

Realigning Foundation Trustees to Incentivize Learning

Tanya Beer, Center for Evaluation Innovation
@Eval_Innovation

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At the Center for Evaluation Innovation, we spend a lot of time working with foundation evaluation and learning directors to try to operationalize this very fuzzy, hazy, abstract concept of a learning culture, and actually make it come to life in a set of practices and routines that get reinforced by the system within which you're working. What are the incentives that are driving how learning plays out? How does it get supported? How do staff dive in and live learning on a day-to-day basis?

One of the things that the evaluation directors we've worked with tell us routinely gets in the way of having a learning culture, is what happens in the space of engagement between the staff and board. They say that what happens in that space tends to disincentivize things like sharing uncertainties or disappointing results, or being clear about how thinking is beginning to transform, and maybe suggest you should be on a different path than you've been on so far.

But the space that they occupy in the boardroom, and the really ridiculously extensive amount of time they spend preparing the materials, tends to really get in the way of having the kind of learning engagement they think they ought to be having in that space.

Ironically, the boards we talk to also tell us they are *desperate* to have authentic learning conversations in the board rooms. They are suspicious that they're being sold a bill of goods. They know that change is tough and complex and messy and the long game and all of those things. But they get this really polished package and they don't know how to engage with it. So they find themselves building a set of routines, and it all feels like a performance, and at the end of the day everybody's pretty disappointed.

So what's going on here?

What we need to figure out is, “Why are we stuck at this impasse if everybody seems to be interested—at least in spirit—in learning, and learning in that space?”

I actually think that there's a whole range of reasons that this is happening. That, if we're candid, foundation staff are rightly hesitant to open the door to too much scrutiny of their strategies because boards can actually make really substantial, consequential decisions that have huge impacts on organizations, based on a tiny handful of information and four conversations a year. So I understand that we need to protect that space.

Conversely, one of the things that you routinely hear about some boards is that they are actually pretty sensitive to the potential power that they wield, and the fact that with one offhand question or remark and a game of telephone, staff could be sent back to the drawing board to redo an entire strategy. So they try to figure out, “What's the question I can actually ask that we can actually engage on that doesn't undermine the staff and lead us down the route of micromanagement and throw everything into chaos?”

Some of that is just a tension that has to be managed. It's not a resolvable situation. It's just a tension inherent in the way governance works.

But I actually think that there's some stuff we can start to do that actually gets at shifting this relationship. It has to do first and foremost with the underlying conflict in paradigms or mental models that are at play in the way we think about change and what actually gets operationalized in a board room. So let's just start out by laying that mental model on the table.

It's clear that strategists and program folks instinctively understand that the process of social change is *dynamic* and *emergent*—these are words we toss around a lot these days—that it is *negotiated* and that it is *relational*.

By these terms, I mean that even if you don't explicitly have a commitment to working in partnership with people, you are doing social change in a context where there are a lot of independent actors who have agency and who you cannot control and who will push back, who will negotiate, who will find alternative pathways, who will say what you need to hear while they do the thing they want to do anyway.

All of this stuff is happening out there, which means that learning has to happen as ongoing wayfinding in this context of ambiguity and uncertainty about how to proceed. It means that we have

to pay attention in our strategizing, not just to the kind of outcomes that seem to be being produced, but actually pay attention to how other actors in the system are responding to us—where they're resisting, what they're willing to do with us, how they're pushing back on the way that we work and frame the goals that we have, and then adapting in response to how they are reacting.

So that's the feel of learning. Learning in practice happens in that sort of ongoing negotiated way.

The problem is that, even among boards who are very good at talking the language of systems and who themselves are social change agents who understand the complex, negotiated terrain of social change, it is still the case that most of the routines in the board room are actually based on a different mental model of change, which is that social change is a technocratic problem-solving endeavor.

And by technocratic here, what I mean is we all are aware that we live in a fairly technocratic heavy society right now that really imagines the process of making change is the domain of experts, that *if we just plan with enough detail and enough depth and enough certainty, we can predict how change will unfold.*

So what happens—in the ways that artifacts get exchanged in a board engagement, and in the ways the conversations get set up—is that they actually start to incentivize and reward staff who project a degree of certainty that's just not real. So if you're charged with projecting certainty in the board room space, what incentive do you have to say, “Here's what I don't know. Here's what I'm not sure of. Here's how I think that our thinking has to change because we guessed wrong to begin with.”

