GRANT EVALUATION:
WHAT PRIVATE FOUNDATIONS DO AND WHY THEY DO IT:
An Examination of Grant Assessment Motivations and Practices

by

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Submitted to the Graduate Faculty of
Graduate School of Public and International Affairs in partial fulfillment
of the requirements for the degree of

Doctor of Philosophy

University of Pittsburgh

2015
UNIVERSITY OF PITTSBURGH

GRADUATE SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

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University of Pittsburgh, 2015

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Philanthropic foundations have long played important roles in American society. Scholars have explored institutional philanthropy from a variety of perspectives but have not yet generated a robust theory of foundation behavior. This study explores one specific aspect of foundation behavior, grant assessment. Here, “grant assessment” refers to the full range of post-award reflections on a given grant, from formal evaluations to informal, retrospective judgments. The purpose of this study is to investigate the variations in motivations and practices of assessing grants, the plausible sources of these variations, and the relationship between grant assessment motivations and practices. Since there is little theoretically-grounded, empirical research in this domain, this study is exploratory with the aim of developing theory rather than testing hypotheses. The research design is inductive and primarily qualitative. Data gathering included key informant interviews with 27 grant-making professionals from 17 private foundations in the Pittsburgh, Pennsylvania (USA) area. Content analyses of these foundations’ websites and public documents complemented the interview data.

The findings from this study suggest that grant assessment motivations and practices are triggered by two mechanisms: one agent-based, derived from the foundation’s organizational identity and the other grant-based, determined by grant type. Informants demonstrated high fidelity to organizational identity as expressed in their foundations’ mission statements and signaled by other organizational messaging devices, including website design and content. The
organizational identity typology which emerged provides support for moving beyond the conventional conceptualization of foundation behavior along a continuum of “active” to “passive” to one that acknowledges the role of identity.

These findings contest that conventional perspective and offer an alternative interpretation of foundation behavior, through the lens of organizational identity, defined here as organizational values, aspirations, and competencies (Camillus, 2008). That is, these findings suggest that organizational identity is the central determinant of foundation practices, with implications for the types of grants they make and their grant assessment motivations and practices. This study concludes with suggestions for further research to refine this typology and to test the extent to which organizational identity explains foundation grant-making practices.
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ACKNOWLEDGEMENTS

I could not have started, never mind have finished, this dissertation without the encouragement and support of my husband, Steve – thank you for all you have done to make this possible! I also appreciate the patience of my children, Jacob and Amanda, for enduring all of the craziness that goes along with having a mom in graduate school. Finally, I would like to thank the many faculty and staff members of the Graduate School of Public and International Affairs who have shared their wisdom and knowledge with me during my graduate studies. In particular, I am extremely grateful to my advisor and dissertation committee chair, Dr. Kevin Kearns, for his time, attention, guidance, and insights.
1.0 INTRODUCTION

Foundations have played important roles in American society, from supporting arts institutions to informing foreign and social policy initiatives (Hammack & Anheier, 2013; Lagemann, 1999). However, there is little contemporary empirical research on foundation behavior from which to construct theory. In fact, there is more empirical research on the impact of foundation behavior on grantees than there is research on foundations themselves (Carman, 2009; Deflin & Tang, 2008; Ebrahim, 2002; Lynch-Cerullo & Cooney, 2011; Shaw & Allen, 2009; Thomson, 2010). One reason for this is that although foundations participate in surveys, few have invited or allowed in-depth, outside research (Diaz, 2001; Fleishman, 2007). While there exist case studies that have provided important insights about foundation strategies and practices, including evaluation (Cornforth & Mordaunt, 2011; Diaz, 1996; Millesen, Carman, & Bies, 2010), most of what is currently known about foundation behavior is self-reported via surveys (Ashley, 2007; McCray, 2011; Ostrower, 2004a), the foundation’s own publications (Brest & Harvey, 2008; Isaacs & Colby, 2010; W.K. Kellogg Foundation, 2004b), or other “practitioner-focused” resources, usually featuring case examples (Braverman, Constantine, & Slater, 2004; Council on Foundations, 1993).

Another factor inhibiting the development of a more robust theory of foundation behavior is that institutional philanthropy as an organizational field is relatively young (Frumkin, 1997). This view is supported by the relatively recent emergence of associations and alliances that
promote the “industry” of institutional philanthropy and the related phenomenon of growing
professionalization in the management and governance of these organizations. A new cohort of
philanthropic affinity groups began emerging in the 1990s¹, and foundation boards are only now
beginning to place foundation professionals into the chief executive office (Branch, Moody,
Marx Smock, & Bransford, 2010; Donovan, 2014). While professionalization is emerging, it is
far from stable. This may be due to two inter-dependent factors: external, environmental
dynamics that influence the role of philanthropic institutions in American society, and internal,
organizational dynamics that influence management practices and are rooted in founder
mandates and values. As a result, institutional philanthropy still lacks a codified domain of
practice (Damon, 2006). This too has hampered theory building.

The lack of robust theory is problematic, not only from an academic perspective, but for
practitioners – especially nonprofit organizations seeking grant funding. In fact, most of the
interest in foundations centers on the processes that foundations use upfront, to award grants.
Consequently, a great deal of the literature that discusses foundation practices is designed to help
prospective grantees – nonprofit organizations – understand how foundations select grantees
(Ashley & Faulk, 2010; Gronbjerg, Martell, & Paarlberg, 2000; Orosz, 2000) or to help
foundations themselves be more intentional about their approach to grant-making (Crutchfield,
Kania, & Kramer, 2011; Frumkin, 2006; M. Kramer, Parkhurst, & Vaidyanathan, 2009). In
contrast, this research effort focuses on the processes foundations use to assess grants on the

¹ The Philanthropy Roundtable was founded in 1991. The Aspen Institute’s (AI) Nonprofit Sector and
Philanthropy Program began in 1991. The AI also hosts the Aspen Philanthropy Group (APG), which is a select
association of national and foundation leaders. It is not clear when APG began, but it has been meeting annually
since at least 2009. Grant-makers for Effective Organizations (GEO) was founded in 1997, and The Center for
Effective Philanthropy (CEP) was founded in 2001. The Council on Foundations was founded in 1949, first as an
association of community foundations. Membership later expanded to include private foundations, in part due to
legislative activity preceding the Tax Reform Act of 1969, which placed increased government oversight on all
foundations (Council on Foundations, 2013). The Council continues to serve as a legislative policy watchdog and
convener. The National Committee for Responsive Philanthropy was founded in 1976 but by nonprofit leaders, not
philanthropists.
“back-end”, after the award has already been made. In this paper, these reflective, post-award processes and practices are referred to as “grant assessment.”

In this context, “grant assessment” envelopes the full range of formal and informal judgments about a given grant. That is, grant assessment encompasses everything from program evaluation to organizational performance measurement to community-focused assessment. For example, grant assessment can include processes that range from quantitative measurements of the outputs and outcomes of a specific grant-funded program, to qualitative analyses of the overall contribution of a grantee organization, to socio-economic indicators that track a community’s progress relative to a specific issue.

Grant assessment practices are just one aspect of foundation behavior, but these practices have important implications for both the foundation and grantee. Whether formal or informal, grant assessment is the means by which the foundation and grantee understand and articulate the result(s) of an individual grant, which may impact future funding decisions. For the foundation, it is also the means by which it can, as an organization, understand, capture, and describe the impact of its overall grant-making efforts to internal and external stakeholders.

In some ways, interest in grant assessment parallels trends within both the nonprofit and public sectors to address accountability concerns by generating performance metrics (Hatry, 2010). There has been general consensus among foundation associations about the value of deliberate attempts to measure performance2 (Global Leaders Tomorrow Task Force on

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2 Grant-makers for Effective Organizations, Urban Institute, and Council on Foundations have each sponsored large, national surveys designed to compare actual grant-making practices, including grant assessment, to some set of specific expectations (Doermann, 1993; McCray, 2011; Ostrower, 2004a). Another grant-maker organization, the National Committee for Responsive Philanthropy, has developed a set of grant-maker “best practices” (Jagpal, 2009). One noted practitioner, Joel Orosz formerly of the W.W. Kellogg Foundation, proposed a grant-seeker “Bill of Rights” designed to improve communication and transparency about grant-making more generally (Orosz, 2000, p. 46-47). Several grant-makers have also generated resources that promote their ideas about what constitutes “best practice” with respect to grant assessment (Brest & Harvey, 2008; Grantmakers for Effective Organizations, 2009; Isaacs & Colby, 2010; W.K. Kellogg Foundation, 2004b).
Philanthropy, 2003; Grantmakers for Effective Organizations, 2006; The Center for Effective Philanthropy, 2002, 2005). However, operationalizing performance measurement in these contexts is complicated by the fact that foundations and their nonprofit grantees have not one “bottom line” but at least two: mission fidelity and financial stewardship.

These measurement challenges and uncertainties generate tensions between grantees and funders about how to assess grant performance. While these tensions between funders and grantees are not new (Doermann, 1993) and are perhaps embedded in the giver-receiver relationship (Schervish & Ostrander, 1990), the factors influencing grant assessment motivations and practices remain unknown and perplexing (Carman, 2009). The literature on foundation practices continues to demonstrate 1) a lack of consensus about grant assessment among funders (Boris & Kopczynski Winkler, 2013; Coffman, Beer, Patrizi, & Thompson, 2013; Carter, 2004) and 2) that nonprofit organizations are still frustrated by foundation grant assessment processes (Brock, Buteau, & Herring, 2012).

For their part, grant-seekers would like more conversations with funders about grant assessment practices to understand how foundations interpret grant results with respect to future funding of related next steps and other current or future funding needs in the grantee organization (Brock, Buteau, & Gopal, 2013). Grantees report disappointment with foundation support for grant assessment, which can lead to frustration (Salamon, Galler, & Mengel, 2010), gaming (Benjamin, 2008a), and confusion in the process of securing initial and future funding from philanthropic institutions (Ebrahim, 2002). Scholars also express concerns about this issue, warning that failure to develop and embrace a shared understanding about grant assessment inhibits collective learning and institutional accountability (Damon, 2006; Ealy, 2014).
The implicit expectation in much of this literature is that foundations’ grant assessment motivations and practices either could or should be uniform, consistent, or “best practice”. However, assessing performance is dependent on context, i.e., the values of the evaluator and the function of that which is being evaluated (e.g., the grant) (Quinn & Rohrbaugh, 1983; Simon, 1997). Therefore, this implicit assumption may be mis-guided in that uniformity with respect to foundation behavior may not be either possible or desirable (Frumkin, 2006; Ostrower, 2006). However, it may be possible and more desirable to understand the source(s) of variations in foundation behavior. This view suggests that more clarity on the under-lying factors which influence a foundation’s grant assessment motivations and practices may be more productive than attempting to define a common grant assessment process for all foundations.

For example, time-tested theories of organizational behavior (Cyert & March, 1963; Mintzberg, 1978; Quinn & Rohrbaugh, 1983) suggest that there may be patterns of behavior, shared by foundations with similar values (Young, 2001), that would enable the development of foundation typologies. This view has already been expressed with respect to understanding foundation effectiveness (Ostrower, 2006) and provides an impetus for exploring grant assessment through a similar lens.

1.1 OBJECTIVES

The ultimate objective of this study is to explore patterns of grant assessment behavior for evidence of typologies, for the benefit of both funders and grantees. For foundations, typologies help funders articulate their own grant assessment motivations and practices. For grantees, typologies reduce unproductive guess-work and frustration by explaining why foundations don’t
all behave in the same way. This research contributes to that effort by seeking to identify and understand differences in under-lying motivations and the implications of these differences on grant assessment practices. The research questions posed here specifically consider the variations in motivations for and practices of assessing grants, the plausible sources of these variations, and the relationship between grant assessment motivations and practices. This study seeks to fulfill these objectives by empirically identifying, describing, and categorizing grant assessment motivations and practices through key informant interviews with foundation staff members and content analyses of foundation websites and public documents. Since there is little empirical research in this domain, this study makes a contribution to future research by drawing together relevant streams of literature from related disciplines, which future studies may use to investigate other aspects of foundation behavior.

1.2 ASSUMPTIONS AND LIMITATIONS

This study is limited in its geographic and organizational scope. Geographically, this study focuses on foundations within the Pittsburgh, Pennsylvania (USA) area. This geographic focus limits generalizability but provides a strong base for an exploratory study of this nature, given the Pittsburgh region’s historic connections to the early philanthropic movement (Fleishman, 2007) and current position as one of the United States’ largest philanthropic communities (O’Toole, 2011). Pittsburgh’s philanthropic foundations remain a significant force in the nonprofit community, particularly in the Arts and Human Services sectors (Perry, Legler, & Coleman, 2010).
Organizationally, this study focuses on private, financially independent foundations. The sampling frame criteria are detailed in Section 6.5. This study is limited in that it relies on foundation staff and publicly-available documents for information about grant assessment. The researcher did not engage other stakeholders, such as grantees, for an external perspective on grant assessment. Also, the researcher did not have access to foundation board materials or meeting minutes, staff reports on foundation grants, or foundation archives. The focus on internal informants and publicly-available materials provides an important first step in unpacking grant assessment motivations and capturing grant assessment practices. However, the reliance on foundation informants and publicly-available materials requires the explicit assumption that these informants and materials accurately represent actual practices. Therefore, this study is limited by the absence of external perspectives and archival research.

1.3 ORGANIZATION OF THE STUDY

To provide context for this study, Chapter Two provides an overview of institutional philanthropy, including its role in American society and emerging issues. Chapter Three reviews the academic research on foundation behavior. Since there is very little research in this domain, Chapter Four explores relevant literatures from other disciplines for transferrable frameworks to aid this research effort. Chapter Five outlines the research design, including research questions, conceptual framework, propositions, and empirical strategy, that guides this study. Chapter Six describes the data gathering and analysis process. Chapters Seven, Eight, and Nine outline the research findings, testable hypotheses emerging from these findings, and conclusions, respectively.
Philanthropy and voluntary associations are tightly woven into the fabric of American life (Clemens & Guthrie, 2010; Tocqueville, 1835). As a result, individual and collective philanthropy have played critical roles in many civic domains, including education, health care, cultural arts, and social welfare (Anheier & Hammack, 2010). Contemporary academic inquiries reveal important differences between individual and collective philanthropy, in terms of both motivation and practice (Aguinis & Glavas, 2012; Mazany & Perry, 2013; Moody, 2008). As a result, distinct streams of literature have emerged which particularly focus on individual donors (Bekkers, 2002), informal giving groups (Eikenberry, 2009), large federated funding organizations (such as the United Way) (Brilliant & Young, 2004; Perlmutter, 1988), and corporate, community, and independent (including family) foundations (Anheier & Hammack, 2010; Fleishman, 2007; Graddy & Morgan, 2006; Karl & Katz, 1987; Lungeanu & Ward, 2012).

This study focuses specifically on private, independent foundations because the number, size, and influence of this particular type of foundation has grown dramatically over the past 30 years (Lenkowsky, 2013). In the United States, 91% of all foundations are independent, rather than corporate or community. Independent foundations hold 82% of total foundation assets, distribute 68% of annual foundation grants, and receive 62% of new contributions. In 2012,
independent foundations distributed grants totaling $35.4 billion, up from $2 billion for all foundations in 1975 (Foundation Center, 2006). In addition to direct grants, foundations influence professional practices (Hwang & Powell, 2009), impact services delivered to beneficiaries (Mosley, 2012), and confer professional legitimacy to nonprofit organizations (Gronbjerg et al., 2000; Suárez & Hwang, 2012). The significance of philanthropic institutions in civic life is also evidenced by the fact that public officials at all levels of government both court and critique foundation influence and wealth (Broad, 2014; Daniels, 2014; Parmar & Rietzler, 2014; Schambra, 2014; Scott & Jabbar, 2014).

The convergence of these three factors (growing numbers, size, and influence) has increased academic attention on the performance, effectiveness, and accountability of private, institutional philanthropy (Fleishman, 2007; Goldberg, 2009; Ostrower, 2004b). These developments indicate that multiple stakeholders (foundations, nonprofits, scholars, public officials, and program beneficiaries) have a strong interest in learning more about foundation behavior.

2.2 THE ROLE OF PHILANTHROPY IN AMERICAN SOCIETY

Conceptually, the scope and scale of institutional philanthropy is bounded by the roles and capacity of four other critical institutions: market, state, family, and “church” (Muukkonen, 2009). In the context of path dependency (Pierson, 2000), this framework helps explain the size and influence of American philanthropy. First, voluntary associations have long played a role in public goods provisions and have thus required funding from private individuals and groups. Second, capital markets developed and continue to operate with relatively limited regulation and
taxation. Furthermore, international and domestic migration patterns have weakened extended family support structures, and religious institutions have always operated independent of state funding and oversight (Dogan, 2006).

However, the boundaries between American philanthropic foundations and these other institutions are not static and are often contested. Religious institutions’ role in charitable health care, social justice movements, and social services is changing (Chaves, 2012; Putnam & Campbell, 2010). New family structures and inherited poverty have shifted expectations for public education and social service provisions (Angrist, Dynarski, Kane, Pathak, & Walters, 2012; Evans, 2004; Sherraden & McKernan, 2008). Even business entrepreneurs straddle for-profit and nonprofit spheres (Chhabra, 2013). The boundaries between the state and philanthropy are particularly dynamic and volatile.

The New Deal and Great Society reforms shifted responsibility for basic safety net services from the private to the public sector (Roberts, 1984), but public support for financing these services is now diminishing (Smith, 2012). Adding to role confusion for foundations, public officials both court and critique the use of private funds for public purposes, appealing to either flattery or to fear: some laud foundation resources and influence (Daniels, 2014), while others threaten regulation to increase foundation transparency and external accountability (Grassley, 2011).

When private foundations began emerging in the 1800s, the boundary between the state and philanthropic institutions was much clearer: voluntary associations attended to the needs of the poor and local issues (Tocqueville, 1835), and foundations operated with no substantial oversight. However, the introduction of the federal income tax in 1913 eventually shifted this relationship. Initially, the tax code did not include any provisions for charitable exemptions. This
changed in 1917, when foundations and other charities received tax-exempt status (Hammack & Anheier, 2013). While this provision allowed philanthropists to shield charitable endowments from taxation, it also put private philanthropy into the domain of government regulation. Federal oversight increased with the Tax Reform Act of 1969. This legislation included several specific oversight provisions, including the mandate that foundations distribute at least five percent of their endowments annually and pay a small excise tax on endowment assets.\(^3\) (United States Internal Revenue Service, 2014).

Over the years, IRS Form 990 reporting requirements have also steadily increased for all nonprofit organizations, including foundations. Periodically, government actors have called for more oversight of both nonprofit organizations and private foundations (Byrnes, 2004; Prakash & Gugerty, 2010). However, the number of foundations audited annually has slowly declined since the initial flurry of activity following the implementation of the Tax Reform Act of 1969 (Boris & Steuerle, 2004). History suggests that enthusiasm for regulatory and legislative oversight fades with economic downturns, when elected officials are more likely to court than criticize private donors (Béland & Waddan, 2007; Daniels, 2014). The current consensus is that private foundations will continue to operate with relatively little regulatory oversight (LaBeau, 2014). Collectively, these findings and trends indicate that the intensity and urgency of external pressures on private foundations are relatively weak.

These relatively weak external accountability mechanisms have given rise to concerns about foundation behavior, ranging from mild to significant. Those with mild concerns implicitly or explicitly assume that private philanthropic assets are at least to some extent public money, and thus foundations have some accountability to demonstrate that their efforts benefit

\(^3\) The excise tax was initially 2% but is now down to 1% for private foundations meeting minimum distribution requirements.
the public. These arguments reference the potential tax revenues lost to the charitable deduction (Dasgupta & Kanbur, 2011; Porter & Kramer, 1999) and the democratic accountability of any institutional actor which influences the provision of public goods (Brody & Tyler, 2010; Ealy, 2014).

Those with significant concerns are institutional philanthropy’s most critical challengers. These voices call into question foundations’ motives for policy advocacy, specifically raising doubts that foundations genuinely seek social changes that might threaten the very political and economic structures that enable philanthropists to accumulate wealth (Faber & McCarthy, 2008; INCITE! Women of Color Against Violence, 2007; Jenkins, 1998; Minkoff & Agnone, 2010; O’Connor, 2010). The power imbalance inherent in the “giver and receiver” relationship is a common focus of this literature, drawing both from theory (Schervish & Ostrander, 1990) as well as practice (Silver, 2004). These works also suggest that foundations have influenced not only nonprofit practices but also policy landscapes by “shifting norms, standards of effectiveness, institutional imperatives and…political agendas” (O’Connor, 2010, p. 126-127). On this point, empirical analyses show that as a group, foundations do have room to improve in supporting under-resourced segments of society (Aguilar et al., 2005). However, there is also evidence that power dynamics between givers and receivers are not uniform (Frooman, 1999) and may vary depending on the type of grant and the funder’s intent (Deflin & Tang, 2008).

These perspectives carry two implications for developing a theory of foundation behavior. First, shared and dynamic boundaries with other institutional actors make it difficult for institutional philanthropy to navigate the parameters of its role in society. Second, power relationships with other institutional actors are neither uniform nor stable. In combination, these factors contribute to role ambiguity, which challenges efforts to develop a codified domain of
standards and practices for the field as a whole, as well as to achieve internal consistency within individual foundations.

2.3 RECENT DEVELOPMENTS

Two relatively recent developments have had a tremendous and interactive effect on the development of institutional philanthropy as a field: 1) more foundations and foundation wealth, and 2) more sophisticated management control systems and professional staffs. In terms of sheer size, dramatic growth in capital markets and an unprecedented inter-generational transfer of wealth have fueled expansion of the foundation sector (Faber & McCarthy, 2008). In 1975, there were about 22,000 foundations in the United States, with collective assets of over $30 billion. In that year, foundations contributed nearly $2 billion to the nonprofit sector. In 2012, there were over 73,000 independent foundations, with collective assets that had grown to $540 billion and annual grants totaling $35.4 billion (Foundation Center, 2014a). These growth trends have not been linear. Two-thirds of the most active foundations (in terms of annual grant awards) were established on or after 1990 (Foundation Center, 2011).

These new entrants to institutional philanthropy, often led by entrepreneurs who acquired wealth from private investments or high-technology start-ups, have often promoted rationalization and quantifiable metrics consistent with the “venture capital” models which enabled their own success in the private sector (Solomon, 2009). Hwang and Powell describe these new entrants as motivated more by instrumental effectiveness than expressive values and

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4 Foundation Center began tracking statistics in 1975. 1975 data is for all foundations, not only independent foundations.
contrast their operational style to that of earlier generations, who were characterized by an “older somewhat paternal model of professional sovereignty” (2009, p. 292), which valued customer and client feedback over procedural, evaluative standards. In this respect, rationalization in the philanthropic sector is evidenced by the adoption of analytical tools, return on investment metrics, and other private sector practices. During the 1990s, many of these new entrants also began encouraging the nonprofit sector to use market practices to fulfill social needs which the private sector could not profitably meet, from which emerged the “social entrepreneurship” and “social venture capital” movements (Brown, de Jong, & Lessidrenska, 2009; Novogratz, 2009). Though some remark that the ideals of these new entrants are neither new (Katz, 2005) nor desirable (Edwards, 2008), there is broad consensus that this new cohort has catalyzed efforts within the sector to more intentionally quantify the impact of foundation grants (McCray, 2011; Moody, 2008).

The increasing sophistication of management control systems and professional staff are evidenced in the emergence of new analytical tools (mobile technology and highly sophisticated research methods), the emergence of professionalization in the philanthropic sector, and calls for increased performance accountability from within the philanthropic sector. Prior to the 1970s, technological tools to systematically evaluate social programs and grant effectiveness were much less robust and prevalent (Rivlin, 1971; Weiss, 1972). During the 1970s and 1980s, new evaluation research methods emerged, initially developed with support from the federal government to evaluate Great Society initiatives. These new technological and methodological tools, along with financial support from public agencies, began to expand the evaluation capacity of the nonprofit sector, including its funders (Campbell, 1994).
The professionalization of any field is evidenced by the creation of full-time positions, the formation of professional associations, and the development of training schools (R. H. Hall, 1968; Wilensky, 1964). By this definition, philanthropy meets at least two of the three criteria. First, employment in the sector has increased. Though there does not appear to be data on the number of individuals employed by independent foundations, the number of independent foundations has grown dramatically, as have foundation administrative expenses (Foundation Center, 2014a; Stewart & Faulk, 2014). In combination, these factors imply that overall employment in the sector has also grown. Second, and as already discussed, there has been an increase in the number of professional grant-maker associations. However, the development of training schools and core curricular components is less clear. Stand-alone philanthropic research centers and practitioner training programs are few in number. There has been an increase in the number of nonprofit management programs, which often include philanthropic courses. However, these courses are often geared towards grant-writing rather than grant-making (Castillo, McDonald, & Wilson, 2014; Hrywna, 2013; Mirabella, 2013; Orosz, 2007). Based on these indicators, there seems to be evidence that philanthropic professionalization is emerging but has not yet matured.

Increased performance accountability emerged, at least in part, due to aggressive outsourcing of social service delivery by government agencies. This trend contributed to the “marketization” of the nonprofit sector, meaning that more nonprofit and public agencies began adopting private sector management practices, such as performance measurement, to compete for funding and contracts (Eikenberry & Kluver, 2004; Salamon, 2012). Private funders joined efforts to measure grantee performance (G. Mitchell, 2012; Thomson, 2010). By the 1990s, those from inside the philanthropic sector began to note that grant-makers did not expend much effort
In combination, these developments have challenged and are still changing assumptions within the philanthropic sector about foundations’ roles, relationships with grantees, and responsibilities for quantifying social impact (Moody, 2008). These conflicts are similar to the tensions experienced by the nonprofit sector as a whole. Salamon (2012) suggests that there are four “impulses” that shape the nonprofit sector: voluntarism, civic activism, commercialism, and professionalism. These concepts do not translate directly to grant-making organizations, given their financial and political power relative to grant-seeking organizations. However, these tensions do seem to describe the conflicts between the “old” face of institutional philanthropy (voluntarism and civic activism) and the new entrants, who promote social entrepreneurship and the quantification of social impact (professionalization and commercialism/rationalization) (Damon & Verducci, 2006). These tensions spill over into debates about the role of philanthropy in American society, such as the implications for democratic accountability when private institutions provide public goods (Ealy, 2014; Eikenberry, 2006). Again, the implication for understanding foundation behavior and building theory is that the philanthropic field is not static. Internally, the field struggles to reconcile tensions between the new and old faces of philanthropy. Externally, it watches shared boundaries to either define or defend its role in civic life.
2.4 SUMMARY

The contextual literature on institutional philanthropy contributes two important lessons that inform this study. First, private foundations operate in a space between other institutional actors: the market, state, family, and “church” (Muukkonen, 2009). Over time, institutional philanthropy has responded to its external environment by shifting resources, and perhaps sharing power, to either carve out or fill a space between other institutional actors. It has also changed due to new entrants, new tools, and emerging professionalization. Second, foundations’ external accountability mechanisms are relatively weak. This institutional context explains the diversity of purposes, operating styles, and grant-making practices that characterize American foundations. The next chapter discusses the academic literature on foundation behavior, particularly with respect to grant assessment.
3.0 FOUNDATION BEHAVIOR: GRANT ASSESSMENT

3.1 OVERVIEW

There is very little empirical research on foundation behavior. Most of the literature on foundation behavior falls into one of two categories: 1) critiques or reflections from those outside the foundation sector (Damon & Verducci, 2006; Edwards, 2008; Faber & McCarthy, 2008; Fleishman, 2007; Lagemann, 1999; Prewitt, Dogan, Heydemann, & Toepler, 2006) or 2) “war stories” or thought experiments gleaned from insider perspectives (Bernholz, 1999; McIlnay, 1998; Orosz, 2000, 2007; Young, 2001). The absence of scholarly research has been attributed to private foundations’ insistence on privacy vis-a-vis their internal processes and practices (Diaz, 2001; Fleishman, 2007): “Grantmaking foundations are notoriously reluctant to open their processes to study, thus reducing the opportunity for primary research on their decision-making” (Diaz, 2001, p. 214). As a result, there is very little theoretical or empirical literature that explores foundation behavior. However, there have been three notable efforts aimed in this direction (Ashley, 2007; Diaz, 1996; Frumkin, 2006). The contributions of these three studies are discussed next.

