Let's Discuss Evaluation

A Framework for Trustee Conversations

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FINDING A COMMON PATH AMID DIVERGENT PERSPECTIVES.

Evaluation plays many roles and is handled in many different ways across philanthropy. It's common for perspectives on evaluation to vary significantly even among the trustees and staff of a single foundation. While many different views about evaluation may all be valid, no foundation can use evaluation effectively if its board and staff disagree about basic premises, such as desired purposes, types, uses and costs of evaluation.

This resource may be used following completion of the self-assessment tool, Let's Consider Evaluation. This discussion framework provides insights from experts in the field of foundation evaluation—as well as key questions for discussion. You are encouraged to focus your discussion on areas of your choosing, which will depend on your foundation's particular priorities, points of difference and areas of consensus.

Why should we evaluate?

Agreeing on purpose is the most important first step in setting an effective evaluation strategy. When trustees agree on purpose, a board committee or staff can return to the boardroom with a plan or set of recommendations that helps trustees decide how evaluation will be handled and what it should cost.

Perspectives from the field

Foundations are using evaluation to better **plan**, **implement and track** their work. They see it as an essential tool to clearly and realistically define measurable outcomes they seek to achieve. They want to improve the implementation of current grant programs through real-time feedback from stakeholders. They also use evaluation to monitor overall progress on an issue.

Rather than using evaluation to ascertain the impact of a single grant, increasingly, foundations are evaluating clusters of grants or multi-year program strategies. While some still want to know what exactly the grantee accomplished with grant dollars, a growing contingent of foundations want to use evaluation to find out whether their strategies, choices and theories of change are right. Simply put, emphasis is shifting away from grantee accountability to helping board and staff make better decisions.

DISCUSSION QUESTIONS

Which purposes of evaluation are most important to us?
- To better plan our work
- To improve our implementation
- To track progress toward our goals

At which levels do we focus our evaluation?
- Individual grants
- Grant clusters
- Program strategies
- Theory of change

How should we use evaluation findings to inform resource allocations?

Is there anything about the way we use evaluation today that is inconsistent with the purposes we care about most?

II. METHOD

How should we evaluate?

TYPES OF EVALUATION

Good evaluations are implemented in many ways — but choices about evaluation are difficult when some board members trust only quantitative, scientific, independent results and others find greater value in lessons reported informally by grantees and program officers. A wide variety of information can inform decision making and provide useful insights into grantmaking effectiveness. Precision, timeliness and objectivity can vary. What's most important is that evaluation fulfills its intended purpose.

Perspectives from the field

Trustees interviewed were evenly divided on the issue of **attribution** — those who wanted evaluation to produce findings that could be directly tied to the foundation's grants and those who did not expect that findings could be attributed to the foundation's efforts.

They also split over whether results reported by program staff had to be corroborated by **independent sources**, versus those who trusted that foundation staff would not gloss over bad news or report overly optimistic results.

Every foundation would like to have incontrovertible **evidence** that its funds created a significant social impact not otherwise possible. But the cost, complexity and duration of such impact studies limit the ability to use them and the application of their findings. In reality, foundations very rarely achieve anything alone. Each is typically one among multiple funders, relying on a grantee that has built up its capacity over many years, working on an issue that is influenced by countless other organizations, individuals and government activities. Once a foundation moves beyond the requirement for absolute proof of impact, a wider range of information becomes available, often at much lower cost.

Many foundations are expanding the range of evaluation techniques and methodologies to include additional forms of evaluation beyond the traditional options. Some are engaging in a more informal **participatory evaluation**, that engages foundation staff, grantees and even the beneficiaries in a shared process of learning and improvement throughout the course of the grant.

Most trustees interviewed wanted to see some quantitative data, supplemented by qualitative or anecdotal reports — the latter alone was considered too unreliable. A number of foundations have started using one- to three-page dashboards that **summarize** quantitative data, supplemented by more in-depth reporting on key initiatives.

DISCUSSION QUESTIONS

How do we want evaluation to work and in what circumstances?

- Extent of rigor

- Frequency of updates

- Outside evaluators vs. report by program staff

- Involvement of grantees

- Whether results must be attributed to the foundation's efforts

Are these types of evaluation consistent with the purposes of evaluation that we prioritized?

In what ways can we use evaluation more effectively? (see examples in *Snapshots, How Foundation Trustees Use Evaluation*)

II. METHOD

How should we evaluate?

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USES OF EVALUATION

Unless evaluation information is actually used in making decisions, it will atrophy as the staff and grantees recognize that the exercise is empty. But what consequences should evaluation carry? Making the right decision will depend on the circumstances at the time, but it is important to surface trustee attitudes about evaluation uses in advance.

