizational learning" and "customer feedback" studies. Each of these examples is further described below, as shared during the interview:

Organizational Learning: Irvine observed that there is substantial knowledge resident at the Foundation that is not being tapped as well as it could be for the benefit of its grantees and its own program development. Accordingly, Irvine is supporting several activities to support internal organizational learning, including: bi-monthly sessions for staff at which Irvine staff share and reflect on knowledge and experiences related to specific, yet common, grantmaking challenges, case study discussions, and an Irvine Intranet (internal website) to increase access to institutional

memory through searchable databases and to improve internal communication and idea exchange.

Customer Feedback Project: In 1998 and again in 2001, the Foundation solicited feedback about its grant making process and approaches from two primary customers–current grantees and those grant applicants who were denied funding. The findings have been thoroughly reviewed at all levels of the Foundation. The information has stimulated internal reflection and discussion about Irvine's policies, processes, and communications and the accessibility and responsiveness of its staff. However, the process itself has been most valuable in initiating conversations among staff and with grantees, and raising questions that will inform and improve its practice.

Funder(s): NA

Status: Effort is ongoing.

Publications: Author (2001). *The James Irvine Foundation customer feedback project: Report to grantees and grantseekers*. San Francisco, CA: The James Irvine Foundation. Available on-line: [http://www.irvine.org/fr_news_cf01.htm].

Other: Hernández, G. & Visher, M. G. (2001). *Creating a culture of inquiry: Changing methods—and minds—on the use of evaluation in nonprofit organizations*. San Francisco, CA: The James Irvine Foundation. Available on-line: [http://www.irvine.org/pdfs/Creating_a_Culture.pdf].

The David and Lucile Packard Foundation

Contact(s): Barbara Kibbe, Director-Organizational Effectiveness and Philanthropy
Gabriel Kasper, Philanthropy Program Officer

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Project(s): The Organizational Effectiveness and Philanthropy (OEP) Program pursues goals to enhance the effectiveness of Foundation grantees, build the field of nonprofit management, foster effective philanthropy, and better inform and engage donors in California.

The *Fostering Effective Philanthropy* strategy promotes efforts to capture and share knowledge about effective philanthropy (both grantmaking and operating practices), and to develop and test

new ideas, strategies, and models for facilitating and "doing" philanthropy.

More than thirty currently funded projects include the exploration and evaluation/testing of both new and established concepts in Foundation Effectiveness, including:

- Future of philanthropy project—Global Business Network
- Improving the practices of philanthropy research series—Patrizi & Associates (OMG Center for Collaborative Learning)
- Foundation performance metrics pilot study—Center for Effective Philanthropy
- Knowledge, attitudes, and practices concerning effective philanthropy—Urban Institute
- Nonprofit Sector Research Fund, philanthropy research—Aspen Institute
- Research papers on philanthropy and public policy—University of Southern California, Center on Philanthropy and Public Policy
- Initial evaluation of the engaged grantmaking approach—Social Venture Partners, Seattle
- Lessons about funder collaboration—L.A. Urban Funders
- Benchmarks and profiles of emerging community foundations—Wilder Research Center
- Scan of due diligence practices and creation of a model tool—La Piana & Associates
- Marco Polo Inquiry Group on foundation communications—Millennium Communications
- Best practices resource for youth philanthropy—National Coalition of Community Foundations for Youth
- National review of philanthropy fellowship programs—San Francisco Foundation
- Study and survey of professional advisors to donors—The Philanthropic Initiative
- Mapping of donor education programs—New Visions
- Lessons learned through donor circles—Women's Funding Network

Funder(s): Many of the projects in this program are co-funded with other foundation partners.

Status: See profiles.

Publications: See bibliography for a summary of additional publications pertinent to Foundation Effectiveness research cited below:

Global Business Network (2001). *Philanthropy's futures.* Emeryville, CA: Global Business Network.

Barbara Kibbe, Fred Setterberg, and Cole Wilbur (1999). *Grantmaking basics.* Washington, DC: Council on Foundations.

Erik Smith (2002). *The coming flood: Philanthropy in this decade.* Emeryville, CA: Global Business Network.

Wilder Research Center (2000). *Motivation and education of new philanthropists.* Los Altos, CA: David and Lucile Packard Foundation.

USC Center on Philanthropy and Public Policy (2002). *Working papers for the forum on leveraging philanthropic assets for public problem solving.* Los Angeles, CA: University of Southern California.

Center for Effective Philanthropy (2002). *Toward a common language.* Boston, MA: Center for Effective Philanthropy.