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5 There is a much larger body of empirical research on community foundations. However, community and private foundations operate within very different regulatory and fund-raising environments (Boris, Renz, Barve, Hager, & Hobor, 2006, p. 3-4). As a result, external accountability mechanisms exert very strong influences on the behavior of community foundations (Gradddy & Morgan, 2006; Guo & Brown, 2006). Therefore, empirical research on community foundations may be more transferrable to nonprofit (grantee) behavior than to private foundation behavior.
3.1.1 Important Contributions: Diaz

Diaz (1996), following Allison (1999), applies a multiple-perspectives framework on decision-making behavior to a case study of the Ford Foundation’s efforts to launch a new program initiative. Diaz analyzes this case from three theoretical frameworks: rational actor, bureaucratic politics, and organizational process. Through this case, Diaz demonstrates that foundation decision-making is largely a function of internal dynamics and does not always follow logical processes. Diaz also suggests that external shocks will not likely cause foundations to deviate from established routines and practices. Diaz does not claim that this case provides the depth of analysis needed to build a theory of foundation behavior. However, Diaz does make two critical contributions that have been central to this study. First, foundations do not always behave rationally. Second, researchers must acknowledge the influence of internal dynamics on foundation behavior:

As scholars move toward developing a better understanding of American foundations, they need to move away from an exclusive reliance on the rational model. Their understanding will have to capture the complex internal life of these institutions that other models, such as the bureaucratic politics model and organization process, help to explain. This is particularly important to any understanding of foundations' roles in American society. Generally speaking, scholars appear to be prone to viewing them as monolithic instruments of an economic elite operating through their boards of trustees when in reality they may be driven as much by staff and organizational habit and, yes, plain confusion. Foundation grants and grant-making programs, in other words, may be less than the results of an objective and rational process than the resultants of internal staff competition and bargaining and the outputs of organizational routines and procedures (Diaz, 1996, p. 467).

These themes are reflected in Ashley’s (2007) empirical analysis of foundation behavior and the theoretical framework put forth by Frumkin (2006). Ashley and Frumkin both use

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6 Diaz had previously been the program officer hired to launch this new initiative.
organizational strategy literatures that emphasize internal factors. Ashely examines structural characteristics and attitudes, whereas Frumkin focuses on founder values. The contributions of these two studies are discussed next.

### 3.1.2 Important Contributions: Ashley

Ashley (2007) applies organizational strategy and innovation theories to a very large data set (Ostrower, 2004a) to quantitatively test the influence that specific structural characteristics (asset size, age, type, region, and geographic focus) and attitudes about the foundation’s role (derived dichotomous variables for “problem solving catalyst” and “narrow sector focus”) have on foundation adoption of “best practices” in evaluation, knowledge management, leadership development, and operating grants. Support for Ashley’s 13 hypotheses was mixed, but this study makes several important contributions. First, organizational characteristics and attitudes impact the adoption of some practices more than others. Second, Ashley concludes with the observation that quantitative measures of important organizational variables, such as organizational strategy and perceived role, are difficult if not inadequate. Third, Ashley recommends that future research follow an alternative approach, specifically in-depth qualitative analysis, in order to provide greater insights about the important “non-structural” (2007, p. 109) organizational characteristics that influence foundation behavior. Again, Ashley’s findings emphasize the influence of internal factors on foundation behavior and recommend pursuing qualitative research to further understanding of foundation behavior.
3.1.3 Important Contributions: Frumkin

To explore foundation behavior, Frumkin begins by examining founder intent, specifically the original donor’s values, motivation, approach, time horizon, and beliefs about how change happens. Frumkin integrates these factors into a multi-faceted framework he describes as a “philanthropic prism” (2006). It is important to note that this model does not clearly differentiate between individual and organizational behavior, which complicates efforts to apply it to an institutional context. Lack of clarity on this point may be because the intended audience for this particular work appears to be both individual philanthropists and foundation executives. However, this framework is useful in bringing together the factors that determine not only what foundations do but how they conceptualize and measure success. This framework also points out that foundations can use a variety of vehicles for giving that may carry different time horizons. For example, foundations may give grants to fund a new project or program that has defined deliverables over a one-to-three year period or award grants with very few strings attached, designed instead to support the general operations of a nonprofit organization.

In addition, Frumkin’s framework explains the under-lying causes of inconsistent and seemingly irrational behavior: the tensions between expressive values (identity and style of the giver) and instrumental rationalization (logic model supporting giving). Intuitively, it seems to follow that these tensions would only grow as decision-making moves beyond the original donor and when the foundation enlarges its board, hires staff, and/or transitions to a legacy organization after the founder’s death (Orosz, 2007). For family foundations, leadership transitions to new generations which may have different philanthropic visions and priorities might also change patterns of behavior and challenge internal consistency (Lungeanu & Ward, 2012).
Evidence of internal consistency is also revealed in other empirical research. Tassie et al. (Tassie, Murray, Cutt, & Bragg, 1996) found that individual decision-makers, even those within the same grant-making institution, can have different motivations for and approaches to grant award and assessment processes. Ostrower suggests that the differing purposes and values of foundations themselves implies that there is not a uniform metric with which to assess overall foundation effectiveness (2006). Therefore, Frumkin’s model is helpful for understanding the competing influences on foundation behavior, and more specifically, on efforts to assess grant performance. However, Frumkin neither tests this framework empirically nor suggests patterns of behavior or foundation typologies. In part, this is a function of the intended audience of this work, donors and foundation executives: “The framework presented…does point to five questions that donors need to confront as they begin to chart their philanthropic plans” (2006, p. 368). That is, Frumkin’s stated aim is to encourage philanthropists to make more strategic choices that bring the five dimensions of the philanthropic prism into alignment.

3.1.4 Key Insights and Lessons Learned

The contributions of Ashley, Diaz, and Frumkin consistently advise future researchers to acknowledge the influence that internal dynamics and organizational values have on foundation behavior. Further, Diaz and Frumkin offer the view that foundation behavior is neither internally consistent nor always rational.
The literature on foundation grant assessment motivations and practices is largely “practitioner-focused”, in the form of essays (Braverman et al., 2004), “how to” manuals (W.K. Kellogg Foundation, 2004a, 2004b), “case study” examples (Council on Foundations, 1993; Grantmakers for Effective Organizations, 2009; M. Kramer et al., 2009), and resources generated by individual foundations (Brest & Harvey, 2008; Isaacs & Colby, 2010). The practitioner-focused literature emphasizes the virtues of as well as the barriers to evaluation. In terms of the former, the common themes emerging from this literature include fiduciary accountability (to ensure that the grant was spent as intended), organizational learning (though the distinction between foundation and grantee learning is not always clear), and knowledge sharing with the field as a whole (Brest & Harvey, 2008; Isaacs & Colby, 2010). The most frequently mentioned challenges to evaluation include foundation cultures that are indifferent to performance, are biased towards positive feedback, and do not invest in evaluation expertise (Connor, Kuo, Melton, & Millett, 2004; Damon, 2006; Fleishman, 2007).

In terms of capturing actual practices, the practitioner-focused publications tend to focus on specific grant types, rather than entire portfolios. This is an important point as it demonstrates that grant type is commonly understood within the practitioner community. Though not explicitly stated, the focus on grant assessment practices for different types of grants also suggests that grant type may be an important source of variation. Practitioner-focused reports have featured case studies of grant assessment practices for place-based grants (Grantmakers for Effective Organizations, 2014), advocacy grants (Beer & Reed, 2009; Teles, 2001), capacity building grants (Graves & Culbreath, 2003; Paul G. Allen Family Foundation, 2010), and general operating support (Brest, 2003; The Center for Effective Philanthropy, 2006). These
reports have focused on specific grant types but have not compared and contrasted grant
assessment practices and criteria across an entire portfolio.

3.2.1 Grant Assessment Motivations

There is very little empirical research that systematically analyzes the motivations for grant
assessment through the lens of academic theory. There is, however, a small body of empirical
research, emerging from the evaluation use literature, which focuses on philanthropic
foundations (Greenwald, 2013; Mc Nelis & Bickel, 1996). This literature is tangentially related to
grant assessment motivation, in that it incorporates perspectives on the perceived value of
evaluation, which is related to assessment motivation. These studies focus on the challenges of
assessing grants: ongoing internal struggles on the purpose of evaluation, the complexity of
research techniques as a barrier to evaluation, “evaluation” as grant monitoring rather than
formal, scientific evaluation, and the decline in confidence that foundation staff have in
evaluation due to the lack of cohesion within the field of evaluation (Greenwald, 2013; Mc Nelis
& Bickel, 1996). Both of the studies cited here find that foundations use evaluation to monitor
grantees’ use of grant awards, to identify modifications to programmatic interventions, and to
learn and share results from past grants.

The other source of information on grant assessment motivation is practitioner surveys
sponsored by research institutes or foundation associations. Overall, these surveys reveal
findings similar to the evaluation use studies. The Urban Institute’s 2004 survey of 1,192
foundations found that the most common reasons for evaluating grants were to determine if the
grantee achieved the original grant objectives and to learn about the outcomes of funded work
(Ostrower, 2004a). A 2011 survey sponsored by the TCC Group and Grant-makers for Effective
Organization’s (GEO) gathered information from 755 foundations about grant-making practices, including uses of evaluation (rather than reasons for evaluation) (McCray, 2011). Since it is the most recent, the results from the TCC-GEO survey are provided here. These results suggest that foundations use evaluation primarily for internal, funder-grantee learning and accountability, rather than external, field learning and/or external stakeholder accountability.

Table 1: Uses for Evaluation (McCray, 2011)

<table>
<thead>
<tr>
<th>Uses for Evaluation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn about outcomes of funded work</td>
<td>88%</td>
</tr>
<tr>
<td>Learn whether original objectives were achieved</td>
<td>85%</td>
</tr>
<tr>
<td>Learn about implementation of funded work</td>
<td>77%</td>
</tr>
<tr>
<td>Strengthen our future grant-making</td>
<td>62%</td>
</tr>
<tr>
<td>Contribute to knowledge in the field</td>
<td>34%</td>
</tr>
<tr>
<td>Strengthen organizational practices in the field</td>
<td>32%</td>
</tr>
<tr>
<td>Strengthen public policy</td>
<td>22%</td>
</tr>
</tbody>
</table>

Both the evaluation use literature and practitioner-focused surveys identify learning and accountability as reasons that foundations conduct evaluation. These sources reveal that learning and accountability are more internally-focused than externally-focused but do not discuss these findings in those terms. Instead, these studies focus on reporting what foundations do and don’t do, rather than identifying the reasons (i.e., grant assessment motivations) why some foundations assess grants more than others. In particular, the evaluation studies are designed to strengthen the field of evaluation research by identifying the barriers to evaluation use in order to increase evaluation use. For example, these studies ask informants about their uses of evaluation, the extent to which they evaluate grants, experiences with specific evaluation techniques (logic models, program evaluation techniques), and barriers to conducting evaluation. These studies are not designed to further understanding of foundation behavior.
The evaluation use research does not draw from inter-disciplinary theoretical perspectives that might explain why foundations use some evaluation findings and not others, and it does not frame its research questions in terms of “motivations” but rather the similar but not identical “uses”. “Motivations” speak to why evaluations might be conducted in the first place, whereas “uses” speaks to how foundations internalize evaluations that have already been conducted. Therefore, the “uses” literature implicitly assumes that evaluations are conducted and have generated usable knowledge. The “motivation” perspective leaves a little more room to ask about the extent to which motivation for evaluation exists at all. While these studies provide some descriptive, empirical guidance that accountability and learning factor into evaluation use as well as, perhaps grant assessment motivation by association, they filter data through the lens of evaluation utilization research and not organizational behavior. In addition, these sources treat foundation grants as monolithic, i.e., assuming that all grants are program grants as opposed to capacity building, advocacy, capital, general operating support. The evaluation use literature and surveys are primarily descriptive. As a result, these studies do not provide robust theoretical frameworks for investigating foundation behavior, specifically grant assessment motivations across the foundation’s entire grant portfolio.

3.2.2 Grant Assessment Practices

There is also little theoretically-grounded, empirical research on grant assessment practices. Again, the literature is primarily practitioner-focused. The two relatively recent, national surveys cited earlier also include data on foundation grant assessment practices (McCray, 2011; Ostrower, 2004a). Though conducted seven years apart, the findings of these surveys are very similar. In terms of grant assessment, both found that 70% - 80% of participating foundations
evaluated their work but does not specify the percentage or the types of grants that were evaluated. The 2004 survey (Ostrower, 2004a) found that 40% of participants had formally evaluated grants but did not specify the reasons for this, the percentage of the grant portfolio that was formally evaluated, or the types of grants that were formally evaluated.

While these results are interesting and relevant to this study, neither survey provides a context for explaining why foundations evaluate some but not all grants, nor do they explain how foundations decide which grants to evaluate. Also, both surveys differentiate between grant types but only ask about different types of grants in terms of the “front-end” processes of grant-making, e.g., allocation and selection decisions, but not about the “back-end” of grant-making, e.g., grant assessment. For example, both of these surveys asked about the extent to which foundations award multi-year, general operating support, and capacity-building grants, but the questions on grant assessment practices did not refer to grant type. This approach sends mixed and confusing signals about the unit of analysis (e.g., specific types of grants or the entire grant portfolio) that informants are supposed to use to answer the evaluation questions. To illustrate these points, several excerpts from these surveys are provided in Appendix A.

It also appears that the purpose of the 2011 survey is to promote a specific set of “best practices” rather than simply to collect and share information. This motive is implicit in the title of the TCC-GEO survey report, “Is Grant-making Getting Smarter?” (McCray, 2011). “Smarter” is explicitly defined as follows:

Smarter grantmaking practices are those that are designed to equip nonprofits to tackle head on the deep-rooted problems they are trying to solve. In short, evidence from many sources is mounting that several specific grantmaking practices are connected to nonprofit results. These include: 1) funding nonprofits in a way that allows them to nimbly address systemic problems (e.g., general operating, multiyear and capacity-building support), 2) taking every opportunity to take stock of what’s being learned and share this information with others, 3) engaging stakeholders at key decision-making moments, including strategy-setting, and 4) collaborating with other funders to not only
channel resources to promising approaches but reduce the application and reporting burden (McCray, 2011, p.1).

This purpose is amplified in the report, which compares the reported practices of GEO member foundations with those of other foundations that also participated in the survey. This is one example of efforts from a group within the field of institutional philanthropy to promote uniformity rather than to further understanding of foundation behavior through the lens of organizational values.

Other systematic, empirical research on the grant assessment practices of private foundations is quite limited. There are several recent empirical studies that examine grant assessment from the perspective of the grantee, i.e., the influence of foundation requirements on grantee behavior (Carman, 2009; Eckerd & Moulton, 2011; MacIndoe & Barman, 2012; Millesen et al., 2010) but very few that explore the actual assessment practices that foundations apply to their entire grant portfolio. However, there is one in-depth case study of a federated funder (e.g., a local United Way-like agency) that provides very robust empirical insights into grant assessment practices (Tassie et al., 1996). Tassie et al. (1996) documented the assessment practices that a team of evaluators used to assess a portfolio of grant awards. The researchers had access to the funder’s internal meetings and documentation, as well as internal meetings with grantees. Based on this case, Tassie et al. (1996) developed an evaluation practices framework that identified three dimensions of grant assessment practice: scope (unit of analysis: program, organizational, or system), method (qualitative or quantitative), and focus (process used or outcomes achieved).

The researchers also found evidence that evaluators did not all conceptualize evaluation in the same way: “Evaluation is a complex and subtle process. Even within a single
organization, there can be many actors who evaluate from different perspectives” (Tassie, Murray, Cutt, & Bragg, 1996, p. 360). There are marked differences between federated funders and independent foundations that temper the findings with respect to multiple perspectives. The key difference is that federated funders engage community and corporate volunteers to help select and evaluate grants. These individuals are representatives from supporting corporations and community stakeholder groups; thus, team members usually change from year to year. As a result, team members do not share strong organizational ties with each other or even with a common professional field. Therefore, they do not bring a shared experience and thus are more likely to have different understandings about what grant assessment is and what practices best fit the situation. However, the empirical framework Tassie et al. developed with respect to grant assessment practices is transferrable. This framework examines the different dimensions of grant assessment practice that emerged through interviews, documentation, and observation for an entire grant portfolio.

Therefore, for this study, the findings of Tassie et al. provide two important insights. First, grant assessment motivations and practices can be quite different, even within the same organization and for the same grant. However, the differences identified by Tassie et al. may have been due to team members’ lack of a shared organizational experience. This suggests that at least part of the differences Tassie et al. encountered may have been attributable to weak organizational and professional norms. Consequently, these same differences may not emerge within fully staffed, independent foundations. However, differences in organizational norms may vary between foundations in ways which influence grant assessment motivations and practices. The second important insight from Tassie et al. is that the choice set of grant assessment practices is multi-faceted, varying based on scope (unit of analysis: program,
organizational, or system), method (qualitative or quantitative), and focus (process used or outcomes achieved). These choice sets remain relevant to private foundation grants, even if the motivations of federated funder assessment teams are different. Therefore, this grant assessment practices framework is highly transferrable to grant assessment and does provide robust empirical guidance for this research project.

### 3.3 CRITIQUES OF THE LITERATURE

The literature on foundation behavior in general and grant assessment practices in particular demonstrates the significant research opportunities that exist. The contributions of several scholars strongly suggest that future research efforts attend to the influence of internal dynamics on foundation behavior. However, theoretically-based, empirical research of foundation behavior is scant. Frumkin’s theoretical framework provides important insights into the specific factors that might influence behavior, but this framework is not grounded in empirical research. Robust empirical scholarship on the assessment motivations and practices that private foundations apply to their complete grant portfolios is absent from the literature.

What is known about foundations’ grant assessment motivations and practices is largely “practitioner-focused”, in the form of: 1) essays about why and/or how foundation should assess grants; 2) “how to” manuals generated by foundations or foundation trade associations; 3) examples of how select foundations assess specific types of grants (e.g. advocacy grants, capacity building grants); and 4) survey data about why and the extent to which foundations evaluate their grants.
Even within the survey data, the units of analysis are inconsistent, with some questions focused on specific grant types and others asking for generalizations about the entire grant portfolio. This data does differentiate between community, corporate, and independent foundations. However, it does not provide a means of capturing the diversity of values and purposes represented within the independent foundation sector. Therefore, in the domain of philanthropic studies, neither the practitioner-focused nor theoretical literature provides an empirically tested, robust theoretical framework that explains how foundation values, purposes, operating styles, and grant-making approaches interact to influence foundation behavior, particularly with respect to grant assessment.

As a result, the field is far from having a robust theory of foundation behavior (Ashley, 2007; Diaz, 1996). This void has left even noted philanthropy scholars uncertain about how to move academic inquiry forward:

In working to complete this volume, we have become more and more aware of the differing purposes of much writing about foundations and of the diversity of the audiences…We think it is essential to keep in mind these differing purposes – as well as the widely differing sizes and purposes of foundations themselves – as we try to evaluate the field as a whole….Our effort in this volume to learn something about what foundations actually do, about their real contributions to American society, persuades us that foundations vary widely in capacity and, especially, in purpose. They vary so widely that it is very difficult to determine what the right thing might be in any general sense (Hammack & Anheier, 2010).

This gap signals an opportunity to intentionally and empirically explore the relationship between foundation purpose, operating style, and grant assessment practices, without applying uniform assumptions to all grant types in foundation portfolios. Capitalizing on this opportunity requires: 1) leveraging relevant theoretical and empirical research from other disciplines for frameworks transferrable to the foundation context and 2) gaining the cooperation of foundations themselves. As emphasized by both Diaz (2001) and Fleishman (2007), scholars cannot generate
primary research without access to foundation staff and documents. To this end, the next section reviews related literature from other disciplinary perspectives that may be transferrable to the context of institutional philanthropy. These literatures include theories of organizational behavior that provide for a strong internal value orientation and insights from the performance measurement literature that seek to explain why and how organizations assess performance. The research design, described in Chapter 6, proposes an approach for engaging foundation participation in this research effort.
4.0 RELATED RESEARCH: INTER-DISCIPLINARY PERSPECTIVES

This research project is primarily a study of the behavior of a specific type of organization (independent foundation) with respect to a specific activity: post-award grant assessment. As already discussed, there is not a robust body of theoretical or empirical literature that integrates foundation behavior and grant assessment. Therefore, studying this topic requires looking to other literatures for theoretically-grounded, empirical frameworks that may be transferrable to the foundation context. In this case, there are vast literatures on organizational behavior and performance measurement that may serve this purpose. A thorough review of these literatures is far beyond the scope of this study. However, what is known, or at least suggested, about foundation behavior and institutional context helps to cull through many of the competing theories and frameworks in each of these bodies of literature.

In combination, the literature on foundation behavior (Ashely, 2007; Diaz, 1996; Frumkin, 2006) and the institutional context suggests that foundations’ choices about how to operate with respect to boundaries with other institutional actors is primarily determined by internal factors: founder mandates/mission and organizational dynamics. This perspective narrows the search for relevant organizational theories to those that allow internal forces to play a strong role in organizational behavior. Similarly, the assumption that internal values play an important role in foundation behavior also places a premium on performance assessment processes that are motivated by internal values and relationships. However, the growing
professionalization of the philanthropic sector suggests that foundations might adopt “mainstream” performance assessment practices. Therefore, the performance assessment literature emerging from nonprofit scholarship may be transferrable to foundation grant assessment practices. This section explores these relevant organizational behavior and performance assessment literatures.

4.1 ORGANIZATIONAL BEHAVIOR

Organizational behavior has attracted the attention of scholars from sociology, business management, nonprofit management, political science, and economics. Unfortunately, these literatures often fail to bridge disciplinary boundaries and to connect theories that seek to describe the same phenomena of interest to this research project. In addition, these scholars have approached organizational behavior from different perspectives, even within the same discipline. As a result, scholars disagree about a great deal: the relative influence that internal and external dynamics have on organizational behavior; appropriate epistemological and ontological assumptions; the relevant unit(s) of analysis; the extent to which identity and practices are recursive; and the influence of individual leaders on organizational behavior and performance. The diversity of disciplinary perspectives has generated a vast literature, and even a cursory review of the field is beyond the scope of this work. Nevertheless, this literature provides critical insights for this study because the fundamental premise underlying organizational theory in its many forms is that collective identity is inextricably linked to management practices.

The insights gleaned from the foundation literature strongly suggest that institutional context has shaped the role of institutional philanthropy in American society but that internal
values largely influence foundations’ management practices. Therefore, two portions of this vast literature that directly relate to this research are highlighted here: 1) institutional theory to discuss the role of external influences in shaping institutional philanthropy and 2) organizational identity to discuss the role of internal influences on foundation behavior.

Institutional theory emphasizes the influence of history (Pierson, 2000; Thelen, 2000), political institutions (Hacker & Pierson, 2010; Krehbiel, 1998), economics (North, 1990), and other external forces (DiMaggio & Powell, 1983) on organizational structure and behavior. With respect to institutional philanthropy in general, and this research project in particular, this body of literature is relevant to the roles foundations play in contemporary American society, the emergence of institutional philanthropy as an organizational field, and the professionalization of grant-making.

Another literature that is relevant to this research is the organizational identity literature, which suggests that organizational values, competencies, and aspirations (Camillus, 2008) shape the organization’s enduring character (Albert & Whetten, 1985) and inform collective sense-making (Weick, 1995). In this literature, the organization is the primary unit of analysis, with attention to the ways individual members behave in response to their interpretation of organizational values, strategies, and behaviors. Its attention to organizational values renders this literature of special importance to the study of independent foundations because these organizations are the institutional vehicles that enable the expression of private values. This literature also emphasizes internal dynamics over external dynamics. Given the relatively weak external accountability requirements of independent foundations, this stream of literature may provide insights about the implications of organizational identity and collective sense-making on decision assessment processes, such as grant assessment.
4.1.1 External Influences on Organizational Behavior

In the context of this research project, there are three perspectives from which to consider the influence of external factors on the behavior of independent foundations. First, there is the influence of external forces on “why” foundations exist. In the American context, this perspective is entangled with welfare regime, tax structure, and the democratic implications associated with the private provision of public goods. The second perspective is the influence of external forces on “what” foundations do. That is, the beliefs the foundation has about its overall role, the areas in which it works, and its ability to “make a difference” in a charitable manner. Third, the influence of external forces on “how” the foundation carries out its work. This includes its governance, board composition, staff structure, desired staff competencies, and normative beliefs about foundation practices, including but not limited to its own strategic planning, its relationships with grantees, and its grant assessment processes.

Institutional theory provides an important lens through which to examine external influences from each of these perspectives. One challenge to drawing insights from institutional theory is that it is a complex literature with roots in political science, sociology, and economics. As a result, each of these fields focuses on particular attributes of the institution (Clemens & Cook, 1999; P. A. Hall & Taylor, 1996). However, one shared claim is that institutions determine the menu of choices available to actors: “Institutions do not just constrain options; they establish the very criteria by which people discover their preferences” (Powell & DiMaggio, 1991). This central claim is also evidenced in related work that suggests that the external environment determines organizational formation and design (Pierson, 2000; W. R. Scott, 2008) and normative beliefs and formal rules (DiMaggio & Powell, 1983). Collectively, these insights
support investigation into the extent to which external forces influence “why” foundations exist, “what” foundations do, and “how” they do it.

The institutional perspective is especially valuable for understanding “why” foundations exist and “what” foundation do, and is central to Muukoken’s (2009) civil society framework. As already discussed in the context of the philanthropy literature, Muukoken (2009) suggests that the boundaries within which philanthropy operates have been, and continue to be, shaped by its external environment. Institutionalism provides an important historic context for the emergence and evolution of American philanthropy in general (the need for private contributions to support voluntary associations) and philanthropic institutions in particular (welfare regime, tax regulations) (Pierson, 2000, Thelen, 2000).

To a lesser extent, institutional theory offers some insights about “how” foundations operate, which is important to this investigation into grant assessment practices. DiMaggio & Powell suggest that there is a threshold after which an organization’s decision to adopt a new practice is more likely driven by the legitimacy conferred by adoption, rather than a rational analysis of whether or not the new practice provides economic advantage (1983). However, DiMaggio & Powell also note that isomorphism is a phenomenon most relevant to “highly structured organizational fields” (1983, p.147), and other scholars are increasingly interested in the extent to which change emerges from organizational and institutional boundaries (Boardman, 2012; Bryson, Crosby, & Stone, 2006; Zietsma & Lawrence, 2010). As a result, there is no consensus on the extent to which isomorphic pressures influence behavior in organizational fields that are still evolving and among organizations that do not have shared mandates, as some suggest is the case for institutional philanthropy (Frumkin, 1997; Moody, 2008).
Therefore, the arguments that isomorphism impacts professional practices are less compelling for organizations such as independent foundations given that the organizational field itself is still evolving and operates within a weak external accountability environment. Though peer legitimacy may influence management practices, independent foundations have the autonomy to be selective about which practices they adopt, and more importantly, which practices they actually implement. That is, there is no external accountability institution that monitors the alignment between foundations’ stated priorities and actual practices. This may be one reason why there is not a strong link between organizational characteristics and the adoption of best practices (Ashley, 2007).