This is a pretty significant mental conflict that I think lives below the surface of what has become ubiquitous language in our field about systems that doesn't actually play out in the way we work.

The problem here, of course, is that most folks in this room aren't well positioned to sit down with a board and say, “Let's talk about your paradigm.” It's not usually an option to have those kind of upfront conversations with the board about the mental model of change that they're operating under.

So what do we do? I actually think that there could be a lot of power in starting to change, on a small scale, the routines and artifacts that hold that mental model in place and keep reinforcing it time after time after time.

What I want to do is spend our short time together talking about three habits that we see playing out in board rooms that we think actually could be undone or shifted without too heavy a lift and that might actually start to unlock this paradigm about how change happens and create the space to grapple with real complexity with, among, and in front of your boards. I want to talk about those habits and some examples about how you might try to adjust them.

I have to say two things as a caveat before we go into these. One is that I have already had discussions here that make me re-think this entire presentation, which is one of the things I love about GEO. I also recognize that in each of these habits and the alternatives that they are all tensions—creative, productive tensions where we're trying to balance between certainty and ambiguity, and prediction and accountability to particular things we want to achieve at particular points in time, and willingness to adapt. All of these tensions I recognize are an ongoing struggle.

The other thing I want to call out is that I've been an evaluator for about 18 years now, and I feel like most of my career has been about actually helping to put these norms into place, that I now feel some responsibility for trying come and undo. So. I just want to acknowledge that a lot of my practice has been actually encouraging some of these things that I am now experiencing as a real problem.

Okay. Let's dig in.

The first problematic habit that I want to talk about is the idea of using a preset fixed set of indicators as the primary mechanism for accountability.

Now I'm an evaluator. I love data, I love outcomes, all of those kinds of things. I think they're very critical. But what I want to highlight here is that it is the relationship that we have to them that is problematic and how they get deployed in the board room space. So this idea of pre-set fixed indicators as a mechanism for accountability essentially just means that what we've done is offer up to boards, where they've asked us for a set of indicators, the setting and reviewing of indicators as the main method they use to operationalize their accountability function.

So the core mental model is, "You show us the indicators, we look at some stoplights, we say, green—okay, red—bad, let's try something different right there. And then we're done with the accountability role or function."

So, of course, there's a lot that's problematic about this approach. One is that it reinforces the technocratic problem-solving mental model about change. It suggests that what it means for a foundation to be effective, or a staff person to be effective, is that they have successfully predicted what outcomes will happen at particular moments in time.

Whether that's how we actually think about why we do outcomes, that's the sort of underlying assumption behind that process of using indicators in this way as your mechanism for accountability. So in this model, I'm really successful as a staff person, or a grantee frankly, if I did a really good job upfront of planning the change pathway with a whole lot of detail, and identifying what indicators would happen when (incidentally on the first of every year because that's when the reporting period happens).

That's the mechanism that we're operating under to operationalize accountability. It reinforces not only this mental model about change, but it also incentivizes this idea that you have to project certainty and that is how we will be judged, or that is how our performance will be judged. But you can already see how that gets in the way of being able to grapple with the complexity of change and the negotiated nature of such work.

So what's the alternative here?

In the broadest sense, I think what we have to do is actually offer up a different set of criteria and method for operationalizing accountability in the board room. What is it exactly that we should be accountable for and how does that get operationalized and shared in the board room?

If our experience of change in complex systems where we're negotiating always with other actors is this mess, then there's a set of assumptions we can have about how that's going to unfold. You might actually see some of the interim outcomes that you want to see, but the characteristics of systems are that they tend to stay stuck in the way that they're currently functioning because there are all sorts of incentives keeping them functioning the way they are.

So when you do something and you start to make progress, you will inevitably get resistance from counter interests that have a benefit in maintaining the system functioning the way that it is. Partners, as you're engaging with them, particularly if you are intentional about your equity commitment, should be offering you alternative pathways to change long past the time you proposed your strategy to the board. Then you may be lucky and hit another interim outcome. Later, you're going to figure out what you guessed wrong along the way. And things are going to slide backwards.

And maybe most importantly, if you are actually engaged in systems work, especially system work that has an explicit commitment to equity, you may even be negotiating in an ongoing way those ultimate outcomes because it matters what change other people think is important.

So if this is how change *actually* feels, and in fact what we're incentivizing instead is this prediction of hitting particular outcomes at particular times, what does it actually mean to be accountable and effective in this model?

