



SOCIAL POLICY RESEARCH  
ASSOCIATES

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## Evaluation of The William and Flora Hewlett Foundation's Organizational Effectiveness Program

### Final Report

November 21, 2015

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## EXECUTIVE SUMMARY

In May 2014, the William and Flora Hewlett Foundation contracted with Social Policy Research Associates (SPR) to conduct a retrospective evaluation of the Foundation's Organizational Effectiveness (OE) program that would help inform the program's future direction and strategy. The OE program has been committed to supporting grantees' efforts to build their organizational strength and capacity since 2004. According to the Foundation, the OE program seeks to build the capacity of existing grantees to make them healthier and more resilient organizations, with the belief that with high-performing partners, the Hewlett Foundation is more likely to make progress toward its shared strategic goals with grantees.

This final report presents findings across all data collection activities in response to four key research questions:

### Evaluation Questions

- How and to what extent has the OE program met its goal of building the capacity of grantees to make them healthier and more resilient organizations? (*In other words, how has the OE program helped build organizations that are able to function effectively and adapt to change?*)
- What is the OE program's impact on grantees' ability to achieve their goals and/or Hewlett's shared goals? What are insights on whether the OE theory of change has worked as envisioned?
- How well has the OE program been structured and administered to ensure that Hewlett staff and grantees use OE resources efficiently and effectively?
- What is the OE program's effectiveness in the context of what the larger field has to say about best practices in capacity building?

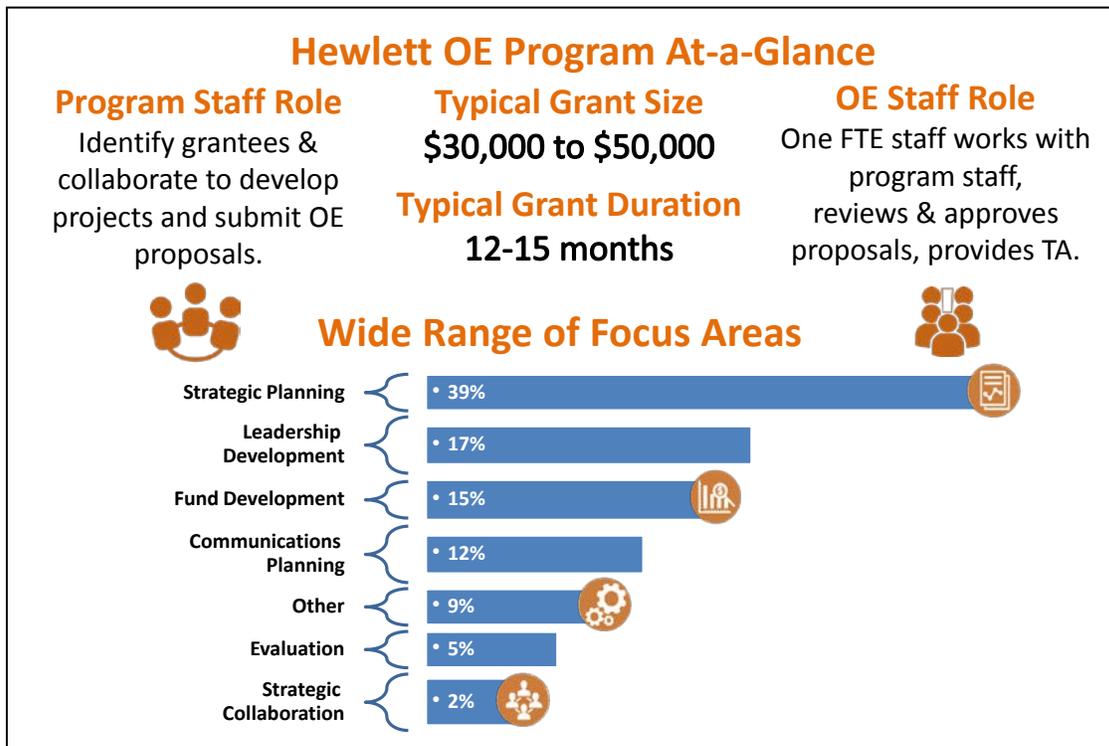
To answer these questions, SPR relied on a range of methods including:<sup>1</sup> (1) a comprehensive analysis of 214 OE grants, which involved coding the key documents associated with each grant; (2) a survey of Hewlett Foundation program staff and a survey of OE grantees that asked them to rate their experience with the OE program and assess the perceived impact of their specific OE grants; (3) program staff and grantee focus groups, where participants were asked to reflect on a number of issues such as the unique value of OE grants and recommendations for the program's improvement; (4) interviews with recognized OE experts and former OE program staff

<sup>1</sup> Due largely to the respective nature of this study, following are some limitations to this evaluation: (1) As this is not an impact study, we cannot make direct attributions of effects to the OE program; (2) The OE program's pre-existing proposal and reporting templates were not designed to consistently collect data aligned with this evaluation's lines of analysis; (3) OE grantees had to reflect on grants that had ended years ago, thus challenging accurate recall; and (4) The evaluation relied heavily on self-reported data which may be skewed towards positive reporting of accomplishments and perceived impact.

on Hewlett’s OE program over time and in context of the larger capacity-building field; and (5) a field scan of the capacity-building practices of other foundations across the nation.

## ABOUT THE OE PROGRAM AND GRANTS

OE is a stand-alone program within the Foundation that supplements programs’ grantmaking budgets. The program’s budget **makes up less than one percent of the Foundation’s total grant dollars**. Existing grantees across the Foundation’s program areas work with Hewlett program staff to identify and prioritize capacity-building goals—i.e., goals that will increase the organization’s ability to fulfill its mission. OE grants provide targeted capacity-building resources with the support of an external consultant for a **range of focus areas including strategic planning, leadership development, and fund development**. The OE team has the equivalence of one FTE who supports Hewlett program staff and their grantees through the grant application, proposal, and approval process, and also helps program staff track OE spending. The OE team provides one-on-one technical assistance to program staff and brings in external experts to offer training on capacity-building issues. The graphic below provides an overview of the program, including key grant characteristics.



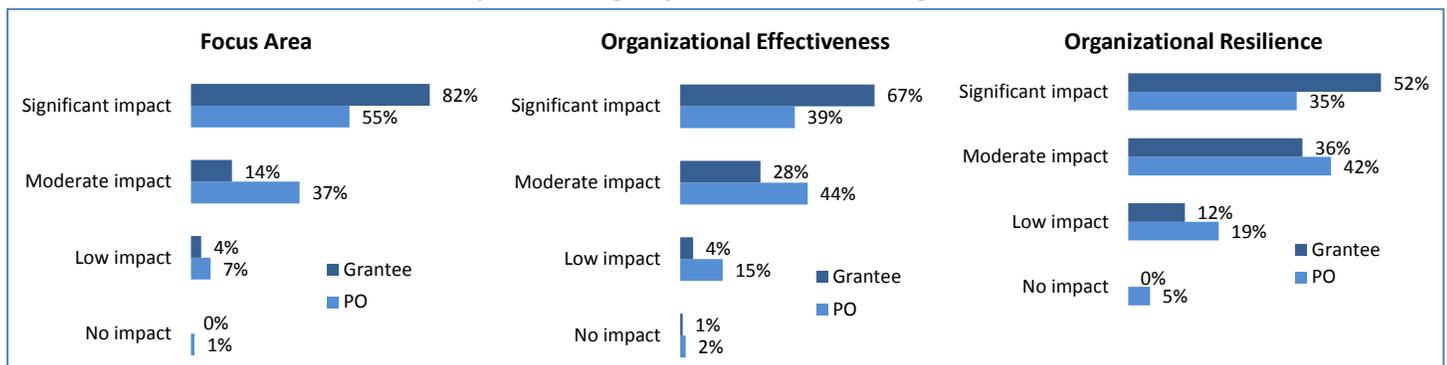
## KEY FINDINGS: ORGANIZATIONAL OUTCOME AREAS

The OE program is premised on the assumption that by supporting short-term, discrete capacity-building needs of its existing grantees—e.g., a new strategic plan, a revised

fundraising plan—its grants can have positive, broader, and longer-term ripple effects. SPR’s evaluation of Hewlett’s OE program concentrated on several major outcome areas: accomplishment of grant objectives and perceived impact on grant focus area in the short-term, and on organizational resilience and organizational effectiveness in the longer-term.

- **Most OE grants met their objectives.** Program staff rated 93% of OE grants as having “met” or “surpassed” expectations. SPR’s review and coding of objective completion from grant documents revealed that 76% of OE grants completed all of their objectives.
- **A majority of program staff and grantee survey respondents rated the impact of OE grants as moderate or significant** in the three outcome areas of focus area, organizational effectiveness, and organizational resilience. Notably, for each outcome area, a higher percentage of grantees rated the impact of OE grants as “significant” compared to program officers.
- **Program staff and grantees were both the most positive about the impact of OE grants on the grant focus area and the least positive about impact on organizational resiliency.** The ratings suggest the need to rethink the assumption, described above, behind the OE program’s theory of change.

**OE Grant Impact Ratings by Grantees and Program Staff**



The evaluation sought to better understand what enabled and inhibited the success of an OE grant. From our quantitative analysis, **no strong predictors emerged for whether or not grants met their objectives or had perceived impact on grant focus area, organizational effectiveness, or organizational resilience** from the perspective of grantees or program staff. However, the following three factors emerged as statistically significant and relatively predictive of grant success from a quantitative and qualitative perspective. The importance of these factors has been reinforced by others in the OE field.

- **Consultant fit emerges as the most prominent factor for OE grant success from both quantitative and qualitative data sources.** From the analysis of survey

data, consultant fit was the strongest predictor—specifically of grantees’ focus area impact ratings (it explained 22% of the variance here). In focus groups, grantees emphasized the importance of an appropriate consultant as the most critical factor for OE grant success. Specific ingredients of success are the breadth and depth of the consultant’s knowledge in the relevant field, and their ability to build rapport with the grantee. Some of the explanations for a poor consultant fit were: ultimately needing a different expertise area than what the consultant possessed; requiring more work from grantee staff than anticipated relative to the consultant; and the consultant providing recommendations or products that were too general in nature. Finally, consultant fit was a top recommendation topic for both grantee and program staff survey respondents, particularly a recommendation that the Foundation provide more assistance in identifying potential quality consultants and facilitate sharing of consultant experiences among grantees and program staff.

- **Grantee readiness (specifically whether Hewlett program staff had a sense of grantee readiness to do OE work) was another factor posited to strongly influence OE grant success.** While this factor was statistically significant, it individually explained only between 6 to 9% of combined outcome scores.<sup>2</sup> However, in interviews, program staff members highlighted readiness as one of the top factors of OE grant success. Program staff also suggested that grantee initiative (in starting the OE grant process) and self-identified capacity-building priorities are other signs of grantee readiness.
- **Grantees’ experience of effective support and advice from the Foundations’ program officers during the proposal stage.** Together, these two sub-factors explained 12% of the variance in combined grantee and PO impact ratings for all outcome categories (Total Outcome Score). Grantees provided overwhelmingly positive feedback on program staff support in both qualitative and quantitative data sources. Grantees praised program staff for their responsiveness and supportiveness, their constructive feedback, as well as their ability to “stay out of the way” when necessary.

SPR also explored other factors, such as grant characteristics (e.g., focus area, grant size, grant history), grantee characteristics (e.g., grantee budget, staff size), and those originally posited to strongly influence outcomes but none were found to be strong predictors of grant outcomes.

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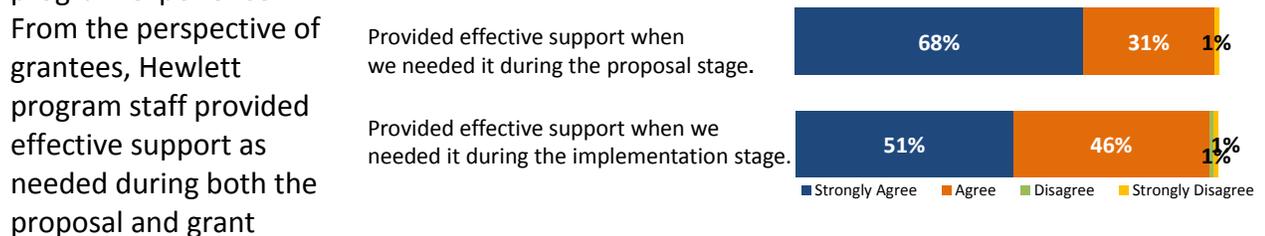
<sup>2</sup> Because there was very little variation in achievement of grant objectives and in impact ratings for each of the outcome areas (perceived impact on grant focus area, organizational resilience, and organization effectiveness), SPR explored *combining* outcome areas in addition to exploring each outcome area individually. The combined outcome scores included: Total Outcome Score, Progress Outcome Score, and Spillover Outcome Score.

## KEY FINDINGS: OE PROGRAM IMPLEMENTATION

A key research question for the evaluation is how well the OE program has been structured and administered to ensure that Hewlett program staff and grantees use OE resources efficiently and effectively. Some key findings from this line of analysis were as follows.

- Value-add of program:** According to both Foundation staff and grantees, the OE program’s existence and stand-alone structure allows an opportunity for honest conversation about organizational challenges and needs without the fear of jeopardizing program funding. Both groups described the specific value-added of OE grants—compared to general operating support and/or program funding—as being targeted funding for organizational strengthening, thereby avoiding the need for grantees to justify dedicating resources to this area, and ensuring that capacity-building work is prioritized.
- Flexibility of grants:** The OE program’s value also stems from its flexibility to quickly and effectively meet the needs of diverse grantees. Flexibility was one of the top strengths cited by program staff. Grantees appreciated the flexibility to self-determine their capacity-building focus and scope of work. However, a frequent recommendation topic by grantees was allowing grants to support grantee staff time on OE projects—i.e., managing consultants, and/or hiring temporary project staff.
- Implementation stage:** Program staff saw the implementation stage of OE grants as a relatively weak area that could be addressed by longer and larger OE grants.
- Grantmaking process:** OE staff and Hewlett program staff were both praised as key strengths of the OE program experience.

OE Grantee Ratings of Hewlett Program Staff Support



From the perspective of grantees, Hewlett program staff provided effective support as needed during both the proposal and grant implementation stages. The application form and process was widely considered as easy and efficient to use. Still, improvements could be made in terms of collecting useful data—especially on the long-term impacts of OE projects.

- Training and peer learning:** Program officers generally believe they are fairly well trained in identifying and supporting the capacity-building needs of their grantees and they value the current one-on-one support and guidance provided by OE staff. But many also would like more orientation for new staff, and increased opportunities for ongoing peer learning to deepen capacity-building knowledge and guide grant making. Grantees would like more peer learning opportunities to facilitate sharing of OE lessons, best practices, and resources such as consultants. Both program staff and grantees recommended conducting more follow-up to determine if the OE project had “stuck” and to understand

any potential further impact that had occurred beyond the final grant reporting period.