These perspectives temper the explanatory power of theories that emphasize the influence of external actors on management practices. However, the design of this research project increases the likelihood of isomorphism: the sampling frame is confined to one metropolitan area, this metropolitan area has a long history of collaboration, and several local foundation leaders have either worked at multiple foundations or have served on other foundation boards. Therefore, it is important to give attention to the potential for isomorphism to influence the findings of this study. That said, these foundations are still independent and are distinct entities. These considerations require a closer look at the influence of internal forces. In the case of philanthropic foundations, this includes the founder’s values and mandates – as well as the interests of board and staff – on organizational behavior. The next section explores the influence of internal factors on organizational behavior through the lens of organizational identity.
4.1.2 Internal Influences on Organizational Behavior

The organizational identity literature provides a holistic framework for exploring the influence of internal mechanisms, including organizational values, culture, and structure, on organizational behavior. As originally conceived by Albert & Whetten, organizational identity is that which is “core, distinctive, and enduring” about an organization’s character (1985, p. 292). Organizational identity and identification are increasingly conceptualized as root constructs that inform a plethora of organizational behaviors, ranging from the formation of organizational strategy to perceptions of organizational culture (Albert, Ashforth, & Dutton, 2000; Ashforth, Rogers, & Corley, 2011; Gioia, Schultz, & Corley, 2000; Hatch & Schultz, 1997). As a theory, organizational identity holds strong appeal for this research project because it explicitly connects organizational values with actions. Since organizational values and mission fundamentally drive structure, strategy, and management practices (Young, 2001), organizational identity likely plays a central role in the behavior of nonprofit organizations, including foundations. Therefore, this connection may be also further understanding of independent foundation behavior because these organizations are created based on founder values and have a legal mandate to fulfill founder mission/intent. This unique combination of value orientation and founder mission/mandate requires attention to the influence of internal forces on organizational behavior.

However, applying organizational identity is not without its challenges. First, it is difficult to synthesize and harness the collective insights of the many academic disciplines and streams of literature that address some aspect of organizational identity. Though Albert & Whetten (1985) are credited with first articulating organizational identity as a construct, many other literatures offer related perspectives that link together organizational strategy (rather than “identity”) to management practices, structure, life cycle, culture, and problem-solving frames.
Organizational identity is also inextricably linked to collective sense-making and cognition, in that it informs mental models and assumptions about behavioral norms (Harris, 1994; Hutchins, 1995; Weick, 1995). As a result, it is difficult to limit the reach and dimensions of organizational identity in an empirical research context.

Second, three debates within the literature compound the challenge of using organizational identity in empirical analyses: 1) uncertainty about the relationship between organizational identity and the identities of individual members (Ashforth et al., 2011; He & Brown, 2013); 2) uncertainty about how many identities an organization has (Golden-Biddle & Rao, 1997; Pratt & Foreman, 2000); and 3) uncertainty about the relative stability of organizational identity over time (Brickson, 2007; Gioia et al., 2000). The dearth of both theoretical and empirical analysis regarding the interaction of different levels of analysis in the formation of organizational identity is especially problematic for the study of organizations with very few members (such as foundations), where it can be difficult to distinguish between the individual and the organization (Ashforth et al., 2011; Ravasi & van Rekom, 2003). Since many foundations have very few members, these issues require careful attention in the context of this research study.

Finally, related to above discussion is the fact that the organizational identity literature does not clearly articulate a role for strategic leadership. Even within organizations with strong internal value systems, the leadership literature suggests that executives will still face choices that are context dependent (Bass & Avolio, 1993; Bennis, 2009; Covey, 2004). For example, Frooman (1999) suggests an important role for context in principal-agent relationships. Frooman suggests that the degree of interdependence between the principal (funder) and agent (grantee)
influences both the ability of the principal to influence the agent, as well as the influence strategies available to the principal. This perspective suggests that foundations may engage in different strategies depending on context, and further, that this context varies and requires leadership interpretation.

Brickson’s (2007) contribution to the organizational identity literature mitigates several of these concerns. Through rigorous empirical research, Brickson details the cognitive and motivational differences between three organizational identity orientation ideal types. Brickson acknowledges that there may be both pure types and hybrids, specifically suggesting that the hybrids could accommodate organizational inconsistencies as well as different identities in different parts of the organization. These three ideal types also accommodate the differing values and purposes that motivate organizational practices and relationship patterns. This view allows for diversity in practices, and purpose, while also providing a framework that helps the organization identify inconsistencies that may be barriers to achieving its own goals and staying true to its own values:

The suggestion here is that, regardless of orientation, all business organizations can, at their best, benefit society in specific and important ways...Rather than imploring organizations to produce every kind of social value for every stakeholder, we can help them to identify and produce the kinds of social value most adequately met by their own identities. To do otherwise mandates an impossible balancing act that provides little direction (Brickson, 2007, p. 882).

### 4.2 PERFORMANCE ASSESSMENT: MOTIVATIONS

The nonprofit literature on performance assessment motivations reflects themes similar to those already identified in the foundation literature that are related to measuring impact, accountability, and learning. However, the theoretical and empirical research emerging from the nonprofit
literature is much more robust and thus identifies nuances within accountability and learning that are not detected in the foundation literature. In fact, measuring impact, accountability, and learning are often interpreted as inter-related in multi-dimensional accountability typologies. These relationships are explored here. Also, the nonprofit literature provides a framework that intentionally connects grant assessment practices with the purpose of, and by association, the motivations for evaluation itself. This section highlights the key contributions from this literature that may be transferrable to grant assessment motivations.

4.2.1 Accountability and Learning

In the nonprofit and public sectors, performance measurement and evaluation became inextricably linked to accountability through a convergence of several factors: national scandals involving nonprofit organizations (Gibelman & Gelman, 2001), a shift towards “contracting out” services once provided by public agencies to nonprofit organizations (Milward & Provan, 2003), legislative requirements mandating “evidence-based practices” (Jennings & Hall, 2012), and trends toward quantifying social outcomes (Frumkin, 2003; Moody, 2008). As a result, performance measurement became central to efforts to build trust, promote learning, and demonstrate compliance (Buckmaster, 1999; Ebrahim, 2005; Hoole & Patterson, 2008; Romzek, 2000). In these contexts, accountability is framed as both a virtue, tied to trustworthiness and learning (Behn, 1998), and as a mechanism, tied to compliance and resource-dependency (Benjamin, 2008a; Bovens, 2010). This mix of motives reflects different answers to the questions, “accountability to whom” (e.g., beneficiaries, staff, board, citizens, funders, etc.) and “accountability for what” (e.g., compliance, fairness, performance, transparency, finances, etc.) (Behn, 2001; Ebrahim & Weisband, 2007; Kearns, 1994; Romzek & Dubnick, 1987).
In the context of grant assessment motivations, the accountability typologies put forth by both Kearns (1994) and Romzek & Dubnick (1987) are particularly instructive. Both of these typologies differentiate between internal and external stakeholder requirements. This insight helps to explain differences in stakeholder perspectives about the purpose of evaluation, especially the nature of accountability (“to whom” and “for what”) and the target of the learning (internal or external) (Amirkhanyan, Kim, & Lambright, 2013; Armytage, 2011; Benjamin, 2008a; Ebrahim, 2005). Both of these typologies suggest that when evaluation is imposed rather than voluntary, external accountability may be a higher-level motivation for evaluation than either learning or measuring impact.

In fact, the challenge of learning from performance assessment is the central theme of the organizational learning conversation (Hoole & Patterson, 2008; Newcomer, Baradei, & Garcia, 2013). For this reason, the barriers to learning through performance assessment are discussed in the literature far more than the benefits. Simply stated, the central themes emerging from this literature are that the assessment process is viewed as intimidating and complicated. It is intimidating because it is a professional judgment (Easterling, 2000). As a result, it is difficult to separate evaluation (or assessment in this context) from monitoring, which implies an audit function (Armytage, 2011; Bamberger, Rao, & Woolcock, 2010; Patton, Bare, & Bonnet, 2004). The monitoring and audit paradigms contribute to the view that evaluation is a high stakes process and may lead staff to hide negative results (Hoole & Patterson, 2008). This is a particular challenge in this context because the nonprofit sector leans heavily on social legitimacy and reputation (Benjamin, 2008b).

In addition, evaluation is both intimidating and complicated because it is technically demanding (Carman & Fredericks, 2010; Taut & Alkin, 2003). Evaluation requires the
organizational capacity (staff time and skills), both to capture data and to translate that data into knowledgeable action (Bryson, 2012; Carley & Harrald, 1997; Heikkila & Gerlak, 2013; LeRoux & Wright, 2010). Therefore, organizational learning is more likely when internal stakeholders initiate and/or support the evaluation (MacIndoe & Barman, 2012). This implies that internal stakeholders who voluntarily engage in evaluation may be less likely to view it as an audit function (external accountability) and may be more likely to view it as a learning opportunity, and thus believe it is a valuable investment of staff resources.

In combination, the accountability and learning literatures suggest that motivations for evaluation will depend on whether evaluation is being done to address internal or external requirements. These contributions also suggest that it will be difficult for evaluation to fulfill the dual-purpose of both external compliance and internal learning for two reasons. First, it will be difficult to separate any externally-imposed evaluation process from monitoring and auditing paradigms. Further, if the externally-imposed evaluation mandate is not funded, it is unlikely that the organization will allocate the staff resources needed to translate the evaluation data that is mandated into actionable knowledge and organizational learning.

### 4.2.2 Evaluation Logics

The accountability and learning literatures provide the insight that there are different motivations for performance evaluations and that there can also be different outcomes of evaluation. That is, some evaluations will be designed to generate outcomes that meet the accountability mandates of external stakeholders while others will be designed to generate outcomes that enable internal organizational learning. In combination, these literatures suggest that the purposes of evaluation can be very different. However, these literatures do not connect the motivations for evaluation
with actual practices. To fill that gap, Hall’s (2014) work on evaluation logics provides an interpretative framework for connecting “what” is done (grant assessment practices) with “why” it is done (grant assessment motivations).

Hall suggests that the current evaluation literature reflects three purposes, or motivations: scientific evidence (quantifying results), bureaucratic process (describing what has been done) and discovery (learning intended and unintended outcomes). Hall identified these three “ideal types” of evaluation logic through an in-depth content analysis of the current evaluation literature. These ideal types are differentiated from each other based on the focus of the evaluation, the definition of “good” grant assessment practices, the elements of a “quality” evaluation, and the role of the evaluator. These three ideal types represent scientific, instrumental effectiveness paradigms as well as paradigms that value quality and equity, which are distinctive attributes of nonprofit performance (Salamon, 2012). This is an important framework that brings together the under-lying logics of contemporary evaluation practices and connects organizational paradigms about the purpose of evaluation with actual practices.

4.2.3 Transferrable Insights

The nonprofit performance assessment literature provides two critical insights that may be transferrable to understanding foundation motivations for grant assessment. First, Hall’s evaluation logics approach provides a framework that may connect foundation motivations for assessing grants with actual assessment practices. The three ideal types embedded in this framework acknowledge a variety of evaluation paradigms that are particularly important in the context of grant assessment, where tensions between instrumental effectiveness and expressive values can lead to internal inconsistencies (Frumkin, 2006). That is, when the motivations for
giving are different, the processes that follow the giving will be different. The evaluation logics framework accommodates both the instrumental effectiveness and expressive values perspectives for grant assessment processes. For example, funders motivated more by expressive values may define “good” evaluations as those that include story-telling narratives from grant beneficiaries (Salamon, 2012), while those more motivated by instrumental effectiveness may define “good” evaluations as those that include formal evaluations conducted by third parties (Eckerd & Moulton, 2011; Tierney & Fleishman, 2011).

Second, the performance assessment literature consistently identifies accountability and learning as primary motivations. However, the unique environment within which foundations operate could alter these dynamics. With respect to accountability, the external accountability mechanisms placed on the foundation itself are relatively weak and there are not universally accepted measures or definitions of success. Therefore, it is not always clear “to whom” or “for what” foundations are accountable. For example, in this context, accountability can be conceptualized from several perspectives (Kearns, 1994): grantee accountability to demonstrate that the grantee used the grant award as intended, grantee accountability to show the “impact” of the grant award, funder accountability for exercising its formal fiduciary responsibility, and/or funder accountability for exercising its informal stewardship responsibility. This suggests that independent foundations must self-define “impact” and success based on their own values. This flexibility makes their operating environments particularly unique.

Organizational learning from evaluation is also nuanced in the context of institutional philanthropy. In the mainstream performance assessment literature, organizational learning is usually clear, i.e., the organization is assumed to learn from its own experiences. However, in funder-grantee relationships, “who” is supposed to be learning is not always clear – it could be
the funder, the grantee, and/or the field at large. This complicates efforts to trace organizational learning mechanisms and processes. Further, the power imbalance between funder and grantee contributes to the view of evaluation as an auditing device that inhibits grantee learning (Ebrahim, 2005; Hoole & Patterson, 2008):

Despite all its potential as a tool for learning, evaluation is traditionally viewed solely as a yard stick for measuring performance, with all the associated connotations of report cards, judgment, and punishment. Particularly when the evaluation is driven by the funder, and the funder emphasizes outcomes, the common response among grantees is fear and avoidance (Easterling, 2000).

Also, to the extent that foundation staff view the grant assessment as an external accountability to the foundation board, they may be subject to the same concerns voiced in the nonprofit literature, i.e., the evaluation process may be viewed as intimidating, burdensome, and technically complicated (Buckmaster, 1999; Greenwald, 2013; McNelis & Bickel, 1996; Newcomer et al., 2013). As a result, staff may hide negative results that would benefit the foundation and the field (Morris, 2007; Rhode & Packel, 2009), or they may simply avoid evaluation altogether (Fleishman, 2007; Greenwald, 2013).

In combination, the evaluation logics framework and the accountability and learning literature suggest that in the context of grant assessment, the foundation’s evaluation paradigm, its interpretation of accountability (“to whom” and “for what”), and the intended target of the learning (funder, grantee, and/or field) will influence its motivations for assessing grants, as well as its actual assessment practices. The next section examines the literature that explores the practices that foundations might incorporate into grant assessment processes.
4.3 PERFORMANCE ASSESSMENT: PRACTICES

To limit the performance assessment practices literature in relationship to this study, this section summarizes the key debates with respect to grant assessment practices, including methods and measurement challenges, relevant to grant assessment. Also, to be clear, this study focuses on grant assessment, rather than grant selection. This perspective calls attention to decision processes about prior grants awards, rather than decision processes about future allocations. This is an important distinction for two reasons and also helps identify and limit the relevant literature. First, the decision – in this case the grant award – has already been made. In a foundation, the person assessing the prior decision (the grant) is usually the same program officer who recommended the decision. Therefore, the assessment is rendered relative to a combination of: 1) pre-defined objectives, 2) subjective sense-making, and 3) a desire to cast the outcomes of prior recommendations in a positive light (Horn & Gardner, 2006; Julnes & Mark, 1998; Mark, Henry, & Julnes, 1999; Morris, 2007).

Second, “assessment” means different things to different people. This is a crucial point and especially relevant to performance assessment in a nonprofit context (Grimes, 2010). Recent literature demonstrates that organizational and environmental factors influence two important aspects of grant assessment: 1) the criteria that stakeholders use to evaluate performance (Amirkhanyan et al., 2013; Jun & Shiau, 2012; G. E. Mitchell, 2012) and 2) the degree of collaboration in performance management negotiations (Amirkhanyan, 2009; Dehoog, 1990;  

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7 In a foundation, the program officer makes recommendations to the Board who then makes the ultimate decision. However, it is rare that the Board would approve a grant not recommended by the program officer. Therefore, the final grant portfolio includes grants that the program officer most likely recommended at some point. This does not imply that the Board approves all program officer recommendations, but it does imply that those that are approved were at some point recommended by the program officer. Responsibility for the final close-out report rests with the program officer. This includes the grantees’ final report as well as the program officers’ perspective on grantee performance.
Lamothe & Lamothe, 2012). This empirical evidence and the ramifications of this evidence for the assessment process are consistent with the much broader policy studies literature that discusses the challenges of formulating and evaluating decisions when there are multiple perspectives on underlying causes and desired outcomes (Linstone, 1984; Rittel & Webber, 1973; Simon, 1977). These considerations are complicated in the context of philanthropic institutions because foundation behavior may be internally inconsistent due to competing internal stakeholder perspectives about 1) giving style and theory of change (Frumkin, 2006; Horn & Gardner, 2006) and 2) type of support (e.g., grant types, convening power, etc.) (Anheier & Hammack, 2010; Suárez, 2012). These issues call attention to both evaluation methods and measurement challenges.

4.3.1 Evaluation Methods

The evaluation methods literature usually describes assessment practices as either quantitative or qualitative. Hall (M. Hall, 2014) offers an alternative perspective, noting that different motivations for evaluation often reflect different beliefs about the purpose and process of generating knowledge. In this context, the primarily methodological choices are between academic methods (“objective”) and professional judgment (“subjective”) (Damon & Verducci, 2006; Fleishman, 2007). The “objective” methods are evidenced in traditional program evaluation literatures that place a premium on value-neutral assessments over subjective informant narratives (Campbell & Ross, 1969). Many consider randomized, experimental designs the gold standard of program evaluation because they claim that these techniques are value-neutral and best quantify the impact of specific programmatic interventions (Banerjee & Duflo, 2011; Shadish, Cook, & Campbell, 2002). However, others counter that that knowledge is
understood through the lenses of context and experience and that these techniques thus are not value-neutral because knowledge is never objective. Those on this side of the debate place a premium on the subjective experiences of program participants rather than the objective experiences of outside program evaluators (Schneider & Ingram, 2005; Soto, 2000).

In the context of this study, the conversation about objective and subjective methods is important because grant assessment is not simply a comparison between stated goals and actual results. It is a judgment about a decision that the foundation (and typically the program officer conducting the evaluation) has already made. This implies that grant assessment carries with it risk to reputation (Benjamin, 2008b). Further, the initial grant award decision is itself based on organizational values. Since the original decision to award the grant is made explicitly based on the foundation’s value orientation, it follows that the assessment of that decision would also reflect organizational values. Together, these factors suggest that evaluation is not simply objective but also engages a value-based component. This interpretative, subjective component of the assessment process is described in the literature as sense-making (Mark et al., 1999).

As initially defined by Weick (1995), sense-making is the process in which actors (individuals, groups of individuals, organizations, etc.) understand their environment by observing patterns of behavior which help them interpret and navigate new or ambiguous situations, especially those that run counter to expectations or threaten organizational identity (Harris, 1994; Maitlis & Lawrence, 2007). The sense-making perspective suggests that the extent to which sense-making influences grant assessment practice choices depends on the situation. Specifically, this view suggests that the more difficult it is to predict or document the outcomes of a decision, the larger the role sense-making plays in the assessment process (Obstfeld, Sutcliffe, & Weick, 2005; Thomas, Clark, & Gioia, 1993).
This perspective therefore suggests that assessments of grants that involve untested theories of change or other uncertainties would be more likely to trigger sense-making (subjective) processes and less likely to rely on objective, pre-defined metrics. In the context of this research effort, the implications of these dynamics are that the choice of grant assessment practices may depend on how easily the foundation believes it can document and predict grant results. That is, foundations may use objective methods for more straightforward grants or those that employ a proven theory of change. However, foundations may rely more on subjective methods for those grants that are less familiar or rely on unproven theories of change.

4.3.2 Evaluation Focus

The choices within evaluation focus fall along the continuum of process and outcome (Scriven, 1996; Smith & Brandon, 2008). Developmental evaluation (Patton, 1994, 2010) is a variation on these themes, with its emphasis on learning through 1) embedded rather than neutral evaluators and 2) adaptability rather than fidelity to program design. The choice the evaluator makes from these options is strongly tied to motivation, particularly the evaluator’s beliefs about the purpose of evaluation, as either a tool for quantifying impact or for monitoring process. The theoretical and empirical literature that informs these perspectives and debates has already been discussed in the context of performance assessment motivation. Therefore, evaluation focus is not discussed in detail here.
4.3.3 Evaluation Scope (Unit of Analysis)

Assessment practices are tightly aligned with the unit of analysis most relevant to “what” is being evaluated. In the nonprofit and evaluation literatures, there are bodies of research that focus specifically on program-, organizational-, and community-level assessments. The comparative advantages of competing techniques within each of these streams of literature are widely debated, based on different perceptions about the purpose of evaluation and under-lying ontological and epistemological beliefs (Azzam, 2011; Christie, 2007; Shadish, 1995). At the programmatic level, these techniques include randomized trials, quasi-experimental designs, logic models, developmental evaluations, and participatory evaluations (Armytage, 2011; Bamberger et al., 2010; Banerjee & Duflo, 2011; Fowler, 1997; Patton, 1994; Victora, Black, Boerma, & Bryce, 2011; W.K. Kellogg Foundation, 2004b). These techniques vary based on the type of data required (quantitative or qualitative), the focus of the evaluation (process, outcome, or learning), level of technical sophistication required, and level (and importance) of participation by different stakeholder groups (Ebrahim & Rangan, 2010; M. Hall, 2014).

Techniques for evaluating organizations, as is the case for capacity building and general operating support grants, are also widely debated in the performance assessment literature. As a construct, “organizational effectiveness” has generated extensive debate due to the multiple theoretical perspectives put forth by scholars from diverse disciplinary fields (Cohen, March, & Olsen, 1972; Connolly, Conlon, & Deutsch, 1980; Herman & Renz, 1997; Quinn & Rohrbaugh, 1983; Yuchtman & Seashore, 1967). In the 1970s, several scholars suggested that the field abandon attempts to develop a universal definition of “organizational effectiveness,” yet efforts persist (Quinn & Rohrbaugh, 1983). The empirical literature that has emerged complicates efforts to define “effectiveness” as a construct in that some research uses “organizational
effectiveness” as the dependent variable, while others employ it as an independent variable (Cameron & Whetten, 1983).

In the nonprofit context, nonprofit organizations manage a “double bottom line” that requires attention to both mission fidelity and financial stewardship (Kaplan, 2001; Moore, 2000). As a result, the cost and efficiency metrics favored by private organizations fail to capture quality and equity, the distinctive hallmarks of the nonprofit sector (Salamon, 2012). This “double bottom line” thus requires some trade-offs (Willems, Boenigk, & Jegers, 2014) and can even make it difficult to define absolute measures of nonprofit organizational success and failure (Helmig, Ingerfurth, & Pinz, 2013).

As a result, different stakeholders have different approaches to measuring organizational performance. Nonprofit chief executives generally prefer a goal-attainment model to either system resource accumulation, reputation, or cost containment perspectives (G. E. Mitchell, 2012). In contrast, scholars and many funders favor a multi-dimensional approach that includes board and management practices related to financial standards, reputation, and impact measures, thereby integrating transparency, organizational, and program metrics (Liket & Maas, 2013). Amidst these debates, reputation is a common proxy for organizational effectiveness (Logsdon & Wood, 2002; Padanyi & Gainer, 2003), rendering organizational effectiveness highly dependent on leadership quality and relationships (Heimovics, Herman, & Coughlin, 1993; Herman & Heimovics, 1990; Phipps & Burbach, 2010). Another emerging view conceptualizes organizational effectiveness from a stakeholder-responsiveness perspective (Amirkhanyan et al., 2013; Benjamin, 2013; Herman & Renz, 1999; Johansen & LeRoux, 2013; Tsui, Ashford, Clair, & Xin, 1995; Williams & Taylor, 2013). At the community level, there is also a wide range of indices and methods of assessing overall well-being and community impact that vary based on
the extent to which each engages community stakeholder perspectives and quantitative socio-economic indicators (Bagnoli & Megali, 2011; Burd-Sharps & Lewis, 2014; Hausman et al., 2009).

The purpose of highlighting these debates is to demonstrate just how difficult it is for those both inside and outside the nonprofit sector to assess organizational performance. Connolly et al. argue that evaluative statements differ based on the stakeholder’s perspective about the purpose and role of evaluation: “We argue that an answer to the question, ‘How well is entity X performing?’ is inevitably contingent on whom one is asking…individuals become involved with an organization…for a variety of different reasons, and these reasons will be reflected in a variety of different evaluations” (1980, p. 212).

4.3.4 Transferrable Insights

This literature demonstrates that assessment practices vary across several dimensions, including method and unit of analysis (Ebrahim & Rangan, 2010; Tassie et al., 1996). The diversity of assessment practices represented in the literature, with respect to both scope (unit of analysis) and method, introduces another possible factor that influences this choice: the nature of the grant itself. Foundations make grants to impact change at different levels: programmatic, organizational, and community. Each of these grants targets a different point of intervention. Therefore, the type of grant being evaluated likely plays a role in determining the type of grant assessment practices that could fit the situation. That is, grant type eliminates some choices, based on scope (unit of analysis), but leaves other methodological choices to the preferences of the evaluators. Therefore, grant type emerges as an important mechanism for narrowing the
scope choices for grant assessment practices but still requires the foundation to make choices about methods and focus.

4.4 LESSONS AND INSIGHTS FROM RELATED LITERATURES

As already mentioned, the purpose of incorporating related literature on organizational behavior is to gain insights from other disciplines that inform further understanding of foundations’ organizational behavior with respect to grant assessment activities. With respect to organizational behavior, this literature provides important theoretical frameworks for considering the relationship between organizational values and management practices in organizations that have a strong internal orientation. The performance assessment literature captures the key debates and demonstrates the complexity of the choice sets in the nonprofit context. This literature indicates that there is no single motivation for evaluation and no clear consensus on what constitutes grant assessment practices. That is, there are several different evaluation paradigms, as captured in Hall’s evaluation logics framework (M. Hall, 2014), and evaluation practices are themselves multi-dimensional (Tassie et al., 1996). To navigate these debates and choice sets, foundations have to chart their own course. Based on the foundation behavior literature reviewed earlier, it is likely that foundations will draw on their own internal value system to make these decisions. This last finding ties together the three streams of literature reviewed here by bringing back into the discussion the importance of understanding organizational behavior as part of examining the grant assessment motivations and practices of philanthropic institutions. Collectively, the literatures reviewed here have greatly informed this study and prompt the research questions and propositions described in the next chapter.
5.0 RESEARCH DESIGN

5.1 RESEARCH QUESTIONS (RQ1, RQ2)

As already discussed, the existing research on foundation behavior in general and grant assessment in particular is largely historic, conceptual, and/or practitioner-focused, and thus has not generated the knowledge needed to develop robust theory or generate testable hypotheses. Therefore, this study contributes to the literature on foundation behavior by considering research questions that explore why and how foundations assess grant performance rather than by testing hypotheses. The specific research questions that guide this study are as follows:

RQ1: What are foundations’ motivations for assessing grant performance?

Is there variation in these motivations? If so, to what extent, and what accounts for these various motivations?

RQ2: What practices do foundations use to assess grant performance?

Is there variation in these practices? If so, to what extent, and what accounts for these various practices?
These research questions seek to first generate descriptive information about assessment motivations and practices ("what" motivations and practices are present), then categorize any variations and possibly develop predictions about what accounts for these variations (Gerring, 2001). The conceptual framework for responding to these research questions is discussed next.

5.2 CONCEPTUAL FRAMEWORK

To answer the research questions posed here, this study integrates an organizational framework, grant type, and an assessment framework to guide this empirical investigation. As illustrated below, organizational identity is used to capture the influence of the organization’s intentions and staff competencies on grant assessment; grant type is used to capture the differences in grant award purposes; and the assessment framework includes a conceptual component (evaluation logics) to capture motivation and a descriptive component (dimensions of evaluation) to capture grant assessment practices. Each of these components is described here, followed by a discussion of the three propositions that emerged from the integrated framework.
5.2.1 Organizational Identity

To investigate the influence of organizational identity on grant assessment, Brickson’s (2007) empirical application of organizational identity is particularly relevant to this study because it details the relationship between organizational identity and management practices across three different identity orientations/profiles. Specifically, this framework presents organizational identity as the mechanism that determines how organizations 1) relate to stakeholders, including the nonprofit sector and 2) seek to generate social value. This framework not only provides tangible applications of organizational identity but also offers a way of connecting organizational identity and grant assessment practices.
Brickson identifies three organizational identity profiles (individualistic, relational, and collectivistic) and the management practices characteristic of each profile. Two elements of Brickson’s framework, captured in the table below, are central to foundation grant assessment practices: nonprofit relationship patterns and orientation to social value creation.