The Pew Charitable Trusts

Contact(s): Lester W. Baxter, Planning and Evaluation Officer
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Project(s): Current efforts at the Pew Charitable Trusts on Foundation Effectiveness are primarily focused on improving performance through planning and evaluation. The Trusts seek results that are measured as specific social benefits such as increased acres of wilderness preserved for future generations. These social benefits are the outcomes toward which the Trusts work, and the commitment to setting and evaluating progress against these clear, measurable targets underlies the foundation's grantmaking. There are three primary processes that reinforce this approach to grantmaking: program planning, individual planning, and evaluation.

Each year the Trusts grantmaking programs and operations departments develop plans that serve dual purposes. They are reporting and accountability documents for the board, which uses them to review program performance and establish resource allocations. This is accomplished through a direct and detailed comparison of the results achieved to those proposed in the previous year. The documents also serve planning objectives by proposing the milestones and outcomes to be pursued over the coming year. The two purposes reinforce each other—the insight provided by reporting on the targets set in the prior year (i.e., milestones and outcomes) informs the strategic choices to be made at the program level going forward.

The annual plans represent each department's roadmap for the coming year. These plans are linked to the foundation's performance management system. Each staff member is required

to develop an individual workplan that outlines performance targets for the year that contribute to reaching the department's objectives. The goal of the performance management system is to promote commitment to achieving meaningful results for each staff member. By defining how their activities contribute to the larger department and organizational goals, staff gains ownership of those targets. Tying compensation to results further enforces this ownership.

Throughout the planning and grantmaking processes, the Trusts rely heavily on evaluation and monitoring as ways to support and inform decision making. Rather than focus on any one grant or the accomplishments of an individual organization, evaluations typically focus on the underlying grantmaking strategy—looking at the collective efforts of a network of grantees over time. Most evaluations are designed to provide four benefits to the Trusts and its grantees: (1) an assessment of return on the Trusts' investment; (2) information about the effectiveness of specific strategies; (3) lessons of broader interest that can help the foundation and grantees become stronger organizations; and (4) an informed perspective on options for adapting program strategy to upcoming opportunities.

Funder(s): NA

Status: Effort is ongoing.

Publications: Co-author (2001). *Returning results: Planning and evaluation at The Pew Charitable Trusts*. Philadelphia, PA: The Pew Charitable Trusts. Available on-line: [http://www.pewtrusts.com/pdf/p&ebrochure.pdf].

The W. K. Kellogg Foundation

Contact(s): Robert F. Long, Vice President for Programs, Philanthropy and Volunteerism
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Project(s): The W. K. Kellogg Foundation has a committed interest in the intersection of the sustainability of nonprofits and the effectiveness of foundations. This organization's effort in Foundation Effectiveness research is focused on informing and building the field. The foundation strategically co-funds efforts such as the Grantmakers for Effective Organizations. Many of the organizations and individuals profiled in this study receive support from the W. K. Kellogg Foundation for their work in Foundation Effectiveness research and capacity building. In addition, the W. K. Kellogg Foundation seeks opportunities to infuse the issues,

systems, supports, and principles of Foundation Effectiveness into philanthropy at large. One example of the W. K. Kellogg Foundation's contributions to Foundation Effectiveness research shared during the interview is presented below (see profiles):

- Grand Valley State University, Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership

Funder(s): NA

Status: See profiles.

Publications: See profiles.

Educational Institutions

The Brookings Institution, Center for Public Service

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Project(s): ***Toward Ordinary Excellence Research Project***
A recently completed research study which involved interviews with 250 leading thinkers from the worlds of philanthropy, scholarship, and consulting, as well as 250 executive directors of some of the nation's most effective nonprofits, argues that there is no single best way to higher performance. The study explores the issue of "high performance" in terms of characteristics, practices, and challenges. Management related issues such as capacity building, leadership, and governance are cited as among the key variables. The results of this study were released as a Brookings Institution Press book, *Pathways to Nonprofit Excellence: Achieving and Sustaining High Performing Organizations in the Nonprofit Sector*, in March, 2002. Additional information on this large scale study pertinent to Foundation Effectiveness is available on-line: [http://www.geofunders.org/main/news-events/ordinaryexcelproject.htm].

Study of Capacity Building Initiatives
A companion study to the work profiled above that describes a typology of capacity building initiatives from inputs through to program impact. A paper describing this effort is near release on the Brookings website. This research is designed to spark a dialogue with capacity builders and their funders about how capacity building interventions might be measured and assessed.

Funder(s): Atlantic Philanthropic Services, Inc., The David and Lucile Packard Foundation, The Eugene and Agnes E. Meyer

Foundation, The Ewing Marion Kauffman Foundation, The Fieldstone Foundation, The Irene E. and George A. Davis Foundation, The James Irvine Foundation, and The W.K. Kellogg Foundation.