If I were a foundation board member, I think being effective in this model means that you're actually really good at the ongoing navigation and sensing of what's happening out there. I'd want to know that the staff was really excellent at paying attention to what's unfolding, getting feedback from partners and other actors in the system, and adjusting accordingly.

That's a different way of thinking about accountability. But practically speaking, how does this get operationalized?

I think it's as straightforward as offering up to boards a different set of accountability questions. I'm going to give you just one example of a way that we're trying it out with a small foundation in New York.

What we said to that board after having generally this same conversation and getting a lot of suspicious looks was, "What we think you should do to help us be accountable is hold our feet to the fire—that we are in fact applying the insights we have had about the system so far to our proposed adaptations. It is your job as a board to say, 'Given that you noticed "X" about the system, how is this new strategy accounting for that?'"

And in that way what you're doing is you're incentivizing staff to continue the process of observing how the system is unfolding, incorporating the information into their strategy, and moving forward in an increasingly smart way that understands the system dynamics. So even just the simple act of asking a board to ask you a different set of questions through that proposal review process starts to change how they operationalize their role in stewardship and accountability.

There's a second and maybe slightly easier alternative here, which is quite simply the idea that you plan proactively for outcomes and indicators to evolve. That means you invite people on a regular basis to say, "Given what we are understanding about how change is unfolding, are these still the right outcomes and indicators for us to be paying attention to? And more importantly, are they still

the outcomes and indicators that matter to our partners in the field and that have value to the folks that we are working with, the communities we're engaging? And if not, how should our outcomes change?"

We actually see this happen pretty rarely when folks do initiative reviews. It's not very often that people say, "Well, here's how our strategy's changing, and also we think we might need to be looking for some different kinds of signals."

So even simply being attentive to the process of actively evolving indicators and asking grantees to do the same can start to send the message to boards that change is a negotiated emerging process.

That's the first one. No small thing, but I think it's changeable.

The second one, problematic habit number two, is that we routinely see strategy proposals that promise outcomes that far outpace the resources, the timeframe, and the level of influence of a foundation or grantees.

I understand that this is motivated in part by the very good instinct that we have to set really big hairy audacious goals, and also to be clear that the reason we do this is because we care about the ultimate impact on the way that the system functions. But when we promise outcomes that far outpace our resources and our influence, a couple of different things happen from an incentive perspective.

First of all, it causes people, grantees and foundation staff, to feel like they have to overclaim. They overpromise and then, in turn, overclaim what they've been able to accomplish in this sort of messy difficult system.

It also causes people to hide the challenges that they're encountering. I'm really worried about this one. I think it causes boards, and we've talked to so many of you who have had this experience, to prematurely draw conclusions about the effectiveness of an initiative. Meaning, "We don't see the results you promised, so we're pulling the plug." And this gets exacerbated by the inherent biases of board members and who they give the benefit of the doubt to. So it has huge equity implications.

And then with this last one, what I really want to dig into is this mismatch between our *sphere of influence* and what we actually articulate and spend most of our time paying attention to, causes us

to focus our data on information that actually doesn't say anything about our own effectiveness and therefore doesn't help us to be more effective. It can't inform our effectiveness.

So if you're watching population-level outcomes because it's the thing you care about [your *sphere of aspiration*], and that population-level outcome changes or doesn't change, it may not have squat to do with your work, depending on where the system is in the change process and where you're intervening and all of this kind of stuff. So you can see those things happen, but you haven't gained any actual knowledge or information that helps you make the right kinds of adaptations to the choices you've made along the way.

In some ways, this is kind of a no-brainer, that the alternative is to have a different relationship between the north star goals and the close-in indicators and measures and outcomes that you're actually spending the most time paying attention to and thinking about. So this idea of right-sizing expectations to outcomes that are more tightly in your sphere of control can give you the kind of meat and fodder for your learning conversations in a way that the big ones can't.

I think the answer here is to track the outcomes in that *sphere of aspiration* as the “vital signs” of the system. You're paying attention to how the system's changing or moving, and what outcomes it's producing. But you're really zeroing in the most energy on those indicators and outcomes that actually relate to direct issues about foundation effectiveness.

In our New York example, they're working on the prevention of community-level violence, and that is an interest in the total number of gun deaths. That's a population-level outcome that they are interested in. The kinds of grantees they're working with right now are focused on how you shift the narrative among gun violence advocates from a focus on school shootings to a focus on hand gun violence, because school shootings disproportionately affect white communities and the conversation needs to about the ubiquity of guns in communities of color. So they're trying to shift that narrative.