<table>
<thead>
<tr>
<th>Organizational Identity</th>
<th>Management Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nonprofit Relationship Patterns</td>
</tr>
<tr>
<td><strong>Individualistic</strong></td>
<td>Instrumental relationships</td>
</tr>
<tr>
<td>Members emphasize the uniqueness of the organization, distinguishing it from other entities, e.g., “our organization”</td>
<td>Decoupled ties</td>
</tr>
<tr>
<td><strong>Collectivistic</strong></td>
<td>Relationships centered on common, collective agenda</td>
</tr>
<tr>
<td>Members emphasize connections with a larger, more impersonal group of other entities, e.g., “our community”</td>
<td>Coalition-based ties</td>
</tr>
<tr>
<td><strong>Relational</strong></td>
<td>Relationships characterized by concern and trust</td>
</tr>
<tr>
<td>Members emphasize dyadic connections with particular other entities, e.g., “our partners”</td>
<td>Dyadic partnerships</td>
</tr>
</tbody>
</table>

Brickson’s profile descriptions capture several of the tensions and discussion points that permeate the foundation literature. The “nonprofit relationship patterns” descriptions for each profile accommodate the range of questions about foundation behavior observed in the literature: instrumental effectiveness (“instrumental relationships”), the role of “trust” in funder-grantee relationships, and the tension between foundation values and democratic values (“common, collective agenda”). Similarly, “orientation to social value creation” captures the types of
support and grant awards that foundations provide. “Provides financial contributions to specific projects or organizations” describes project grants and perhaps general operating support. “Supporting organizational capacity building” directly translates into capacity building grants. “Works to advance causes, rather than organizations, to advance social change” suggests support for advocacy grants. Therefore, these organizational identity profiles provide a starting point for understanding how foundation values might influence the types of grants that a foundation awards.

In terms of assessment practices, the pre-disposition to instrumental relationships of individualistic organizations suggest that foundations in this category might prefer quantitative measures that specify grant impact. In contrast, foundations in the relational organizations category might have less rigorous reporting requirements and assess results in terms of grantee relationships, i.e., relationships built on “concern and trust”. The preferred assessment practices for collectivistic organizations are less clear, but the references to social change and a common agenda suggest attention to community engagement. These examples provide significant support for the connection between organizational values and foundation practices. Further, Brickson’s typologies hold potential for explaining why foundations don’t all behave in the same ways.

5.2.2 Grant Type

Grant types are commonly referenced in practitioner-focused materials and are also coded in the Foundation Center’s proprietary Foundation Online database (Foundation Center, 2014b). These resources were used to identify common grant types and to generate the initial list of grant types for informant interviews. Based on these resources, the initial list of grant types included project,
program development, capacity building, infrastructure, capital, general operating, and advocacy grants.

5.2.3 Grant Assessment Motivations

The assessment framework integrates Hall’s evaluation logics approach (2014) and the dimensions of evaluation developed by Tassie et al. (1996). Evaluation logics provide a framework for considering grant assessment motivations. Specifically, this framework compares and contrasts funders’ beliefs and assumptions about the primary purpose and focus of evaluation, which is essential to capturing motivations. (See Appendix B for a more detailed summary of Hall’s scientific, bureaucratic, and discovery evaluation logics.) This framework explicitly describes the different purposes that evaluations can serve. Hall notes that different grant assessment practices fulfill different purposes and that choices about grant assessment practices are often driven by beliefs and values rather than the methodological soundness of a particular approach. As such, this framework connects different motivations with different grant assessment practices.

This perspective suggests that evaluation logics may provide a useful framework for articulating the competing purposes of evaluation and may also emerge as an intermediate channel (i.e., grant assessment motivations) that connects organizational values to actual assessment practices. Therefore, evaluation logics may provide this study with a framework for connecting organizational identity to grant assessment practices.

Hall’s evaluation logics are not without its vulnerabilities, however. The primary issue is that it is generated from a body of evaluation practices literature. Hall has interpreted the practices literature through a series of questions that seek to identify under-lying differences in
evaluation purpose and motivations to create ideal types. Hall acknowledges that these evaluation logics are ideal types, and it is not clear that this framework is robust enough for empirical application. That is, it may not be adequately equipped to endure the competing motivations and complexities of actual organizational practices. This may prove a significant weakness given that competing beliefs about and purposes of evaluation are common themes in the performance measurement literature. However, the value of the evaluation logics approach is that it provides a framework for connecting motivation to practice, which is critical to this research study.

5.2.4 Grant Assessment Practices

The dimensions of evaluation developed by Tassie et al. (1996) provide a descriptive framework for capturing and categorizing differences between grant assessment practices, specifically the scope (level of analysis), the method (formal or informal), and the focus (process or outcome). This framework does not attempt to link motivation and practice, and it does not attempt to link organizational identity or values to practice. It is simply descriptive, providing a flexible and inclusive tool for capturing and categorizing evaluation practices. This is particularly useful for structuring a response to the second research question, with respect to actual practices, *What practices do foundations use to assess grant performance?* In addition, this framework, described earlier and outlined below, helps to capture variation by describing and defining the dimensions of evaluation practice. The descriptive attribute of this framework is particularly important for a study of this nature, where data gathering and coding is very much an exploratory process.
Table 3: Dimensions of Evaluation (Tassie et al. 1996)

<table>
<thead>
<tr>
<th>Dimensions of Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation Scope.</strong> Unit of analysis being evaluated</td>
</tr>
<tr>
<td>• Program</td>
</tr>
<tr>
<td>• Agency</td>
</tr>
<tr>
<td>• System</td>
</tr>
<tr>
<td><strong>Evaluation Method.</strong> “How the evaluation is carried out”</td>
</tr>
<tr>
<td>• Formal</td>
</tr>
<tr>
<td>• Informal</td>
</tr>
<tr>
<td><strong>Evaluation Focus.</strong> “What is being evaluated”, e.g., the end results (outcome) or means (process)</td>
</tr>
<tr>
<td>• Outcome</td>
</tr>
<tr>
<td>• Process</td>
</tr>
</tbody>
</table>

5.2.5 Summary

In summary, this conceptual framework integrates organizational identity, grant type, and assessment concepts and descriptors: 1) organizational identity to capture the influence of organizational factors (values, structure, staff competencies) on grant assessment motivations, 2) grant type to capture differences in grant award purposes, 3) grant assessment motivations (evaluation logics) to connect grant assessment motivation to practices (M. Hall, 2014), and 4) the dimensions of grant assessment practices as described by Tassie et al. (1996) to categorize the grant assessment practices reported by informants in this study. From the insights embedded in these frameworks emerge three propositions about the sources of variation in grant assessment motivations and practices. These propositions are discussed next.
5.3 PROPOSITIONS

This is an exploratory study because there is not robust theory from which to derive specific, testable hypotheses. However, the conceptual framework that guides this research suggests several dynamics that generate three propositions. First, prior research on foundation behavior provides a basis for considering that grant assessment motivations and practices may be influenced, at least in part, by organizational values and beliefs. Second, practitioner materials demonstrate that foundations award different types of grants and that the differences in these grants may trigger different grant assessment motivations and practices. These insights suggest that foundation grant assessment motivations and practices will vary, and further, that grant assessment may be contingent on at least two factors, one an agent-based mechanism (organizational identity) and the other a grant-based mechanism (grant type). The specific propositions generated by these insights are discussed next.

5.3.1 Proposition 1 (P1)

Based on a review of related literature, the most compelling agent-based mechanism is organizational identity. This is primarily due to the fact that organizational identity connects organizational values, aspirations, and competencies to organizational behavior. This suggests that organizational identity directly influences foundations’ grant assessment motivations (“why” foundation assess performance), leading to:
**Proposition 1:** Organizational identity, defined as organizational values, aspirations, and competencies, will directly influence grant assessment motivations. That is, grant assessment motivations will vary based on the foundation’s organizational identity.

![Figure 2: Proposition 1](image_url)

### 5.3.2 Proposition 2 (P2)

The most compelling grant-based mechanism is grant type, generally understood in practitioner-focused reports to include project, organizational capacity, general operating, capital (“brick and mortar”), and advocacy grants. The practitioner-focused publications make it clear that foundations award different types of grants. Further, there are also publications dedicated to discussing case studies or “best practices” for evaluating different types of grants. Therefore, this literature suggests that grant type may be a source of variation in assessment practices. This grant-based mechanism generates the proposition that foundations use different assessment practices for different types of grants, leading to:
**Proposition 2:** Grant type will influence grant assessment practices. That is, grant assessment practices will vary based on the type of grant being assessed.

![Figure 3: Proposition 2](image)

5.3.3 **Proposition 3 (P3)**

Finally, the performance assessment literature connects grant assessment motivations to grant assessment practices. Specifically, a foundation’s motivation for grant assessment will influence its grant assessment practices, leading to:

**Proposition 3:** Grant assessment motivation will influence grant assessment practices. That is, grant assessment practices will vary based on the foundation’s grant assessment motivations.
Since Proposition 1 states that organizational identity will influence grant assessment motivation, there is an indirect link between organizational identity and assessment practices. Therefore, these three propositions lean heavily on organizational identity frameworks (Brickson, 2007; Camillus, 2008) as well as claims in the foundation and performance measurement literature that grant assessment practices are contingent on the purpose of the grant (what the grant is for) and funder motivation (why the grant was made) (Ebrahim & Rangan, 2010; Frumkin, 2006; Young, 2001). In combination, these propositions converge to create a typological mechanism (George & Bennett, 2005) that suggests that grant assessment practices are contingent on 1) organizational identity as it informs assessment motivations and thus indirectly informs assessment practices and 2) grant type. These mechanisms join to create the interactions depicted as follows:
This integrated framework is consistent with the theoretical and empirical performance measurement and institutional philanthropy literatures, which suggest that different stakeholders have different values and ideas about the purposes and reasons for assessing performance (M. Hall, 2014; MacIndoe & Barman, 2012; Sowa, Selden, & Sandfort, 2004; Tassie et al., 1996), but it also extends these findings to explore the extent to which grant assessment practices differ based on grant types. This approach provides the flexibility to explore the extent to which grant assessment motivations vary, based on organizational identity, and the extent to which grant assessment practices vary, depending on directly grant type and indirectly on organizational identity (via grant assessment motivations).

This approach also provides the flexibility to explore other relationships that emerge, such as the possibility that there is a relationship between grant type and grant assessment
motivations and/or between grant type and organizational identity. The research design provides an inductive approach for gathering and analyzing data to investigate the possible role and interactions of these and/or other agent- and grant-based mechanisms. As such, this is primarily an exploratory, theory-building research endeavor, with the end goal being the development of testable hypotheses for future research.

5.4 RESEARCH METHODOLOGY

The focus here on grant assessment motivations and practices brings this study under the broad umbrella of management research, which carries a rich tradition of qualitative investigation that tends to favor case studies (Bennis, 2009; Collins, 2001; Mintzberg, Raisinghani, & Théorêt, 1976). Case studies of foundation behavior have provided important insights about management strategies and practices, including evaluation (Cornforth & Mordaunt, 2011; Diaz, 1996; Ostrander, 2007a; Tassie et al., 1996). This research effort seeks to build on these insights by intentionally examining grant assessment practices and through a sampling frame that includes all staffed, financially independent philanthropic institutions in a single metropolitan area, Pittsburgh, Pennsylvania (USA).

Grant assessment constructs and practices are gathered from the perspectives of the foundation staff directly engaged in grant-making (CEO and program officers). As such, the research design represents an inductive approach to theory-building, informed by conceptual frameworks that consider the influence of organizational identity and grant type on grant assessment motivations and practices. This inquiry is iterative, integrating inductive exploration of interview transcripts and foundation documents with existing literature in a manner that
guides but does not constrain or bias the ultimate findings of this study (Julnes & Mark, 1998, paraphrased p. 49). As such, it falls between the qualitative traditions of case study and grounded theory (Creswell, 1998).

This is not a traditional case study, in that the researcher did not have access to internal reports or archival documents and did not have opportunity for observation apart from interview settings (Yin, 2014). That said, the researcher did draw from both informant perspectives and publicly-available documents. With respect to the grounded theory tradition, this research is exploratory and conducted in a field (institutional philanthropy) with very little theoretically-grounded empirical research. However, the study was informed by theories of organizational behavior and performance assessment and does seek to construct conditional matrices as a means of identifying sources of variation, which is not typically incorporated into grounded theory (Creswell, 1998). As a result, it combines the case study and grounded theory traditions.

5.5 UNIT OF ANALYSIS

One of the challenges to formulating an empirical strategy to answer these research questions was determining the appropriate unit of analysis. Though this is a study of philanthropic institutions, the literature suggests that many foundations fall into Mintzberg’s conceptualization of an “adhocracy”, where actual management practices reflect an unsettled tension between the individual professional’s desire for discretion and the organization’s desire for institutional consistency (Mintzberg & McHugh, 1985; Patrizi, 2011). A close look at other research that examines philanthropic institutions reveals a great deal of ambiguity with respect to the “unit of analysis” question.
In fact, this literature often implicitly rather than explicitly incorporates both the foundation (organization) and the program officer (individual) as the unit of analysis with respect to decision-making in general and grant assessment processes in particular (See Appendix C for an extensive collection of quotations that demonstrate this point). For example, the literature references both the “foundation” in terms of its organizational preferences and structure and the “program officer” in terms of his/her individual preferences and evaluation capacity. Further, scholars making normative claims direct their advice to “the foundation”, contrasting those normative behaviors to what an individual program officer might actually be doing at the time.

For the most part, scholars seem to suggest that individual program officers operate with a great deal of autonomy due to the lack of organizational structure and the immaturity of philanthropy as a professional field (M. R. Kramer & Bickel, 2004). This literature goes on to suggest that individual program officer discretion is a result of an incentive structure that rewards grant-making more than grant-assessing, a lack of established policies and procedures (in general and in particular with respect to grant assessment), and a lack of internally consistent strategies that link grant-making and assessment (Fleishman, 2007; Orosz, 2007; Patrizi, 2011), as illustrated here:

Motivation, clarity of purpose, and satisfaction are difficult to sustain in such a fragmented field. Grant-makers are left to find professional grounding on their own. They pick up what they can from implicit foundation norms. …Some foundations have orientations for their new grant-makers in an attempt to pass on the grant-making wisdom accumulated over the foundation’s lifetime, but this type of training is inconsistent across foundations and depends largely on the agenda of the foundation’s leadership (Horn & Gardner, 2006, p. 91).

Further, there is some evidence that foundation leaders can become caught between the administrative staff’s demands for “bureaucratic” control and the program staff’s desire for “adhocracy” with entrepreneurial freedom and laissez-faire management (Patrizi, 2011).
Further, the literature asserts that few professionals consider grant-making as either their primary area of expertise or a long-term career. In part this is because foundations hire program officers with a diversity of professional expertise and experiences based on the foundation’s own determination of critical staff competencies. However, one downside of this diversity is professional isolation, which inhibits peer communication, peer learning, and uniform practices even within the same foundation (Orosz, 2007). To accommodate the uncertainty on this point, this study focuses on the foundation (organization) as the unit of analysis but incorporates the perspectives of multiple voices from each foundation wherever possible. As such, the units of observation for this research study are individuals (chief executives and program officers) as well as organizations (websites and public documents).

5.6 EMPIRICAL STRATEGY

This empirical strategy was developed to gain further understanding of foundations’ motivations for and practices of assessing grants. Given that evaluation as a management practice in the nonprofit sector is under-theorized and that measurement constructs are not well-defined (Ebrahim & Rangan, 2010; Lecy, Schmitz, & Swedlund, 2012), the research design itself is inductive and primarily qualitative (Mintzberg, 1977). This approach generated an empirical strategy which included three elements: content analyses of foundation public documents and websites, 2) semi-structured interviews with chief executives, and 3) systematic interviews with program staff. The empirical elements used to investigate the propositions stemming from the research questions explored in this study are illustrated graphically below and discussed in this section.
5.6.1 Empirical Elements to Explore Proposition 1

Proposition 1 suggests that organizational identity directly influences grant assessment motivations. Two empirical elements explore organizational identity and its influence on grant assessment motivations: 1) content analysis of foundation documents and websites and 2) semi-structured interviews with foundation chief executives (CEOs). These empirical elements are graphically illustrated within the context of this study.

Semi-structured interviews with foundation chief executives and content analyses of foundation documents, including mission statements and website materials, were conducted to explore the extent to which organizational identity is 1) a relevant framework for understanding foundation behavior and 2) a source of variation that influences grant assessment motivations. The semi-structured interview protocol included prompts that used Camillus’ (2008) definition of organizational identity (values, aspirations, and competencies) to determine if these elements...
resonated with chief executives and connected with variations in grant assessment motivations reported by the chief executive and/or program staff of the foundation (See Appendix D for the chief executive interview protocol). In addition to questions on organizational identity and grant assessment motivations, the semi-structured interview protocol included questions about the relative importance of different types of grants to the foundation and the CEOs’ overall views on grant assessment.

Elite interviews can provide critical insights into organizational behavior, strategy, and practices but are not without challenges (Rubin & Rubin, 2011). The most difficult challenges are gaining access and trust, which are essential to gathering valid data and understanding the tone of the interview, especially with difficult respondents (Harvey, 2011). Fortunately, this did not turn out to be a problem. As detailed later in Section 7.1, the participation rate for this study was very high. All interviews were recorded, fully transcribed, and coded in ATLAS.ti software to capture key constructs related to organizational identity, grant assessment motivations, and grant assessment practices (Scientific Software Development, 1997).

Content analyses of foundation public documents and website design and functionality were also conducted to identify the organization’s core values as well as how the organization represents itself to internal and external stakeholders (Krippendorff, 1980). The focus on organizational messaging, particularly with respect to organizational identity, emphasizes thematic analysis across a purposive (rather than random) sample (Carney, 1972). With respect to print materials, content analysis methodology emerged within the social sciences during the mid-1900s in response to the proliferation of mass communications and public opinion polling, which required analysis of verbal and written open-ended responses. (The coding process for this study is described in Section 7.2.)
Analyses of Internet websites, however, is a much more recent field of study. There are some precedents in the nonprofit literature for this type of analysis (Dumont, 2013; Saxton & Guo, 2011). These frameworks were primarily generated from the perspectives of fund-raising and accountability but still provide useful points of reference for constructing an instrument to analyze foundation website design and content from an identity perspective. In addition, recent explorations within the fields of political science, particularly campaign websites (Gibson & Ward, 2000) and social movement organizations (Stein, 2009), provided guidelines for analyzing foundation websites as these studies broadly focus on the purpose and design of websites developed by organizations seeking to communicate ideas rather than attract donors. Using the structure of these prior studies, the website analysis used here incorporated a series of indicators to examine website functionality and design. The rubric used to code the websites is described in Section 7.2.

5.6.2 Empirical Elements to Explore Proposition 2

Proposition 2 suggests that grant type will influence grant assessment practices. The systematic interviews with foundation staff were the primary means of capturing this information, as noted:
In fact, the systematic interviews with program staff were explicitly designed to capture the influence of grant type on assessment practices. The systematic interview protocol provided a structured method of eliciting from grant-makers any differences between their own assessment approaches for different grant types. (See Appendix E for an overview of this protocol.) Follow-up questions about different practices identified the underlying purposes/motivations for assessing each of these different grant types. The systematic interview process used in this study was guided by the Repertory Grid Technique (RGT). This approach provided a means of categorizing and comparing informant responses, which yielded qualitative as well as quantitative data.

The RGT is an analytical tool that grew out of personal construct theory, an explicit theory of human understanding and psychological therapy, developed by George Kelly (Kelly, 1963 and 1955). As the name implies, personal construct theory (PCT) emerged from a constructivist philosophy of science but also embraces principles of empiricism and pragmatic logic through the process of eliciting and testing construct systems. Though a full discussion of

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8 The protocol specifically used the term “assessment” rather than “evaluation” due to the latter term’s deep associations with the constructs and practices embedded in formal program evaluation methods.
PCT is outside the scope of this paper, there are several key assumptions embedded within this theory that are critical to using the RGT. Appendix F highlights several of these key assumptions embedded in PCT. Appendix G describes the development and use of RGT in academic research on organizational behavior and management practices.

Developing the repertory grid (the data gathering instrument) involves several critical steps: identifying the topic, selecting the elements, eliciting the constructs, rating the elements, and analyzing the full grids. Grids are conducted on a specific topic (here grant assessment). The purpose of the construct elicitation process is to capture all the constructs relevant to the specific topic or the informants’ “repertoire” of terms used to describe and analyze events and experiences. To identify these constructs on a specific topic, the individual is presented with examples of the topic, formally called “elements” in the RGT lexicon: “…an element is an example of, exemplar of, instance of, sampling of, or occurrence within, a particular topic” (Jankowicz, 2004). Therefore, it is crucial that the RGT researcher select elements that are mutually exclusive and that thoroughly and evenly cover the topic.

Constructs are specified by each informant. The RGT literature refers to this process as construct elicitation. The RGT provides a means of eliciting these constructs by presenting the informants with several randomly generated triads (sets of three) of elements and asking a question that begins, “In what ways are any of these two items similar to each other and different from the third.” Follow-up questions enable the researcher to explore the meaning of elicited constructs in more detail. These follow-up questions are called “laddering” or “pyramiding” in the RGT literature (Fransella, Bell, & Bannister, 2004). After the informant completes the triad

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9 The literature also suggests that informants rate rather than rank constructs. The literature does not find significant differences in effects from using ratings or rankings. Ratings will be used here to acknowledge that program staff may equally value more than one assessment criteria for any grant, and thus it allows more comprehensive analysis across both constructs and elements (Neimeyer & Hagans, 2002).
series, the researcher asks the informant to rate each of his/her constructs in terms of its importance to assessing each element.

In essence, the RGT approach generates a customized oral questionnaire that allows the informants to rate the relative importance of the different elements of grant assessment as they themselves construe them with respect to the grants in their own portfolios. The rating process generates a matrix, with elements (grant types) representing columns, constructs (assessment criteria) representing rows, and the ratings contained in each cell of the matrix. These matrices provide rich data that capture not only grant assessment constructs but also how much variation grant type creates for grant assessment practices. The benefit of this approach is that the meaning of the constructs emerges from the informant’s own personal meanings and values and is not clouded by the researcher’s biases. This is an especially valuable aspect of the RGT for research on contested constructs, such as performance measurement and evaluation (Dunn, Pavlak, & Roberts, 1987; Noordegraaf & Abma, 2003).

For this study, the RGT provided the primary source of information about grant types and assessment practices. However, the chief executive protocol also asked informants about specific types of grants (primarily general operating grants). Chief executives who have awarded operating grants are asked follow-up questions about the practices that they have used to assess these grants, as well as whether these assessment practices are different from those they use to assess other types of grants. The public documents and websites provided limited insights into the relationship between grant type and assessment practices.
5.6.3 Empirical Elements to Explore Proposition 3

Proposition 3 suggests that grant assessment motivations will influence grant assessment practices. Again, the systematic interviews provided the data to investigate this claim.

![Figure 8: Empirical Elements for Proposition 3](image)

The systematic interview transcripts provided detailed insights into the relationship between grant assessment motivations and practices. The RGT protocol prompted informants to describe their grant assessment practices. Follow-up questions asked about the reasons for these practices in order to identify the under-lying motivations. Several semi-structured interview transcripts from conversations with chief executives also provided insights also, but to a lesser extent.

5.7 RELIABILITY AND VALIDITY

Two aspects of this research project present significant challenges to both reliability and validity. First, this research project leans heavily on qualitative data, of which the researcher was the sole
coder. By definition, this prohibits measures of inter-coder reliability. Second, this is an inductive and exploratory study. There is no attempt to test hypotheses. Since there is little empirical work in this domain, there are only limited sources from which to draw external evidence for construct and context validity. To counter these threats to validity, the research strategy engaged key informants – three professional grant-makers from outside the sampling frame – to test key concepts and interview questions. Those interviews contributed to refining the interview protocols used in this study.

In addition, the RGT interview protocol enabled a systematic data gathering process in which the researcher elicited grant assessment constructs from grant-makers themselves. This significantly minimized researcher bias but did require the assumption that informants fully and honestly represented their assessment motivations and practices. To encourage full disclosure and minimize social desirability bias, informants were guaranteed that neither their names nor their institutions would be listed in this study. The interview protocol also asked informants to describe actual assessment processes but did not require the informant to identify grantees. Finally, three frameworks helped guide and place parameters around the key constructs central to the qualitative elements of this study: organizational identity (Camillus, 2008) and orientation (Brickson, 2007), evaluation logics (M. Hall, 2014), and dimensions of grant assessment practices (Tassie et al., 1996). In combination, these frameworks mitigated but did not fully resolve threats to content and construct validity.

Conclusion validity also presented a challenge for this study, given the heterogeneity within the foundation community. A frequent comment in the literature is, “…if you’ve seen one foundation, you’ve seen one foundation.” Therefore, heterogeneity hampers efforts to detect patterns of behavior with respect to both grant assessment motivations and practices. To
minimize the impact of foundation heterogeneity, the study was limited to staffed, financially independent foundations. The focus on staffed foundations is one mechanism for distinguishing between individual and institutional philanthropy\textsuperscript{10}. Specifically excluding corporate, community, and funding intermediaries limited variance from competing stakeholder interests that might influence assessment motivations and practices. Ultimately, however, researcher self-awareness and conscious efforts to challenge findings were perhaps the most important means of ensuring both reliable and valid inferences.

\textbf{5.8 SAMPLING FRAME}

The sampling frame was bounded both geographically and organizationally. The geographic criteria were defined as recording an Allegheny County, Pennsylvania zip code on the IRS Form 990 filing. In terms of organizational boundaries, this study focused on a specific type of philanthropic institution: staffed, financially independent foundations. Community foundations, funding intermediaries, corporate foundations, federated funding groups (e.g., the United Way), giving circles, or family foundations under bank-based trusteeship were not included for several reasons. First, corporate foundations have different stakeholder environments than private foundations, including corporate executives and shareholders, and they have a dual purpose: to provide for charitable needs and to project an image of corporate social responsibility (Guthrie, 2010; Lenkowsky, 2013). These factors contribute different motivations to grant assessment and may also impact assessment practices. Community and other partially-endowed private foundations that actively recruit new donors or solicit external funds are more dependent on their

\textsuperscript{10} There is a large body of research on individual philanthropy, which is outside the scope of this paper.
external environments than fully-endowed foundations, which may impact their assessment processes\textsuperscript{11} (Gronbjerg, 2006). Community foundations and federated funding groups may also engage volunteers, in addition to staff members, in selection and assessment processes, which presents a unique set of organizational dynamics (Tassie, Murray, Cutt, & Bragg, 1996). In addition, family foundations under the trusteeship of banks or legal firms rather than independent boards of trustees are also excluded from this analysis.