Status: Effort is ongoing.

Publications: Light, P. C. (1998). *Sustaining innovation: Creating nonprofit and government organizations that innovate naturally*. San Francisco, CA: Jossey-Bass.

Light, P. C. (2000). *Making nonprofits work: A report on the tides of nonprofit management reform*. Washington, DC: Brookings Institution Press.

Light, P. C. (2002). *Pathways to nonprofit excellence: Achieving and sustaining high performing organizations in the nonprofit sector* Washington, DC: Brookings Institution Press.

Harvard University – John F. Kennedy School of Government

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Project(s): ***Strategic Giving*** *(in press)*
This material presents a model of strategic philanthropy for individuals.

Funder(s): Unspecified.

Status: In development.

Publications: Expect in 2003.

Other: This book focuses on the donor, *not* on corporate forms of philanthropy.

University of North Carolina, Division for Community-based Evaluation, Center for the Study of Social Issues

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Project(s): The Division assists foundations and nonprofit organizations with strategic planning, organizational learning and the design of effective programs. Tools such as *logic models* and *theory of change* are used to clarify the organization's intent and to find the most promising leverage points for initiating change—at either the client or community level. The Division has designed and conducted evaluations for foundations and grantees (e.g., multi-site initiatives designed to build social capital in Winston-Salem and to improve race relations throughout North Carolina). In addition, the Division supports organizations that are moving through transformation—by raising critical questions; creating a safe space where honest, constructive conversation can occur; and identifying underlying issues and patterns.

Funder(s): The Winston-Salem Foundation, The Z. Smith Reynolds Foundation, Community Foundation of Greater Greensboro, Warner Foundation, Moses Cone/Wesley Long Community Health Foundation, among others.

Status: Effort is ongoing.

Publications:

Easterling, D. (2002). Venturing out to the leading edge, *Philanthropy New Zealand* (vol. 2, no. 27), pp. 4-7.

Easterling, D., Gallagher, K. and Lodwick, D. (in press), *Promoting Health at the Community Level*. Thousand Oaks, CA: SAGE Publications.

Easterling, D. (2001). The dark side of outcome evaluation, *Grantmakers Evaluation Network* (vol. 9, no. 1). Reprinted in *Grantmakers in the Arts Reader* (vol 12, no. 2) and *Philanthropy New Zealand* (vol. 2, no. 25).

Easterling, D. (2000). Using outcome evaluation to guide grantmaking: Theory, reality and possibilities, *Nonprofit and Voluntary Sector Quarterly*, *29*, 482-486.

Easterling, D., & Csuti, N. B. (1999). *Using evaluation to improve grant making: What's good for the goose is good for the gander*. Denver, CO: The Colorado Trust.

University of Pittsburgh, Learning and Research Development Center

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Project(s): The *Evaluation Coordination Project* (ECP) at the Learning Research and Development Center directed by Bickel has been involved in numerous evaluation and research projects related to the effective use of information for organizational learning in applied foundation and other organizational contexts. One recent example of the ECP's contribution to Foundation Effectiveness research shared during the interview is presented below:

Evaluation and Organizational Learning in Foundations
This researcher was invited to present a paper to the Evaluation Roundtable and lead discussions on the topic of making evaluation a more effective tools for funders along with fellow panel participants, Michael Quinn Patton and Eleanor Chelimsky. Bickel discussed initial findings from ongoing research examining structural and cultural characteristics of foundations that can represent challenges to effective organizational learning. The results of some of this work have been published through the Council on Foundations (Bickel, Millett, & Nelson, 2002; Bickel, Nelson, & Millett, 2002). More results from this research will become available next year as a part of a David and Lucile Packard Foundation-sponsored national project examining the role of evaluation in philanthropy through the perspectives of both foundation and evaluation personnel.

Funder(s): The W. K. Kellogg Foundation, The Robert Wood Johnson Foundation, The Heinz Endowments, and The Lilly Endowment.

Status: Effort is ongoing.

Publications:

Bickel, W. E., Millett, R., & Nelson, C.A. (2002). *Challenges to the role of evaluation in supporting organizational learning in foundations*. Washington, DC: Council on Foundations. Available on-line: [http://www.foundationnews.org/webextra/learning eb.htm].

Bickel, W. E., & Nelson, C. A. & Millett, R. (2002). The civic mandate to learn. *Foundation News and Commentary*, March/April, pp.43-46.