### Questions for Reflection

Upon consideration of all data presented on OE program implementation and grant outcomes, we raised some key areas for the Foundation's further reflection. A few examples of these questions were:

- How might the Foundation balance the need for increased availability of targeted OE funding with the expediency of addressing capacity-building needs together with programmatic needs?
- Is it realistic to expect broader, longer-term effects of OE grants that are relatively modest in size and duration?
- Should the Foundation differentiate in terms of the size, duration, and expected outcomes of OE grants depending on their specific focus area?
- How can the Foundation further develop a stronger culture of peer exchange on OE lessons and best practices among program staff and grantees?

It is our hope that these reflection areas will help inform the Foundation's thinking as it moves forward with plans for the future of the OE program and continues the critical work of building grantee capacity to effect larger change.

## I. INTRODUCTION

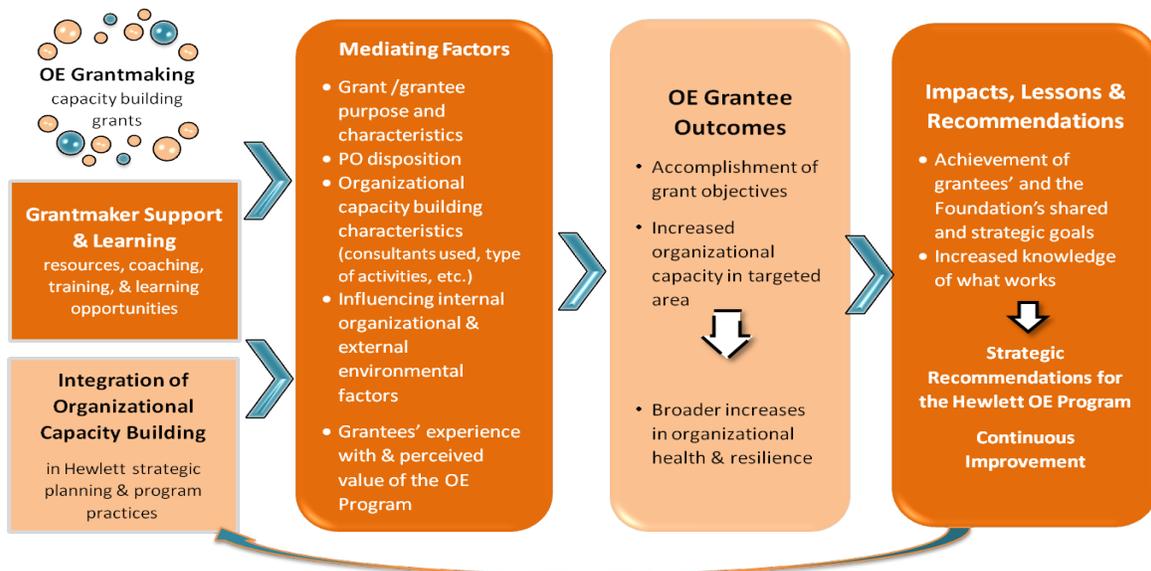
In May 2014, Social Policy Research Associates (SPR) began a retrospective evaluation of The William and Flora Hewlett Foundation’s Organizational Effectiveness (OE) program. The OE program, created in 2004, seeks to build the capacity of grantees by making them healthier and more resilient organizations, with the belief that high-performing partners are more likely to progress toward strategic goals shared with the Foundation.

This evaluation covers grants made during the time period of 2009-2013, as it is most reflective of the OE program’s current form and captured the last complete year of grant making before the evaluation began. SPR’s approach was driven by four specific goals:

- (1) Understand the effect of the OE program on grantees’ organizational health and resilience, as well as their capacity to achieve strategic goals;
- (2) Analyze the implementation of the OE program and its interaction with staff members’ capacity to address grantees’ organizational health needs;
- (3) Understand the value-added effect of the OE program in context of broader foundation resources and field-level trends; and
- (4) Provide formative feedback to guide the OE program and its future strategy and implementation.

In order to meet these goals, we collaborated with the Foundation<sup>3</sup> on a program evaluation framework, shown in Exhibit 1, which identifies the key inputs and grantee outcomes of the OE program. Embedded within the framework are the constructs of organizational health, resilience, and effectiveness (areas for measurement defined in Exhibit 2).

### Exhibit 1: The Hewlett Organizational Effectiveness Program Evaluation Framework



<sup>3</sup> For the evaluation our primary working partners at the Foundation were four staff members from the Effective Philanthropy Group. However, we also engaged in collaborative discussion with the OE Program Evaluation Advisory Committee (AC), which included staff members from across the Foundation’s program areas as well as external experts in organizational effectiveness. The AC provided formative feedback on the evaluation’s design, analysis, and findings mainly through scheduled AC meetings throughout SPR’s evaluation.

## Exhibit 2: Definitions of Organizational Health, Resilience, and Effectiveness<sup>4</sup>



In essence, the OE program is premised on the assumption that by supporting short-term, discrete capacity-building needs of its existing grantees—e.g., a new strategic plan, a revised fundraising plan—its grants can have positive, broader and longer-term ripple effects. Based on this premise, key assumptions of our evaluation framework include:

- The achievement of grant OE grant objectives will lead to broader and longer-term increases in organizational health and resilience.
- Increases in organizational health will lead to a greater ability to meet larger programmatic and strategic goals that grantees share with the Foundation.
- Certain mediating factors—such as the disposition of program officers toward capacity building and grantees' experience with the OE program—affect the level and nature of grantee outcomes and impacts.

<sup>4</sup> The working definitions presented in Exhibit 2 draw on a large base of organizational effectiveness literature. See, for example: (1) Herman, Robert D. & David O. Renz (1998). "Nonprofit Organizational Effectiveness: Contrasts Between Especially Effective and Less Effective Organizations," *Nonprofit Management and Leadership*, vol. 9, no. 1, Fall 1998. (2) Organizational Health Diagnostic and Development Corporation, <http://www.organizationalhealth.com/publications/OHFinal.pdf> (3) Xenidis, Yiannis and Kyriakos Theocharous (2014). Organizational Health: Definition and Assessment. *Procedia Engineering* 85 (2014) 562 – 570. <http://www.sciencedirect.com/science/article/pii/S187770581401950X> (4) Zheng, W., Yang, B., McLean, G.N. (2010). Linking Organizational Culture, Structure, and Strategy to Organizational Effectiveness: Mediating the Role of Knowledge Management. *Journal of Business Research*, 63(7), 763-771.

Our evaluation of the OE program is guided by four key research questions, included in Exhibit 3 below. The exhibit also crosswalks the evaluation’s research questions by data collection tasks further described in Exhibit 4. Prior to this final report, we presented evaluation findings from two of these data collection tasks (the retrospective grant analysis and the program staff survey) in substantive status reports.<sup>5</sup>

**Exhibit 3: Crosswalk of Primary Evaluation Tasks by Research Questions**

	KEY RESEARCH QUESTIONS	Grant Analysis	Grantee Survey	Program Staff Survey	EPG Interview	Advisory Committee Interviews	Field Scan/Lit Review	Program Staff Focus Group	Grantee Focus Groups
OUTCOMES	1. HOW AND TO WHAT EXTENT HAS THE OE PROGRAM MET ITS GOAL OF BUILDING THE CAPACITY OF GRANTEES TO MAKE THEM HEALTHIER AND MORE RESILIENT ORGANIZATIONS?	✓	✓	✓				✓	✓
PROCESS	2. HOW WELL HAS THE OE PROGRAM BEEN STRUCTURED AND ADMINISTERED TO ENSURE THAT HEWLETT STAFF AND GRANTEES USE OE RESOURCES EFFICIENTLY AND EFFECTIVELY?		✓	✓	✓	✓		✓	✓
IMPACT	3. WHAT IS THE OE PROGRAM’S IMPACT ON GRANTEES’ ABILITY TO ACHIEVE THEIR GOALS AND/OR HEWLETT’S SHARED GOALS? WHAT ARE INSIGHTS ON WHETHER THE OE THEORY OF CHANGE WORKED AS ENVISIONED?	✓	✓	✓	✓	✓		✓	✓
FIELD-AT-LARGE	4. WHAT ARE CAPACITY-BUILDING PRACTICES AND TRENDS IN THE PHILANTHROPIC FIELD OVER THE LAST 5 YEARS? WHAT IS THE OE PROGRAM’S EFFECTIVENESS IN THE CONTEXT OF WHAT THE LARGER FIELD HAS TO SAY ABOUT BEST PRACTICES IN CAPACITY BUILDING?				✓	✓	✓		

<sup>5</sup> Status Report #1, submitted in September 2014, focused primarily on emerging findings from our retrospective grant analysis task. Status Report #2, submitted in February 2015, focused primarily on emerging findings from the program staff survey.

## Exhibit 4: Summary of Methods

SPR used the following methods to inform our evaluation of the Hewlett Foundation's OE program, which focused specifically on 214 "core grants" awarded between 2009-2013 excluding those with an end date after June 30, 2014.

**Retrospective grant analysis.** In spring 2014, the SPR team worked with Hewlett staff to transfer the grant application and reporting data for the 214 core grants, as well as data on individual grantees' prior grant history with the Foundation. All grant application and report documents for the core grants were uploaded into NVivo (data analysis software) for coding and analysis. Data were coded according to a codebook that we developed early in the grant analysis process. The codebook included both grant and organizational attribute data fields, as well as data on grant activities and outcomes.

**Effective Philanthropy Group (EPG) interview.** In September 2014, SPR conducted an interview with a former program associate. This interview provided insight into the Foundation's OE theory of change and program evolution over time, patterns of OE program usage, and an assessment of the OE program and its perceived impact.

**Advisory Committee (AC) interviews.** These August 2014 telephone interviews allowed SPR to engage two recognized OE leaders on the AC on Hewlett's OE program in context of other foundation models, and to reflect on the program's strengths, challenges, and opportunities.

**Field scan.** The field scan, conducted in summer 2014, allowed SPR to place Hewlett's OE program in context of the larger capacity-building field. SPR used key words (e.g., organizational effectiveness, capacity building, nonprofit resiliency, organizational health) to conduct an online field scan. We reviewed 35 websites and 50 articles and reports, with the Packard Foundation's wiki space, the Grantmakers for Effective Organizations website, and TCC group reports being particularly helpful. The scan allowed SPR to glean information on the capacity-building practices of 15 foundations across the nation.

**Program staff survey.** In fall 2014, SPR developed an online survey for the current and past Hewlett program staff responsible for the core OE grants. The survey had three main sections: (1) individual approach to capacity building (e.g., self-rated knowledge of capacity building and primary reasons for making OE grants); (2) assessment of the OE program (e.g., satisfaction with various aspects such as grant application procedures and staff support); and (3) assessment of OE grants (staff's perceived impact ratings of their specific core grants, which ranged in number from one to 22). The program staff survey closed in December 2014 after collecting data from 26 program staff on 181 grants, for a response rate of 87%.

**Grantee survey.** SPR administered an online survey to the core OE grantees in spring 2015. The survey had three main sections: (1) general information (e.g., respondent's position and involvement with the specific OE grant(s) for their organization); (2) grant-specific feedback (e.g., perceived impact ratings of their specific core grant(s) and level of satisfaction with grant processes and support); and (3) summing up overall impact and experience (e.g., the unique value of the OE grant(s)). The grantee survey collected data on 137 out of 214 total core grants (64%).

**Program staff focus group.** In May 2015, we conducted a focus group at the Hewlett Foundation with four program officers from the Education, Philanthropy, Performing Arts, and Global Development and Population program areas. Our primary questions for the group were on: the unique value of OE grants; whether certain types of OE grants were more likely to be impactful; their assessment of OE program goals; their assessment of the OE program's theory of change; and recommendations for the OE program's future.

**Grantee focus groups.** In June 2015, we conducted two focus groups with six core OE grantees (two from Education, two from Performing Arts, one from Global Development and Population, and one from Philanthropy). SPR's main questions for grantees were on: perceived impact on organizational strength; any sustained effects of the OE grant(s); factors critical to facilitating or hindering grant success; what worked well and not well about their grantee experience; recommendation for the OE program's future; and the value-added of OE grants compared to other support.

## Limitations and Changes to the Evaluation

It is important to note the limitations and some changes made to the evaluation approach that impacted the scope of findings reported. The main limitations are related to (1) causal attribution, (2) the evaluation's timing, and (3) the data sources available. First, while the evaluation explores perspectives on how well the OE theory of change is working and the perceived effects of OE grants, it is not an impact study and thus cannot make causal attribution claims. Second, with a retrospective evaluation, we were unable to inform the organizational assessment tools used or shape the questions asked in the grant reports to ensure consistent data across key dimensions of interest for the evaluation. Further, administration of pre- and post- data collection instruments was not possible and a significant amount of time (up to four years) had elapsed since the end of many of the OE grants—challenging grantees' ability to accurately remember or reflect on past experience. Finally, the evaluation relies heavily on grantees' self-reported data, with grantees often having an understandable inclination to report favorably on grant accomplishments, perceived grant impact, and the value of foundation support.<sup>6</sup>

In addition to the limitations above, there were some changes made to the evaluation's approach. The most significant change concerned the scope of inquiry on organizational health—i.e., the capacity of grantees across several dimensions such as vision, fund development, and staffing (pictured in Exhibit 2). To assess the OE grant's broader and longer-term effects, the evaluation design originally called for collecting primary data on grantees' organizational health beyond the specific focus area of the OE grant. However, following discussions with Foundation staff, we concentrated our data collection on focus area to reflect more realistic expectations of respondents. A second change from the original evaluation design was conducting grantee focus groups instead of mini-case studies of OE grants, so that we might have a broader range of perspectives informing our findings.

In addition to this introductory chapter, we have organized this report to correspond to the evaluation framework and research questions listed above. In **Chapter 2**, we provide context for the OE program, including details on the grants made during our evaluation time period. In **Chapter 3**, we focus on program implementation issues, and in **Chapter 4**, we present our analysis and findings on grant outcomes, mediating factors, and implications.

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<sup>6</sup> We addressed this challenge by supplementing grantees' self-reported data with program staff's perspective on the same grants as well as with our retrospective grant analysis, further discussed in Chapter 4.

## II. ABOUT THE OE PROGRAM AND THE “CORE GRANTS”

In this section, we look briefly at the key characteristics of the Hewlett Foundation’s OE program, examine the OE program during the evaluation timeframe of 2009-2013, and describe the specific set of OE grants (“core grants”) that are part of our analysis.

The OE program is part of the Effective Philanthropy Group (EPG). The Hewlett Foundation’s Board of Directors approves the OE program’s budget each year. EPG then allocates funds among the Foundation’s program areas—Education, Environment, Global Development and Population, Performing Arts, Philanthropy—as well as Special Projects. The budget for the OE program in 2013 (the last year of the evaluation timeframe) was about \$3 million. The Foundation’s overall grants budget in 2013, which includes general operating support (GOS), program, project and OE grants, was about \$333 million.