For independent foundations, the organizational criteria included parameters for staff size, mission focus, financial independence, and financial size (total grant awards and/or asset size). The staff size threshold was a dedicated full- or part-time staff person, i.e., staff size greater than zero. This indicator is a proxy for differentiating individual philanthropy from institutional philanthropy (Ostrower, 2004a), the latter of which is the sole focus of this study. Mission focus was used to identify any funders that had very narrow scope. In this case, these criteria eliminated four potential grant-makers that made very few grants and those only to a few organizations in niche sectors. Financial independence was defined as \textit{not} receiving funds from other foundations since there are independent foundations that receive funds from other foundations. These intermediary funders were specifically excluded because their dual role as both funder and grantee might hamper identification of motivational differences between these two groups, particularly with respect to the influence of resource dependency (Howe, 2004). To ensure that the funders’ grant-making was large enough to reflect patterns of variation, a financial threshold was established: 1) annual average grant awards of at least $0.5 million over the past three years \textbf{or} 2) total net assets of at least $30 million.

\textsuperscript{11} In a prior study, the researcher noticed a difference between “hybrid” foundations, such as community and partially-endowed private foundations with respect to grant assessment motivation (Scherer, 2010). Therefore, these foundations were intentionally eliminated to focus only on foundations that are neither actively recruiting donors nor seeking external funding.
With respect to informant boundaries, this research defined foundation staff as professional staff members who are charged with the responsibility of assessing grants. These positions included chief executives and program officers. In smaller foundations, the chief executive often also served as the sole program officer. Forty staff members from 21 foundations in this sampling frame were contacted for interviews.

5.9 SUMMARY

As described here, this study explores foundation behavior primarily through the lens of organizational identity but also allows for the possibility that other organizational paradigms about performance measurement (here referred to as grant assessment motivation) influence grant assessment practices. The research design supporting this investigation acknowledges the debates and uncertainties in both the organizational identity and performance measurement literatures. As a result, the research design is intentionally exploratory and multi-faceted in order to provide a means of navigating these uncertainties. More specifically, data gathering included interviews with chief executives to understand leadership perspectives and with program staff to understand the views of those most closely involved with the grant assessment process. Foundation documents and websites provided another source of information about organizational identity. The research questions, conceptual framework, and empirical elements are graphically illustrated here:
This approach addressed the challenges embedded in the organizational identity literature: it avoided the need to force a choice between organizational and individual identity, accommodated the possibility of uncovering multiple organizational identities, and assessed the stability of organizational identity by analyzing foundation documents and interviewing organizational members (multiple members, where possible). To date, the philanthropic literature has loosely used organizational identity to describe foundation behavior (McIlney, 1998; Orosz, 2000; Patton, 2010; Young, 2001). However, these efforts have been informal thought experiments more than formal empirical research. With respect to foundations’ grant assessment motivations and practices, most of what is known is based on practitioner-focused publications. To extend this literature, this research design provides a theoretically-grounded and empirical exploration into the connection between organizational identity and grant assessment practices. The remainder of this paper reports the data collection process and findings from this effort.
6.0 DATA COLLECTION AND ANALYSIS

6.1 FOUNDATION SAMPLE AND INFORMANT PROFILES

The first step in the data collection process was identifying foundations within the sampling frame, then identifying potential informants within each of these foundations. To identify the foundations, three data sources were used: Foundation Center online directory (Foundation Center, 2014b), publicly available foundation IRS Form 990s (Economic Research Institute, 2014), and foundation websites. This process identified 21 foundations using the sampling frame criteria outlined in Section 6.5. To identify informants within each of these foundations, IRS Form 990s and foundation websites were reviewed. Forty chief executives and program staff were identified from these sources. Interview requests were sent via email to 28 of these individuals and via U.S. Mail to the remaining twelve.

Twenty-seven individuals (15 females and 12 males) representing 17 foundations agreed to participate. Individual informant roles included seven chief executives (CEOs) with program staff, nine “solo practitioner” chief executives (CEO-SPs) not supported by other program officers, and eleven program officers who were independent professionals with accountability to a chief executive. The CEO and at least one program officer from seven foundations and multiple program officers from two foundations were interviewed. In addition, the interview protocols were piloted with three key informants from outside the sampling frame. The pilot
interviews helped refine the protocol but were not coded and have not been incorporated directly into the findings reported here. The role titles of the sample are illustrated below as a point of clarification:

![Figure 10: Informant Role Titles](image)

All but two interviews were conducted in person, recorded, and fully transcribed. The interviews ran between 40 and 90 minutes, with the majority lasting 60 minutes. Detailed field notes were written following each interview. The two telephone interviews were not recorded. In these cases, extensive notes were taken during the interview to capture the flow of the conversation and key quotes, and detailed field notes were written immediately following the interview.

The 17 foundations included in the sample range from relatively small local foundations to large, regional grant-makers. Board composition varied widely. Several foundations had independent boards, some had only founder family members, and others had both family and non-family representatives. The four foundations that declined to participate ranged in size, structure, and mission focus. There do not appear to be any patterns that would suggest a negative impact on the findings from this study due to selection bias. The most common reason
given for not participating was a busy schedule. In addition to the 27 interviews, four other individuals from the 17 foundations represented in this sample initially scheduled interviews but later declined to participate after later learning that another program officer from that foundation had also agreed to participate. All four of these individuals indicated that additional interviews from the foundation would not be beneficial because each believed there was great consistency in grant assessment practices within the foundation. The remainder of this chapter outlines the coding and data gathering process used to answer the research questions (RQ1, RQ2) posed for this study and the propositions (P1, P2, P3) suggested by the literature and integrated into the conceptual framework supporting this study.

6.2 CODING PROCESS

All foundation documents (72 documents), websites, and transcripts from interviews with CEO and CEO-SP informants were coded and analyzed for references to the organization’s values, aspirations, competencies (Camillus, 2008), grant assessment motivations, and assessment practices. Grant type references were also coded to assist with analysis. To minimize bias from the literature and the foundations’ public documents, the coding process occurred in two stages: the public documents and websites first and then the interview transcripts. The public documents were read and coded prior to the interviews. This coding followed an open coding process to capture key traits related to organizational identity and mission focus, as well as any insights pertaining to grant assessment (Saldana, 2013).

After the interviews were completed, transcribed, and coded, coding continued and analysis began. The open codes were categorized into axial (or focused) codes based on
similarities in theme and/or intent by reflecting on context within the document or transcript and reviewing field notes. This staged process was intentional. The axial coding and analysis process did not occur until after all interviews were completed to minimize any researcher bias that the axial coding and analysis processes might have generated about the foundations prior to informant interviews. It is also important to note that the conceptual frameworks informed but did not constrain the coding process used here (Bryant & Charmaz, 2007; Strauss & Corbin, 1990). “We should not confuse an open mind with an empty head” (Dey, 2007). In this case, the researcher was not testing the conceptual frameworks. Instead, these frameworks provided awareness and guidance for exploring the data.

Ultimately, 540 codes were merged into seven primary categories (see Appendix H), each with two to four sub-categories. In addition, the “auto-code” feature within ATLAS.ti was used to count the number of times 30 specific text strings (words or word roots) related directly to key organizational identity and grant assessment indicators appeared in documents (including annual reports, other public documents, website text, and interview transcripts). These are listed in Appendix I. One aspect of the research questions explored in this study is explicitly descriptive: identifying grant assessment motivations and practices. The coding process itself generated descriptive and categorical findings because the motivations and practices emerged through the process of analyzing the data. These findings are reported later, but the process of identifying these motivations, practices, and variations were identified during and as a result of the coding process.

The website rubric drew from indices developed by Saxton & Guo (2011) for measuring the online accountability of community foundations and by Dumont (2013) for measuring the online accountability of nonprofit organizations (grantees). The final rubric modified these
indices for the private foundation context. This rubric included a composite score and four separate indices: presentation, engagement, financial and governance transparency, and performance. The four indices include from between five to twelve items, with dichotomous measures of 0 or 1. The items included within each index are listed in Appendix J. This scoring system captures the features and attributes that foundations include on their websites as well as the types of information these websites provide.

To facilitate the coding process, these documents – including website photos and text -- were uploaded into and coded in ATLAS.ti software. ATLAS.ti automatically tags coded text segments with document and paragraph numbers. These tags facilitate analysis and also serve as citation references for actual quotes used in the report to illustrate findings. ATLAS.ti also includes a document management component that allows the researcher to group documents together as appropriate to the research project. For this study, documents were grouped based on foundation, document type (interview transcript, website, annual report, other public document), informant gender, and informant role (chief executive with program staff, chief executive without program staff, and program officer). These document groups aided the analysis phase of this research.

6.3 GRANT ASSESSMENT MOTIVATIONS (RQ1, P1)

To identify grant assessment motivations (RQ1), the interview transcripts as well as foundation documents and websites to a more limited extent, provided qualitative data about the reasons foundations assess grants and foundation beliefs about the purposes of grant assessment. To

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12 The quotation notation is as follows: [PXXX:YYY], with “PXXX” representing the document number and “YYY” representing the paragraph number within the document.
collect insights about organizational identity as a source of variation in grant assessment motivations (P1), the chief executive interview protocol\textsuperscript{13} featured Camillus’ “values, competencies, and aspirations” definition to initiate conversations about and to capture organizational identity. These terms were valuable prompts during the interviews with respect to data gathering. Chief executives quickly grasp this terminology, as evidenced by their easy responses to questions about organizational “values”, “competencies”, and “aspirations”. This last component of the organizational identity definition was particularly important in the context of grant assessment motivation, as it facilitated conversations about how the chief executives not only envisioned but also measured success. Brickson’s organizational identity profiles (individualistic, relational, and collectivistic) greatly facilitated categorization during data analysis. The profile descriptions, nonprofit relationship patterns, and orientation to social value creation all provided important insights for data analysis. (See Section 5.2.1 for Brickson’s organizational identity orientation profiles.)

The reasons CEOs gave for expending resources on grant assessment were initially coded based on references the audience for the assessment and the CEO’s beliefs about the purpose of conducting assessments. Following this process, axial codes were developed, initially based on the evaluations logics framework but ultimately the accountability and learning paradigm was used because it was a better fit with the data.

\textsuperscript{13} The interview protocols for CEOs and CEO-SPs varied slightly. All CEO and CEO-SP interviews began with questions about the foundation’s overall goals and aspirations, its role in the community, the competencies that enabled the foundation to achieve these goals, and the ways in which the chief executive determined if the foundation was meeting its goals. From there, the conversations varied. For CEOs without program staff (CEO-SPs), the interview then followed the systematic RGT process. For CEOs with program staff (CEOs), the conversation extended into more general discussions of grant assessment strategy, particularly with respect to general operating awards.
6.4 GRANT ASSESSMENT PRACTICES (RQ2, P2, P3)

The RGT interview protocol was specifically designed to identify grant assessment practices (RQ2), to determine the presence of variations in grant assessment practices, and to explore sources of variation, including grant type (P2) and grant assessment motivation (P3). The RGT protocol follows a very specific process for identifying variation in grant types and grant assessment practices, which is described here.

The first step in the RGT protocol was to ask informants to identify and define the types of grants in their portfolios. Each informant was presented with a list of grant types, based on common grant categories generally discussed in foundation materials but also specifically listed in the Foundation Center’s grant database: project/program, general operating support, advocacy, capacity building, infrastructure, and capital (building/facility) (Foundation Center, 2014b). Informants selected from and added to the list based on all grant types that they have awarded over the past three to five years. Each grant type was written on an index card.

The index cards were shuffled and presented in random groups of three\(^{14}\) (triads) to the informant. The introductory question was, “With respect to your grant assessment processes and criteria, in what ways are any two of these grants similar to each other and different from the third.” This line of questioning generated constructs from the informant, based on his/her own perspective and experience. Follow-up questions elicited higher level constructs and underlying dimensions from the constructs that the informant offered based on the initial question, e.g., “And how would you describe the process you used to assess the third grant?”; “..Can you tell

\(^{14}\) If an informant only had experience with two grants, dyads were presented, consistent with the RGT literature on this approach (Fransella, et al., 2004):

- “In what ways are any of these two grants similar to each other, in terms of how you assessed it later, after the grant was awarded?”
- “In what ways are they different, in terms of how you assessed it later, after the award was awarded?”
me a little bit more about that process?”; “…and why is that important?”; “Who is the primary audience for that information?”; “Is there other information that you or others would like to have?” The follow-up conversations about their responses also provided insights with respect to motivation. In some cases, informants also discussed organizational values in the context of assessment practices. These insights provided an unexpected affirmation of the inclusion of organizational identity into the conceptual framework for this research study.

Following the RGT literature, the interview continued until the informant either tired or could no longer offer unique constructs. At this point, the list of constructs was reviewed with the informant to eliminate any redundancies and to ensure that each construct related to grant assessment rather than grant selection. In most cases, this step eliminated at least one construct from the final list. From this final list, the informant rated the relative importance of each construct for each type of grant in his/her portfolio on a scale of 1 (not at all important) to 6 (very important). The result of this process was a matrix from each interview, with assessment practice constructs representing rows, grant types representing columns, and cells capturing the importance ratings. In essence, the RGT approach generated a customized oral questionnaire that allowed the informant to rate the relative importance of the different elements of grant assessment as they themselves construe them with respect to the grants in their own portfolios. The resulting matrices provided rich data that captured not only grant assessment constructs but also captured the extent to which grant type was a source of variation in grant assessment practices.

Several scholars have developed unique software packages designed to support the analysis of RGT matrices (Centre for Person-Computer Studies, 2009; Grice, 2008). In addition, Bell (1997) documented specific routines within SPSS to support the RGT. Both IdioGrid
(Grice, 2008) and Bell’s (1997) SPSS routines guided this analysis. These statistical routines utilize both factor analysis and hierarchical cluster analysis (HCA). Factor analysis is most robust when the number of constructs (observations) is a multiple of the number of variables (grant types) (Mundfrom, Shaw, & Ke, 2005). The RGT interviews did not meet this minimum threshold. Therefore, this analysis relied on HCA to identify the conceptual distinctions between grant types as revealed by each informant’s RGT matrix.

In addition, the systematic interview protocols were designed to capture not only grant assessment practices but also grant assessment motivations, through a series of follow-up questions that follow informant descriptions of assessment practices. The transcripts from these interviews generated insights about the relationship between grant assessment motivations and grant assessment practices (P3), following the open and axial coding process described earlier. The transcripts from several semi-structured interviews with CEOs also provided insights about the relationship between grant assessment motivation and practice. The next chapter reports the findings from this data gathering and analysis process.
7.0 RESEARCH FINDINGS

7.1 OVERVIEW

The research questions posed in this study ask if there is variation in foundations’ motivations for and practices of grant assessment, and if so, seek to identify sources of these variations. The propositions suggested organizational identity and grant type as possible sources of variation. Data analysis revealed that organizational identity and grant type are both significant sources of variation in grant assessment motivations. Therefore, the findings about organizational identity and grant type are discussed first, in order to provide context for directly addressing the research questions and propositions initially proposed for this study.

7.2 ORGANIZATIONAL IDENTITY

Organizational identity emerged as a central determinant of foundation behavior, including but not limited to grant assessment motivations. The analysis of interview transcripts, mission statements, public documents, and websites, when analyzed through the lens of organizational values, competencies, and aspirations (Camillus, 2008) demonstrated high fidelity to the three organizational identity orientation profiles developed by Brickson (2007). The relationship between organizational identity and assessment motivations and practices will be discussed later.
with respect to the research questions and propositions. To put that discussion in context, this section describes the organizational identity orientation profiles that emerged from this analysis.

Three distinct foundation identities were evident in this sample. These identity profiles differentiated among foundation identity profiles based on attributes including foundation mission, foundation role, grant-making strategy, organizational structure and competencies, and organizational messaging (website functionality and public document content). These findings are discussed next. The relationship between organizational identity and grant assessment will be discussed later. This section focuses only on the foundation identity profiles to provide a context for discussing the research questions and propositions.

7.2.1 Foundation Identity Profiles

Brickson’s (2007) organizational identity orientation descriptions provide a robust framework for this study. However, the data analysis indicated that some modifications were required to fit the foundation context. For example, Brickson’s terminology did not always seem appropriate to the foundation context. This was particularly true of the profile descriptor, “individualistic”. Individualistic implies self-centeredness, which does not fit well with philanthropy in general and further, does not accurately represent the collaborative spirit of the foundations that otherwise aligned with this profile. The particular foundations included in this profile, based on the shared attributes already listed, work extensively with other funders, nonprofits, corporations, and public sector agencies. However, these foundations do this largely on their own terms and in fields/areas in which they have a specific agenda of their own: “We’re more likely to be involved in the initial discussion, about what it should look like, and if we’re not involved we get involved, so who should the partners be and what’s the sustainability plan. To us, that’s really
important…if we’re the only ones paying for it” [P72:37]. Therefore, the descriptor for this profile was changed to “agenda setter.”

The other two profile descriptors were also modified to more closely match the lexicon of philanthropy. Brickson’s “relational” category was changed to “supporter”, since these foundations are more likely to emphasize organizational capacity building and seek to support, rather than to guide, the initiatives that they fund:

We tend not to play the role of architect and redesign the project for them. We may make some comments along the way, in terms of what we think are the strong parts of the proposal to make a good case. If it is really awful of course, we won’t proceed at all so we spend what we think of as an appropriate amount of time on the due diligence. We are not redesigning the program of your organization [P80:61].

The “collectivistic” descriptor was changed to “community-focused”, since these funders concentrate their efforts advocating for the community’s stated needs rather than the foundation’s own areas of interest.

“Back to the change agent. We spent a lot of time meeting with funders, and with government, with URA, with whoever, to advocate for [XXX neighborhood]. I do a lot of tours. I think every major funder has sat in my front seat. And driven all around. Just to get them interested, familiar with what is going on. I think the [XXX neighborhood] is a very invisible compared to other communities” [P90:59].

The end result of this analysis is a foundation identity typology, captured in the table below. The remainder of this section describes the values and attributes which differentiate these identity profiles. The changes to profile descriptions are described here in order to frame the discussion of findings.
Table 4: Organizational Identity Profiles (Brickson, 2007) with Foundation Modifications (Scherer)

### Organizational Identity Profiles – Foundation Identity Modifications

<table>
<thead>
<tr>
<th>Identity Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualistic – Brickson</td>
<td>Members emphasize the uniqueness of the organization, distinguishing it from other entities, e.g., “our organization”</td>
</tr>
<tr>
<td>“Agenda setter” – Scherer</td>
<td>Foundations that focus on specific social issues, often engage directly in developing grant initiatives. The success metric is achieving the goals of these initiatives.</td>
</tr>
<tr>
<td>Collectivistic – Brickson</td>
<td>Members emphasize connections with a larger, more impersonal group of other entities, e.g., “our community”</td>
</tr>
<tr>
<td>“Community-focused” – Scherer</td>
<td>Foundations that focus on both increasing capacity within the nonprofit sector and developing programs that meet needs identified by community members. The success metric is meeting the community’s goals and overall community well-being.</td>
</tr>
<tr>
<td>Relational – Brickson</td>
<td>Members emphasize dyadic connections with particular other entities, e.g., “our partners”</td>
</tr>
<tr>
<td>“Supporter” – Scherer</td>
<td>Foundations that focus on increasing the capacity of the nonprofit sector and providing programmatic support for initiatives developed by the grantee. The success metric is a healthy nonprofit sector.</td>
</tr>
</tbody>
</table>

### 7.2.2 Mission Statements

Mission statements, vision statements, and guiding principles provided a starting point for understanding organizational identity because these statements usually address organizational values and aspirations. These operational statements distinguished among different foundation identity orientations. Of the 17 foundations in this sample, 15 provided operational statements (some combination of mission, vision, and guiding principles) either through their website or via hardcopy during the interview. Of these 15 operational statements, all expressed a desire to make
an impact in some way. Two simply expressed a desire to “improve the quality of life” for a specific community or population. Thirteen went further in identifying how the foundation aspires to improve quality of life. Of these 13, seven included phrases in their mission statement about being a “change agent” or “catalyst” through direct action, using terms such as “invest”, “create”, “lead”, “reform”, and “advance”. This latter group of mission statements cast the foundation as actively engaged in directly solving problems. In contrast, the other five specifically stated that their desire is to “support” or “aid” nonprofit organizations. These five mission statements emphasize the desire of the foundation to solve problems indirectly by supporting the efforts of the nonprofit and public sectors. Only one foundation included language in its operating statements that referenced the foundation’s role as both directly and indirectly solving social problems.

Collectively, all fifteen of these operating statements suggest a shared “end” – “improving the quality of life” -- but a difference in “means”, with about half seeking to directly engage in addressing social issues and the other half working indirectly by supporting existing nonprofits. The “agenda setter” foundations included the terms “lead” and “change” in their mission statements. The “supporter” foundations included the terms “support” and “help”. The “community-focused” foundations included a specific reference to the geographic area (community) it served. This finding that mission statements ultimately aligned so closely with foundation identity, strategy, and practices was one of the most interesting, as the nonprofit literature features ongoing debates about the utility of mission statements in shaping and predicting organizational performance (Desmidt, Prinzie, & Decramer, 2011). As such, this finding is significant to this literature. Also, there was a very high correlation between the
foundation’s mission statement and the chief executive’s view of the foundation’s role, as discussed below.

### 7.2.3 Foundation Role

The ways in which the chief executive informants conceptualized the foundation’s role emerged as a significant indicator of organizational identity. The chief executives’ perceptions about the foundation’s role in the community emerged throughout the semi-structured interviews in terms of their description of the boards’ role and how the foundation worked with grantees. Most chief executives mentioned other local foundations during this part of the conversation as a means of comparing and contrasting different foundation roles and strategies. This third-party perspective was generally consistent with the perspectives offered by these other CEOs on their own foundations’ roles. The consistency of perspectives is reflective of the high degree of familiarity and collaboration within Pittsburgh’s foundation community, in part because many of these CEOs (at least seven) have served on either the board or staff of another foundation.

Chief executives all bounded the foundation’s role in terms of geography, program area, and/or specific population. Though all chief executives described the foundation’s role in terms of making an impact, they described impact in three different ways that aligned with agenda setter, supporter, and community-focused foundation identity profiles, respectively:

1) Impacting a specific issue or population (here population was not defined geographically but through a shared need or common attribute of a group of people);

2) Assisting the nonprofit sector, in terms of providing programmatic support or building the capacity of the nonprofit sector to address social needs;
3) Improving the well-being of a specific geography, defined as either a neighborhood or community area.

The foundation’s success metric grew out of these perceptions of impact: achieving goals designed to impact specific issues, contributing to a healthy nonprofit sector, and meeting community goals and overall well-being, respectively. These stated perceptions of foundation role and success metric distinguished foundation identity orientations and closely aligned with the foundations’ unique operational statements (vision, mission, and/or guiding principles).

7.2.4 Grant-Making Approach and Strategy

The foundation’s grant-making strategy and strategic planning process also signaled differences in organizational identity orientation. During the interviews, chief executives described the foundation’s approach to grant-making and how it developed its grant-making strategy. In other words, they described the foundation’s strategic planning process. These conversations provided insights on how the foundation translates its perceived role into action and assesses its own impact. In addition, several program officers referenced the foundation’s strategic planning process in the context of grant-making priorities and assessment implications. These insights provided explicit connections between organizational aspirations and grant assessment and are discussed later in that context.

With respect to strategic planning, all chief executives represented their strategic priorities or planning processes as dynamic, but for different reasons which generally fell into two categories: 1) a desire to remain flexible, or 2) a recognition that the foundation was transitioning into a new organizational life cycle. These reasons for a dynamic strategic planning process did not carry clear connections with organizational identity. However, the process in
which the foundation worked through its strategic planning process does have clear connections with organizational identity. The strategic planning process itself provided important clues about the foundation’s core values and how the foundation acted on its perceived role.

In most cases, informants described strategic planning as primarily an internal process, involving the board and staff to various degrees. The extent to which external stakeholders played a role in strategic planning follows the descriptions of nonprofit sector relationships in Brickson’s framework (Section 5.2.1). Foundations that relied solely on internal processes to direct strategy tended towards individualistic language that referenced internal priorities and carving out a unique contribution for the foundation: “We try to go through that process every five years or so. Every year, we look at our strategic initiatives and we may tweak them, based on what we have already done or what’s changed, but we don’t change our strategy” [P76:15].

Several other foundations specifically described strategic planning processes that included a role for external stakeholders and purposely examined how the foundation could best support the nonprofit sector, consistent with the description of relational organizations: “As a foundation, we’re not asking the [XXX population], but we work with grantee organizations and support them, knowing that they’re asking the [XXX population]” [P95:10].

Other foundations described themselves as incorporating community perspectives in other ways, either through staff personally investing time in community relationships or by commissioning community needs assessment reports. “They [the board] recognize getting information from the community is really important” [P100:40]. These foundations articulated a strategic planning process that intentionally engaged community members and centered on developing grant-making strategies that would expressly support the community: “We’re not going to make a major change and that was based on the feedback we heard from the
That is, in contrast to centering the process on how the foundation itself can contribute to the community, the process focused on asking the community what was needed and how the foundation could help. These foundations aligned more closely with the description of collectivistic organizations developed by Brickson.

### 7.2.5 Organizational Competencies and Structure

Organizational structure and action have an iterative relationship and also reflect back on organizational identity over time (Ashforth et al., 2011). In this study, there was a close link between organizational competencies and structure. Therefore, these findings are reported jointly. With respect to organizational competencies, the chief executive interview protocol included specific questions about organizational and staff competencies. In addition, several program officers volunteered information about the skills and attributes that they believe allow the foundation to fulfill founder mandates and to achieve organizational goals. From these conversations emerged two related perspectives on the connection between organizational identity and competencies: 1) board role and competencies, and 2) staff role and competencies. These discussions aligned with the theoretical link between organizational identity and structure (Ashforth et al., 2011; Young, 2001) as well as the link between organizational identity and competencies (Camillus, 2008). Again, this is the reasoning behind jointly presenting findings on organizational competencies and structure.

#### 7.2.5.1 Board Role and Competencies

Board composition (family vs. independent) does not seem to be connected to organizational identity. However, the connection between board engagement and organizational identity is less
clear and could be investigated more intentionally in future research. When asked, “What competencies enable the foundation to achieve its aspirations?”, nine CEOs specifically cited board attributes. In describing board competencies, these chief executives frequently used the term “engaged” and provided examples of board members participating in site visits and in some circumstances vetting initial letters of inquiry. Three CEOs stated that their board is primarily engaged with grants for larger, strategic initiatives and are not as engaged with project, capacity building, or capital grants. Two mentioned that board members were engaged in projects based on their own particular interests. For family foundations, the closer (generationally) the current members are to the founder, the more engaged the board seemed to be. This is not always the case but does seem to be a pattern that might be tested in future research with a larger sample.

Though board engagement emerged as a frequent topic of discussion with respect to organizational competencies (and organizational identity by association), the relationship between board engagement and organizational identity is not entirely clear. Some boards are certainly more involved in crafting strategic initiatives, vetting proposals, and visiting grantees than others. To some extent, the boards of those foundations focused on solving specific problems (agenda setters) or working in specific communities (community-focused) seemed to be engaged in a wider range of activities than boards of supporter foundations. These findings suggest that board engagement warrants inclusion in future research that explores foundation identity orientations, but it is difficult to determine its precise manifestations with respect to hypothesis testing.

7.2.5.2 Staff Competencies and Structure

In the context of philanthropic foundations, organizational identity informs how each foundation perceives its role relative to other actors, with direct implications for staff structure and desired
competencies. The interview transcripts revealed that organizational identity influences the role the foundation expects its leaders and program staff to play in grant-making as well as the staff competencies these roles demand. The relationship between these factors is discussed first, followed by a discussion in the variations detected with respect to organizational identity profiles.

The relationships between staff competencies and foundation role and strategy was familiar terrain and an easy point of conversation for the chief executives in this sample. All the CEOs openly discussed the diversity of staffing strategies (size and desired competencies) within the local foundation community with respect to foundation strategy, operations, and overall impact. Several program officers also discussed staffing strategies during the interview.