McNelis, R.H. & Bickel, W. E. (1996). Building formal knowledge bases: Understanding evaluation use in the foundation community. *Evaluation Practice*, 17/91/0/; 19-41.

Bickel, W. E. (2000). *Evaluation and philanthropy: Challenges and responses*. Presented to the Evaluation Roundtable. Sponsored by the W. K. Kellogg Foundation and the Robert Wood Johnson Foundation, Washington, DC.

Other Organizations

Blueprint Research & Design, Inc.

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Project(s): ***Social Venture Partners (SVP) Evaluation***
Social Venture Partners (SVP) in Seattle is working with Blueprint R&D in a year long effort to evaluate the impact of their philanthropic work in two fundamental areas: (1) Building the organizational capacity of grantees and (2) Inspiring philanthropy and volunteerism among its 300 partners. SVP received funding from the David and Lucile Packard Foundation to study these two questions in-depth. Objectives include: independent retrospective assessment and documentation of SVP's engaged philanthropy model; developing tools to help SVP measure it's performance in key goals each year. SVP will be using the McKinsey Capacity Assessment Grid to measure growth in grantee's organizational capacity.

Tides Foundation Bridging the Economic Divide Initiative
This study will assess the impact of the initiative on both individual grantees as well as the living wage field. It will also evaluate the effectiveness of new strategies for working with donors, managing coalitions, and determining the transfer value for other Tides work.

Funder(s): David and Lucile Packard Foundation and Tides Foundation, respectively.

Status: SVP Evaluation was presented at the 2002 March GEO meeting.

Publications: NA

Millenium Communications Group, Inc.

Contact: Marcia Sharp, Principal
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URL: NA

Project: ***Marco Polo Project***
This is a leadership inquiry to develop and support a new vision of foundation leadership, action and interdependence with other partners in the changing landscape of public problem-solving. This project intends to develop strategies which:

- Increase learning across foundations
- Help foundations become better consumers of ideas and learning
- Turn grant output into usable knowledge for others
- Increase traffic–of people and ideas–into and out of foundations
- Stimulate and support real cultural change
- Strengthen relationships with customers and stakeholders
- Increase the capacity for foundations to act as a field

Funder(s): The Marco Polo Group includes about a dozen California foundations and one Midwest foundation with national scope, a Los Angeles funding collaborative and three foundation affinity groups.

Status: On-going.

Publications: Internal materials: lessons learned; “manifesto” on role of communications, and (forthcoming) a communications framework for foundations. Project website available soon.

Other: This effort began in 1999 via a study that explored attitudes and expectations of foundation stakeholders and recommended new communication strategies.

Patrizi Associates

Contact: Patricia Patrizi, Consultant
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Project(s): Current consulting portfolio emphasizes technical assistance and research related to organizational effectiveness—in particular the use of evaluation among grantmakers for program planning,

performance monitoring, and organizational learning (funder and grantee). Two examples of her contributions to Foundation Effectiveness research shared during the interview are presented below:

Evaluation Roundtable
Recent work funded by a group of large foundations to convene the Directors of Evaluation to engage in dialogue and reflection on the ways in which evaluation can play a role in addressing questions of Foundation Effectiveness. Other issues include the improvement of evaluation strategies and identification of cutting-edge evaluation tools to capture evidence and report on outcomes of interest to grant makers.

Funder(s): The Robert Wood Johnson Foundation, The James Irvine Foundation, The Edna McConnell Clark Foundation, The David and Lucile Packard Foundation, Wallace-Reader's Digest Funds, The John S. and James L. Knight Foundation, and The W. K. Kellogg Foundation.

Status: Efforts are ongoing.

Improving the Practices of Philanthropy
This multi-partner Foundation Effectiveness research project focuses on efforts to identify, and improve the core tools involved in the craft of philanthropy. The topics studied include "Intermediary Organizations: what are they, what they do, and what they cost," "Understanding Field-Building for Program Development," "Communications for Social Good," "Organizational Capacity-Building: Beyond Rhetoric to Outcomes," "Financial Reporting and Accountability: Value Added or Old Habit?" "Rethinking Foundation Evaluation from the Inside Out," "Strategic Philanthropy: how would we know it if we say it?" "Leveraging and Partnerships: History and Emerging Trends in Philanthropic Programming," "Consideration for Programming: The Management of Human Capacity," "Study of Philanthropy and Community Change," "Management of Grantee Outcomes: Lessons Learned for Foundations from Non-Profit Outcomes Movement," "Acts of Commission," and "Creativity in Grantmaking." The goal is to bring empirical research and practitioner knowledge to inform program design. Elements addressed in this body of work include: field practices; prerequisite content knowledge, processes, skills, and technology; as well as the role of the philanthropist.