Within the OE program, existing grantees across the Foundation’s program areas work with Hewlett program staff to identify and prioritize capacity-building goals that will strengthen their organizations and bolster their capacity to achieve their and the Foundation’s strategic goals. OE grants provide targeted capacity-building resources with the support of an external consultant. The primary OE grant focus areas are: strategic planning, leadership development, fund development, communications planning, evaluation, and strategic collaboration. The OE team supports Hewlett program staff and their grantees through the grant application, proposal, and approval process, and also helps program staff track OE spending. The OE team provides one-on-one technical assistance to program staff and brings in external experts to offer training on capacity-building issues.

Based on a literature scan and interviews with national philanthropic leaders in OE, the Hewlett Foundation’s OE program is notable in that—with the exception of the Packard and Bechtel Foundations—very few large, independent foundations have a distinctly defined OE program. More common are such programs within community foundations<sup>7</sup>—although many community foundations typically provide capacity building in-house and less often through external consultants as the Hewlett Foundation does. Relative to Packard and Bechtel Foundations’ OE teams of five or more staff, the Hewlett Foundation’s OE program operates with a lean staffing structure—one FTE, with a program officer and a program associate within EPG each devoting 50 percent of their time.

The Hewlett Foundation’s OE program is also characterized by the breadth of both its OE focus areas and its OE grantees. While some foundations concentrate on a specific capacity-building area, such as leadership development, the Hewlett Foundation focuses its resources on a wide range of capacity building areas. Furthermore, Hewlett supports a wide range of grantee organizations for a typical timeframe of just over one year, as opposed to others that award fewer, longer-term capacity-building grants to a select group of organizations.

### A Review of the OE Program

Between 2004 and 2013, the OE program invested over \$20 million in more than 500 OE grants to over 300 organizations. This evaluation focuses on the specific timeframe of 2009-2013 (the “core period”), as it is most reflective of the OE program’s current form and captured the last complete year of grant making

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<sup>7</sup> Examples of community foundations with OE programs are Community Foundation for Monterey County, the Robin Hood Foundation, the Hartford Community Foundation, the Maine Community Foundation, the Rainin Foundation, and the Hawaii Community Foundation.

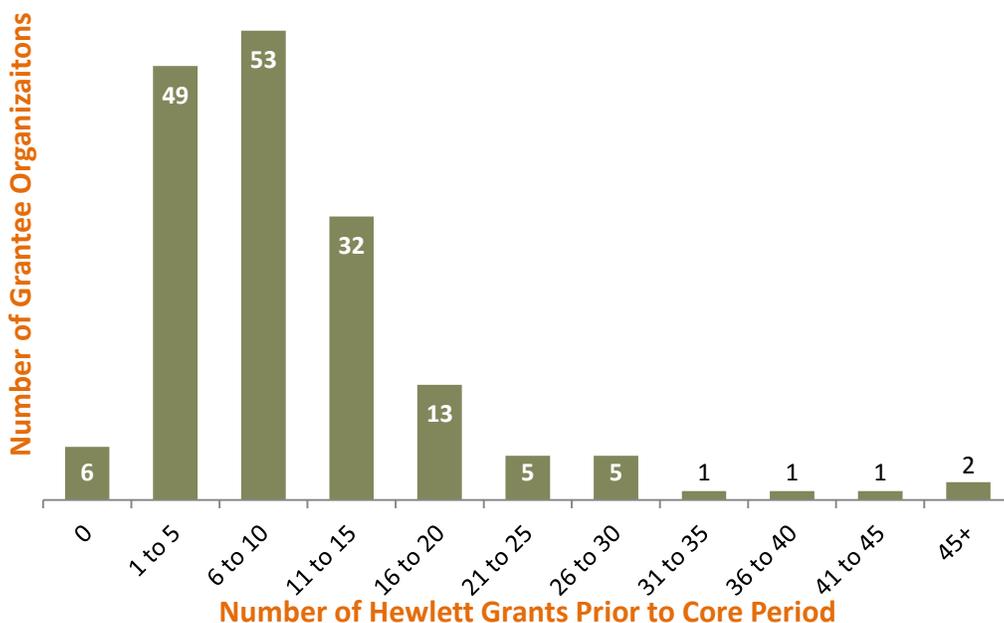
before the evaluation began in 2014. During this period, the OE program’s grant making budget grew from \$1.9 million in 2009 to \$3 million in 2013 and the Foundation awarded 266 OE grants, 214 of which are the focus of our evaluation as “core grants.”<sup>8</sup> The 214 core grants were made to 171 grantees, with the average grant amount being \$35,649<sup>9</sup> and the average grant period being 15 months.<sup>10</sup>

As Exhibit 5 reflects, a large number of grantees that received OE support between 2009 and 2013 had received between one and 10 Hewlett grants—whether GOS, project or OE—before 2009. In fact, the largest percentage of grantees (32%) had between six and ten grants prior to the core period, and the second largest percentage (29%) had between one and five prior grants. The full distribution can be seen below in Exhibit 5.<sup>11</sup> These data underscore the fact that OE support supplements other types of grants to existing grantees.

**The “Core Grants”**

The number of OE grants included in our evaluation analysis is 214. These are the OE grants made between 2009-2013 excluding those with an end date after June 30, 2014. We refer to these 214 grants as the “core grants.”

**Exhibit 5: Prior OE and Program Grant History of Core Grantees**



<sup>8</sup> Again, our sample includes 214 core grants of the 266 awarded during this period. Grants with an end-date after June 30, 2014 were excluded because we would not have access to their final grant reports in time to include them in our retrospective grant analysis. Direct Charitable Activities (DCAs) were also excluded from our core grant group.

<sup>9</sup> The median grant amount was \$30,000.

<sup>10</sup> The median grant period was also 15 months.

<sup>11</sup> Percentages were calculated excluding the three grantees with no available data on their prior grant history.

Over the core period, we can see also see some trends by OE grant focus area. For example, in Exhibit 6,<sup>12</sup> we can see **grantees’ prioritization of a strategic planning focus through an increased number of grants in this area—comprising just over half of all OE grants made in 2013**. This is compared to about one-third in 2009.<sup>13</sup>

**Exhibit 6: Hewlett OE Grants by Focus Area, 2009-2013**

	2009		2010		2011		2012		2013		Total	
Communications Planning	17%	(9)	18%	(9)	12%	(5)	13%	(7)	3%	(2)	12%	(32)
Evaluation	2%	(1)	4%	(2)	5%	(2)	8%	(4)	7%	(5)	5%	(14)
Fund Development	24%	(13)	20%	(10)	5%	(2)	15%	(8)	10%	(7)	15%	(40)
Leadership Development	13%	(7)	12%	(6)	23%	(10)	31%	(16)	10%	(7)	17%	(46)
Other	11%	(6)	6%	(3)	5%	(2)	8%	(4)	15%	(10)	9%	(25)
Strategic Collaboration	2%	(1)	4%	(2)	2%	(1)	2%	(1)	0%	(0)	2%	(5)
Strategic Planning	31%	(17)	36%	(18)	49%	(21)	23%	(12)	54%	(36)	39%	(104)
<b>Total</b>	<b>100%</b>	<b>(54)</b>	<b>100%</b>	<b>(50)</b>	<b>100%</b>	<b>(43)</b>	<b>100%</b>	<b>(52)</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>(266)</b>

<sup>12</sup> Exhibit 6 includes the 52 non-core OE grants made in 2013 in order to present a more accurate representation by year.

<sup>13</sup> The total dollar amount of strategic planning grants also rose sharply in 2013 (to \$1.7 million) after a significant drop between 2011 (about \$1.1 million) and 2012 (about \$400,000).

### III. OE Program Implementation

A key research question for the evaluation is how well the OE program has been structured and administered to ensure that Hewlett program staff and grantees use OE resources efficiently and effectively (Research Question #2). To answer this question, we draw on data from the grantee and program staff surveys, as well as from the grantee and program staff focus groups.<sup>14</sup>

#### OE Program Value, Purpose, and Access

Capacity building is a critical but underfunded area of philanthropy. As previously noted, among large independent foundations, the Hewlett Foundation is relatively rare in having a standalone organizational effectiveness program. As revealed by the program evaluation framework (Exhibit 1), a key assumption of the Hewlett Foundation's OE program is that by building stronger, healthier organizations through OE support, grantees will ostensibly be better able to achieve program/strategic goals shared with the Foundation and bolster their capacity to meet their mission.

The OE program's existence also allows an opportunity for honest conversation between Foundation staff and grantees about organizational challenges and needs without the fear of jeopardizing program funding. Several program staff and grantees remarked on this. For example, one program staff member observed that the OE program is a helpful relationship-building tool that gives the Foundation's closest partners a chance to share and reflect on their weaknesses, noting that this is "a capacity we want to encourage."

OE support goes to existing Foundation grantees and thus supplements GOS and/or program funding the organizations receive from Hewlett. Program staff and grantees alike described the specific value-added of OE grants as being targeted funding for organizational strengthening, thereby avoiding the need for grantees to justify dedicating resources to capacity building at the expense of programming or operational expenses. Also grantees noted the value-added of dedicated funding specifically for consultants as external resources that might not be supported otherwise: "Having the opportunity to have a stranger that is well qualified, [it's] allowing us to get expert advice to point out flaws and strengths to help us be better."

The OE program's value also stems from its flexibility to quickly and effectively meet the needs of diverse grantees. **Flexibility was one of the top two strengths cited by program staff respondents in the open-ended section of the survey where they were asked to describe the OE program's greatest strengths.** In fact, just over one-quarter of program staff respondents proactively and positively commented on program flexibility and grantees' ability to self-determine their capacity-building focus and scope of work.

**In focus group discussions, grantees emphasized the importance of keeping OE grants separate from general operating support grants/unrestricted funds to help ensure that capacity-building work is prioritized and addressed.** As one grantee observed, "There is never enough general operating support, it

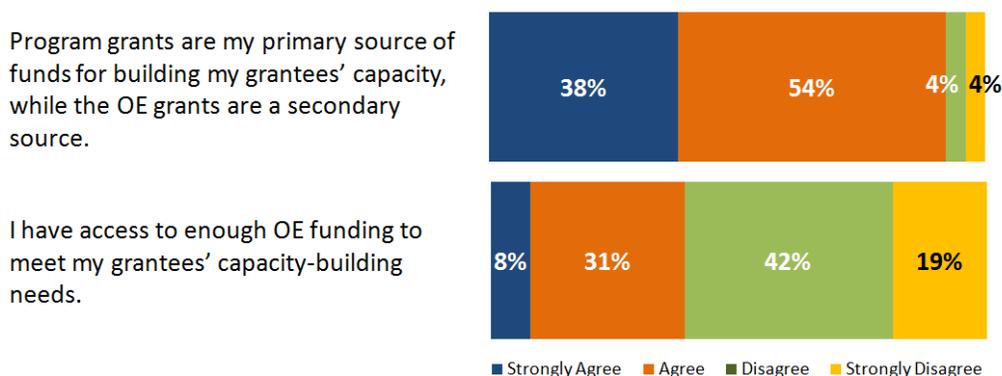
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<sup>14</sup> The program staff survey collected data from 26 program staff on 181 grants, with a response rate of 87%. The grantee survey collected data on 137 out of 214 total core grants (64%). However, the grantee survey response rate (by grant) was 74%, or 137 out of 186 grants, as 28 grants were excluded from our initial survey frame because their focus area was "other" or for other reasons (e.g., program officers' request). Of the 137 grants we received grantee survey data on, we subsequently excluded from our sample those 24 with respondents who self-reported having no involvement in the proposal or implementation of the OE grant. Thus all reported grantee survey findings are based on a total of 113 grants. We excluded "Can't say" responses in calculating reported percentages for both the grantee and PO survey.

is very rare. The idea that [we] would take some of that funding for OE would be an incredible challenge.” Similarly, another grantee remarked that, “When it’s the difference between paying rent and hiring a consultant to do strategic planning, I can tell you what’s going to win out.”

In 2013, the last grant making year covered by this evaluation, the OE program’s budget made up less than one percent of total dollars granted by the Foundation. From the perspective of program staff survey respondents, program grants rather than OE grants play the primary role in building grantee capacity. As can be seen in Exhibit 7, 38% of program staff respondents strongly agreed and 54% agreed that this was so. In addition, a majority either disagreed (42%) or strongly disagreed (19%) that they have access to sufficient OE funding to meet their grantees’ capacity-building needs.

### Exhibit 7: Program Staff’s Ratings of OE Program Purpose and Access



Use of OE grants varied across the 35 program staff members who awarded the 214 core grants. The range of OE grants made by an individual staff member during the core period was one to 25, with the average being six. The greatest percentage (57%, or 20 of the 35 staff members) made between one and five OE grants<sup>15</sup> during the core period. Ten staff members (29%) made between six and ten OE grants, three program staff (9%) made between 21 and 25 OE grants, and two program staff made (6%) made between 11 and 15 OE grants.

### Staff and Foundation Support

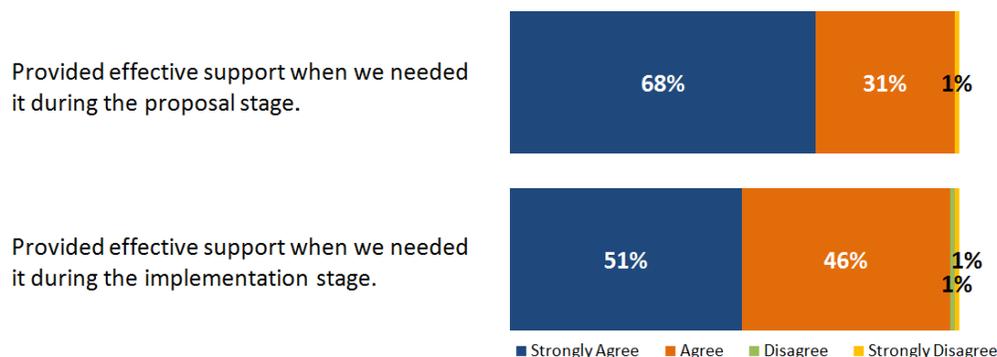
**OE staff and Hewlett program staff were praised as key strengths of the OE program experience.** Sixty-one percent of program staff survey respondents strongly agreed and 30% agreed that they are sufficiently supported by OE staff when needed, 9% disagreed and 0% strongly disagreed. Program staff also praised the OE program staff’s responsiveness, dedication, expertise, continuity of support, and ability to make the grant process relatively quick and straightforward.