Sixteen informants specifically referenced staff competency as critical to enabling the foundation to fulfill its mission and aspirations. Staff competency was described in terms of both professional skills and professional experience. With respect to skills, nine CEOs provided specific examples of the direct contributions that they and/or their staff have made to facilitating problem solving through their own work in the community and with grantees. In terms of professional experience, all but two program officers and about half of the chief executives specifically mentioned their own professional experiences in the nonprofit sector as grant-seekers. The frequency of this reference to nonprofit experience as well as specific comments made during the interviews suggest that professional experience in the nonprofit sector is a desired competency for foundation program staff. “All of us came from nonprofits, and that’s one of [CEO]’s things in hiring; you have to have come from a nonprofit” [P82:45].

Another interesting and related comment about staff competencies speaks to organizational identity, but also hints at broader collaborative dynamics within the local
foundation community. Two CEOs remarked that the foundation’s strategy had changed (or was currently changing) and that this strategic shift had prompted them to seek new/different staff skills: “Now we have people on the staff who can really drill down, look at these very complex projects and really manage those projects…we’re kind of at that crossroads now. We’re building for a larger organization in the future and trying to figure out what that right staffing number is” [P77:19, 60]. Several CEOs and program officers mentioned by name individuals from other foundations whom they believed brought critical field knowledge that benefited the community as a whole: “[XXX foundation] has some really skilled people who themselves are assets in the community” [P91:5]. Four informants mentioned that they relied on staff [mentioned specifically by name] from other foundations that they relied on as resource experts: “I just ran into my colleague [XXX]…and [her/his] deep knowledge of [XXX program area], we would be lost without that, but because [s/he] has [it], we don't have to have it” [P82:23].

Variation in desired staff competencies emerged as an indicator of organizational identity. All chief executives were very generous with compliments about their staffs. However, these compliments emphasized different skills and attributes. These differences provided insights into organizational identity variations, with agenda setter foundations emphasizing staffs’ programmatic expertise and community knowledge:

My program officers ask good questions at the front end about what the goals are and identify ways to measure progress against those goals and from there we measure them [P85:19].

I love XXX [another foundation]. I think they are a great organization. I think they have fantastic staff. I think unlike some foundations where money is the major impact, XXX has some really skilled people who themselves are assets in the community. So it is combination of their funding and their staffing [P91:18].
Chief executives of supporter foundations tended to emphasize their staff’s customer-service orientation, in terms of how the staff treated and interacted with grantees: “I’m hopeful that we have a good level of customer service which allows us to have a good rapport with all sorts of people and individuals. And in that sense, I hope that we’re a caring, gracious organization” [P945:14].

The interviews with program officers from agenda setter and supporter foundations also reflected these differences. That is, program officers described their roles with either an internal or an external emphasis. The program officers from agenda setter foundations emphasized their work with grantees in terms of being out in the community developing and vetting ideas:

I meet with them frequently, meaning he’ll throw a staff meeting together and we basically call them ‘throw mud against the wall’ meetings where I basically say, we have tried this….How’s that working out? How do those work? What else is on the horizon that I am missing? From this…I’ll say, okay, ask us for money to do this. Hold off on that [P79:97].

So there’s an organization called XXX that looks at YYY [specific issues]. So I engaged them around you know do a literature search for me around this question and look specifically what you can see relative to get ZZZ [specific population] in this space. So that was one body of information to help me in this space. Then I asked [person] to look at what's best practice in terms of what we ought to be thinking about relative to outcomes, what ought we to be trying to change… and now I'm coming back to now reviewing both of these sources and we did focus groups with providers and focus groups with ZZZ. This is all part of trying to build this body of knowledge that is going to get us to some assessment. So when I it’s said is a process, it really is a process [P87:153].

The program officers from supporter foundations also emphasized their work with grantees, but from more of an internal, administrative perspective. For example, they talked more about the importance of allowing the grantee to establish grant assessment criteria and providing grantees with some evidence that the foundation reads and appreciates close-out reports:

We ask them to describe the qualitative and quantitative measures that they will use to measure the success of the intervention. So we don't prescribe which measures but we ask them to tell us what they will be using, and I would say there is a very wide level of sophistication around that [P81:22].
I do always try to say something back, I always try to say something, well I just want to let people know I read it, so I’ll say something about this (close-out report) [P82:133].

Overall, the analysis revealed that foundations with agenda setter identity orientations emphasized programmatic expertise in their staff and those with supporter identity orientations emphasized nonprofit experience and “customer service” skills. However, the community-focused foundations did not consistently align with either perspective, and attributes desired by foundations with community-focused orientations were less clear. Intuitively, it would be expected that these foundations might look to hire staff that lived in the community or had the skills and background to quickly build relationships with community stakeholders. However, CEOs did not specifically voice those views, although many staff members of community-focused foundations did have prior ties to the communities that the foundations served.

In terms of staff structure as defined by staff-grant ratios, the statistics varied widely. The relatively small number of foundations in this sample, along with the great diversity of asset size, average grant awards, staff size, and staff responsibilities, made it difficult to render meaningful statistics with respect to organizational structure. One factor complicating this type of analysis is that foundations vary in the percentage of total awards granted to intermediaries (e.g., United Ways or smaller grant-makers working in a specific niche), large health care and higher education institutions, and direct service nonprofit organizations with budgets under $1 million. This is an important point because very large grant awards to established institutions and funding intermediaries may require less in terms of staff resources for selection and monitoring than smaller grants to local direct service organizations that may be under-resourced relative to established institutions.
Another complication is that even when grants support similar organizations in similar ways, some foundations expect program staff to be more active in developing proposals, while others emphasize monitoring, evaluation, and ongoing relationship management with grantees. As a result, it is difficult to determine a connection between staff-grant ratios and organizational identity. As with board engagement, this organizational characteristic could be included in future research with a larger sample but is complicated by the noise generated from differences in the average size of grant awards, staff role, and the extent to which the foundation makes awards to intermediaries and large institutions versus small, direct service nonprofits.

7.2.6 Organizational Messaging

Organizational identity is projected through a variety of messaging devices (Hatch & Schultz, 1997; Ravasi & van Rekom, 2003): discrete documents (either printed or posted on a website) (Bowen, 2009; Kabanoff, Waldersee, & Cohen, 1995), web site design and presentation (Dumont, 2013; Saxton & Guo, 2011), and social media (Guo & Saxton, 2014). To capture these messages, the researcher read and coded 22 annual reports, 25 other public documents (including special reports and forms), and 15 websites. The analysis of these information sources signaled variation in foundation identity orientation. These findings are discussed in two parts: 1) website design and functionality and 2) text content. While almost all foundations in this sample had an active website, very few leveraged social media. Therefore, this analysis does not include Facebook or Twitter content.
7.2.6.1 Website Design and Functionality

In today’s communication environment, websites are valuable sources of information for consumers, producers, and researchers. For researchers, organizational websites provide an opportunity to understand both organizational identity (how the organization understands its own core values and beliefs) and organizational image (how the organization projects its identity to organizational members, external stakeholders, and the general public) (Gioia, Schultz, & Corley, 2000; Hatch & Schultz, 1997). Foundation websites can fulfill a variety of functions, ranging from one-way communication about grant-making priorities to inter-active capabilities that provide prospective grantees with searchable databases and online grant application submission tools. In their analysis of community foundation websites, Saxton & Guo (2011) categorized website functionality along a spectrum of “basic” to “transactional” to “interactive”. These categories did not map directly onto different organizational identity profiles. However, the extent to which foundations choose to invest in and use web-based tools did signal organizational identity, particularly with respect to how they interact with one group of key stakeholders: prospective grantees.

The rubric used to analyze foundation website design and functionality (See Section 7.2 and Appendix J) generated a maximum composite score of 30 points based on presentation (up to 5 points), engagement (up to 12 points), financial & governance transparency (up to 8 points), and performance (up to 5 points). For each item in the rubric, the website received either “0” (not present) or “1” (present). This dichotomous scoring methodology is consistent with similar rubrics (Dumont, 2013; Saxon & Guo, 2011). In this sample, total website scores ranged from 7 to 27, with a median of 19. Websites varied most notably in amount of financial information
provided (“financial & governance transparency”) and technical sophistication (“engagement”). However, the scores reflect differences across all indices in this rubric, as illustrated below:

<table>
<thead>
<tr>
<th>Table 5: Website Analysis Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Foundations in Sample with Active Websites</strong></td>
</tr>
<tr>
<td>Composite Score (30 max)</td>
</tr>
<tr>
<td>• Presentation Score (5 max)</td>
</tr>
<tr>
<td>• Engagement Score (12 max)</td>
</tr>
<tr>
<td>• Financial &amp; Governance Transparency Score (8 max)</td>
</tr>
<tr>
<td>• Performance Score (5 max)</td>
</tr>
</tbody>
</table>

The foundation website analysis revealed several important similarities and differences. In terms of similarities, almost all foundations in this sample provided their mission/vision statement on their website and included information about the foundation’s history and founder(s). One key difference related to transparency about grant-making, with four providing neither financial information (a Form 990 or audited financial statement) nor an annual report. Five others posted either the financial information or an annual report, but not both. Ten of the 15 foundation websites included success stories about their own grant-making efforts, with six posting additional reports to the community on social issues or research findings.

A key difference was the information provided to prospective grantees. While all 15 websites provided information about grant-making interest areas and the types of grant requests considered, five provided searchable databases of past grant awards, ten linked to other resources to support grantee applications, and 11 accepted grant inquiries via e-mail. The difference in website presentation and technical sophistication also varied widely. For example, only a very few websites had no interactive features: no email addresses, no videos, and no streaming graphics. In contrast, several others had a fully interactive website, complete with graphic streaming, videos, and an on-line grantee application system. The “engagement” score reflects
differences between websites with respect to these features. Interestingly, foundation asset size
does not correlate with the information content or technical sophistication of the foundation
website.

However, organizational identity did correlate to website content and technical
sophistication. The researcher ultimately assigned each foundation in this sample to one of the
three foundation profiles described here. Based on those assignments, website scores were
generated for each profile. Those results revealed striking differences, based on foundation
identity:

<table>
<thead>
<tr>
<th>Agenda Setter</th>
<th>Median</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (30)</td>
<td>23</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Presentation Score (5)</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Engagement Score (12)</td>
<td>8.5</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Financial &amp; Transparency Score (8)</td>
<td>6.5</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Performance Score (5)</td>
<td>4</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community-Focused</th>
<th>Median</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (30)</td>
<td>20</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>Presentation Score (5)</td>
<td>5</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Engagement Score (12)</td>
<td>7</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Financial &amp; Transparency Score (8)</td>
<td>4.5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Performance Score (5)</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporter</th>
<th>Median</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (30)</td>
<td>16</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Presentation Score (5)</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Engagement Score (12)</td>
<td>5</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Financial &amp; Transparency Score (8)</td>
<td>4</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Performance Score (5)</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

This finding suggests that those foundations seeking to play a role in change initiatives
(“agenda setters”) are more likely to provide more information through their website and are also
more likely to have more technically sophisticated website presentation and functionality. Those seeking to support the efforts of others (“supporters”) may be less likely to actively invest in projecting any kind of image, or consciously choose to operate with a low-profile (e.g., not posting success stories about their own grant-making). Community-focused funders fall somewhere in between. These results suggest that website functionality is a characteristic to test in future analysis of foundation identity orientation.

7.2.6.2 Public Documents and Web Content

The text captured in foundation documents and web pages also emerged as powerful organizational messaging devices. These texts provided critical information about organizational identity by conveying history, founders’ intent, purpose, values, and grant-making strategies. As web-based technology and Internet access have accelerated, many organizations have moved away from creating individual documents to developing web-based and social media content. For example, an annual report was once the primary means of disclosing staff and board member names, financial information, success stories, and past grant awards. Now, many foundations publish this information as web content, rather than as a stand-alone document. Therefore, this section discusses the text embedded within foundation websites and public documents collectively, rather than separately.

The public documents that are individually posted on the foundation website primarily focused on communicating the foundations’ areas of interest (education, children, youth, cultural arts, environment, etc.), geographic focus, and the types of grants awarded. In this sample, only seven foundations provided a stand-alone annual or biennial report (several posted reports from multiple years). However, almost all provided staff names and information about past grant awards online. Seven published success stories online.
As a result, website content is becoming a more and more robust research resource than are individual documents. The content analysis of these materials revealed that foundations choose to provide different types and amounts of information to the public and prospective grantees. Differences in the types of information is captured in the website analysis rubric. However, the rubric does not adequately reflect the diversity in the sheer volume (amount) of text generated and shared by foundations. For example, the number of rich text format (RTF) pages needed to capture foundation web content ranged from a low of three to a high of 168. In addition, five foundations posted extensive, detailed reports that they have commissioned on specific issues. All five of these foundations fell into the agenda setter identity profile. The differences in sheer volume of online information is an important indicator of foundation identity and role.

In addition to the volume of information, the actual text is another key source of insights into organizational messaging. The text was analyzed through two means: open coding and word counts. The researcher completed the open coding process before generating word counts to avoid any potential biases for the coding process. The open coding process generated a great deal of data about foundation strategy and success metrics that could be mined in the future to test hypotheses about organizational identity and foundation attributes and values. This process generated very little direct information about grant assessment. However, the open coding process did signal key terms that were used to determine if there were any relationships between word choice and foundation identity. After the interviews were transcribed and coded, 30 terms were identified for word counts based on the common themes captured in the final coding scheme. These word counts provide an instructive and concise means of discussing the text analysis. (See Appendix I for the full listing of root word terms and total counts.)
Two critical observations emerged from the word counts that grew out of the open coding analysis. Of the 30 terms, the most often mentioned in public documents was “communit-” (community, communities) (1,405 times), followed by “develop” (1,015). The top five terms, along with “listen”, from foundation documents and interview transcripts are as follows:

<table>
<thead>
<tr>
<th>Table 7: Selected Root Term Occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Documents</strong></td>
</tr>
<tr>
<td>Communit- (root)</td>
</tr>
<tr>
<td>Develop (root)</td>
</tr>
<tr>
<td>Creat-, Innovat- or Entrepreneur (roots)</td>
</tr>
<tr>
<td>Lead</td>
</tr>
<tr>
<td>Learn</td>
</tr>
<tr>
<td>Listen</td>
</tr>
</tbody>
</table>

The emphasis on “community” and “develop” is expressed across foundations. However, the prevalence of “create, innovate, and entrepreneur”, and “lead” is also a function of the extensive content contributed by the agenda setter foundations, who not only mentioned these words more often than the others, but generated a greater portion of the total text available for analysis. Supporter foundations generated fewer and smaller documents, but the terms “develop” and “partner” appeared with relatively high frequency in those. “Develop” was the most common term in the public documents of the supporter foundations.

However, the most interesting finding was not what words foundations chose to use but the words that were not used. The term “listen” was notably absent from the text of foundation documents, websites, and interview transcripts. In fact, “listen” was mentioned only 40 times across all documents, including websites. Thirty of these 40 mentions are attributable to just three foundations: 15 from the public documents of one; 8 from the public documents and interview transcripts of another; and 7 from the public documents of the third foundation.
total, only four of the 27 foundation staff interviewed for this study used the term “listen” at all. Interestingly, even foundation staff that talked about management practices designed to engage the community did not necessarily use the term “listen”.

On one hand, this could simply be a function of word choice. However, there is also a strong argument that “listening”, particularly active listening, differs from “getting feedback” or “talking with others”. Therefore, the absence of this term does seem important. However, this analysis does not signal any clear correlation between the use of the term “listen” and foundation identity organization. None of the foundation identity profiles gave notable attention to using this term, including the community-focused foundations.

7.2.7 Recap: Foundation Identity Profiles

To summarize, the interview transcripts and content analysis revealed variation in organizational identity. The analysis of grant assessment motivations and practices, as discussed later, also revealed that this variation in organizational identity was a source of variation for grant assessment motivations. The purpose of this section was to describe the three distinct foundation identities that emerged from the data to provide a context for addressing the research questions and propositions explored in this research study. Chapter 8 discusses the findings with respect to foundation identity and testable hypotheses in more detail. The relationship between organizational identity and grant assessment will be discussed later in this chapter. The next section discusses grant type, which like organizational identity, itself varied and also emerged as a source of variation in grant assessment motivations and practices.
7.3 GRANT TYPES

Grant types varied widely within this sample and this variation emerged as a central determinant of grant assessment practices, and also influenced motivations. The interview process revealed that foundation staff manage a wide range of grant types, that some grants are more demanding of their time than others, and that some grants are simply more “transactional” [P77:108] than others. In the words of one CEO, “all grants are not created equal” [P102:8]. The interviews also revealed that foundation staff generate, disseminate, and/or consume assessment knowledge in different ways, depending on the type of grant. In the RGT interviews, informants described the diversity of their grant portfolios and the different assessment practices they use for different types of grants: “We ask people 13 months after they received the funds to give us a report. And the report, there are some very specific questions that are tailored to the grant, so those kind of questions would be very different depending on the type of grant” [P94:3]. The assessment practices will be discussed later, in the context of the research questions and propositions. However, to provide context for that later discussion, this section documents and describes the diversity of grants in informants’ grant portfolios.

Both the semi-structured and systematic interviews indicated that grant type was a term that informants were familiar with and used both informally and formally. Informally, informants used this term to talk about different grants they have made. Formally, informants stated that grant type is a required field and defined in foundation grant management computer systems. Also, most foundation websites formally stated the types of grants that the foundation would and would not award. These findings provided clear evidence that grant type was a familiar and also important term for communicating types of support to grantees and tracking grants in foundation grant management computer systems.
The RGT protocol generated detailed information from informants about their grant portfolios. The table below lists the grant types identified by the 19 informants who participated in the systematic (RGT) interviews. This is very descriptive information, but it is an important finding because it captures the diversity and complexity of grant portfolios. As noted in the following table, RGT informants identified between two and nine different grant types in their portfolios, with a median of five distinct grant types. All 19 informants identified project/program grants as part of their own portfolios. Four other grant types were identified by at least six different informants: general operating (15), capital (“brick & mortar”) (15), capacity building (14), and advocacy (6). In addition, eight informants indicated that they had “long term grantees” that received annual grants and/or operated under somewhat different parameters. These grantees were described as those that typically received annual grant awards that the grantee was able to use as needed (discretionary grants) and/or the annual reporting requirements were less rigorous than for other grantees. Descriptions and definitions of these five grant types, as well as annual awards/long-term grantees, are provided following the data presented in the next table:

---

15 The RGT protocol was not used for chief executives with program staff.
Table 8: Grant Types Identified by RGT Informants

<table>
<thead>
<tr>
<th>Interview Number</th>
<th>Total Grant Types</th>
<th>Project</th>
<th>General Operating</th>
<th>Capital</th>
<th>Capacity Building</th>
<th>Advocacy</th>
<th>Long-Term Grantees/Annual Grant</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
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<td>3</td>
<td>2</td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>8</td>
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<td></td>
<td>5</td>
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<tr>
<td>5</td>
<td>6</td>
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<td></td>
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<td>6</td>
<td>8</td>
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<tr>
<td>7</td>
<td>9</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>8</td>
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<td>0</td>
</tr>
</tbody>
</table>

**Median:** 5

**Totals:** 19 15 15 14 6 8
7.3.1 Project/Program Grants

Informants described project/program grants as those awarded for defined project or program expenses, usually for a one-year period. Sometimes project grants cover multiple years, but even in those cases the foundation typically requires an annual interim report and conditions future payment on achieving certain milestones. Informants were more likely to see project/program grants as contractual or transactional in comparison with other grant types: “It is very contractual, so you give the money and they go and do it” [P92:34].

7.3.1.1 Strategic Initiatives (Multi-year Project or Cohort Grants)

Each of the informants from five different foundations defined a separate category of project-like grants. This grant type included project-like grants that were part of one of the foundation’s own strategic initiatives. For purposes of the RGT, these grants were treated as distinct grant types. The precise definition of “strategic initiative” varied somewhat across these five foundations, but these grants were typically described as targeted efforts the foundation was making to effect change within one of its focus areas. These initiatives usually involved more risky, or untested, theories of change. For example, the foundation might have a five, ten, or sometimes even twenty year commitment to addressing a persistently problematic public health or community development issue.

In many but not all cases, the foundation will have sent out a Request for Proposal to address this particular need. The foundation may award multiple grants within this initiative. These grants are much more time-intensive, both on the front-end and the back-end: “for these larger strategic initiatives we have a lot more to say because is there is much more at stake” [P80:61]. For strategic initiatives, the foundation may also provide resources and support over
and above the monetary value of the grant by intentionally inviting other funders to join in, sponsoring conferences, and/or commissioning research.

### 7.3.2 Capacity Building Grants

In contrast to project grants which support a specific aspect of the grantees’ programming, capacity building grants support the grantee organization itself: “I would say capacity building grants are more organization focused” [P81:14]; “Capacity building can be anything…helping them kind of prepare to expand” [P100:14]. Capacity building grants often cover the expenses associated with professional development (skill building or strategic planning), new staff positions needed to support and improve grantees’ internal operations, or equipment, such as computer systems (infrastructure). Some informants differentiated capacity building grants for infrastructure from those for skill building, but others did not. Most but not all foundations were willing to cover direct staff salaries as part of capacity building grants.

### 7.3.3 Capital Grants

Capital grants are awarded to fund new facilities or significant renovations. Of all grant types, the front-end selection process and back-end assessment process for this type varied most widely across foundations. For example, on the front-end, some award capital grants to brick-and-mortar initiatives that they deem important to the community, even if the initiative does not align with their own strategic focus: “[Those are selected] more on value to the community than value to strategy…They are sort of community assets that transcend silos” [P86:53,54]. However, others take the opposite approach, funding only capital campaigns sponsored by grantees with
whom they have a close mission fit and strong, positive, funding history: “For capital, those grants tend to be if the mission of the grantee has to be a really square fit between their and our mission” [P94:7].

7.3.4 Advocacy Grants

In this sample, six informants had advocacy grants in their portfolios. These informants defined those grants as targeted efforts aimed at educating policy makers or raising public awareness about specific social or community development issues. Several foundations specifically avoid advocacy grants, often using the phrase “too political” as a reason for not extending this kind of support. However, others intentionally engage in advocacy to promote specific policy changes that are consistent with foundation initiatives. In fact, one foundation not currently making advocacy grants was in the process of adding this grant type because the staff and board felt advocacy grants were needed to support community change efforts.

7.3.5 General Operating Grants

General operating grants support organizations rather than specific programs or other initiatives. In recent years, awarding general operating grants has been labeled a “best practice” (The Center for Effective Philanthropy, 2006; McCray, 2011). However, these grants are unrestricted, and thus many foundations do not award general operating grants and explicitly state that they do not award general operating grants on their websites. Two of 17 foundations in this sample specifically stated in their materials or on their website that they do not make general operating grants, nine specifically stated that they do, and six didn’t make a statement either way.
However, for general operating grants, informant responses were not always consistent with website information. One informant from a foundation that stated on its website that it would not fund salaries or general operating reported that the foundation actually does make these grants. Four foundations that did not specify either way on their websites also make general operating grants, again according to informants.

The interview transcripts reveal that general operating grants are provided to a very select few, for reasons that are rather intuitive: in giving these grants, the foundation relinquishes control and thus must have a high degree of trust in the grantee: “We allow that great leader, who we trust, to adapt and be flexible to that situation in which he or she is operating in” [P96:30]. Others saw general operating support as a way to help a grantee move forward when it was difficult to know how to address a particular issue or problem: “You just want to look at the quality of the agency, and how they are delivering on what they think is important…We love the strategy. You decide how. Rather than micromanaging…so we love what you are doing, show us your results, here’s the money” [P90:37, 38].

In a couple of cases, foundations have used general operating grants to support certain organizations that they consider assets to the community: “…so if it’s a community where there may be an anchor institution in that community where we provide general operating support” [P87:37]; “Operating is about 5% of our grant-making. These are for the four agencies [that have] a pervasive impact” [P76:29]. However, several informants also noted that they try to avoid general operating grants altogether because discontinuing general operating support is easier said than done: “We try not to have “steady boarders [researcher: steady boarders?]..You know, grantees who are always around” [P76:46]. This informant expressed the concern that general operating support grants can evolve into annual awards, a category discussed next.
8 participants indicated that their grant portfolio included grants to a “special” type of grantee, referred to here as a long-term grantee. However, only one foundation website acknowledged making annual grants. Based on informant feedback, “long term grantees” are nonprofit organizations with special ties to the deceased founder, active family members, or a long history with the current foundation staff or board based on close mission ties and highly successful past grant performance: “We have a small set of what we call institutional grantees. These are more hometown and the founder’s favorites” [P79:3]. Several foundations stated that they also provide annual grants to organizations that fulfill an important function but that they do not believe will ever receive sufficient funding from individual donors or public agencies because of its niche programming: “We’ve been funding [XXX grantee] since 2007, and there is no sustainability. We know there is no sustainability” [P84:29].

This particular foundation believed that this grantee fulfilled an important function but also believed it would never receive sufficient funding from individual donors or public agencies because of its niche programming. In this case, lack of financial sustainability did not translate into low performance but was rather a function of public funding streams. In fact, several program officers expressed the view that long-term grantees were those that consistently demonstrated high performance: “You have a higher expectation, let me put it that way. Of something, for success…with the long-term grantee, even if they have a big idea, there is enough of a track record there that there is rarely a surprise, even with a new idea” [P92:55,62].

Many long-term grantees receive general operating support, but they may also be offered a more abbreviated application and/or reporting process for traditional project grants than is required for most grantees. For example, several informants stated that long-term grantees
typically provide one annual summary of activities which serves as both its “final report” for the prior year’s grant and its application for an upcoming, annual grant award. Long-term grantees are one source of internal inconsistency: “They still have to fill out the same forms, they still have to complete the same application, but I would say rules for long-term grantees are sometimes a little different…this is tough because they know the rules are different” [P86:28,49]. Therefore, they were separately identified in the RGT protocol to differentiate the assessment process from the informant’s other project/program and general operating grantees.

7.3.7 Organizational Identity and Grant Types (N1)

The conversations with chief executives about foundation role and grant-making strategy hinted at a connection between organizational identity and grant type that was confirmed through the analysis of the RGT data. This generated a new, unanticipated finding (N1) that suggests that organizational identity influences the types of grants that foundations will offer. Since the researcher did not have access to precisely coded grant award data from each foundation, this claim cannot be quantified in terms of the number of grants or grant award amounts. However, it can be confirmed through the grant portfolios of those interviewed and the statements made by chief executives. These data sources indicate two distinct differences: 1) agenda setter foundations either do not make or seek to minimize capital grants, and 2) supporter foundations either do not make or rarely make, advocacy grants.

The link with organizational identity, as interpreted through the interviews, is that agenda setter foundations seek to impact issues, not necessarily organizations or institutions: “We are known to be interested in the body of work, the project itself. The capacity of the organization to deliver it is something we expect. We don’t invest in it separately” [P75:56]. Therefore, they
focus grant awards on projects and minimize capital grants awards. Program grants provide a more direct means of intervention, whereas capital grants have a much more indirect connection to the alleviation of specific social challenges. Agenda setter foundations will also make capacity building grants to support project-based initiatives but are less likely to support capacity building for the sake of simply strengthening an organization. In some cases, agenda setter foundations will actually require grantees to engage in capacity building of some sort, again in support of a specific project-based initiative.

Supporter foundations prefer to make grant awards that boost grantee capacity. With respect to advocacy grants, supporter foundations were the least willing to get involved with these grants. Only one informant from a supporter foundation reported making an advocacy grant. During the interview, this particular informant revealed that this grant had been an exception to the foundation’s rule of not making advocacy grants. Several informants from supporter foundations, including this particular informant, said they avoided advocacy grants because those awards were too political: “We stay away from that because it is political, and we stay away from political” [P84:20].