What it means is they spend the most time actually talking about, “What are the signals we're seeing that the narrative is shifting?” and do what they can to keep these vital signs on their radar in the background, but not at the forefront of those conversations because it can actually lead the board to make the wrong set of decisions. And they can't draw any conclusions about the effectiveness of the strategy if they're too far away from those indicators about the actual nature of the strategy—shifting the dialogue, shifting the conversation frame.

It seems sort of obvious, but I invite you to just take a moment and look at the way you've articulated your outcomes and indicators, whether it's in your dashboard or other forms your board sees, and see what message you're sending inadvertently about what it takes to be effective in your change process.

Problematic habit number three and this is related. I think a lot of foundations and evaluation staff people in particular exhaust their evaluative and reporting energy getting a lot of quantitative data aimed at describing change. So again, I'm an evaluator, I super love data. I think describing and understanding the nature of change that's happening is really critical.

But I think we need to be realistic about the amount of attention and resources we have [available] to collect data and information. And I want to talk a little bit about what happens when we do this. It actually incentivizes us to focus far too little attention on understanding how and why change happens as opposed to just describing it. And that's where the meat of learning is.

Again, this over focus on summarized quantitative indicators can cause us to overgeneralize unfairly without attention to context. You all know this from the conversation about equitable evaluation. You have average indicators, you describe progress as a green light, but it turns out that it's actually playing out very differently in different contexts and you cover over that with your top-level indicators.

It prevents you from digging in to say why is it different here versus there? How are we understanding what's driving it in this community and not that community? It also leaves really rich learning inputs on the table. That sort of tendency toward quantitative indicators helps us to fail to understand why and how change is happening and how people are experiencing it. And this is the thing that annoys me the most, it drives us to end the conversation with the dashboard instead of *start* the conversation with the dashboard.

I don't know how many meetings I've seen where the dashboard gets presented and the board again says, "Green, green, green, yellow, red, okay, you guys fix that and we're done." And everybody leaves that space having no deeper understanding about what's driving change, as opposed to using dashboards and indicators to say, "This is background for us to take a snapshot of what's happening and to start to understand the trajectory of change." But the real conversation is about *the why*.

There's a handful of specific alternatives on this front about refocusing data on a handful of critical questions, as opposed to trying to describe everything under the sun. Focusing your systematic

methods where there's uncertainty or opacity instead of really emphasizing confirmation of the stuff that you already can speak to and you know, and to try to resituate your data as a starting point rather than an end point.

The last alternative I want to highlight is this very simple idea about shifting the balance of the distribution of the conversation that is happening both in your board materials and in the work space where you present, to better and more equitably stretch across the “what, so what, and now what” conversation. What we notice is that 90% of the board’s time, materials, and conversation is spent on the “what” because you're trying to reassure them and make sure they don't ask you any questions.

You describe what's happening and then leave very little time to say, “So what do we think this means? And now how are we going to change the way we're moving forward to address it?”

So the very simple strategy is simply to force yourself to readjust the balance of time. In the New York Foundation, what we've done is actually force board docs to be evenly split among the three, and to force the amount of time [in meetings] to be evenly split among the three. It also incentivizes staff to spend as much time on the drawing of insights as assembling the perfect description.

Just those handful of small tweaks can really start to shift the kinds of conversations that the board has in that space and signal to staff that, in fact, what it means to be an effective foundation in a complex change situation is not that you hit what you said you'd hit when you predicted you said you would hit it two years ago when you proposed that strategy. But that you are actually an effective observer, a navigator, and a responder to system dynamics as you do the work.

We want you to give it a try and tell us how it goes and let's see if we can begin to shift that culture!

***Tanya Beer** is associate director of the Center for Evaluation Innovation. She leads the organization’s work with the Evaluation Roundtable, a network of evaluation and learning leaders in over 100 foundations across the US and in Canada. Tanya has a broad range of evaluation experience in the philanthropic, nonprofit, and public sectors, and has consulted with numerous foundations on strategy, evaluation, and learning. She has deep expertise with developmental evaluation, emergent strategy, strategic learning, systems thinking, and advocacy evaluation. Prior to joining CEI, she was assistant director of Research, Evaluation, and Strategic Learning at [The Colorado Trust](#), a private health conversion foundation.*