From the perspective of grantees, Hewlett program staff provided effective support as needed during both the proposal and implementation stages, as can be seen in Exhibit 8. Sixty-eight percent of grantee survey respondents strongly agreed and 31% agreed that Hewlett staff provided effective support as needed during the proposal stage. Fifty-one percent of grantee survey respondents strongly agreed and 46% agreed that program staff provided effective support as needed during the implementation stage. In

<sup>15</sup> This sub-group further breaks down as follows: nine staff members who made one OE grant during the core period, five staff members who made two OE grants, two staff members who made three OE grants, and four staff members who made five OE grants during the core period.

addition, grantees praised program staff for their responsiveness and supportiveness, their constructive feedback, as well as their ability to “stay out of the way” when necessary.<sup>16</sup>

### Exhibit 8: OE Grantees’ Ratings of Hewlett Program Staff Support



The Hewlett Foundation overall is also largely seen as supportive, as 80% of program staff agreed or strongly agreed<sup>17</sup> that Hewlett has a broader culture of peer learning and support in place for capacity building. However, **program staff also made recommendations for improvement: (1) providing more ongoing support for program staff to deepen their capacity-building knowledge and guide their grant making**, in part by having more deliberate opportunities for exchange across the Foundation; **(2) facilitating OE learning and best practices among grantees, program staff, and OE staff**; and **(3) providing a directory of reviewed consultants**.

**Grantees reinforced the latter two recommendations, particularly valuing opportunities to exchange experiences and lessons with their peers working on similar OE issues**—not only to build stronger organizations but also their respective fields.<sup>18</sup> Grantees would also value more support from the Foundation on identifying a pool of appropriate high-quality consultants and guidance on important questions to ask in their selection process. Peer learning was the most frequent recommendation topic in the grantee survey,<sup>19</sup> with two representative quotes below:

<sup>16</sup> With regard to grantee-Foundation relationship, The Center for Effective Philanthropy (CEP) performed a supplemental analysis for the Hewlett Foundation of 2013 GPR survey data on the question of whether the effect of receipt of an OE grant was greater for certain grantee operational budgets, program grant sizes, or types of support (e.g., General Operating Support (GOS) vs. other types of support). According to CEP, the results suggest that “in regard to grantees’ perceived relationships with the foundation providing OE grants and general operating support may be more useful to improve relationships than either alone.”

<sup>17</sup> Specifically, 52% agreed and 28% strongly agreed. Twenty percent disagreed and no respondents strongly disagreed.

<sup>18</sup> Several foundations, including the Packard Foundation, the Hawaii Community Foundation, and the Rainin Foundation, are exploring cohort learning models in an effort to capitalize on synergistic learning opportunities and maximize grant making efficiency. For example, grant recipients of the Rainin Foundation’s OE program, the “Impact Grant Program,” attend scheduled convenings, group technical assistance sessions, and peer exchanges.

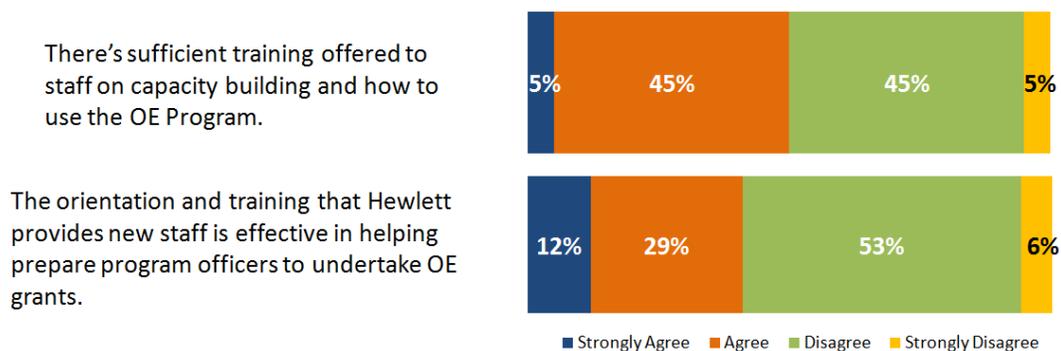
<sup>19</sup> Grantees were asked to provide recommendations for the OE program in an open-ended survey question. The following were the top (most frequent) recommendation topics: peer learning (9); a larger OE grant amount (7); a longer OE grant term and funds to support staff time (both tied at 6 each); recommendations of consultants (5); and grant follow-up support (4). In addition, a grantee focus group participant recommended both a longer grant term as well as conducting more follow-up.

*It would be helpful if Hewlett could connect grantees to each other if they are working through or have completed similar or related OE experiences. Promoting peer learning and exchange of information on consultants would be invaluable. –OE grantee*

*It would be interesting to get a sense of the other OE grant-supported projects from Performing Arts program grantees. This would give [us] a better understanding of the challenges and opportunities impacting our colleagues and perhaps reveal some areas for greater collaboration and knowledge sharing. –OE grantee*

**As a specific element of Foundation support for capacity building, Hewlett program staff orientation and training has considerable room for improvement.** As can be seen in Exhibit 9, 5% of program staff survey respondents strongly disagreed and 45% disagreed that there was sufficient training provided to staff on capacity building and how to use the OE program. Respondents were less satisfied with training for new staff in particular; 6% strongly disagreed and 53% disagreed that the Hewlett Foundation adequately prepares new staff through orientation and training for undertaking OE grants.

**Exhibit 9: Program Staff’s Ratings of OE Orientation and Training**



### OE Grant Process

**Overall, feedback on the OE grant process was positive from the perspective of both program staff and grantees, but particularly so from grantees.** In fact, the maximum percentage of grantees that disagreed with any aspect of OE grant process was just 12%.<sup>20</sup> For all other aspects of OE grant process, the level of disagreement (including disagree and strongly disagree) ranged only from 0% to 6%. Ninety-four percent of grantees gave a rating of nine or ten on a ten-point net promoter scale when asked how likely they would be to recommend an OE grant opportunity to a colleague in the field.<sup>21</sup>

Below we discuss both strengths and areas for improvement in six different areas of OE grant process, while making distinctions between program staff and grantee perspectives.

### OE Grant Making Schedule

A few grantees expressed reservations about the informal, rolling basis on which OE grants are made—citing pressure to apply for OE grants early in the year before funds are depleted, and preferring more

<sup>20</sup> 11% disagreed and 1% strongly disagreed that they were able to find a suitable consultant.

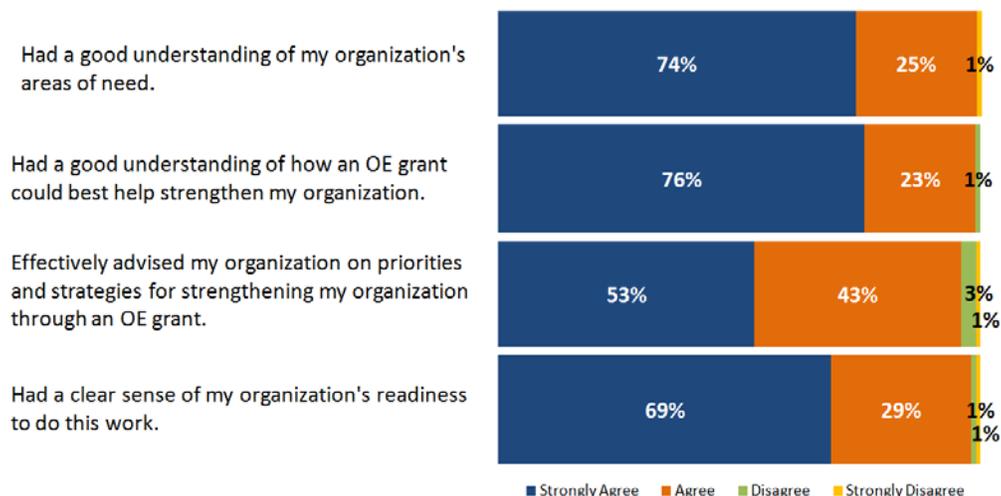
<sup>21</sup> The ten-point (net promoter) scale defined 0 as “Not at all likely,” and 10 as “Extremely likely.” Promoters are considered those who provide a rating of nine or 10, while those provide a rating of 7 or 8 are considered passives. Only one grantee gave a rating of less than eight.

concrete OE grant deadlines to be communicated throughout the year, perhaps with reminders to eligible grantees.

### Early-Stage Understanding and Support

Grantees were overwhelmingly positive in their assessment of their program officers’ level of understanding and advice provided early on in the OE grant process. In Exhibit 10 below we report on the percentage of grantees that strongly agreed or agreed with four components of early support from Hewlett Foundation staff.

**Exhibit 10: Grantees’ Ratings of Early OE Support from Hewlett Program Staff**

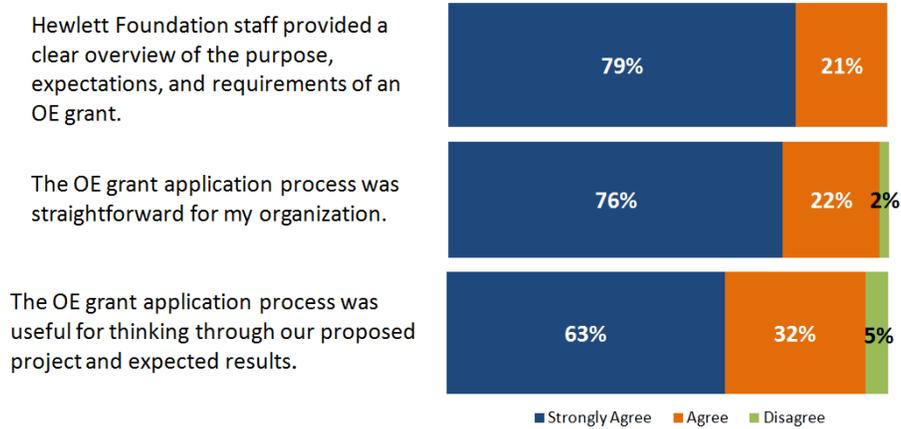


### OE Grant Application Process

Grantees were also extremely positive about the application and proposal process, as can be seen in Exhibit 11. All grantees indicated that their program officers provided a clear overview of OE grant purpose, expectations, and requirements (79% strongly agreed and 21% agreed). Grantees also largely felt that the OE application process was straightforward in nature<sup>22</sup> (76% strongly agreed and 22% agreed) and that the application form was useful for thinking through their proposed projects (63% strongly agreed and 32% agreed). However, a few grantees from the focus groups were openly critical of the application’s organizational assessment component (a table that requires grantees to reflect on their organizations’ current strengths and needs in different areas). They questioned the breadth and ultimate relevance and value of such an assessment for a narrowly defined OE project.

<sup>22</sup> With regard to process issues, The Center for Effective Philanthropy (CEP) performed an analysis for the Hewlett Foundation of 2013 GPR survey data to address the questions of whether grantees who receive a supplemental OE grant spend more time on processes than grantees that did not receive one, and whether there are differences in grantee perceptions on: helpfulness of processes, staff involvement, and pressure to modify priorities. CEP found a significant relationship between whether or not a grantee received a supplemental OE grant and the time they report spending on grant process activities ( $p < 0.1$ ). Grantees that received OE grants spent significantly more hours on proposal creation and selection process, and on required grant monitoring, reporting, and evaluation, and on the sum of all these activities (across their main grant and supplemental OE grant). Among those grantees who received a supplemental OE grant and completed the survey, those who spent 40 or more hours on the grant proposal and selection process perceived (1) the selection process to be more helpful in strengthening their organization/program and (2) the Foundation’s staff as more involved in creating the grant proposal compared to those that spent less than 40 hours on these processes.

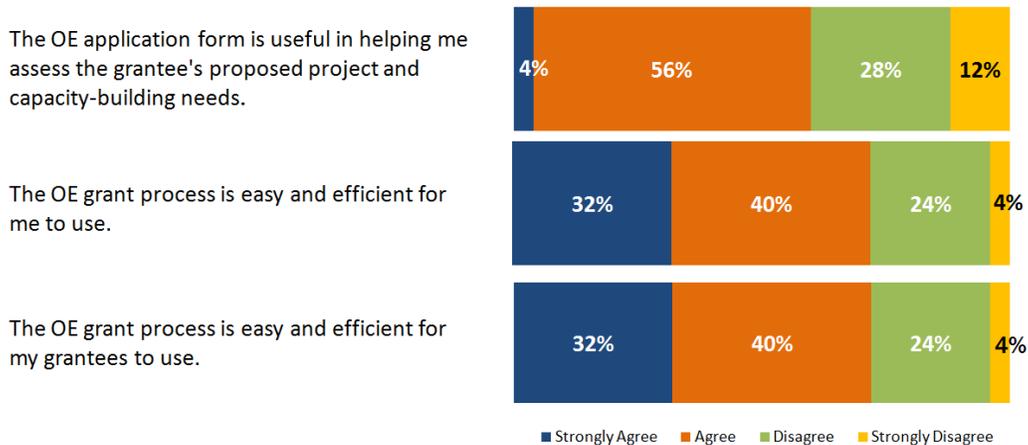
### Exhibit 11: Grantees' Ratings of the OE Grant Application Process



Grantees select their own consultants for their OE projects. Finding a consultant is one critical piece of the application and proposal process. In this regard, grantees were also positive, with 62% strongly agreeing and 26% agreeing that they were able to find a consultant that was good fit for their organization. However, as previously noted, grantees suggested that the Foundation provide more guidance on a pool of appropriate consultants.

**The majority of program staff survey respondents either agreed (56%) or strongly agreed (4%) that the OE application form was useful for thinking through proposed projects (compared to 95% of grantees who agreed or strongly agreed).** The majority of program staff also agreed the OE grant process was easy and efficient for them and their grantees to use, as revealed by Exhibit 12 below. Four staff members suggested improvement by implementing a more streamlined application process (e.g., eliminating the two-part process and the requirement for a consultant work plan).