Community-focused foundations award both capacity building and capital grants that benefit the overall community, and both agenda setter and community-focused foundations make advocacy grants as a means of addressing systemic issues that are barriers to community well-being or to solving specific issues. As will be discussed later, future research into the composition of foundations’ entire grant portfolios might reveal more precise links between identity profiles and grant types. For example, general operating and capacity-building grants may be a larger portion of the total portfolio for supporter foundations than for the other two identity profiles. Data to test that connection does not appear to be reliably available from
existing external sources but would provide an important source of information for future research.

7.3.8 Recap: Grant Type

To summarize, the variety of grants included within foundation portfolios emerged as an important source of variation in grant assessment motivations and practices. The information provided here describes these different types of grants in detail in order to provide a context for addressing the research questions and propositions.

7.4 GRANT ASSESSMENT MOTIVATIONS (RQ1, P1)

The first research question explored in this study asked: *What are foundations’ motivations for assessing grant performance? Is there variation in these motivations? If so, to what extent, and what accounts for these various motivations?* The first two parts of this question generate descriptive responses. The last part of this question, and Proposition 1, requires explanations drawn from theory, informed by Brickson’s organizational identity orientation profiles. The descriptive findings of variations in assessment motivation are reported first, followed by a discussion of the sources of variation.
7.4.1 Variations in Assessment Motivations (RQ1)

To the question, *What are foundations’ motivations for assessing grant performance?*, the analysis suggests the answer is: accountability and learning. Assessment motivations were identified from the interview transcripts through informant responses to follow-up questions about the reasons informants provided for evaluating grants retrospectively. Hall’s (2014) evaluation logic framework suggested three different evaluation motivations: 1) capturing impacts, 2) understanding process, or 3) discovering lessons learned – unintended and intended consequences. However, this framework did not emerge from the data analysis with respect to grant assessment motivations.

Instead, the analysis revealed that all informants articulated the same two primary motivations for assessing grants: accountability and learning. This is not a new insight and should not have been a surprising discovery. Many other scholars have noted accountability and learning as dual benefits of performance assessment in general (Buckmaster, 1999; Ebrahim, 2005). However, the conceptual framework assumed that evaluation logics would emerge as the source of motivation with more nuanced insights than the accountability/learning paradigm. Counter to initial expectations, it did not.

The evaluation logics framework lacked consistent attention to accountability and learning and did not capture the differences in “to whom” accountability and learning were focused. Through a thorough re-examination of the research question and the evaluation logics framework, the researcher came to the conclusion that evaluation logics was not a good choice for the grant assessment motivations framework. In essence, the research question asks: “Why do foundations choose to expend resources to assess grants?”, whereas the evaluation logics framework responds to a slightly different question: “Why do foundations choose to use some
evaluation practices rather than others?” This question is similar to those posed in the evaluation use literature. Therefore, in retrospect, the evaluation logics framework was not a good fit for unpacking motivations for expending resources on evaluation. However, different evaluation logics were evident in the interview transcripts. These differences emerged as an element of organizational identity to a limited extent. This connection is discussed further in Section 7.5.3, where it is presented as a possible point of exploration for future research but not as a robust finding.

Returning to the interview transcripts for other insights about grant assessment motivations, consistent themes emerged with respect to learning and accountability. In this study, all informants indicated that grantee accountability motivated grant assessment. To them, the “check the box” approach to evaluation, often described as “Did the grantee do what they said they were going to do?”, symbolized the organizational accountability of the grantee and also suggested a principal-agent relationship between the funder (principal) and the grantee (agent). In addition, almost all informants mentioned that learning motivated grant assessment. Those informants who mentioned learning each did so in the context of foundation learning, i.e. to improve future grant-making.

Within both accountability and learning, multiple perspectives on “to whom” or “for what purpose” delineated grant assessment motivations. Most expressed that at a basic level, the assessment process they used provided a means of monitoring to determine that grantees spent the grant award as intended (grantee accountability). Beyond grantee accountability, informants also expressed three other conceptualizations of accountability, including stewardship accountability (to the foundation), stakeholder accountability (to the community), and accountability to grantees (to be respectful of the “net grant”).
Stewardship accountability perspectives emerged in how informants described their motivation for ensuring that grant dollars were spent wisely. Accountability to grantees emerged from other informants as they discussed the tension between fulfilling their accountability for monitoring grants and not over-burdening grantees. These informants indicated that their approach to evaluation was intentionally designed to limit the demands placed on grantees by either 1) limiting reporting requirements so as to not over-burden grantees or 2) ensuring that grantees knew their final reports were read by writing customized follow-up letters to grantees. Stakeholder accountability to demonstrate that foundation resources are being allocated in a manner consistent with the community’s stated needs and interests: “We brought everybody, and we had facilitated community conversations like this was what we thought we heard three years ago, this is what we’ve done, is there anything that we should refine” [P101:56].

In terms of learning, most made some reference to learning in the context of improving the foundation’s grant-making: “So trying to create it in a way that would focus on learning and capturing those sort of conclusions, making recommendations for future funding or strategy” [P86:51]. As with accountability, however, there were several conceptualizations of “who” would learn from the assessment process. Some hoped that grant assessment would improve the grantees’ organizational outcomes, others wanted to generate knowledge within a specific programmatic field, and still others wanted to share knowledge with community stakeholders. The knowledge generation/sharing motivation was particularly evident when there was uncertainty regarding the underlying theory of change and a strong desire to share results with others: “For the stellar outcomes, that’s one where we actually say, ‘Here, look at this grant,’ in our newsletter” [P84:4]. These perspectives suggest that there are two motivations for grant assessment: accountability and learning. Within each of these, there is also variation:
• Primary accountability motivations:
  o Of the grantee, i.e., “Did the grantee do what they said they were going to do”
  o To the grantee, i.e., to minimize the burden of assessment itself
  o To the foundation, i.e., stewardship accountability to the foundation itself to ensure foundation resources are spent wisely and responsibly
  o To stakeholders, i.e., to demonstrate to community members that the foundation resources are spent in a manner consistent with stakeholder interests

• Primary learning motivations:
  o Foundation learning, to improve its own grant-making
  o Field learning, to generate and disseminate knowledge
  o Grantee learning, to improve grantee results and grantee capacity
  o Stakeholder learning, to mark progress toward stakeholders’ goals

In terms of the source(s) of variation in grant assessment motivation, the analysis suggested that organizational identity and grant type are both significant factors. These findings are discussed next.

7.4.2 Sources of Variation (P1)

The prior section reported the finding that foundations’ motivations for assessing grants vary. The initial proposition was that evaluation logics was a source of variation. The evaluation logics framework suggested that foundation motivations stem from different conceptualizations of evaluation, i.e., as outcomes, process, or learning. Instead, the analysis of the transcripts indicated that foundations are motivated to evaluate grants for the same two reasons: accountability and learning. However, the analysis revealed variation in the interpretations of
accountability and learning. Based on the interview transcripts, the source of this variation appears to be primarily rooted in the foundation’s organizational identity but also influenced by grant type. The influence of organizational identity is discussed first, followed by grant type.

### 7.4.2.1 Organizational Identity and Grant Assessment Motivations (P1)

Organizational identity is linked with foundations’ conceptualizations of accountability and learning, as illustrated in the table below and discussed here.

<table>
<thead>
<tr>
<th>Table 9: Organizational Identity and Assessment Motivations</th>
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<tbody>
<tr>
<td>Agenda Setter</td>
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<tr>
<td>Primary Accountability Motivations</td>
</tr>
<tr>
<td>• Of the grantee</td>
</tr>
<tr>
<td>• To the grantee</td>
</tr>
<tr>
<td>• To the foundation (stewardship)</td>
</tr>
<tr>
<td>• To the community</td>
</tr>
<tr>
<td>Primary Learning Motivations</td>
</tr>
<tr>
<td>• Share results internally to improve own grant-making</td>
</tr>
<tr>
<td>• Share learning with others to encourage replication</td>
</tr>
<tr>
<td>• Grantee learns, improves results and own capacity</td>
</tr>
<tr>
<td>• Share learning with community stakeholders to mark progress toward community goals</td>
</tr>
</tbody>
</table>
With respect to accountability, all informants indicated that one motivation for grant assessment was grantee accountability, i.e., to ensure that the grantee spent the grant award in a manner consistent with the grant agreement: “Did you do what you said you were going to do?” [P87:5]. Aside from that, accountability remained a motivation, but through three distinct lenses: to the grantee, to the foundation, and to other stakeholders. In particular, at least within this sample, stewardship accountability appeared very highly correlated with the motivation of agenda setter foundations:

It is an accountability for money. So the way I look at it from the foundation is that we’re like a bank. We’re making kind of a loan and it’s the social impact kind of thing, like we’re making sure the money is being spent like it needs to be spent. So it’s just not like back in the day when, oh, we’ll give you money [P84:101].

I think at the end of the day, we really are trying to say, with this investment, that the board has entrusted us to manage, are we managing it well [P87:40].

This may be because these organizations, with their focus on problem-solving, voiced a desire to assess grants, and their own foundation overall, to better understand the institution’s impact as a stewardship accountability.

Supporter foundations were more likely to express a sense of accountability to grantees with respect to assessment, e.g., to minimize the reporting burden on grantees. This perspective is consistent with the identity orientation of valuing relationships and generating social value through capacity building, in that the funder does not want to over-burden the grantee in a way that distracts the organization from fulfilling its core mission:

We try to be thoughtful and respectful about the amount of time that we know [the final report] takes, and everyone here has worked on the other side, and we know how much work it takes to put together the information, and it's the least fun part of the job. But we all have a job of accountability, right, so I think it's just the facts [P95:114].

More often we try to use the data that’s available to the organization to see whether what they care about was achieved, and if we didn’t care about what they care about, then we wouldn’t have been funding it in the first place [P96:10].
“Community-focused” funders were more motivated to conduct grant assessment to demonstrate accountability to their stakeholders, usually defined as community members:

If you are trying to mobilize a community to action, impact becomes important because it can become a mobilizing factor itself. Because people get excited about seeing results… And perception drives reality. If a community feels it is better this is 90% of the ball game [P91:66,70].

We recognize that beyond legal requirement, we are accountable to the community, just as we demand accountability of our grant recipients and associates [P12:4].

In terms of learning, all informants voiced the view that grant assessment helped the foundation improve its own grant-making. From there, however, the focus of the learning varied again based on organizational identity. Agenda setter foundations were more likely to make concerted efforts to publicly share results, particularly success stories, with other agencies through conferences, and/or their own website or reports (See Section 7.2.6), and to state a desire that they hoped these success stories encouraged replication: “We always convene a meeting if we are seeing success somewhere… because this is really cool, and I want everyone else to hear about it” [P75:127].

Supporter foundations’ primary motivation for learning focused on grantee learning and capacity building rather than foundation learning. That is not to say that supporter funders do not learn from grant assessments but rather that the focus of the learning is on the grantee. They may share results privately with other grantees but are less likely to see their role as building knowledge in the field through publicly sharing results:

We said in the case of [XXX grantee]… you need to know and you want to know the answers to these [final report] questions too because if I don't ask you the [CEO of XXX] … will want to know the answers. You need to develop all this [final report questions/criteria] for yourselves, not just for us, so that when you prepare your reports to submit data. These reports are not just reports that you use once, they are reports to [foundation], they are reports to yourself so you can see if you are making progress or not [P80:47,48].
The focus of learning through grant assessment among community-focused funders was in some ways a mix of the two previous types. Community-focused funders seek to learn for themselves and for their stakeholders about what works and what does not. This may be related to their identity as a community resource. As such, assessments of the foundation’s efforts are an example of a direct accountability to the community, with the foundation itself highly engaged in the learning process and sharing the results with stakeholders to assess progress towards the community’s stated goals:

I am interested in evaluating how we’re doing over time with impact on the community as a whole [P91:46];

We also ask about lessons learned. So, what did you learn through this grant, what would you do differently? And then we look, did they learn anything that perhaps might help support another project? So that's part of the evaluations. It’s not all just, did you meet the targets? That’s important, but what did you learn and how can you apply that to better serve your customers? [P101:89]

7.4.2.2 Grant Type and Grant Assessment Motivations (N2)

The foundation’s organizational identity and motivations for grant assessment were not always internally consistent across all grant types. In this way, grant type emerged as an unanticipated finding, labeled here as N2. This inconsistency appeared with respect to three grant types in particular: capital grants, “strategic initiative” grants, and annual grants for long-term grantees. These three grant types may also be awarded for different reasons, which might signal yet another source of variation for future research.

As discussed in Section 7.3 with respect to grant types, foundations vary in their willingness to award capital grants and in the types of assessment practices they use. Some foundations assess these grants based on project completion, while others seek evidence of impact:
I would say success is a little bit easier to measure for capital and bricks and mortar because it is concrete. Did the building get built? Did the money get raised? [P81:14].

If you are doing a capital campaign, so you’re opening a new center. The grant report will reflect that yes, we’ve opened this new center. Okay, that’s great, but what is this new center going to bring to the community? [P84:8].

For example, some foundations award capital grants to support initiatives that are more important to the community (broadly defined) than to the foundation’s own specific mission. High-profile capital initiatives may receive funding not because they are important to the foundation’s own goals but because these initiatives are important to peer foundations or to important community constituents.

Sometimes we’ll do those. It might not be directly in our sweet spot, but because we see it as important to the larger region and you know, important to our partners, our colleagues in the funding community, we’ll step up. So we just recently gave some support to [XXX grantee]. It’s not really in our bailiwick, but we know it’s an important regional asset, so we’re going to invest in it [P92:63].

These grant requests and awards particularly challenge internal consistency for agenda setter foundations since these grants create outliers within their own, intentionally designed, grant portfolios. That is, these grants do not fit within the funders’ grant assessment metrics and strategic planning framework. Several informants from agenda setter foundations specifically mentioned past capital grants that fell into this category and that these grants generated challenges with respect to grant assessment: “[Capital grants] are assessed more on value to community than value to strategy…they are sort of community assets that transcend silos” [P86:53,54].

Assessments of “strategic initiative” grants are also motivated for different reasons and also assessed through different practices. Agenda setter foundations seem to make the most “strategic initiative” grants, but supporter and community-focused funders may also have some
grants that they consider to be “strategic initiatives.” As described earlier in Section 7.3.1.1, these grants are experimental but promising and represent significant financial awards. For example, the grant may be for an initiative that relies on an untested theory of change, is risky but has significant upside potential, or is a demonstration or pilot program the foundation hopes to take to scale (or hopes that another foundation or public agency will take to scale). The motivation for assessing these grants is at least as much about learning as it is about accountability. Learning emerges in the context of the foundation wanting to know the effectiveness of the initiative itself: “It is more exploratory. It is much more trying to learn and understand” [P92:58]. As such, for “strategic initiative” grants, learning is broadly defined as “all of the above”, i.e., field learning, foundation learning, stakeholder learning, and grantee learning. Accountability is also a factor in that the foundation wants to quantify the impact as part of learning the overall result. Specifically, accountability emerges in the context of stewardship accountability to the foundation because these initiatives represent significant financial awards.

As noted later, grant assessment practices are also frequently unique for these grants. Specifically, these are the only grants that foundations consistently referenced as potentially warranting formal, third-party evaluation. This is not to say that all of these grants are formally evaluated, but rather that foundations might at least consider external evaluation to capture the impact and lessons learned from these efforts. The specific discussions around formal evaluation will be addressed in greater detail within the context of grant assessment practices. However, the foundation and field learning motivation for formal evaluation was very strong: “At the time in Pennsylvania…we had no [XXX policy field] agenda in the state. So there, you actually needed to do the more scientific rigorous assessment work because what we wanted to document
longitudinally was what is the effect on [XXX population] of [XXX policy field]...that data...eventually affected state policy” [P85:13].

Annual awards to long-term grantees are another type of grant that challenges internal consistency. Some foundations, particularly supporter funders, provide annual awards to organizations which have special ties to their founders or family members, either deceased or still active, but are less aligned with the foundation’s current strategy. Agenda setter foundations tend to avoid annual awards as much as possible. However, supporter funders are more drawn to long-term relationships and thus may have more annual awards in their portfolios. The motivations for assessing these grants are different in large part because the relationship with the grantee is so different: “I’ll meet with the executive director once a year or visiting if not every year every couple of years or at least having some phone conversations to be brought up to date” [P73:19].

In addition, many informants expressed the sentiment that the outcomes of some grants are simply more predictable than others. This was mentioned most frequently with respect to project grants that utilized a familiar theory of change or were simply intended to generate outputs, e.g., a food bank. In the case of these “more predictable” grants, the foundation has limited expectations for learning: “How much food did you give; number of folks that were served. We think for those, that is to require more would be costly and of questionable value” [P90:45]. As a result, grant type also interacts with both grant assessment motivations and practices. That is, more predictable grant types, specifically project grants, may be assessed differently, and for different reasons, than less predictable grant types, such as strategic initiatives: “If you know…your grant, you know, clearly helped in some way or another… I think there’s less of a compelling desire to evaluate or have the organization prove the
effectiveness of the grant because it's almost counterproductive or inconsistent with what you’ve done” [P91:22]. This finding suggests that grant type, along with organizational identity, influences grant assessment motivations.

### 7.4.3 Recap: Grant Assessment Motivations (RQ1, P1)

In response to RQ1, *What are foundations’ motivations for assessing grant performance? Is there variation in these motivations? If so, to what extent, and what accounts for these various motivations?*, this analysis demonstrates that foundation motivations for assessing grant performance are accountability and learning, that there are variations in these motivations, that the variations are extensive and nuanced, and that organizational identity and grant type are sources of variation in assessment motivations. Organizational identity predicts assessment motivations more consistently than does grant type. However, grant type can amplify or in some cases alter the foundation’s primary motivation, as evidenced in the case of grants for strategic initiatives, capital projects and annual awards. As a result, grant type also influences grant assessment motivations and thus helps to explain internal inconsistencies in assessment motivations when only organizational identity is considered.
7.5 GRANT ASSESSMENT PRACTICES (RQ2, P2, P3)

In response to the second research question, “What practices do foundations use to assess grant performance?”, the findings from this study revealed that foundations assess grants across multiple dimensions, described below. With respect to the follow-up questions, “Is there variation in their practices? If so, to what extent, and what accounts for these various practices?”, the findings of this study demonstrate that there is variation in their practices, and further, that grant type and grant assessment motivations are sources of variation in these practices, as suggested by Propositions P2 and P3.
7.5.1 Variations in Assessment Practices (RQ2)

As discussed in Section 6.2, the interview transcripts were coded in two phases, 1) open coding, and then 2) axial coding, followed by selective coding and categorization. The process of gathering the RGT data revealed significant variations in grant assessment practices. In this study, each RGT informant generated a median of six assessment practice constructs, for a total of 88 different constructs. Once similar terms were combined, these 88 constructs fell into 31 distinct codes. The cumulative distribution of these codes flattened (i.e. no new constructs) after the 10th of 17 interviews (See Appendix K). Through an analysis of these codes, the dimensions of evaluation framework developed by Tassie et al. (1996) was used to categorize assessment practices.

To capture assessment practices axial codes were initially structured to follow the dimensions of evaluation framework crafted by Tassie et al. (1996). However, this approach did not fully capture the intricacies revealed by informants. Therefore, the researcher made several modifications to the descriptions and the number of categories within each of the dimensions, and one dimension was added to the original framework. These descriptive and categorical modifications represent one finding of this study. These changes are explained below and illustrated in the next table.

- **Scope**: Tassie et al. (1996) defined scope as the unit of analysis being evaluated. This dimension directly translated into the context of the transcripts but the terminology did not. Therefore, the number and conceptualization of the categories were kept, but two of the terms were changed: “agency” to “organization” and “system” to “community.”

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16 Nineteen interviewees provided grant type information as part of the RGT process. The researcher did not proceed with the RGT process for two of these 19 because the foundations they represented were developing assessment processes.
• **Method**: Significant changes were made to this dimension of evaluation based on informant context. First, the “formal” and “informal” categories did not translate well. Informants considered “formal” evaluation to be some combination of “academic” and “expensive”, yet they did not consider anything they did internally to be “informal.” The coding and analysis suggested three method categories: quantitative (numeric), qualitative (second-hand narratives), and experiential (first-hand experiences, meaning the staff person’s own experience based on his/her personal experience with grantee, beneficiaries, etc.) Therefore, qualitative information was delineated based on the source: experiential, as information gathered by the foundation staff and discussed in the first person; and qualitative, as narrative information gathered from others. This emerged as an important factor because informants listed more criteria that included personal experiences than second-hand stories (23 and 8 occurrences, respectively).

• **Focus**: Significant changes were also made to this dimension. “Process” and “outcome” did not capture the diversity of informant responses. Informants differentiated between outputs and outcomes, favoring one or the other in different contexts. Informants also often referenced “collaboration” and personal relationships as important and distinct. These were coded as “engagement”. “Learning” was added to encompass references to both process and outcomes in the context of “lessons learned”.

• **Process**: This is an additional, new dimension. The informants consistently mentioned several distinguishing criteria in grant assessment that were not captured in the Tassie et al. (1996) framework: 1) degree of difficulty assessing whether or not the grant was successful, 2) predictability of the outcome, and 3) intensity of the assessment process itself.
Table 10: Dimensions of Evaluation (Tassie et al., 1996) with Modifications (Scherer)

<table>
<thead>
<tr>
<th>Tassie et al. (1996)</th>
<th>Scherer – Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation Scope. Unit of analysis being evaluated</strong></td>
<td>Evaluation Scope. Similar approach (unit of analysis being evaluated) but category descriptions changed to follow informant context and terminology</td>
</tr>
<tr>
<td>• Program</td>
<td>• Program</td>
</tr>
<tr>
<td>• Agency</td>
<td>• Organization</td>
</tr>
<tr>
<td>• System</td>
<td>• Community</td>
</tr>
<tr>
<td><strong>Evaluation Method. “How the evaluation is carried out”</strong></td>
<td>Evaluation Method. Different definition: “Type of information incorporated into the assessment” and category descriptions changed to reflect informant context</td>
</tr>
<tr>
<td>• Formal</td>
<td>• Quantitative (Tangible items, data, indicators)</td>
</tr>
<tr>
<td>• Informal</td>
<td>• Qualitative (Stories, narratives, feedback from others)</td>
</tr>
<tr>
<td></td>
<td>• Experiential (Personal experiences from site visits; Personal relationships with grantee leaders; Foundation history with grantee organizations)</td>
</tr>
<tr>
<td><strong>Evaluation Focus. “What is being evaluated”, e.g., the end results (outcomes) or means (process)</strong></td>
<td>Evaluation Focus. Same definition but with more differentiation between categories:</td>
</tr>
<tr>
<td>• Outcomes</td>
<td>• Input (Doing the right things, e.g., adopting best practices)</td>
</tr>
<tr>
<td>• Process</td>
<td>• Output (Specific number or deliverable)</td>
</tr>
<tr>
<td></td>
<td>• Indicator (Outcome or proxy indicator)</td>
</tr>
<tr>
<td></td>
<td>• Engagement (Collaboration with other organizations or funders, Interactions with clients/community members)</td>
</tr>
<tr>
<td></td>
<td>• Learning (Lessons learned, discovery)</td>
</tr>
<tr>
<td><strong>N/A</strong></td>
<td>Evaluation Process. Overall demand of the assessment process on foundation staff</td>
</tr>
<tr>
<td></td>
<td>• Relative difficulty of assessing the grant (e.g., “ability to define a win”)</td>
</tr>
<tr>
<td></td>
<td>• Relative predictability of the outcome</td>
</tr>
<tr>
<td></td>
<td>• Relative intensity of the assessment process (e.g., extent of board/staff involvement)</td>
</tr>
</tbody>
</table>

This modified dimensions of evaluation framework represents the final coding scheme used to analyze grant assessment practices. This framework was extremely useful as a descriptive and categorical tool for identifying variations in grant assessment practices and identifying sources of variation. The variations are specifically identified within each dimension.
That is, grant assessment practices varied widely based on the scope (unit of analysis), method, focus, and process. In addition, some grants were assessed based on more than one sub-category within each dimension. For example, the process component may include both outcomes and lessons learned in some cases, while in others the process component may only include outputs generated from the grant. As a result, there are a great many combinations of assessment practices. However, patterns did emerge through the RGT analysis, which led to specific findings about the sources of variation in practices. These are discussed next.

### 7.5.2 Sources of Variation (P2, P3, N3)

The analysis of the RGT data and interview transcripts revealed that grant assessment practices are influenced by two factors: grant type and grant assessment motivation. These are discussed in this order. Organizational identity may also influence grant assessment practices, through the foundation’s own evaluation logics. This is a tentative finding (N3) discussed separately.

#### 7.5.2.1 Grant Type (P2)

The RGT process generated quantitative data based on the relative importance rating that the RGT participants assigned to each construct (assessment practice) for each element (grant type). This process created a matrix for each RGT informant, with rows representing grant assessment practices, columns representing grant types, and the cells representing the relative importance of each practice for each grant type. (See Appendix L for an example of an RGT matrix.)

Though informants’ grant portfolios varied widely (even among informants from the same foundation), the hierarchical cluster analyses (HCA) revealed clear distinctions between their conceptualizations of and assessment approaches for three different grant types: project,
general operating, and capital (“brick & mortar) grants. (See Appendix M for sample HCA output.) This finding does not necessarily imply that all participants conceptualize these three grant types in exactly the same way. This finding does indicate, however, that all participants conceptualize these grants as distinct types for purposes of grant assessment. At least two of these grant types were included in the portfolios of all RGT informants. In each case, two of these three were at polar ends of the cluster analysis of each informant’s RGT matrix. This finding provides quantitative evidence that grant type is a source of variation in grant assessment practices. This finding is also supported through analysis of both the semi-structured and systematic RGT interview transcripts.

The RGT interviews elicited information about grant assessment practices very methodically by asking about assessment practices for the informant’s complete grant portfolio. However, chief executives also engaged in discussions about the similarities and differences between grant types, specifically general operating grants relative to project grants. In combination, the interview transcripts and RGT analysis revealed that grant assessment practices vary most notably between project, general operating, and capital projects. Grant assessment practices also vary for advocacy grants and capacity building grants. Advocacy grants did not emerge as strongly in the HCA analysis because a relatively small number of informants carried these grants in their portfolios. Capacity building grants did not emerge more significantly different than other grant types. However, these grants were in some cases discussed extensively by informants, especially those from supporter and community-focused foundations. Therefore, assessment practices for those grants are also described here.

The following is a detailed discussion of the practices that foundations used to assess the five most commonly mentioned grant types: project, capacity building, general operating,
capital, and advocacy. Descriptions of each grant type were provided earlier but are also briefly reitered here as a point of clarification. In addition, this section includes a discussion of how foundation professionals in this sample assess annual grant awards made to a particular subset of grantees, termed here as “long-term grantees”. This section concludes with a comparison of assessment practices across the dimensions of evaluation for the three grants types that differed most notably.

**Project Grants**

Informants described project grants as those awarded for defined project or program expenses, usually for a one-year period. Sometimes project grants cover multiple years, but even in those cases the foundation typically requires an annual interim report and conditions future payment on achieving certain milestones. With respect to assessment, scope was typically programmatic and most participants consider these grants relatively easy to assess and the most amenable to quantitative methods. For example, these grants were often for tangible items or had an output metric that related directly to the program or project: “When it comes to the actual programming of something, we are looking at how many people were they able to meet the needs of, was the programming run on time, was it run in the area that it was supposed to run in, did they have an increase in…the number of participants?” [P83:12]. Grant-makers were also more likely to see project/program grants as contractual or transactional: “It is very contractual, so you give the money, and they go and do it” [P92:34].