Funder(s): The Robert Wood Johnson Foundation, The Ewing Marion Kauffman Foundation, The David and Lucile Packard Foundation, and The John S. and James L. Knight Foundation.

Status: Efforts are ongoing.

Publications: Patrizi, P., & McMullan, B. (1999). Evaluation in foundations: The unrealized potential. *Foundation News and Commentary*, May/June Issue, pp.30-35.

Strategic Consulting Services

Contact: Denis Prager, Foundation Consultant
Address: N4005, County Road U
Portage, WI 53901
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Fax: 608.742.3904
E-Mail: pragerd@att.net
URL: NA

Project(s): A wide range of philanthropic consulting services, including: (1) strategic program planning and development; (2) management, coordination, and oversight of large, complex philanthropic programs; (3) development and implementation of strategies for facilitating collaboration among individuals from diverse disciplines, backgrounds, areas of expertise, and communities; (4) foundation board and staff development; and (5) start up and early operation of new foundations. Documentation of those factors found to characterize effective foundations, including governance, leadership, grant making, and operations.

Funder(s): For *Raising the Value of Philanthropy*--Grantmakers in Health, The Forbes Fund, and The Jewish Healthcare Foundation. In addition, The Robert Wood Johnson Foundation, The MacArthur Foundation, The California Wellness Foundation, The California Endowment, The Christopher Reeve Paralysis Foundation, The Lucile Packard Foundation for Children's Health, and The Lemelson Foundation.

Status: Effort is ongoing.

Publications: See bibliography for a summary of the publication pertinent to Foundation Effectiveness research cited below:

Prager, D. (1999). *Raising the value of philanthropy: A synthesis of informal interviews with foundation executives and observers of philanthropy*. Washington, DC: Grantmakers in Health.

Additional Resources Mentioned

Resource:	**The Bridgespan Group, Inc.**
Contact:	Jeffrey L. Bradach, Co-founder and Managing Partner
Address:	131 Clarendon Street Boston, MA 02116
Phone:	617.572.2833
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E-Mail:	thebridgespangroup@bain.com
URL:	[http://www.bridgespangroup.org/BSGweb/default.asp]

Resource:	**The Center for What Works**
Contact:	Jason Saul, President
Address:	1001 W. Van Buren, 5th Floor Chicago, IL 60607-2900
Phone:	1-800-34-WORKS
URL:	[http://www.whatworks.org/int-contact-us-frame.html]

Resource:	**The Morino Institute**
Contact:	Mario Morino, Chairman
Address:	11600 Sunrise Valley Drive, Suite 300 Reston, Virginia 20191
Phone:	703.620.8971
Fax:	703-620-4102
URL:	[http://www.morino.org/]

Inventory of Foundation Effectiveness Research Activities

Annotated Bibliography

Appendix B

Foundation Effectiveness

Annotated Bibliography

These references are not exhaustive or necessarily entirely inclusive of current activity in philanthropy and the nonprofit sector.

Organizational Effectiveness (foundation and grantee)

Brown, P. and Garig, S. (1997). *Foundations and comprehensive community initiatives: The challenges of partnership philanthropy, charitable giving and foundations*. Washington, D.C.: Aspen Nonprofit Sector Research Fund.

Available on-line: [http://www.nonprofitresearch.org/usr_doc/16029.pdf].

The authors examine the roles foundations choose to play in CCI design, governance, and implementation. In addition, they draw on interviews, case studies of six CCIs, and transcripts from focus groups. The study identifies five crucial activities that can positively define the relationship between foundations and CCIs: communication, context, benchmarks and timetables, capacity, and diversity issues.

Heuer, M. (1999). *Nonprofit organizational effectiveness: A review of the literature*. Washington, DC: The Innovation Network, Inc.

Available on-line: [http://www.innonet.org/resources/lcplitReview.pdf].

This literature review, developed as a part of the Learning Circles Project, aims at extending the breadth of knowledge surrounding current themes of organizational effectiveness. This report explores new and emerging definitions of success for the nonprofit sector, which include organizational learning, innovativeness, quality, and responsiveness. The authors describe the nonprofit life cycle and the intervention points for more effective practice as well as articulate some of the most pressing barriers identified to success. The report concludes with a discussion of the indicators and tools needed to measure excellence and promote enduring high performance. This report provides an overview of the theory and research behind the construction of the Rapid Assessment Tool developed by the Innovation Network, Inc.

Letts, C.W., Ryan, W.P., and Grossman, A. (March-April 1997). Virtuous capital: what foundations can learn from venture capitalists. *Harvard Business Review v75* n2 p36(8).