### Exhibit 12: Program Staff's Ratings of the OE Grant Application Process

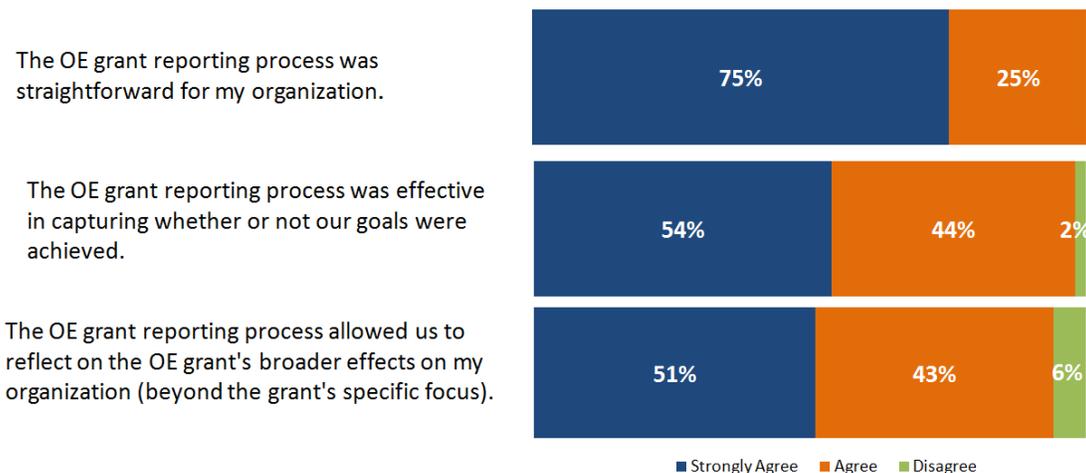


### OE Reporting and Follow-Up

Grantees were positive about OE grant reporting. As can be seen in Exhibit 13, 75% of grantees strongly agreed that the reporting process was straightforward for their organization, while 25% agreed. The usefulness of the reporting process was also rated highly. Fifty-four percent of grantees strongly agreed that the process was effective in capturing whether or not goals were achieved, while 44% agreed. Half of

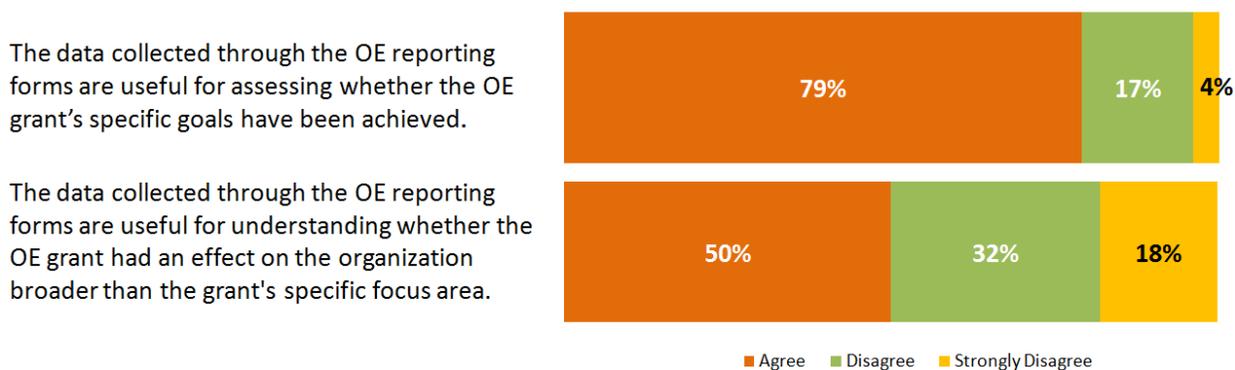
grantees (51%) strongly agreed that the reporting process allowed them to reflect on the OE grant’s broader effects on their organization, while 43% agreed.

### Exhibit 13: Grantees’ Ratings of OE Reporting and Follow-Up



**Program staff expressed more satisfaction with the OE grant reporting process’ ability to track goal achievement than its ability to capture broader effects.** In terms of assessing goal achievement, Exhibit 14 shows that 79% of program staff agreed that the reporting process was useful, while 17% disagreed and 4% strongly disagreed. In terms of capturing broader effects, 32% of program staff disagreed and 18% strongly disagreed that the OE grant reporting process was useful, while 50% agreed (none strongly agreed).

### Exhibit 14: Program Staff’s Ratings of OE Reporting and Follow-Up



**To understand broader and/or longer-term effects, both program staff and grantees recommended conducting more follow-up to: determine if the OE project had “stuck,” ensure implementation (particularly of plan-focused projects), and understand further impact that occurs beyond the final reporting period.**<sup>23</sup>

<sup>23</sup> Four grantee survey respondents recommended conducting more follow-up (the fifth most frequent recommendation topic) as well as one grantee focus group participant. Six out of 26 program staff survey respondents (23%) recommended conducting more follow-up.

### *OE Grant Duration and Size*

**One of the top two challenges to the OE program cited by program staff survey respondents was the typical timeframe of an OE grant compared against the need for long-term, multi-stage OE interventions—including the critical implementation stage (broadly defined as the follow-up work that is often required after crafting a strategy, completing an assessment, or completing some type of critical decision-making process). Eight out of 26 program staff survey respondents (31%) specifically highlighted implementation as a weak area of focus for the OE program, with specific recommendations<sup>24</sup> being for longer and larger OE grants that include support for the implementation phase.<sup>25</sup>**

For grantees, a larger OE grant size was the second most frequent recommendation—primarily to accommodate larger-sized projects. A longer grant term was tied for the third most frequent recommendation topic,<sup>26</sup> particularly for strategic planning grants, as the following grantee described:

*In determining utilization of funds for the OE grantees it would be great to really focus on multi-year funding opportunities for strategic planning, not just writing a plan, but all aspects of leadership, management, and processes for implementation of ideas.*

–OE grantee

### *Supporting Grantee Staff Time on OE Grants*

Tied for grantees' third most frequent recommendation topic was allowing grants to support grantee staff time on OE projects—i.e., managing consultants, and/or hiring temporary project staff. One grantee reflected as follows:

*The fact that OE funds cannot support enough time for our own staff has been a real challenge. Managing the grant and the OD activity necessarily requires a lot of staff time that they need to charge somewhere.* – OE grantee

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<sup>24</sup> Five program staff recommended larger OE grant amounts and four recommended longer grant terms. An additional three program staff survey respondents cited short grant terms as a top challenge and one additional staff member cited grant amount as a top challenge.

<sup>25</sup> At least two program areas at the Foundation appear to be experimenting with longer OE grant timeframes.

<sup>26</sup> Of the six recommendations for a longer OE grant term, three came from grantees that had only one OE grant, two came from grantees with two OE grants, and one came from a grantee with three OE grants.

## IV. MAJOR OE OUTCOME AREAS AND MEDIATING FACTORS

The crux of this evaluation focuses on the extent to which the OE program has contributed to making grantees healthier and more resilient organizations and increased their ability to achieve their larger strategic goals shared with the Foundation (Research Questions #1 and #3). Answers to these questions help us to understand whether the OE program theory of change has worked as envisioned and which factors might be key mediators of impact.

This section draws on data collected from all sources to present findings by and across the major outcome areas below before turning to a larger discussion and reflection questions.

### Exhibit 15: Major Outcome Areas and Data Sources

Outcome Area	Data Source(s)
Accomplishment of <b>grant objectives</b>	Accomplishment of grant objectives was measured through program officers' ratings in their closing reports and SPR's retrospective analysis of grant documents. <sup>27</sup>
Perceived impact on <b>grant focus area</b> (such as leadership development, strategic planning, etc.)	Program staff and OE grantee surveys <sup>28</sup> were used to assess perceived impact on focus area. Staff and grantees were asked to rate their core OE grants' level of impact on each of these outcome categories using a four-point scale. <sup>29</sup>
Perceived impact on <b>organizational resilience</b> (flexibility and adaptive capacity)	Program staff and OE grantee surveys were used to assess perceived impact on organizational resilience.
Perceived impact on <b>organizational effectiveness</b> (ability to fulfill mission and achieve strategic/program goals)	Program staff and OE grantee surveys were used to assess perceived impact on organizational effectiveness.
<b>Organizational health</b> outcomes	Organizational health outcomes were explored using the secondary data available as part of our retrospective grant analysis.

<sup>27</sup> In their closing reports, program officers could rate their OE grants as "surpassed," "met," "missed," or "failed." SPR's retrospective analysis of grant documents including coding grantees' level of achievement with regard to their stated objectives as "completed," "in progress," "not started," "dropped," or "no data available."

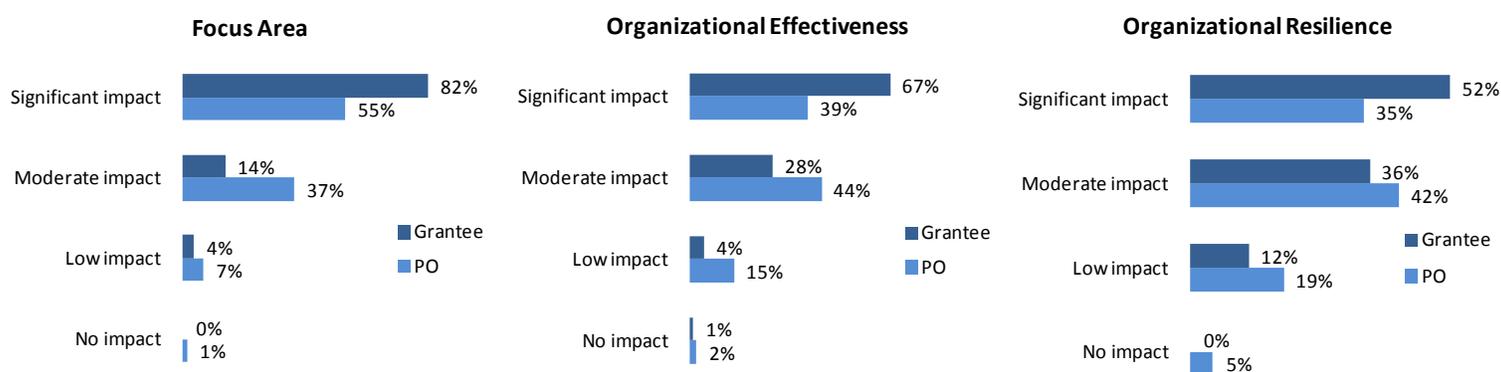
<sup>28</sup> The program staff survey collected data from 26 program staff on 181 grants, with a response rate of 87%. The grantee survey collected data on 137 out of 214 total core grants (64%). However, the grantee survey response rate (by grant) was 74%, or 137 out of 186 grants, as 28 grants were excluded from our initial survey frame because their focus area was "other" or for other reasons (e.g., program officers' request). Of the 137 grants we received grantee survey data on, we subsequently excluded from our sample those 24 with respondents who self-reported having no involvement in the proposal or implementation of the OE grant. Thus all reported grantee survey findings are based on a total of 113 grants. We excluded "Can't say" responses in calculating reported percentages for both the grantee and PO survey. All statistical tests utilizing grantee and PO survey data were tested using continuous and dummy variables, as appropriate.

<sup>29</sup> The four-point scale consisted of: "No impact," "Low impact," "Moderate impact," and "Significant impact." Respondents were also given the option of selecting "Can't say" if they felt they could not assess the grant's impact on any of the three categories of perceived impact.

**Important high-level findings that framed our more detailed analyses were as follows:**

- **Most OE grants met their objectives.** Program staff rated 93% of OE grants as having met or surpassed their objectives.<sup>30</sup> SPR’s review and coding of objectives in OE grant documents revealed that 76% of OE grants completed all objectives.
- **Program officers and grantees were generally positive in their assessment of OE grant impact.** A majority of program officers and grantees rated the impact of OE grants as “moderate” or “significant.” As can be seen in Exhibit 16, for each outcome area, a higher percentage of grantees rated the impact of OE grants as “significant” compared to program officers.<sup>31</sup> In addition to the main outcome areas, grantees also rated the OE grant’s impact on their organization’s overall performance.<sup>32</sup> Here too, grantees were very positive, with 95% of grants being rated as having “moderately” (24%) or “greatly” (71%) strengthened organizational performance.<sup>33</sup>

**Exhibit 16: Distribution of Perceived Impact Ratings by Grantees and POs<sup>34</sup>**



<sup>30</sup> Overall, 87% of program officers rated grants as having “met” objectives, and 6% rated grants as having “surpassed” objectives. The remaining grants were rated as having “failed” (1%) or “missed” (3%) or did not have a rating (2%). As described in previous evaluation status reports, there is no clear distinction between “failed” and “missed,” and no clear criteria existed to guide POs in rating grant performance with respect to their objectives.

<sup>31</sup> Grantees and POs were generally consistent in their ratings of OE grants. For 56% of the OE grants, program staff and grantees provided the exact same focus area impact rating, and for 96% of grants, program staff and grantees chose either the exact same focus area impact rating or a rating within one level of impact (n=97). For 40% of the grants, they provided the same organizational resiliency impact rating, and for 86% of grants, program staff and grantees chose either the same organizational resiliency impact rating or a rating within one level of impact (n=91). Finally, for 44% of grants, program staff and grantees provided the exact same organizational effectiveness impact rating, and for 90% of grants, program staff and grantees chose either the exact same organizational effectiveness rating or a rating within one level of impact (n=93).

<sup>32</sup> The four-point scale was “not at all,” “a little,” “moderately,” or “greatly.” This question is similar to the 2013 Grant Perception Report (GPR) survey question for OE grant recipients: “To what extent has the OE grant strengthened the performance of your organization?” Respondents provided a rating on a 7-point scale, with 1 being “not at all” and 7 being “to a great extent.” For the years 2013, 2011, and 2009, the average rating was 6.09, 6.09, and 6.3, respectively. In 2013, the average ratings by program area ranged from 5.57 (Education) to 6.69 (Performing Arts). CEP found a significant relationship between program area and grantee ratings of the extent to which an OE grant strengthened organizational performance (with Performing Arts OE grantees showing greater effect on this question). CEP also found that OE grantees that also received GOS believed the OE grant strengthened their organizational performance to a greater extent than those OE grantees that did not receive GOS. There was no significant difference based on size of grant.

<sup>33</sup> Only five percent of grants were rated as having “not at all” or “a little” impact on organizational performance.

<sup>34</sup> Each outcome area rating was determined using a single question on the program staff survey and on the grantee survey. Please see Attachments A and B for the two survey instruments.

- **There was little variation in achievement of grant objectives and perceived impact.** Because there was very little variation for our analysis, we explored combining outcome areas in addition to exploring each outcome area individually. Specifically, we looked at three different combinations: (1) perceived impact ratings by grantees and POs across all three outcome areas; (2) achievement of grant objectives and perceived impact on focus area of grant by grantees and POs; and (3) perceived impact on organizational resiliency and organizational effectiveness by grantees and POs.<sup>35</sup>

## ANALYSIS AND FINDINGS

Our analysis explored whether and to what extent the following factors predict stronger outcomes:

- **Grant characteristics** (such as focus area, program area, grant size, and grant history);
- **Grantee characteristics** (such as organizational budget and staff size);
- **PO disposition factors** (self-rated level of capacity-building knowledge; primary reasons for making OE grants; and transactional versus transformational approach to OE grant making); and
- **Grantees' rated experience with the OE program** (such as receipt of effective support and ability to find a suitable consultant).<sup>36</sup>

**Although there were some significant findings by individual and combined outcome areas, none of the individual factors explored in our analysis explained a meaningful amount of variation in the outcomes.** (Most of the independent variables with a statistically significant relationship to the outcome measures explained no more than 6 to 12% of the variance.) **That is, our analysis did not identify any strong predictors of whether or not grants met their grant objectives or had perceived impact on focus area, organizational effectiveness, or organizational resiliency from the perspective of grantees or POs.** For more information, please refer to the Technical Addendum.

<sup>35</sup> Three different combined outcome scores were calculated: (1) a Total Outcome Score on a scale of 4.00 based on grantee and PO perceived impact ratings for focus area, organizational effectiveness, and organizational resiliency; (2) a Progress Outcome Score on a scale of 8.00 for achievement of grant objectives and perceived impact on focus area by grantees and POs; and (3) a Spillover Outcome Score on a scale of 4.00 for perceived impact on organizational resiliency and organizational effectiveness by grantees and POs. For more on how these scores were calculated, please see the Technical Addendum.

<sup>36</sup> Data on grant and grantee characteristics were drawn from initial exports from the Hewlett Foundation's grant database. Data on PO disposition factors and on grantee experience with the OE program came from the program staff survey and the grantee survey, respectively.

