SHEDDING LIGHT ON OUR OWN PRACTICE
HIGHLIGHTS OF THE STUDY FINDINGS

There is increased attention and interest in the philanthropy world regarding the effectiveness and impact of foundations and how they assess their own work. Interviews with 26 foundations across Europe provide numerous innovative examples of the development of a variety of organizational learning cultures. Most have been developed through strong and committed leadership, although no single method of learning and evaluation stands out as dominant.

Despite the high level of interest in this area, there are still important gaps in the philanthropy learning ecosystem. These are the main findings of the study *Shedding Light on Our Own Practice: The impact and effect of our behaviour*. Supported by a group of funders to look at how foundations evaluate their own practice, the study is based on research with foundations known for their commitment to evaluation and learning.

DRIVERS FOR CHANGE
▶ New leadership
▶ Newly created foundations
▶ Legacy preparations
▶ Periodic evaluations
▶ New technology

A new approach, new relationships

Foundation practice is changing. Increasingly foundations are seeing that how they make grants and give support is just as important, if not more so, as who and what they support. Foundations are talking explicitly about enhancing their ability to learn, and this has affected their relationship with grantees; many design their evaluation criteria in partnership.

> **We have built up an evaluation pyramid with feedback loops that include stakeholders and third party participants to break out of the usual "self-congratulatory circle" of the foundation world.**

A number of factors have helped to produce this change. Sometimes new leadership has brought in fresh ideas while some newly created foundations, reflecting a special curiosity and commitment, have been set up with built-in processes to assess how well the values of their founders are being met. Legacy preparations, particularly with foundations spending down, can also result in major organizational restructuring.

> **We have been on a journey, from being almost entirely reactive to increasingly clear about the outcomes we were seeking to help achieve and the criteria we adopt to inform all decisions with determination to make the most of the learning derived from our efforts.**

As evaluation and learning have become more and more integral to foundations' work, there is increasing recognition that these activities need to be 'continuous from the start' of a programme, enabling adjustments to be made in 'real time'.

> **You need to think about evaluation at the start of your project. It is virtually useless to start doing it halfway through or, worse still, at the end.**

Periodic comprehensive foundation evaluations, coupled with mid-term reviews, can be a stimulus for change. New technology has opened up opportunities for learning in many ways, including across peer communities of practice.

From looking outward to looking inward

A constant theme of the interviews is the realization of the importance of learning to achievement of organizational goals and the extent to which practice is consciously changing to take this into account. Institutional size is not the main factor in this; rather the keys are management style, substantive issue priorities, and often the newness of the institution, which means it has no customary practice to deal with and has more space to innovate. Foundations are making changes in both policy and practice as a result of what they learn from this process and from failure as well as success.

> **Our ten-year evaluation pointed out that we were project focused rather than change oriented. This . . . resulted in the shift towards larger grants and an orientation towards trying to effect systemic change.**

Developing a learning culture: whose responsibility?

There is no single path to developing a learning culture. In many instances a CEO's attitude is essential and determines the style of the learning. In these cases, programme staff make the process work and maintain momentum. In other instances, boards can be the catalysts and play a pivotal role. Their support is often especially vigorous and their own focus can move from strictly operational governance to strategy and influence for change. Specialist external consultants, used periodically, also provide a valuable expert and neutral perspective. Whatever the impetus, learning has to be an acknowledged crucial plank of the foundation's operation:

In order for evaluation and learning to work it has to be like eating breakfast, part of everyone's DNA.

A number of institutions are taking up the challenge of cross-programme learning, with an eye to maximizing synergies and taking a comprehensive approach to seeking solutions for their priority issues.

Cross programme learning is very important to achieving our goals. Cross-function teams worked together on mapping the landscape of our priority themes and we have monthly site visit reviews for all programme officers.

On the questions of what can be measured, how to measure it and over what periods of time, one respondent had this to say:

We were most successful when measuring annual goals and made some progress on a short-term basis. It is harder to measure on a long-term basis when you are working in the field of social justice.

Criteria for success

Some organizations identify formal indicators against which they determine success. Others take a more holistic approach to gauge progress in a sector. Achieving sustainability and replicability are increasingly cited:

SOME KEY QUESTIONS RAISED BY THE STUDY

► Is it best to have designated learning officers and evaluation departments?
► How can one integrate a learning approach into all aspects of a foundation's behaviour?
► How can one ensure buy-in for learning processes from programme officers, and board members?
► How can one keep evaluations proportionate to the scale of the programme?
► Is incorporating evaluation planning from the start of a project feasible?

Our criterion for success . . . is the self-sustainability of the grantees. Our grants are given with self-sustainability and systemic change in mind.

Research and role models

There is growing appreciation of the value of peers and nascent communities of practice, enhanced by the growth of funder networks and other forms of partnership. This is taking place on a European level, within national boundaries and sometimes in thematic networks.

We have put a priority on making efforts to impact on the philanthropic sector and sharing of learning is key for us.

There was ambivalence about the value of academic research, but there was a strong general feeling that there is a need for more practice-oriented investigations, particularly on two key areas: who is doing what, and what works and what does not?

We do a lot of asking questions and seek to gather information from other foundations, more informally than deliberately, on what works and what does not.

What is missing from the philanthropy ecosystem?

One thing stood out clearly: there is a need for a community of practice and for greater efforts to facilitate peer learning. The philanthropy infrastructure in such areas as staff training, research, think-tanks and support organizations is underfunded and uncertain. Another issue that was raised was the need for greater cross-fertilization between the foundation sector and the larger not-for-profit sector to stimulate more innovation.

People in the foundation world are too hesitant about investing funds and time in learning.

Our foundation is concerned about the fragmented and under-resourced nature of the field of philanthropy research and the consequences for quality.