The chance of attaining successful social programs can be increased by strengthening the structure of a nonprofit organization. Several approaches have been considered in securing strong resources for nonprofit organizations, and one of them is the venture capital model. This employs a comprehensive investment approach through the establishment of a performance objective,

close monitoring and frequent assistance, advanced funding plan, and organization-building skills for risk management.

Letts, C.W., Ryan, W.P., and Grossman, A. (1999). *High performance nonprofit organizations: Managing upstream for greater impact*. New York, NY: Wiley & Sons.

This text draws on management techniques from private and non-profit sectors to identify approaches nonprofits can use to build learning, innovation, quality, and staff development competencies. It outlines processes to achieve competencies through human resource management, benchmarking, quality systems, and product development.

The Lewin Group. (2000). *Organizational effectiveness literature review*. Los Altos, CA: The David and Lucile Packard Foundation.

Available on-line: [http://www.geofunders.org/main/resources/oelit.pdf].

This literature review discusses approaches to defining and segmenting the nonprofit sector, addresses the unique characteristics of nonprofits and the range of approaches used to define and measure organizational effectiveness in nonprofit organizations. This overview/outline of the work of academics and practitioners includes a 4-page bibliography with over 80 resources from a variety of published and fugitive sources.

Light, P.C. (1998). *Sustaining innovation: creating nonprofit and government organizations that innovate naturally*. San Francisco, CA: Jossey-Bass.

A study summary of 26 nonprofit and government organizations which generate innovations. This text identifies four general characteristics of innovating organizations: commitment to control environment; an internal structure that encourages creativity; leadership who supports innovation; and management systems which serve organization mission. It includes success stories and lessons learned.

Porter, M.E., and Kramer, M.R. (Nov-Dec 1999). Philanthropy's new agenda: creating value. *Harvard Business Review, v77* i6 p121.

No other country can match the United States' commitment to philanthropy and volunteerism. However, foundations that serve merely as middlemen fall short of their potential and societies' expectations. Instead, they should be exploring new solutions to social problems. This article suggests that few foundations work strategically.

Prager, D. (1999). ***Raising the value of philanthropy: A synthesis of informal interviews with foundation executives and observers of philanthropy*****. Washington, DC: Grantmakers in Health.**

Available on-line: [http://www.gih.org/usr_doc/54151.pdf].

This report identifies the characteristics of foundation programs and assessment strategies that support and increase the capacity of foundations to define their roles, design their programs, deploy resources, and assess their outcomes in the most strategic and effective manner. This seminal article was among the first to raise the issue of addressing the overall performance/effectiveness of a foundation relative to its ability to achieve measurable and sustained changes in policies, systems, and behaviors that affect people's lives. Factors and issues related to increased funder effectiveness are described in detail. Evaluation is promoted as a strong support tool to this end when used to inform organizational learning focused on the improvement of grantmaking strategies.

Shaw, A., Furnari, E., and Odendahl, T. (2000). ***Preserving the public trust: A study of exemplary practices in grantmaking philanthropy, charitable giving and foundations*****. Washington, D.C.: Aspen Nonprofit Sector Research Fund.**

Available on-line:
[http://www.nonprofitresearch.org/publications1526/publications_show.htm?doc_id=55778]

Based on interviews with 39 grantmakers and others, the researchers identify best practices in accountability including access to information, communication, consideration, diversity, inclusiveness, and evaluation.

Wyatt Knowlton, L. (2001). ***Grantmaker attributes and competencies: An exploratory study in Michigan*****. Washington, D.C.: Aspen Institute Michigan Nonprofit Research Program.**

This study provides a multiple perspective descriptive analysis of Michigan's grantmakers and focuses on human resources as a key factor in foundation performance. It includes a profile of experience and training, summary of competencies, and attribute ranking grounded in Emotional Intelligence. It encourages the field to consider selection methods, future training, performance assessment of grantmakers and knowledge management among foundation peers.

Organizational Learning

Marquardt, M.J. (1996). ***Building the learning organization*****. New York, NY: McGraw-Hill.**

A practical, hands-on guide to set up a learning organization. Grounded in

applied research, this text includes proven, effective practices with 16 clear steps to build a learning environment in any setting. It includes case histories, maintenance of a learning culture, a needs assessment and glossary of terms.

Senge, P., Keiner, A., Roberts, C., Ross, R., and Smith, B. (1994). *Fifth discipline fieldbook: Strategies and tools for building a learning organization*. New York, NY: Doubleday.

A guide for moving from philosophy to practice based on well-known principles established in *The Fifth Discipline*.