## Findings from Combined Outcome Areas

**A number of statistically significant but weak predictors emerged when looking at the three combined outcome scores:** (1) perceived impact in all three outcome areas across grantees and POs (“Total Outcome Score”); (2) achievement of grant objectives and perceived impact on focus area by grantees and POs (“Progress Outcome Score”); and (3) perceived impact on organizational resiliency and organizational effectiveness by grantees and POs (“Spillover Outcome Score”). For more on how these scores were calculated, please see the Technical Addendum.

- **Grant and grantee characteristics.** The program area of the OE grant (e.g., Performing Arts), the focus area of the grant (e.g., fund development), and whether or not grantees received multiple OE grants were weakly related to combined outcome scores in the following ways:
  - Strategic planning, fund development, and leadership development grants were rated higher than grants in other focus areas in terms of Total Outcome Score but focus area as a predictor explained only 2% of the variance.<sup>37</sup>
  - Grantees who received two or more OE grants were rated higher in terms of Progress Outcome Score, though this factor accounted for only 4% of the variance.<sup>38</sup>
  - Program area was a weak predictor of Spillover Outcome Score, with Special Projects, Philanthropy, and Performing Arts grants scoring the highest and Education, Environment, and Global Development and Population scoring the lowest.<sup>39</sup>
  - Grant size, grantee’s annual budget, grantee staffing size, and grant term, were *not* related to any of the three combined outcome scores.
- **PO disposition.** Self-reported PO knowledge of capacity building and a transactional versus transformational approach to grant making were weakly related to combined outcome scores in the following ways:

The evaluation created three combined outcome scores:

1. **Total Outcome Score** (grantee and PO impact ratings for focus area, organizational resilience, and organizational effectiveness).
2. **Progress Outcome Score** (grantee and PO impact ratings for focus area and SPR’s analysis of grant objective completion).
3. **Spillover Outcome Score** (grantee and PO impact ratings for organizational resilience and organizational effectiveness).

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<sup>37</sup> On average, OE grants with focus areas of strategic planning, fund development, and leadership development received total outcome scores across impact areas of 3.41 compared to 3.18 for communications planning, evaluation, and strategic collaboration grants. Grants categorized as “other” were excluded from this analysis.

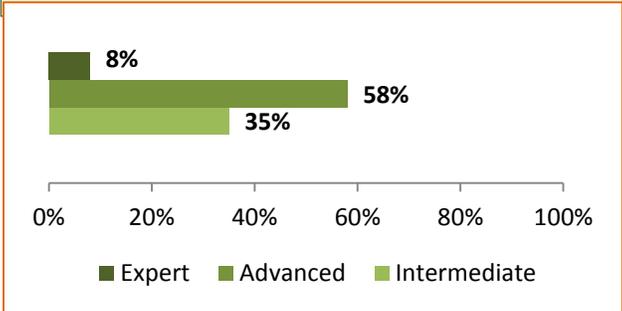
<sup>38</sup> OE grants to grantees who received two or more OE grants had average Progress Outcome Scores of 7.49 on a scale of 8.00 compared to 7.11 for grants to grantees who received only one OE grant. This factor accounted for 4% of variance in the Progress Outcome Score.

<sup>39</sup> OE grants under the Special Projects program area received average Spillover Outcome Scores of 3.75 on a scale of 4.00 compared to those made under Philanthropy (3.63), Performing Arts (3.46), Education (3.24), Environment (3.18), and Global Development and Population (3.09).

- Grants made by POs who reported being experts or advanced in capacity-building knowledge had higher Progress Outcome Scores than grants made by POs who reported being intermediate, though this factor accounted for only 3% of the variance in the Progress Outcome Score.<sup>40</sup>
- Grants made by POs who reported making grants for more transformational than transactional reasons scored higher on Total Outcome Score and Spillover Outcome Score than grants made for more transactional reasons or for equally transactional and transformational reasons.<sup>41</sup>
- None of the top three reasons for POs awarding OE grants were related to any of the three combined outcome scores. These top reasons were (1) the grantee is at a critical juncture as an organization (96%); (2) the grantee is critical to program strategy and goals (85%); and (3) the grantee specifically asked for OE grant support (46%).

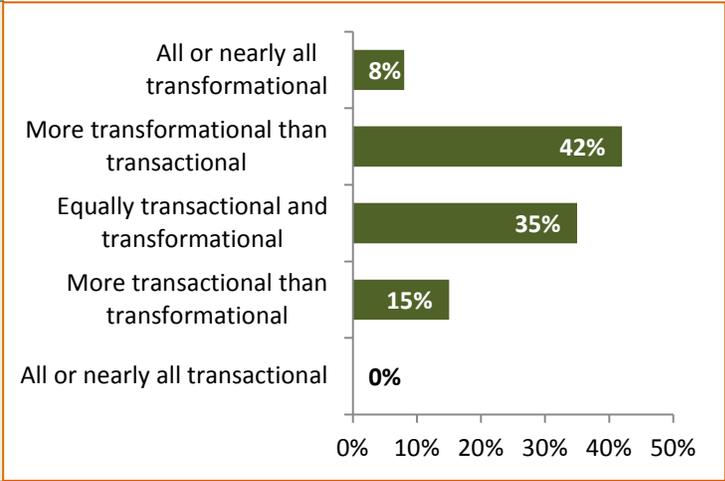
Program staff's self-reported level of capacity-building knowledge

**Two-thirds of PO survey respondents (n=26) rated their knowledge of capacity building as "advanced" or "expert."** The remaining one-third of respondents reported their knowledge of capacity building as "intermediate." No program staff members described their knowledge as "beginner."



Program staff's self-reported approach to OE grant making

The term **transactional versus transformational** is used to describe where a PO survey respondent's self-reported approach to OE grant making fell on a continuum of aiming for short-term, specific goals (transactional) to aiming for long-term, broader effects (transformational). **Half of PO survey respondents (n=26) reported making grants that were either "all or nearly all transformational" (8%) or "more transformational than transactional" (42%).**



<sup>40</sup> Grants made by POs who reported being advanced or experts had average Progress Outcome Scores of 7.47 on a scale of 8.00 compared to 7.14 for grants of POs who reported intermediate expertise. This factor accounted for 3% of variance in Progress Outcome Score.

<sup>41</sup> Grants made by POs who reported more or an all/nearly all transformational approach to OE grant making had average Total Outcome Scores of 3.51 on a scale of 4.00 compared to 3.22 for grants made by POs who reported a more transactional or equally transactional and transformational approach to OE grant making. Similarly, grants made by POs who reported all/nearly all transformational approach to grant making had average Spillover Outcome Scores of 3.45 on a scale of 4.00 compared to 3.05 for grants made by POs who reported more transactional or equally transactional and transformational approaches to OE grant making.

- Grantee experience.** Most grantee experience factors (described fully in Chapter 3, such as level of support received) were weakly related to the combined outcome scores.<sup>42</sup> That is, while these experience factors were related to combined outcome scores in a statistically significant way, they did not explain meaningful variation in the combined outcome scores, whether the factors were looked at in isolation, or in combination with each other, or in combination with other factors such as grant/grantee characteristics or PO disposition.<sup>43</sup> Overall, these findings suggest that various aspects of Hewlett’s support are related to the outcome areas, but that Hewlett support has limited power in predicting grantees’ progress towards outcomes. One aspect of grantee experience, the level of influence grantees reported in determining their OE grant priorities, was statistically related to all combined outcome scores but not in a linear fashion. That is, grants made to grantees who reported having “no influence” and to grantees who reported having “all of the influence” scored the highest with regard to all combined outcome scores, as opposed to grantees who reported having “less,” “equal,” or “more” influence in determining grant priorities. A full list of aspects of grantee experience statistically related to the combined outcome scores can be found in the Technical Addendum.

#### **Summary of Strongest Predictors for Combined Outcome Areas**

Looking across all of the factors explored, the best predictors of **Total Outcome Score** were: (1) the extent to which grantees agreed that Hewlett staff provided effective support when they needed it during the proposal stage; and (2) whether Hewlett staff effectively advised the grantee on priorities and strategies for strengthening their organization through an OE grant. Together these two factors accounted for 12% of the variance in Total Outcome Score.

In terms of the **Progress Outcome Score**, the best predictors were (1) whether or not grantees had received more than one OE grant; and (2) whether Hewlett program staff had a sense of the grantee’s readiness. Taken together, these two factors accounted for 12% of the variance in Progress Outcome Score.

Lastly, the factors that best predicted the **Spillover Outcome Score** were: (1) whether or not the PO made had a transformational approach to OE grant making; and (2) whether grantees were able to find a consultant who was a good fit, which together accounted for 11% of the variance in Spillover Outcome Score.

<sup>42</sup> Nine out of the 11 questions related to grantee experience were statistically significantly related to one or more of the combined outcome scores. While most of these relationships appeared directional (e.g., those disagreeing also had lower combined outcome scores), all predictors were limited in their explanatory power, with adjusted r-squared estimates between 3% and 12%.

<sup>43</sup> For scores and adjusted r-squared estimates for each of these predictors, see the Technical Addendum. None of the individual predictors accounted for more than 12% of the variance in a given combined outcome score. Models that combined multiple predictors did not clearly outperform single predictor models and gaps between adjusted and non-adjusted r-squared estimates indicate adding more predictors tended to overfit the model rather than add more explanatory power.

## Findings from Individual Outcome Areas

Fewer significant findings emerged from our analysis of individual outcome areas. Of the three outcome areas, perceived impact on focus area had the most and strongest predictors while perceived impact on organizational resilience had the fewest and weakest predictors. Similar to our findings in the previous section, no clear set of factors emerged that explained a large amount of the variance in outcome ratings.

- **Grant and grantee characteristics.** Only grant size, number of OE grants, and program area were related to perceived impact on individual outcome areas in the following ways:
  - The size of the OE grant was very weakly related to PO ratings of impact on organizational effectiveness.<sup>44</sup>
  - Grantees who received two or more OE grants were rated higher on focus area impact by POs.<sup>45</sup>
  - OE grants in the program areas of Philanthropy, Education, and Environment generally received lower PO ratings for impact on organizational resiliency than grants in the areas of Performing Arts and Global Development and Population.<sup>46</sup>
  - No grant or grantee characteristics were related to grantees' ratings of impact in any of the three major outcome areas.
- **PO disposition.** POs' self-reported capacity-building knowledge and their transformational versus transactional approach to OE grant making are related to individual outcome areas in the following ways:
  - Grants made by POs who described their capacity-building knowledge as advanced or expert were more likely to receive PO ratings of "significant" impact on focus area compared to grants made by POs with intermediate knowledge.<sup>47</sup>
  - Grants made by POs with a more transformational approach to OE grant making were more likely to receive a PO rating of "significant" impact on

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<sup>44</sup> Grant size accounted for 3% of the variance in whether POs rated the impact of the grant on organizational effectiveness as "significant."

<sup>45</sup> POs provided ratings of "significant" impact on focus area to 64% of grants to grantees who received two or more grants compared to 38% of grants to grantees who received only one grant, accounting for 5% of variance in ratings.

<sup>46</sup> Differences across program areas were tested using Kruskal-Wallis, the non-parametric equivalent of the ANOVA. The resulting output is a list of rank sums. For the program areas, the rank sums were: Philanthropy (326), Education (2086.50), Environment (2512), Performing Arts (3537), and Global Development and Population (3628.50).

<sup>47</sup> 64% of grants made by POs who rated their capacity-building expertise as advanced or expert received ratings of "significant" impact on focus area compared to 36% of grants made by POs who rated their expertise as intermediate, accounting for 5% of the variance in PO ratings.

organizational effectiveness compared to grants made by POs with a more transactional or equally transformational and transactional approach.<sup>48</sup> This PO disposition factor accounted for very little variance in organizational effectiveness ratings by POs.

- **Grantee experience.** While a number of grantee experience factors were related to perceived impact on focus area from the grantee perspective, only a few were related to POs' perceived impact ratings on organizational effectiveness and resiliency. While the factors noted below were significant, most accounted for only 4-8% of the variance in impact ratings.<sup>49</sup> The aspects of grantee experience statistically related to individual outcome ratings can be found in the Technical Addendum.

#### Summary of Strongest Predictors for Individual Outcome Areas

From the grantee perspective, the best overall predictor of perceived impact was whether or not the grantee was able to find a consultant who was a good fit for their organization, which accounted for 22% of the variance in focus area impact ratings.

From the PO's perspective, the best overall predictor of perceived impact was whether or not the PO's approach to grant making was more transformational than transactional, which accounted for 6% of the variance in organizational resilience impact ratings.

#### Other Findings by Individual Outcome Area

While grantees were able to respond to the question of perceived impact on **organizational resilience** in the grantee survey, this was not an explicit expectation or question in OE grant reporting templates. As a result, in our retrospective grant analysis, we captured only a few examples of grantees articulating impact on organizational resilience of their own accord. Therefore we cannot say whether increases in organizational resilience were indeed rare, or just not often described. In the limited cases that we captured, grantees discussed how the OE grant experience had made them: understand the need to regularly adjust and recalibrate; identify metrics for continuous adaptive management; successfully navigate new opportunities in an ever-changing environment; and establish a shared working definition of organizational sustainability "premised upon adaptability and organizational nimbleness."

Similar to what we found with organizational resilience, we found few instances of **organizational effectiveness** impact described in our retrospective grant analysis. These descriptions came either from grantees in their final reports or from program staff in their closing reports (which specifically ask for the connection between OE achievements and larger programmatic goals). In the latter case, program staff might state how the program area's broad, general goals were supported (e.g., by a grantee's stronger

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<sup>48</sup> 93% of grants made by POs who reported a more transformational approach to OE grant making received PO ratings of "significant" impact on organizational effectiveness compared to 76% of grants made by POs with a more transactional or equally transactional and transformational approach to OE grant making, accounting for 2% of the variance in PO ratings.

<sup>49</sup> For a more detailed summary of findings, see the Technical Addendum.

ability to serve the applicable field, or to pursue shared objectives such as creating valuable works of art). Very rarely, program staff described the connection with more specificity.

In the case of grantee reporting, we found only a few instances of explicit reflection on organizational effectiveness, such as increased “capacity to do more and larger on-the-ground restoration projects that will build public support for conservation;” a diversified funding base that will bolster efforts in addressing educational achievement gaps in California; re-shaped programs to better impact poverty reduction efforts; and organizational restructurings that allowed for greater latitude to pursue mission and achieve program priorities.

## ORGANIZATIONAL HEALTH OUTCOMES

As previously discussed in Chapter 1, the evaluation originally sought to assess changes in organizational health. We did not ultimately pursue this line of inquiry with our *primary* data collection activities. In looking at secondary data—particularly the retrospective grant analysis—the subject of broader organizational health effects was not an explicit question for grantees to report on. Nevertheless we coded all proactively reported organizational health outcomes in the categories listed in the left-hand column of Exhibit 17.<sup>50</sup> From this exhibit, we can see that OE grants focused on strategic planning had the most outcomes in five of the eight organizational health categories. We can also see that the following organizational health categories had the largest percentages of core OE grants represented:<sup>51</sup> vision and planning (34%), leadership and management (31%), and funding or financial management (24%).