Perspectives from the field

Foundations don't want to fund unsuccessful programs, but they may **not wish to abandon** a project when first efforts fail.

Staff and grantees should be held **accountable** if their projects go awry, yet we cannot expect them to solve major social problems with every grant.

Fellow funders, grant beneficiaries, policymakers and program operators can all benefit from the evaluation **lessons of others**, but we're hesitant to over-promote our successes or unwisely undermine a grantee by publicizing failure.

Many foundations use evaluation data to help them refine their strategy or theory of change for future grant cycles, but some attach more **explicit consequences**, such as:
- Allocating more funds to the program areas that show positive evaluation results and less to those that make no progress.
- Examining cost per outcome of different grantees and shifting grants to the best performers.
- Linking staff bonuses to evaluation results.

Foundations also vary in their willingness to **go public** with evaluation results. Approaches include:
- Posting a summary of the outcome of every grant on the foundation's website.
- Sharing both positive and negative evaluation results to influence government policy and spending, shape practice in the field, or influence funding decisions at other foundations.
- Publishing the results of program evaluations, enabling other organizations to apply key insights to their own work to achieve greater effectiveness and avoid pitfalls.

DISCUSSION QUESTIONS

What kinds of board decisions or actions should evaluation inform?

- Changing course or ending a program/project
- Evaluating staff performance
- Changing a grantee relationship

Are we comfortable sharing results — positive and negative — with outside stakeholders?

- In what circumstances?
- With what level of transparency?

II. METHOD
How should we evaluate?

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EVALUATION IN PRACTICE

Once the board has agreed on the purposes and uses of evaluation, the foundation can create an evaluation plan that is tailored to serve those needs. Some trustees find that the timing and format of the data collected is not well-suited to the decisions they need to make: Progress reports may arrive after the grant renewal decision has been made, or highly technical studies may lack actionable recommendations. Other challenges to the practice of evaluation may stem from the degree of trust and openness within a particular foundation.

Perspectives from the field

Many barriers to using evaluation effectively are merely **logistical**. Staff members don't have enough time to monitor grant programs underway because they're busy preparing for the upcoming board meeting. Trustees don't have enough time at the board meeting to discuss past results because they're busy approving the current grant docket.

Management and culture also factor into a foundation's evaluation practices. If the CEO doesn't consider evaluation important to decision making, the staff won't either. If the foundation lacks a culture of openness, honesty and respect, staff may not be willing to share evaluation results fully and candidly.

DISCUSSION QUESTIONS

Is evaluation information being shared with the board in a way that is easy to understand and use? If not, what improvements can we make?

- Evaluation timing that allows for board action

- Helpfulness of presentation method

Are internal discussions about failures and successes possible and comfortable?

III. COST

How much should we invest in evaluation?

It's satisfying to see as much money as possible go to grants — so sometimes it's easy to relegate evaluation costs to "overhead" status. But if the information gained through evaluation enables the staff and board to direct grant funds more effectively, and it helps other funders, thought leaders, policymakers, grantees and concerned citizens better determine how to strengthen programs vital to their communities, then the costs are well justified. Conversely, commissioning expensive studies that never influence future decisions is ill advised.

Perspectives from the field

Evaluation is essential to any foundation that seeks to improve its effectiveness over time, but it cannot achieve its purposes without an **adequate allocation** of resources.

The amount foundations spend on evaluation varies widely, both in absolute dollars and as a percentage of their grants. Trustees' willingness to spend resources on evaluation depends largely on whether they perceive that it has **productive uses**.

Evaluation costs extend beyond the money spent on external evaluation consultants. They include the staff time to gather and interpret information, as well as the board time that must be reserved to act on the lessons learned. They include the costs borne by grantees to collect and analyze the data requested by the foundation. They also include the cost of communications that bring findings to the attention of key decision makers.

Often, **data can be collected informally** by staff without commissioning expensive studies. Online surveys, site visits and publicly available information can all contribute to better decision making at low cost.

DISCUSSION QUESTIONS

Does our foundation place enough value on evaluation?

What level of investment in evaluation should the foundation make?

- Hiring external evaluators

- Allocating more staff time

- Allocating more board time

- Funding evaluation activities conducted by our grantees

How selectively should evaluation be used?

- All grants are evaluated to some degree

- Selective evaluation (what criteria should we use to determine which ones to evaluate?)

Should we collaborate on metrics with other funders to avoid asking grantees to do extra work?