Knowledge Management

Allee, V. (1997). *The knowledge evolution: Expanding organizational intelligence*. Boston, MA: Butterworth-Heinemann.

A comprehensive summary of the facets of knowledge management that is useful for beginners to experts. This text makes clear connections between the knowledge economy and organizational learning.

Davenport, T.H., and Prusak, L. (1998). *Working knowledge: How organizations manage what they know*. Boston, MA: Harvard Business School Press.

A primer of knowledge management vocabulary and key concepts. This text suggests knowledge work occurs in four sequential activities: accessing, generating, embedding, and transferring. It includes applied examples of knowledge management from dozens of for-profit organizations.

***Harvard Business Review on Knowledge Management*. (1998). Boston, MA: Harvard Business School Press.**

A compilation of Harvard Business Review articles on knowledge management.

O'Dell, C., and Grayson, C.J. (1998). *If only we knew what we know: The transfer of internal knowledge and best practice*. New York, NY: The Free Press.

Based on knowledge management studies of corporate best practices, the authors model how to transfer those practices throughout an organization. This text includes case studies, anecdotes, focused on value propositions in product development cycles, cost-efficient operations, and customer base loyalty.

Evaluation

Bertlsmann Foundation (Eds.). (2000). *Striving for philanthropic success: Effectiveness and evaluation in foundations*. International Foundation Symposium 2000.

Available on-line: [http://www.siftung.bertelsmann.de].

This conference was a forum for discussion on evaluation and performance measurement in foundations. The volume contains the presentations made at the symposium and a transcription of the panel discussions.

Fine, A. H., Thayer, C. E., & Coghlan, A. (1998). *Program evaluation practice in the nonprofit sector*. Washington, DC: Innovation Network, Inc.

Available on-line: http://www.nonprofitresearch.org/publications1526/publications_show.htm?doc_id=560 15].

This study was funded by the Aspen Institute Nonprofit Sector Research Fund and the Robert Wood Johnson Foundation. The report describes the ways in which the nonprofit sector uses evaluation to understand and demonstrate the effectiveness of its work. It includes a literature review and highlights current evaluation practice among nonprofit organizations—involvement of stakeholders in evaluation processes, evaluation use, evaluation outcomes, and concludes with reflection on those evaluations studied that received the highest outcome ratings. The study articulates that a useful evaluation is one that begins with a focused evaluation design, provides recommendations for program improvement, documents success, and contributes to the organization's planning efforts. This report, although not specifically targeting funder effectiveness, provides considerable insight into the ways to plan and implement evaluations that are likely to result in positive outcomes of utility and credibility, as well as building the capacity of nonprofits and contributing to the strengthening of the funder-grantee relationship.

Hatry, H. P. (1999). *Performance measurement: Getting results*. Washington, DC: The Urban Institute Press.

Hatry, H., & Lampkin, L. (2001). *Agenda for action: Outcome management in nonprofit organizations*. Available on-line: [http://www.urban.org/pdfs/ActionAgenda.pdf].

Hatry, H. P., & Morley, E. *Outcome measurement for the nonprofit sector*. Washington, DC: Aspen Nonprofit Research Fund.

As the government sector is required by law to measure itself, with full implementation of the Government Performance and Results Act in 1997,

nonprofits are increasingly following suit. With funders demanding more information, how can nonprofits effectively measure their positive impacts? This project will develop information that will assist managers of nonprofit organizations to meet accountability requirements, and strengthen the management and effectiveness of these organizations. Building on the INDEPENDENT SECTOR's recent Measures Survey, researchers will examine how nonprofit organizations measure their outcomes and how they use this information. Working with the organizations surveyed, project staff will seek information of practical and immediate use to officials of nonprofit organizations, such as detail on measurements, data collection procedures, reporting, and use of outcome information. This information will be synthesized into a practitioner-oriented report. Similar publications pertinent to Foundation Effectiveness:

Walker, G. & Grossman, J. B. (1999). *Philanthropy and outcomes: Dilemmas in the quest for accountability*. Philadelphia, PA: Public/Private Ventures.

This report discusses the complex realities that underlie the current interest in the "outcomes movement" among foundations. Description and discussion are presented that lay out the dilemma that emerges when philanthropy places increasing emphasis on outcomes-articulation of what it is funders/grantees are aiming to achieve and assumptions about how they will know if they have succeeded are hindered by the pessimism that arises from the failure of past initiatives to achieve specified outcomes. Declaration of outcomes and impacts does not in and of itself assure that they will be achieved. Concerted effort is required to figure out what to do to get to desired outcomes and impacts. The authors assert that the challenges may lie in technical (how to measure), substantive (what to measure), and strategic (what to do) domains. Primary concern, as it relates to funder effectiveness, should be on improving the strategy, substance, and quality of what is being funded.