**Exhibit 17: Summary of Organizational Health Outcomes**  
(N = 214 Total Core Grants Analyzed)

Organizational Health Outcomes	Illustrative Outcomes Reported by Grantees
<p><i>Vision and Planning Outcomes</i></p> <p><b>Total: 72 grants (34%)</b></p> <ul style="list-style-type: none"> <li>• <b>74% of these grants were strategic planning grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strategic plans, or other key planning documents</li> <li>• Clarified organizational goals,</li> <li>• Value proposition statements, and decision-making tools such as strategic filters.</li> </ul> <p><b>Note:</b> Grantees rarely articulated the broader impact of the strategic plan, such as increased board and staff cohesion, improved inter-departmental collaboration, and an improved financial position with funders.</p>
<p><i>Leadership and Management Outcomes</i></p> <p><b>Total: 66 grants (31%)</b></p> <ul style="list-style-type: none"> <li>• <b>60% of these grants were leadership development grants</b></li> <li>• <b>30% were strategic planning grants</b></li> </ul>	<p>Frequently outcomes pertain to the board of directors, such as:</p> <ul style="list-style-type: none"> <li>• Increase in board members’ skills and capacity,</li> <li>• Creation of new board processes</li> <li>• Successful management of board hires and transitions.</li> </ul> <p><b>Note:</b> Outcomes in this area were less frequent on the individual leader/manager level and more common on the structural or process level (e.g., a focus on the executive team or on inter-departmental</p>

<sup>50</sup> Because OE grantees were not asked explicitly to report on broader organizational health outcomes in the grant reporting template, the coded data must be interpreted with caution. That is, grantees may have had broader organizational health outcomes, but chose not to report on them. The organizational health outcome categories were pre-determined as part of the codebook SPR developed for the retrospective grant analysis task.

<sup>51</sup> Categories are not mutually exclusive.

Organizational Health Outcomes	Illustrative Outcomes Reported by Grantees
	practices).
<p><i>Funding or Financial Management</i>  <b>Total: 52 grants (24%)</b></p> <ul style="list-style-type: none"> <li>• <b>54% of these grants were fund development grants</b></li> <li>• <b>23% were strategic planning grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• New or increased funding sources (e.g., as a result of a revised development strategy);</li> <li>• Implementation of new financial management systems and software such as Quickbooks;</li> <li>• Improving staff’s capacity to design and execute strategic fundraising campaigns (e.g., identifying donors, developing fundraising materials).</li> </ul>
<p><i>Infrastructure and Internal Systems Outcomes</i>  <b>Total: 40 grants (19%)</b></p> <ul style="list-style-type: none"> <li>• <b>35% of these grants were strategic planning grants</b></li> <li>• <b>25% were “other” focus area grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• Implemented new software to increase organizational efficiencies, such as customer relations, donor management, and project management software (e.g., Salesforce, DonorPerfect, and Unit4Agresso).</li> <li>• Improved capacity to collect, store, and analyze data pertaining to finances, clients, and human resources</li> <li>• Adoption of new policies and processes and the creation of new organizational structures (e.g., new divisions, shared leadership)</li> </ul>
<p><i>Staffing Outcomes</i>  <b>Total: 32 grants (15%)</b></p> <ul style="list-style-type: none"> <li>• <b>50% of these grants were strategic planning grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• Hiring of new staff members (including executive directors, CFOs, policy directors, and development staff).</li> <li>• Reformulating teams to better provide programs and services</li> <li>• New or improved staff skill sets (such as data management and marketing knowledge)</li> </ul> <p><b>Note:</b> Less often mentioned were significant changes to existing staff or their skill sets as a result of their OE grants.</p>
<p><i>Communications</i>  <b>Total: 28 grants (13%)</b></p> <ul style="list-style-type: none"> <li>• <b>71% of these grants were communications planning grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• New websites and/or social media marketing strategies and new communications strategies, which allowed for new or improved modes of outreach and communication with audiences both old and new. Grantees reported more website traffic and longer visits, more “likes” on their social media pages, and improved circulation and readership of newsletters.</li> <li>• Systemic outcomes, such as the integration of social media analytics into evaluation processes</li> <li>• Gains in communications expertise and skills, such as in website content management systems or effective articulation of vision that translated to a boost in organizational capacity</li> </ul>
<p><i>Partnerships and Networks Outcomes.</i>  <b>Total: 18 grants (8%)</b></p> <ul style="list-style-type: none"> <li>• <b>28% of these grants were strategic planning grants</b></li> <li>• <b>28% were “other” grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• The two most frequently cited outcomes in this area were forming new partnerships and completing organizational mergers. Other grantees reported increased staff capacity to identify partners and assess the feasibility of partnerships.</li> </ul>

Organizational Health Outcomes	Illustrative Outcomes Reported by Grantees
<i>Programming Outcomes</i> <sup>52</sup>	<ul style="list-style-type: none"> <li>• Expansion of programming (e.g., as a result of new partnerships)</li> </ul>
<b>Total: 13 grants (6%)</b>	<ul style="list-style-type: none"> <li>• Eliminations of programming, and confirming the value of existing programming</li> </ul>
<ul style="list-style-type: none"> <li>• <b>46% of these grants were strategic planning grants</b></li> </ul>	<ul style="list-style-type: none"> <li>• Adjustments to programs in terms of, for example, target population, focus area, or structure (such as splitting one program into two)</li> </ul>

## MEDIATORS AND ELEMENTS OF SUCCESS

From the original program evaluation framework and subsequent Advisory Committee discussions, a number of factors were posited to mediate OE grant outcomes: PO disposition, grantee readiness, and grantees’ experience of the OE program (including consultant fit).

**Consultant fit emerges as the most prominent factor for OE grant success from both quantitative and qualitative data sources.** Looking across all the factors explored (as predictors of both the combined outcome scores as well as individual outcome ratings), consultant fit was the strongest in terms of explanatory power. More specifically, consultant fit explained 22% of the variance in grantees’ focus area impact ratings, and between 6-8% of the variance of combined outcome scores.

This finding was supplemented by qualitative data. Grantee focus group participants emphasized the importance of an appropriate consultant as the most critical factor for OE grant success. Specific ingredients of success are the breadth and depth of the consultant’s knowledge in the relevant field, and their ability to build rapport with the grantee. Just over one-quarter of the grants highlighted by program staff survey respondents as particularly successful mentioned consultants as a reason for their success.<sup>53</sup>

The grantee survey data reveal that only 12 respondents could not find suitable consultants (for 13 grants).<sup>54</sup> Looking across available consultant feedback for these 13 grants in their grant documents, we find some degree of contradiction, in that some indicate a positive or mixed assessment of their consultant(s). However, the reasons given for a poor fit were: ultimately needing a different expertise area than what the consultant possessed; requiring more work from grantee staff than anticipated relative to the consultant; and the consultant providing recommendations or products that were too general in nature.

<sup>52</sup> While only 6% of the core OE grants were represented in the Programming Outcomes category, CEP’s analysis of 2013 GPR data found the following: 11% of OE grant recipients reported “added new program work” as the primary effect of the grant their organization; 21% reported “expanded existing program” as the primary effect; 26% reported “maintained program” as the primary effect (and 42% reported “enhanced capacity” as the primary effect).

<sup>53</sup> Of all the specific core OE grants program staff survey respondents were asked to rate, they were also asked to identify which were most and least successful and why. Not all program staff survey respondents chose to highlight particular successes or challenges. In total, 19 grants were highlighted as particular successes, and 20 were cited as particular challenges. Many of the reasons given for particular success or challenge were very specific to the organization at hand (i.e., they were not necessarily replicable or instructive).

<sup>54</sup> Of the 13 grants for which a suitable consultant fit could not be found, 6 (46%) had grantees reporting a “significant” impact on focus area compared to 87% of grants for which grantees reported being able to find a suitable consultant—a statistically significant difference.

Consultant fit was a top recommendation topic for both grantee and program staff survey respondents, particularly a recommendation that the Foundation provide more assistance in identifying potential quality consultants and facilitate sharing of consultant experiences among grantees and program staff.

Finally, we know from both field research<sup>55</sup> and our other evaluation projects<sup>56</sup> that consultant fit is an important factor in determining whether grantees succeed in their capacity-building efforts. For example, our Community Leadership Project (CLP) evaluation has underscored the critical importance of consultants and intermediaries adopting a flexible and customized approach to building the capacity of grantee organizations.

**Grantee readiness** (specifically whether Hewlett program staff had a sense of grantee readiness to do OE work) was another factor posited to strongly influence OE grant success. This factor individually explained between 6 to 9% of combined outcome scores. For the Progress Outcome Score (combined grantee and PO ratings of focus area impact and SPR's analysis of grant objective completion), grantee readiness helped explain 12% of the variance when combined with whether or not grantees were multiple OE grant recipients. Richer data on the subject of readiness came from qualitative sources. Program staff members highlighted readiness as one of the top factors of OE grant success. In particular, it is important that grantees not be in "crisis mode" when being considered for an OE grant. Program staff also suggested that grantee initiative (in starting the OE grant process) and self-identified capacity-building priorities are other signs of grantee readiness.

When reflecting on their least successful OE grants, program staff survey respondents provided diverse reasons—some very specific to the organizations at hand—but a cluster was centered on weak readiness in terms of leadership and/or staff with insufficient commitment to change and/or implementation.<sup>57</sup>

Grantees reflected more on what constitutes, and how to possibly screen for, OE grant readiness by looking at such factors as: pre-existing and ongoing dialogue between program staff and grantee staff so that the former would have an accurate sense of the latter's readiness; commitment of grantee leadership to an OE project; explicit and adequate dedication of staff time; looking at a grantee's "adaptive signals" as well as indicators that they will be able to move forward with implementation after the grant period ends.

Finally, **two aspects of grantee experience** (whether program staff provided effective as-needed support during the proposal stage, and whether they effectively advised grantees on priorities and strategies for strengthening their organizations) together explained 12% of the variance in Total Outcome Score (grantee and PO impact ratings across all outcome categories). Grantees provided overwhelmingly positive feedback on program staff support in both qualitative and quantitative data sources.

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<sup>55</sup> C.f. Kibbe, Barbara and Fred Setterberg. *Succeeding with Consultants: Self-Assessment for the Changing Nonprofit*. New York, NY: The Foundation Center, 1992.

Block, Peter. *Flawless Consulting: A Guide to Getting Your Expertise Used*, 2nd ed. San Francisco: Jossey-Bass/Pfeiffer, 2000.

<sup>56</sup> For example, see findings and lessons from the Community Leadership Project (CLP) evaluation reports: *Building Together: A Final Report of the Community Leadership Project Regranting Strategy* (June 23, 2014), Social Policy Research Associates; *Learning Together: A Final Evaluation Report for the Community Leadership Project's Technical Assistance Strategy* (July 8, 2012), Social Policy Research Associates; and *Leading Organizations to Benefit Low-Income People and Communities of Color: Findings from the CLP Leadership Strategy* (December 17, 2013), Leadership Learning Community & Social Policy Research Associates.

<sup>57</sup> Six of the 20 OE grants cited as particular challenges mentioned leadership/staff as at least one of the specific reasons.

## QUESTIONS FOR REFLECTION

Upon consideration of all data presented on OE program implementation and grant outcomes, we now raise some key areas for further reflection.

### Value-Added of Separate OE Funding

- Grantees articulated a number of reasons for why it is important to retain separate, targeted funding for OE. From the perspective of program staff, program grants rather than OE grants play the primary role in building their grantees' capacity. How might the Foundation balance the need for increased availability of targeted OE funding and OE training for program staff (to continue signaling the importance of focusing on organizational development) with the expediency of addressing capacity-building needs together with programmatic needs?

### Perceived Impact Ratings and OE Theory of Change

- Program staff's and grantees' impact ratings suggest the need to rethink the assumptions behind the OE program's theory of change. Program staff and grantees were both the most positive about the impact of OE grants on the grant focus area and the least positive about impact on organizational resiliency. Is it realistic to assume that impact on grant focus area will indeed lead to broader effects, particularly with regard to organizational resiliency? Or is there simply a need to make this expectation more explicit to grantees and program staff alike (e.g., with the set-up of reporting requirements)?
- To what extent would expectations of impact on organizational resiliency and effectiveness be more supported by longer OE grant terms (that include implementation)? By concentrating OE funds more on certain types of organizations (e.g., on anchor organizations for greater organizational effectiveness impact)?
- To capture broader and longer-term effects, will the Foundation consider some aspect of grantee follow-up?
- Given questions of how overwhelmingly positive grantees were in their impact ratings, how can grantees be supported or rewarded for their candid and ongoing articulation of both positive outcomes *and* challenges? How can "failed" OE grants be plumbed for valuable lessons? Further, how can other perspectives (e.g., consultants or grantee board members) be used to triangulate impact ratings?
- Is organizational health a link between impact on focus area, and impact on resiliency and effectiveness? Or is an assessment of broader organizational health most relevant only for diagnostic purposes (e.g. in determining capacity-building priorities early on)?

### Mediating Factors

- Given the importance of consultant fit, how can the Foundation further support the consultant identification and selection process for grantees? The sharing of grantees' consultant experiences?
- Should expectations of outcomes differ by type of OE grant (e.g., for certain focus areas such as strategic planning which appear to have more potential for spillover effects)?

Should typical size and term of OE grant differ by grant focus area? Are there any implications for considering whether to narrow the range of capacity-building areas to support or concentrate on (similar to some other philanthropic models)?

### **Exchange and Support**

- Given individual program staff members' OE grant responsibilities, as well as their and grantees' strong desire for more peer exchange, how can the Foundation further support a culture of OE learning and best practices that not only bolsters staff grant making capacity and helps build stronger organizations, but also supports the development of the larger fields?

It is our hope that these reflection areas will help inform the Foundation's thinking as it moves forward with plans for the future of the OE program.

## **LIST OF ATTACHMENTS**

**Attachment A: Program Staff Survey Instrument**

**Attachment B: Grantee Survey Instrument**



## Attachment A: Hewlett OE Program Staff Survey

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### Welcome to the Hewlett Foundation's Organizational Effectiveness Program Staff Survey!

This survey is a very important part of a major retrospective evaluation of the Hewlett Foundation's Organizational Effectiveness (OE) Program being conducted by Social Policy Research Associates (SPR). The evaluation's goals are to understand whether and to what degree the OE Program has:

- Built the capacity of grantees to make them healthier and more resilient organizations;
- Increased the ability of grantees to achieve the strategic goals they share with the Hewlett Foundation; and
- Been administered to ensure that OE resources are used effectively and efficiently by grantees and program staff.

SPR is gathering feedback from you, as current and past program staff members, on your:

- Approach to addressing grantees' capacity-building needs;
- Experience with the OE Program; and
- Ratings of impact of OE grants you made within the past five years.