Inventory of Foundation Effectiveness Research Activities

Methods

Appendix C

Foundation Effectiveness

Methods

Phillips Wyatt Knowlton, Inc. conducted a series of 34 personal interviews by telephone in January of 2002. The individuals in this purposive sample were identified as likely to be knowledgeable of Foundation Effectiveness research activities. The individuals selected were contacted by mail and invited to participate in the study. These interviews were 45 to 60 minutes in length, tape recorded, and transcribed. The interview transcripts were analyzed using qualitative techniques to determine the main themes and concepts about Foundation Effectiveness gleaned from the conversations. Respondents were given the opportunity to review the manuscript and assure that the quotations, narrative, and profiles honored the conversations we shared.

The Questions We Asked

1. How are you (your organization) *conceptualizing & defining* effectiveness? [Probe for elements, principles, levers].
2. What are you (your organization) is *doing* to promote Foundation Effectiveness? [Probe for how change in effectiveness would/should be measured].
3. Who else is doing Foundation Effectiveness research? Who else is writing and thinking about Foundation Effectiveness? [Request specific names & organizations]
4. What are the gaps in Foundation Effectiveness research activities?
5. What themes are emerging in the activities and discussions around Foundation Effectiveness?
6. What are the most pressing challenges for foundations in promoting effectiveness?

Participants

Nonprofit Resources	
Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA)	Kathy Finley
Association of Small Foundations	Charles Scott
The Aspen Institute	Alan Abramson
The Center for Effective Philanthropy	Mark Kramer and Phil Buchanan
Community Foundations of America	Carla Dearing
CompassPoint	Mike Allison
Council on Foundations	Joanne Scanlon
Human Interaction Research Institute	Tom E. Backer
Independent Sector	Peter Shiras
Innovation Network	Allison Fine
National Center for Family Philanthropy	Ginny Esposito

The Urban Institute	Elizabeth Boris and Francie Ostrower
Nonprofit Academic Centers Council	
Center for Nonprofit Leadership and Management, Arizona State University	Robert Ashcraft
Center for Philanthropy, Indiana University/Purdue University at Indianapolis (IUPUI)	Gene Tempel
Center for Public Service	Naomi Wish
Center for the Study of Voluntary Organizations and Service, Georgetown University	Virginia Hodgkinson
Center on Philanthropy and Public Policy, University of Southern California	James Ferris
Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership, Grand Valley State University	Joel Orosz
The Hauser Center for Nonprofit Organizations, Harvard University	Christine Letts
The Institute for Nonprofit Organization Management, University of San Francisco	Michael Cortes
Private Foundations	
The Edna McConnell Clark Foundation	David Hunter
The Ford Foundation	Jan Jaffe
The James Irvine Foundation	Marty Campbell
The David and Lucile Packard Foundation	Barbara Kibbe and Gabriel Kasper
The Pew Charitable Trusts	Lester Baxter
The W. K. Kellogg Foundation	Robert Long
Educational Institutions	
The Brookings Institution, Center for Public Service	Paul Light
Harvard University, John F. Kennedy School of Government	Peter Frumpkin
University of North Carolina, Division for Community-based Evaluation, Center for the Study of Social Issues	Doug Easterling
University of Pittsburgh, Learning and Research Development Center	William Bickel
Other Organizations	
Blueprint Research and Design	Lucy Bernholtz
Millennium Communications Group, Inc.	Marcia Sharp
Patrizi Associates	Patti Patrizi
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The Johnson Center is a comprehensive academic center for research, teaching and public service in the area of philanthropy, volunteerism, and nonprofit management. Its mission is to promote more effective philanthropy, civic improvement, and excellence in nonprofit leadership. The Johnson Center supports a Master of Public Administration degree with a nonprofit concentration, as well as a range of undergraduate majors with a nonprofit minor. The Center's Community Research Institute conducts local research projects, and the Center is the administrative home of the Aspen Institute Michigan Nonprofit Sector Research Fund. The Center conducts a nonprofit leadership outreach effort, and operates the Philanthropic and Nonprofit Knowledge Management Initiative.

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Phillips Wyatt Knowlton is a management and measurement consulting resource specializing in philanthropy. Our mission is simply: quality management and measurement services to catalyze optimal organizational performance. **PWK** has experience in corporate, community and private foundations with a current portfolio in organizational learning, evaluation, strategy, teamwork, planning, training and knowledge management.

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