Your participation is critical not only for understanding OE grant outcomes and the key role played by program staff members, but also for informing the direction of the OE Program going forward.

**Instructions for Completing the Survey:** Please complete the survey by **Monday, December 1, 2014**. We expect the survey to take about 15-20 minutes.

Be as candid as you can. All individual-level responses will be kept confidential. Survey data will be shared with the Hewlett Foundation only in the aggregate and open-ended responses will not be attributed. Overall survey findings will be shared with Hewlett program staff as part of the evaluation process.

Please save your work as you go along by hitting "Next" at the bottom of each page. To save your work and come back at a later time, hit "Save and Continue Later" at the top of the page, which is available starting on page 2 of the survey.

If you would like to refresh your memory on any of your OE grants that you will be rating in the last survey section, you can access grant application summaries and closing reports through an *optional*, private ShareFile link that was emailed to you with the invitation to this survey.

If you have any questions, please contact Jennifer Henderson-Frakes at [jennifer@spra.com](mailto:jennifer@spra.com).

Thank you for your time. Your participation in this survey is greatly appreciated.  
The SPR Evaluation Team

1) Please select your name.

2) Please double-check that you have selected the correct name from the drop-down menu in question number 1. (This is *very important* to make sure you get the correct version of the survey.) Is the correct name selected above?\*

Yes       No

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## Individual Approach to Capacity Building

This section will help us understand your general approach and disposition toward using OE resources for your grantees. In particular, we are interested in what drives your decision making about providing capacity-building support. (If you are no longer with Hewlett, please answer based on your time at the Foundation.)

Key definitions for this section:

- Organizational effectiveness: **The ability of an organization to fulfill its mission and achieve its strategic and program goals.**
- Capacity building: **The resources and activities needed to improve an organization's effectiveness and sustainability.**

3) Please rate your level of knowledge of capacity building.

Beginner     Intermediate     Advanced     Expert

4) What are typically the most important reasons for you making OE grants to your grantees? (Please choose *up to three* reasons from the list below.)

The grantee is particularly critical to my program strategy and goals.

- The grantee has a long history with the Hewlett Foundation.
- The grantee plays a prominent role in the field.
- The grantee asked for OE grant support.
- The grantee is at a critical juncture as an organization.
- The grantee has no other resources available for capacity building.
- The grantee is not going to be receiving any additional program support from Hewlett.
- Other (please specify here): \_\_\_\_\_\*

**5) What do you see as the most important factors in predicting OE grant success? (Please choose up to three factors from the list below.)**

- A strong consultant fit.
- Initial readiness of the grantee (in terms of staff commitment, stability of organization, etc.)
- A grantee that initiates the OE grant process.
- Close partnership between grantee and program staff in preparing the OE grant proposal.
- Flexibility for grantees to determine their own capacity-building priorities and strategies.
- Size of the OE grant relative to the size of the grantee's budget.
- Prominence of the grantee in the field (e.g., an anchor organization).
- Grantee's history of prior grants with the Hewlett Foundation.
- Other (please specify here): \_\_\_\_\_\*

## **Assessment of the Hewlett Foundation's OE Program**

This section asks you to rate different aspects of the Hewlett Foundation's OE Program. Your answers will help inform the future direction and structure of the OE Program. (If you are no longer with Hewlett, please answer based on your time at the Foundation.)

**6) Please rate your level of agreement with the following statements about the Hewlett Foundation's OE Program. (Check one answer per statement.)**

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Can't say or not applicable</b>
a. The orientation and training that Hewlett provides new staff is effective in helping prepare program officers to undertake OE grants.	( )	( )	( )	( )	( )
b. There's sufficient training offered to staff on capacity building and how to use the OE Program.	( )	( )	( )	( )	( )
c. The OE grant process is easy and efficient for me to use.	( )	( )	( )	( )	( )
d. The OE grant process is easy and efficient for my grantees to use.	( )	( )	( )	( )	( )
e. OE staff provide effective support when I request it (e.g., in developing proposals with my grantees).	( )	( )	( )	( )	( )
f. I have access to enough OE funding to meet my grantees' capacity-building needs.	( )	( )	( )	( )	( )
g. Program grants are my primary source of funds for building my grantees' capacity, while the OE grants are a secondary source.	( )	( )	( )	( )	( )
h. The OE application form is useful in helping me assess the grantee's proposed project and capacity-building needs.	( )	( )	( )	( )	( )

i. The data collected through the OE reporting forms are useful for assessing whether the OE grant's specific goals have been achieved.	( )	( )	( )	( )	( )
j. The data collected through the OE reporting forms are useful for understanding whether the OE grant had an effect on the organization broader than the grant's specific focus area.	( )	( )	( )	( )	( )
k. A larger culture of peer learning and support for capacity-building exists at the Hewlett Foundation.	( )	( )	( )	( )	( )

**7) What are the OE Program's greatest strengths?**

**8) What are the OE Program's greatest challenges?**

**9) What are your top recommendations for improving the Hewlett Foundation's OE Program?**

## **Assessment of OE Grants**

In this section, we are trying to better understand **the impact of OE grants you made between 2009-2013**. By impact, we mean any number of changes that may have resulted from OE grants. We're analyzing the OE Program's grants database, but we're also asking program staff to further reflect on changes that may have occurred both in the short-term (e.g., the grantee successfully completed a strategic plan) and in the long-term (e.g., the strategic plan enabled the grantee to more effectively reach its target audiences). We recognize that this is a challenging task, but we know that program staff are in the best position to help us understand not only whether key OE grant objectives were met, but also whether OE grants eventually impacted grantees more broadly (by improving the health of their organizations, or in their ability to meet their larger strategic goals and adapt to changing circumstances).

Since OE grants are categorized by focus area (leadership development, strategic planning and assessment, fund development, communications planning, evaluation, and strategic collaboration), we are asking you to rate the impact of your OE grants in their specific focus areas, as well as the impact on the broader organization. Overall, please reflect on the impact of your OE grants from the perspective of when the grant officially ended and what has happened since then.

If you need to refresh your memory on any of your OE grants listed below, an *optional* private link to grant application summaries and closing reports was provided in the email with the survey invitation. However, if you can't recall enough information to answer a question, please choose the "can't say" option. If you inherited some of these grants from other program staff, please do the best you can with your answers.

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## Impact of OE Grants

**10) For all of your OE grants (listed on the left-hand side of the table below, along with their focus area), please rate the level of impact made by the grant *in each of the areas listed in the column headers*. Please make a selection from the drop-down menu in each cell of the table. (Grantees with multiple grants in the same focus area are distinguished by the year the grant was made.)**

	Impact of the OE grant <b>on the focus area listed to the left for each grant</b> (e.g., fund development).	Impact of the OE grant <b>on the grantee's ability to achieve its overall mission and strategic goals.</b>	Impact of the OE grant <b>on the grantee's ability to adapt to changing circumstances inside and outside the organization.</b>
Grantee 1	No Impact Low Impact Moderate Impact Significant Impact	No Impact Low Impact Moderate Impact Significant Impact	No Impact Low Impact Moderate Impact Significant Impact
Grantee 2	No Impact Low Impact Moderate Impact Significant Impact	No Impact Low Impact Moderate Impact Significant Impact	No Impact Low Impact Moderate Impact Significant Impact
Grantee 3	No Impact	No Impact	No Impact

	Low Impact Moderate Impact Significant Impact	Low Impact Moderate Impact Significant Impact	Low Impact Moderate Impact Significant Impact
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**11) Which of your OE grants listed above would you highlight as the greatest successes? Why?**

**12) Which of your OE grants listed above would you cite as the least successful? Why?**

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**109) In general, when you make OE grants, are you typically aiming more for the short-term, specific goals in the OE proposal ("transactional" effects), or for longer-term, broader effects on the organization ("transformational" effects)? Please characterize your *typical* aims along the continuum below.**

- All or nearly all transactional
- More transactional than transformational
- Equally transactional and transformational
- More transformational than transactional
- All or nearly all transformational

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## **Final Comments and/or Recommendations**

**110) Please share any other final comments and/or recommendations for the Hewlett Foundation's OE Program.**

## Attachment B: Hewlett Organizational Effectiveness Program Grantee Survey

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### Welcome to the Hewlett Foundation Organizational Effectiveness (OE) Program Grantee Survey!

This survey is a very important part of a major retrospective evaluation of the Hewlett Foundation's Organizational Effectiveness (OE) Program being conducted by Social Policy Research Associates (SPR). The evaluation's main goals are to understand if and how the OE program has strengthened its grantees, and how well it is meeting their needs and those of the Foundation.

SPR is gathering feedback from organizations that received Hewlett OE grants from 2009-2013. We are interested in:

1. your experience as an OE grantee during this time, and
2. how your organization has been impacted by the OE grant as a form of support distinct from other types of grants you have received from Hewlett.

We would like to ask about your organization's experience with the specific OE grant listed in the email inviting you to take this survey.

Please feel free to involve other staff members, if necessary, to help answer questions about your organization's experience with this specific grant.

Your participation is critical not only for understanding OE grant outcomes, but also for informing the direction of the OE program going forward. We are very interested in your candid feedback and advice for the Foundation on how to improve the OE program. All individual-level responses will be kept confidential. Overall survey findings will be shared with Hewlett program staff as part of the evaluation process. The final evaluation report reflecting these survey findings and other data will be shared with you later this year.

Instructions for Completing the Survey: Please complete the survey by Friday, May 22, 2015. We expect the survey to take about 15-20 minutes. Please save your work as you go along by hitting "Next" at the bottom of each page. To save your work and come back at a later time, hit "Save and Continue Later" at the very top of the page, which is available starting on page 2 of the survey. You will then be prompted for an email address so that a link to your in-progress survey can be sent to you.

If you would like to refresh your memory on the specific OE grant that this survey is asking you about, you can access your OE grant proposal and report materials through a private ShareFile link that was emailed to you with the invitation to this survey. Reviewing these files is optional.

If you have any questions, or feel unsure about the right person to take the survey, please contact Jennifer Henderson-Frakes at [jennifer@spra.com](mailto:jennifer@spra.com) before forwarding the survey to someone else. Your participation in this survey is greatly appreciated.

Thank you for your time,  
The SPR Evaluation Team

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## **Part 1: General Information**

**1) Please select the name of your organization from the drop-down list below. (If your organization's name has changed, please select the earlier name of your organization.)\***

**2) What is your name and position? (Primary survey respondent(s)).\***

**3) Please indicate whether you (primary survey respondent(s)) were directly involved with the following phases of the OE grant listed in the email invitation to this survey.\***

OE grant proposal

OE grant implementation

Neither proposal nor implementation

**4) Is there anything you want to say about your involvement or awareness of the OE grant, or your ability to complete this survey?**

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## **Part 2: Grant-Specific Feedback**

The main goal of this section is to understand grant impact and your experience as a grantee with regard to **the OE grant specifically listed in the email inviting you to this survey.**

By impact, we mean any immediate or longer-term changes to your organization that may have resulted from the OE grant. This will help us understand not only whether your specific OE grant objectives were met, but also whether the OE grant had broader effects on your organization, whether they were anticipated or not. Please reflect on impact from the perspective of when the grant officially ended and what has happened since then.

This section also asks you to rate different aspects of your experience as an OE grantee, such as the level of support received from Hewlett Foundation staff, and the ease of the grant application and reporting process.

If you need to refresh your memory on your OE grant, use the link to your OE grant proposal and reports provided in the email with the survey invitation. If you can't recall enough information to answer a question, please choose the "can't say" option.

**5) Thinking about your OE grant, please rate the level of impact made on...\***

	No impact	Low impact	Moderate impact	Significant impact	Can't say
a. The grant's focus area (e.g., fund development, strategic planning, leadership development, evaluation, strategic collaboration, or communications planning).	( )	( )	( )	( )	( )
b. Your organization's ability to achieve its overall mission and strategic goals.	( )	( )	( )	( )	( )
c. Your organization's ability to adapt to changing circumstances inside and outside the organization (e.g., change in leadership, changing political or funding context).	( )	( )	( )	( )	( )

**6) Overall, to what extent did the OE grant strengthen the performance of your organization? Please select one answer below.\***

( ) Not at all    ( ) A little    ( ) Moderately    ( ) Greatly    ( ) Can't say

**7) Please rate your level of agreement with the following statements about the level of support you received during the OE grant proposal process and implementation phase. Hewlett Foundation staff...\***

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Can't say or not applicable</b>
a. Had a good understanding of my organization's areas of need.	( )	( )	( )	( )	( )
b. Had a good understanding of how an OE grant could best help strengthen my organization.	( )	( )	( )	( )	( )
c. Effectively advised my organization on priorities and strategies for strengthening my organization through an OE grant.	( )	( )	( )	( )	( )
d. Provided a clear overview of the purpose, expectations, and requirements of an OE grant.	( )	( )	( )	( )	( )
e. Had a clear sense of my organization's readiness to do this work.	( )	( )	( )	( )	( )
f. Provided effective support when we needed it during the proposal stage.	( )	( )	( )	( )	( )
g. Provided effective support when we needed it during the implementation stage.	( )	( )	( )	( )	( )

**8) Please rate your level of agreement with the following statements about the processes you went through as an OE grantee.\***

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>	<b>Can't say or not applicable</b>
a. The OE grant application process was straightforward for my organization.	( )	( )	( )	( )	( )
b. The OE grant application process	( )	( )	( )	( )	( )

was useful for thinking through our proposed project and expected results.					
c. For the OE project, my organization was able to find a consultant who was a good fit for our organization.	<input type="radio"/>				
d. The OE grant reporting process was straightforward for my organization.	<input type="radio"/>				
e. The OE grant reporting process was effective in capturing whether or not our goals were achieved.	<input type="radio"/>				
f. The OE grant reporting process allowed us to reflect on the OE grant's broader effects on my organization (beyond the grant's specific focus).	<input type="radio"/>				

**9) Please indicate your level of influence in determining the OE grant's priorities. Compared to Hewlett Foundation staff...\***

I had no influence.  I had less influence.  I had equal influence.  I had more influence.  I had all the influence.

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### Part 3: Summing Up Overall Impact and Experience

This section asks you to reflect on overall impact and experience **for the OE grant listed in the email invitation to this survey.**

**10) Recognizing that OE grants are usually completed within a year, in what ways has the OE grant had a *sustained effect* on your organization, if any?\***

**11) Please describe any *unique value* of the OE grant compared to the other Hewlett grants (general operating support and/or project grants) that your organization has received.\***

**12) Looking back, what would you have done differently (if anything) with the OE grant and why?\***

**13) Overall, what were the most positive aspects of your experience as an OE grantee?\***

**14) Overall, what were the most challenging aspects of your experience as an OE grantee?\***

**15) What are your recommendations for the Hewlett Foundation to improve the OE grantee experience?\***

**16) How likely is it that you would recommend a Hewlett Organizational Effectiveness grant opportunity to a colleague in the field? (With 0 being not at all likely, and 10 being extremely likely.)\***

0   1   2   3   4   5   6   7   8   9   10