Since these grants are typically for one year, grant-makers openly acknowledged that efforts to quantify impact or outcomes lean heavily on output numbers or sometimes intermediate proxy indicators: “Indicators are more output numbers, measurable percent change on an indicator; always looking at impact on a specific population. Never, hardly ever, care about
organizational impact” [P76:28]. For many project grants, informants didn’t see value in asking for more than output data, as in this example of a grant to a food bank: “How much food did you give; number of folks that were served. We think for those, that is to require more would be costly and of questionable value” [P90:45].

**Strategic Initiatives (Multi-year Project or Cohort Grants)**

Within the project grants category, several informants identified at least some of their project grants as part of one of the foundation’s own strategic initiatives. These initiatives usually involved more risky, or untested, theories of change. As a result, the back-end assessment process and the front-end selection process, are much more intensive than for typical project grants. In addition, the foundation may award multiple grants within this initiative. For these initiatives, the foundation usually tracks specific community-wide indicators to mark progress over time, with the specific grants aligned to track project-level, intermediate proxy indicators: “The grant I was describing to you represents a strategy we have for a particular grant, but it doesn’t tell you on the meta-level, is the foundation making an impact. So for that we have to begin to aggregate data from individual grants and maybe look at larger community-wide indicators” [P85:12].

Field and foundation learning were consistent motivations for assessing strategic initiatives: “Each engagement has its own specific set of benchmarks and in some cases we are still learning from those…and we're using the first couple of years of experience to build the indicators” [P80:25]. For these initiatives, the foundation is admittedly learning as it goes and thus the outcomes of the grant are much less certain:

In a new initiative, you’re much more tolerant of ambiguity [P80:25];
I’ll get a report back that says, well we thought we would do this, we tried this and we thought we’d have this outcome, but we got that outcome. You know, you are ready for that. You want that here…your expectations are not as high, it is more exploratory. It is much more trying to learn and understand [P92:56,58].

This uncertainty also means that funders are less able to articulate grant assessment criteria up-front. In fact, sometimes they do not have purely objective indicators for assessing the grant retrospectively. Instead, they often rely on the “wisdom of the crowd.” That is, the extent to which the project attracts other funding: “For some of those larger initiatives, your evaluation is based on whether other funders buy in” [P77:35]; “As those startups hopefully grow and hire more people, have future investors that like them and fund them in future funding rounds” [P80:29].

**Capacity Building Grants**

In contrast to project grants which support a specific aspect of the grantees’ programming, capacity building grants support the grantee organization itself: “I would say capacity building grants are more organization focused” [P81:14]; “Capacity building can be anything…helping them kind of prepare to expand” [P100:14]. For example, capacity building grants cover the expenses associated with professional development (skill building) or equipment, such as computer systems (infrastructure). Most foundations will also allow capacity building grant awards to fund new staff positions needed to support and improve grantees’ internal operations. Some informants differentiated capacity building grants for infrastructure from those for professional development or skill building, but others did not.

Assessment scope included completion of the “task” of the grant, (i.e. the training program) but emphasized organizational impact over time. As a result, focus was a mix of outputs and outcomes. Without exception, informants found capacity building grants for skill-
building and staff positions less amenable to quantitative methods and in terms of process, assessed these grants over a longer time horizon, especially compared to project grants but also compared to capacity building grants for infrastructure.

A lot of things can go wrong: they can fund the position, the person can get hired, the person could leave the position, and they may not find that person in the time period of the grant. Also, the sustainability of the position is questionable because organizations will come to us and say yes, we have a sustainability plan, that might look good on paper but doesn’t necessarily mean that it is a guarantee [P84:39].

Skill building is more nebulous, because two things: One, you don’t know how effective is it for a number of years...Then we went to see the director next time, they were working... somewhere else. So part of the challenge with skill building is that we may develop skills, but they now are in Atlanta, really, really taking advantage of the skill we helped them to develop [P90:32].

You look at them differently because you don’t always see a direct impact right away...You’ll come up with your short-term metrics, short-term indicators, but then the real impact often doesn’t come until five or ten years later and you never get to, it is really difficult to show or demonstrate the impact....so today, I got an email....sent from someone that said a grant you gave me eight years ago, well let me tell you the difference it’s made [P92:45, 49].

If you are really going to build capacity under multiple definitions, you are not going to do that in 12 months [P78:29].

For capacity building grants that fund new infrastructure (as opposed to new positions or skill building), informants mentioned that the assessment criteria often focus on relatively short-term, organizational efficiency measures: “We now have the infrastructure...we have electronic health records, our billings are now up to 95%, whereas before we were collecting 80” [P82:26]; “With internal capacity building, it is all inside their four walls, so they should be able to relatively easily figure out whether that happened or not” [P78:36].

As these quotes demonstrate, informants find assessing capacity building grants that support professional development or staff positions different from and more difficult than assessing project grants. For the most part, informants rely on professional judgment to assess
staff-oriented capacity building: “It may be hard to evaluate, but it is you know the instinct that
your mother told you” [P91:22]. They also track short-term indicators, e.g., did the staff attend
training, did the grantee develop a new strategic plan, has the position been filled, etc., even
though they believe these indicators to be inadequate:

Did enough people complete the training? Yes, great. Homerun. Well maybe not. The
feedback is, they weren’t paying attention, they were there but they were on the phone,
and now they have gotten back to the organization and they haven’t implemented
anything [P86:141].

**Capital Grants**

Capital grants are awarded to fund new facilities or significant renovations. As mentioned
earlier, of all grant types, the front-end selection process and back-end assessment process varied
for this type most widely across foundations. At the back-end, assessment practices varied across
all dimensions of evaluation. In terms of scope and time frame, some close out the assessment
process when the building is completed:

The assessment of a building is, well did you build it, and are you operating programs?
P86:43];

Capital grants are easy. Someone presents you with a request…you go look at the
site…you give the grant, and about two years later, maybe the building is done, and you
say great, the building is done, and then you check the box for it [P77:15].

Others hold the grant open for five or ten years as a way to track the longer-term impact of the
building on the organization’s programmatic capacity and community impact:

The bricks and mortar…is the organization performing better because the facilities are
better? [P92:42];

What is this new center going to bring to the community? Thinking the bigger picture of,
you know, since this center opened in the community, was there a decrease in violence,
or was there a decrease in CYS calls in the community, things like that [P84:12];
I think the difficulty with bricks and mortar sometimes, I feel like we are often better able to evaluate a project grant rather than a bricks and mortar grant. I think we can evaluate whether the need is valid…but the end result, did it really add value to the community? [P78:28]

Still others struggle somewhere in the middle. These grant-makers acknowledge that capturing long-term data is difficult but believe it is simply insufficient to measure capital projects based solely on a completion metric:

Actually, this is something I’m struggling with, so I’ll just lay it out there, so say we make a grant to [University building]. How long do we want to leave that grant open? I am sure that in the next 10 years, we’re going to see higher SAT scores on the students [University] is accepting….but are we really going to keep that grant open for 10 years to watch that? Probably not [P82:23];

I would say success is a little bit easier to measure for capital and bricks and mortar because it is more concrete. Did the building get built, did the money get raised? Where it does get nebulous is I mean there are nuances. So did the building get built and does the organization have sufficient funds to run it? So that’s where it gets a little bit trickier. Did the building get built and are they actually going to fund depreciation? I mean these are more the operational implications of the capital project [P81:14].

Overall, agenda setter foundations emphasized a longer time frame than supporter funders and also were motivated by learning. However, within the supporter foundations, the motivation was grantee accountability not learning. Organizational identity did differentiate methods. Community-focused funders, as well as many supporter foundations, tend to assess capital grants experientially whereas agenda setters emphasized a desire to capture and quantify impact of these grants:

That’s an easy one. It’s done. Was it successful: did someone buy it? And I drive down the street next year, what has happened on that street? [P90:46];

It is a one-time shot: they bought it, they built it, we see what was done [P84:38];

I mean we do these things [capital grants] because we believe that there is the long-term outcome, that’s back over here with hard to measure. The short-term thing, it’s there. You can see it, touch it, you can walk through it or whatever” [P96:27];
If it is a bricks and mortar type we’re funding, I’ll go out and see the building once it is built [P73:6].

**Advocacy Grants**

In this sample, six informants had advocacy grants in their portfolio, defined as efforts aimed at educating policy makers or raising public awareness about specific social or community development issues. All of these individuals believed these grants to be particularly difficult to assess. Several informants had made concerted efforts to research how other funders were assessing these grants but were not convinced that anyone really had a handle on how to do it:

Advocacy is not tangible. So that’s how that is totally different, and I know that I’ve struggled in talking with our advocacy organizations…about how we better measure advocacy and I mean there are reports out there that I’ve read…these are professional people coming out and saying this is how you do it, but I’m like, how much do I trust this? It sounds good, but I don’t see it….It is just really hard to measure advocacy [P84:51].

Furthermore, others mentioned the challenge of defining the desired outcome in the first place: “With advocacy, you rarely see real outcomes, and you know it’s hard to define what a win is…so you are just sort of assessing whether…the activities were good activities…you know, you do it because you believe it is the right thing to do, but you don’t necessarily see real wins all the time because of it” [P92:39, 41].

As a default position, some mentioned relying more on qualitative feedback than output indicators or even their own experiences. The scope and focus was on both the grantee organization “doing the right things”:

Advocacy is tricky because how do you prove a bill passed because [grantee] rallied a thousand parents to call their legislators? Though anecdotally we’ve heard legislators say I didn’t really care about this issue but I got a hundred calls. So that’s the sort of anecdotal feedback [P86:31];
With the advocacy one, you can’t see it. All you can rely on is the data that’s provided [P83:28].

Others kept the focus on actual public attitude, policy, or funding changes, which requires a long time horizon:

If we were pushing for increased funding in a particular sector, did that happen or not? If you want people to adopt a specific position on an issue, did that happen? So that’s like of the way I think about outcomes for that type of work [P87:31];

We try to change public opinion, to change culture and normative behavior [P74:43].

**General Operating Grants**

General operating grants support organizations rather than specific programs or other initiatives. In recent years, awarding general operating grants has been labeled a “best practice” (The Center for Effective Philanthropy, 2006). However, these grants are unrestricted, and thus many grant-makers do not award general operating grants. In giving these grants, the foundation relinquishes control and thus must have a high degree of trust in the grantee: “We allow that great leader, who we trust, to adapt and be flexible to that situation in which he or she is operating in” [P96:30]. Although the selection process was outside the scope of this research study, informants found it difficult to separate selection from assessment in the context of general operating support grants: “You just want to look at the quality of the agency, and how they are delivering on what they think is important…We love the strategy. You decide how. Rather than micromanaging…so we love what you are doing, show us your results, here’s the money” [P90:37, 38].

In terms of assessment processes, general operating grants are also distinct in that there is not a specific endpoint or deliverable to assess: “With general operating, it’s more an update, it’s a progress report, because you’re never going to be completely done” [P92:37]. To assess these
grants, foundations look less at programs than organizational and/or community-level indicators through either quantitative or experiential methods for evidence of organizational health and continued mission achievement: “Health of the organization, evidence of past results, prospects for achieving future success, that is what it boils down to” [P95:26]. The process varies from a modest summary of the organization’s overall work to more involved analyses of the organization’s operations:

Look at the work and the mission but it has more of a programmatic focus but it is not looking at a specific project but it’s looking at the overall work of the organization…its more tied to their overall mission of community engagement [P101:27,30];

So there’s a different process for them that really focuses on operations, over the previous cycle…what had you planned to do, what actually happened, what changes did you have to make along the way, if any, and what changes are you contemplating in the next cycle…so there is sort of a continuity approach of those…it is a special relationship [P80:8].

**Annual Awards/Long-term Grantees**

Eight participants indicated that their grant portfolio included grants to a “special” type of grantee, referred to here as a long-term grantee. “Long term grantees” are nonprofit organizations with special ties to the deceased founder, active family members, or a long history with the current foundation staff or board based on close mission ties and highly successful past grant performance: “We have a small set of what we call institutional grantees. These are more hometown and the founder’s favorites” [P79:3]. Several foundations stated that they also provide annual grants to organizations that fulfill an important function but that they do not believe will ever receive sufficient funding from individual donors or public agencies because of their niche programming.

Many long-term grantees receive general operating support, but they may also be offered a more abbreviated application and/or reporting process for traditional project grants than is
required for most grantees. For example, several informants stated that long-term grantees typically provide one annual summary of activities which serves as both its “final report” for the prior year’s grant and its application for an upcoming, annual grant award. Long-term grantees are one source of internal inconsistency: “They still have to fill out the same forms, they still have to complete the same application, but I would say rules for long-term grantees are sometimes a little different…this is tough because they know the rules are different” [P86:28,49]. Therefore, they were separately identified to differentiate the assessment process from the informant’s other project/program and general operating grantees.

Assessment processes for long-term grantees varied widely in terms of intensity of the process and focus. The scope consistently centered on the organization but again methods varied between quantitative to experiential. For some, long-term grantees’ awards were basically on “auto-pilot”: “I can’t tell you the last time that we cut off a significant long-term grantee” [P86:50]. For others, long-term grantees were subject to annual assessments but the process differed for them: “For the institutional and long term grant ones, we folded [the final report] into their proposal. So the first question in the proposal is, what did you accomplish last year, that’s the exact phrasing, it’s like a mini-report. So it makes it easier on them” [P79:32]. Others had more intensive reporting relationships: “For our annual grantees…we have a tendency to look at more things. The old cliché about to whom much is given much is expected” [P80:13].

7.5.2.2 Formal Evaluation and Grant Type

Another important but unanticipated finding about grant assessment practices related to formal, third-party grant evaluations. Informants indicated that the motivation for and practice of formal program evaluation varied based on grant type, more so than on organizational identity. The interview protocol specifically avoided using the term “evaluation” to avoid leading informants
into a discussion of formal evaluation. However, formal evaluation did emerge in most informant interviews but with little enthusiasm:

Proving that [success/results] within individual programs is extremely expensive because it requires control groups and the whole nine yards and it brings me back to the [point that] prevention is harder to evaluate than is intervention. Intervention is very easy to evaluate. You know if you look at recidivism for criminals. You don’t need a control group. You already have it. So that’s part of the reason why I’ve always been a skeptic. With prevention, I don’t need an expert to tell me if you help a first grader to read, you know I don’t need somebody to do a longitudinal study with a control group for 20 years to tell me that is going to be effective. So that is part of the reason why I am somewhat skeptical on evaluation [P91:46].

Regardless of organizational identity, informants stated that the foundation rarely engaged in formal evaluations. Those who made any mention of formal evaluations noted that they did so only for a few, but not all, strategic initiatives in which they either were currently investing or would like to invest significant resources, e.g., new strategic initiatives/theories of change about which little is known but much is expected, or at least hoped for, around education, community well-being, or economic development. The reasons given for this were that these grants were the foundation’s most important and uncertain projects. Therefore they were most interested in an outside, objective view to determine effectiveness. The assessment scope was consistently the program and community indicators in some cases, the focus on outcomes, the process was very resource intensive, and methods were primarily quantitative. The resource intensity and quantitative methods were significant points of skepticism among informants:

We don’t have a third party evaluation on it….one of our board members… asked, ‘So why don’t we do an economic impact analysis. What would that cost?’ And I said, about $125,000. He said, ‘That much!’ I said, yeah, it probably would be. But it’s [a] $10 million [project], so it might be worth knowing. So in that case, what we are going to do, [we’ll] probably do more of an internal evaluation [P77:99];

We commissioned research from [third-party evaluator] to assess…a single grantee…doing a very complicated thing…nobody knows the answer to that question. So you know you, you go, and you find someone who at least pretends to know [P85:34].
More often than not, informants regarded formal evaluations as outside their scope or role, noting that they were either too small or preferred to allocate their resources to direct services or capacity building rather than to third-party evaluations:

For us to hire someone like [XXX research institution], that’s a hard thing [P72:31];

Even with the largess of foundations, really good research costs a lot of money…and there’s an opportunity cost to that [P95:36];

The trustees have already agreed as far as evaluation…we don’t think we’re big enough, to afford or don’t choose to afford the money and staff time to evaluate in any kind of formal way, every grant that we do… And even if we target those things where we do have metrics, and we do, where we have them we do definitely have our grantees agree on a set of metrics. The problem is that you can’t define causality or isolate causality, sufficiently to know in some cases [P74:56, 59];

Those foundations which did formally evaluate grants were motivated by stewardship accountability, foundation learning, and field learning. That is, foundations were motivated to ensure that foundation resources were wisely used, as well as by a desire to learn about the impact of these new approaches/theories of change: “For us, that’s a major investment. So we wanted to make sure, and frankly test… our assumptions” [P101:83].

In this sense, there is a significant correlation between assessment practices and grant type: “At the strategy level, you will see more rigorous commissioned research” [P85:23]. The only type of grant which foundations ever mentioned conducting a third-party evaluation for was a high profile, “strategic initiative” project. Formal, third-party evaluations were not mentioned for capital, general operating, advocacy, or capacity building grants.

**Recap: Sources of Variation (P2)**

As these comments demonstrate, grant type is a very significant source of variation in grant assessment practices. The RGT approach specifically illustrates the ways in which grant
assessment practices vary based on grant type. This finding does not explain the precise combination of practices that a given foundation will use to assess a particular type of grant because there are at least two mechanisms that influence actual practices: the type of grant and grant assessment motivation (which is discussed next and linked to organizational identity). However, these findings do provide at least one explanation for variation in assessment practices: grant type. In particular, these findings also explain why foundation use of formal evaluation varies. Specifically, these findings reveal that formal evaluation is used for only a very limited number of grants, all of which are strategically important to the foundation and project-based.

7.5.2.3 Grant Assessment Motivations (P3)

Proposition 3 suggests that grant assessment motivations influence grant assessment practices. This is evidenced through the lenses of accountability and learning. All foundations, regardless of identity, were motivated to assess grants as a means of ensuring grantee accountability and stated a desire to improve foundation grant-making. This type of accountability prompted the practice of requiring grantees to submit final reports, often referred to as close-out reports. The importance of foundation learning to improve grant-making or assess the foundation’s strategy was also supported by informant comments: “The goal for the five year evaluation, as I chatted with the trustees, is more about our own learning, not so much punishment or reward for grantees or did they perform, or not” [P79:11]. This motivation for foundation learning prompted the practice of requiring the grantee to submit data or metrics needed to place the grant in the context of the foundation’s own grant-making:

[Program area] happens to coincide with the priority of the [XXX foundation]. …their [XXX] grants program is very similar to ours. We partner on some regional initiatives. So we will co-fund [XXX] grants. We co-fund them, but we have our own metrics, and they have their own metrics, but the content and the objective is the same, so it's a joint proposal [P79:219].
In this example, even though the foundations collaborated on co-funding a grant, each had their own reporting requirements because each had wanted to learn something different from the grant itself.

Within the accountability and learning frameworks, all foundations shared a desire to ensure grantee accountability and foundation learning. However, in addition to these motivations, there were variations which influenced the dimensions of evaluation scope, method, and focus. Briefly, for example, stewardship accountability and field learning motivations (agenda setter foundations) triggered a preference for practices that generated quantitative, programmatic and community impact rather than grantee-focused organizational indicators. In contrast, accountability to the grantee and grantee learning (supporter foundations) triggered a preference for practices that generated information mutually beneficial to the grantee and funder. In many cases, this information was qualitative or experiential. The focus varied, depending on the grants. Stakeholder accountability and learning (community-focused foundations) triggered preferences for practices that were relevant to and also engaged stakeholders by demonstrated progress towards goals, i.e., town meetings and beneficiary feedback: “What they might again suggest going forward if they have feedback for us about anything. So those are some pieces that I think will be really important as part of the evaluation, to gather…what they see and any trends” [P100:36]. Again, this information tended to be both qualitative and experiential. Through these informant perspectives emerged hints of a connection between organizational identity and evaluation logics, addressed in the discussion that follows.
7.5.3 Organizational Identity and Evaluation Logics (N3)

As already discussed, evaluation logics did not emerge as a source of variation in grant assessment motivations. The analysis of the interview transcripts revealed a tentative connection between evaluation logics and organizational identity. For example, evaluation logics, as suggested by Hall (M. Hall, 2014), often emerged in how informants viewed the purpose of evaluation. However, these evaluation logics were articulated in the context of assessment practices rather than motivation. For example, informants would discuss their information preferences, in terms similar to the evaluation logics framework. Agenda setter foundations were more likely to assume a “scientific”/outcomes approach to grant assessment: “So right now, our assessment process is outcomes-based” [P84:4]. Supporter foundations most often followed the bureaucratic process model, which focuses on “doing the right thing”: “At that high level, the proposal is ‘tell us what you are going to do’, and the follow up report is ‘did you do what you said you were doing to do’” [P81:3]. Community-focused foundations evidenced both perspectives but were differentiated by a consistent reference to grant assessment practices that included experiential components, community and beneficiary perspectives: “I know as an evaluator that isn’t valid. But in small geography. If I were at [XXX] Foundation doing things all over the country or the world, you need a very strong evaluation tool. But if I walk through the streets of A and B, I know who is doing a good job, just by kicking the tires. And you can do that in a small geography” [P90:318]. Therefore, the community-focused foundations did not align strongly with any one evaluation logics but rather exhibited elements of all three.

In this way, evaluation logics emerged to help explain the influence of organizational identity on grant assessment practices. That is, evaluation logics did not capture “why”
foundations assess grants (motivation) but to some extent it did provide insights about “how” foundations assess grants (practices). This is a new, unanticipated finding, labeled here as N3. In this study’s sample, the evaluation logics framework did not emerge as a “stand alone” source of grant assessment motivations and did not entirely map into organizational identity. For example, the “discovery” logics, which valued stakeholder learning and participation, were primarily evident in the community-focused foundations but those foundations exhibited the other evaluation logics also. The “scientific impact” logics, which focuses on quantifying results, were most evident in the agenda setter foundations. The supporter foundations often voiced a “bureaucratic process” logics, which focuses on “doing the right things”. As a result, the evaluation logics framework remains intriguing and could be an aspect of organizational identity that warrants further investigation.

7.5.4 Recap: Grant Assessment Practices (RQ1, P2, P3)

To summarize, in response to RQ2, “What practices do foundations use to assess grant performance? Is there variation in their practices? If so, to what extent, and what accounts for these various practices?”, the findings revealed that foundations assess grant performance across multiple dimensions: scope, focus, method, and process; these practices do vary extensively; and that grant type and grant assessment motivations are sources of variation. The RGT analysis revealed that grant type was a dominant source of variation, but that assessment motivation also influences the choices foundations make about the assessment criteria within each dimension of evaluation practice.

The table below captures the variations in the three most distinct grant types, based on the hierarchical cluster analysis of RGT data. This table also demonstrates the influence of grant
assessment motivations. For example, several cells are marked “varies” – these indicate the dimensions of assessment practices for specific grants where grant assessment motivation emerges most often. Again, foundations may use multiple criteria, even within one dimension, to assess grants. However, there were patterns based on both grant type and grant assessment motivations that are reflected in this table:

**Table 11: Grant Assessment Practices and Grant Type**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Project Grants</th>
<th>General Operating Grants</th>
<th>Capital Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td><strong>VARIES</strong></td>
<td><strong>VARIES</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organizational (grantee acct/learning) or Community (community acct/learning)</td>
<td>Organizational (grantee acct/learning) or Community (foundation, community acct/learning)</td>
</tr>
<tr>
<td>Method</td>
<td>Quantitative</td>
<td>Experiential, Qualitative</td>
<td><strong>VARIES</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quantitative (foundation/community acct/learning) or Experiential (grantee/community acct/learning)</td>
</tr>
<tr>
<td>Criteria</td>
<td>Output, Proxy Indicators</td>
<td>Inputs, Outcomes</td>
<td><strong>VARIES.</strong> Tangible item (grantee acct), Community impact (community acct/learning)</td>
</tr>
<tr>
<td>Process</td>
<td><strong>VARIES.</strong> Most projects grants are predictable. Strategic initiatives are more intensive.</td>
<td>Usually more predictable and less intensive because grantee already known</td>
<td><strong>VARIES.</strong> Some find more difficult than others. Difficult for those who seek foundation or community acct/learning; Easy for those who seek evidence of project completion as fulfillment of grantee accountability.</td>
</tr>
</tbody>
</table>
The interview protocol primarily addressed management practices related to grant assessment. However, most informants also discussed their views on institutional philanthropy more generally. Though incidental, these remarks provided further insights into foundation behavior with respect to the grant selection process and how foundations handle grants that “fail”. These findings are briefly highlighted here.

### 7.6.1 Grant Selection

In every interview, informants volunteered information about grant selection. In each of these discussions, for all grant types, informants identified the grantee’s organizational mission and leadership as critical selection filters: “We are pretty good reads on whether or not we want to work with an organization or not….it’s the people. We say organization, but that’s a code word for people” [P81:31,35]. Many informants mentioned that they rely on colleagues from other foundations to vet grant proposals from unknown grantees:

> If we get a grant proposal, we’ll call the local community foundation to see if they know the organization. So that helps at the front end and if we have any questions about the organization, we’ll just call. Or we’ll call another funder and say, we don’t know these people, and they look good, and I can see that you’ve given them a grant. And sometimes people will share their experiences [P102:158].

Once a potential grantee makes it through that filter, foundations apply different selection criteria to different types of grants, which carry implications for assessment processes. For example, all foundations in this study cast the widest net for program/project grants but more narrow nets for some other grant types. As already discussed, foundations which make general
operating grants do so only for those organizations with which they have a strong relationship and very close mission fit. One CEO mentioned that his/her foundation would like to make more general operating grants but that s/he did not yet have confidence in the management capacity of the sector the foundation supports to shift more funds into those types of grants: “You have to have a track record with an organization before you’re comfortable just supporting general operating” [P101:40].

One often-voiced reason for this is captured in the comment: “Real life is not going to be the proposal” [P100:63]. The funder needs to have confidence that if (or when, based on the comments of many) things don’t go as planned, the leader, as opposed to the organization, is someone with whom they can work to get the grant back on track, or to re-negotiate a direction that meets the intent of the original proposal as closely as possible. Therefore, the grant selection process itself varied based on grant type.

7.6.2 When Grants “Fail”

“Learning from failure” is a popular discussion topic in philanthropy literature, particularly with respect to the lack of learning from failures (Bare, 2002; Freeman & Ilkiw, 2012; Giloth & Gewirtz, 2009; Hehenberger & Boiardi, 2014), and was recently announced as the theme of Grantmakers for Effective Organization’s upcoming conference (Grantmakers for Effective Organizations, 2015). The informants in this sample suggested that the extent to which foundations publicly share failures, i.e., in a way that would enhance field learning, depends on whether they attribute the “failure” to design (theory of change) or implementation (grantee). For example, one program officer commented that when a grant goes “bad” under someone considered a good leader, this program officer is more likely to go back to the organization, work
with them to tweak the design, and fund another grant to try again. This same person remarked that if the grant goes “bad” under someone who is less proven, s/he is more likely to “let it go” [P92:77], and not ask too many questions but not fund that person in the future. Others also mentioned that when a grant goes “bad” because the grantee didn’t communicate with the funder, they usually will not fund future efforts:

If the report comes back and we don’t like it, after the fact, there’s not a whole lot you can do about it, especially if they made some decisions along the way, there was no back and forth consultation, we find out after the fact. And I’ll say, why didn’t you pick up the phone, or hit the send key, or something, to tell us about this…and oh by the way, you’re not welcome to come back to ask us for another grant [P80:23].

Failures perceived to be based on the under-performance of particular grantees are often shared quietly with peers from other foundations. In combination, these comments suggest that “learning from failures” associated with design failures are more likely to be shared publicly and that those associated with implementation failures are more likely to be shared privately.

7.7 RECAP: RESEARCH FINDINGS

The findings with respect to the research questions and propositions explored here revealed that organizational identity is a central determinant of foundation behavior. Organizational identity directly influences grant assessment motivations and indirectly influences grant assessment practices through grant type and grant assessment motivations. In addition, organizational identity may directly impact assessment practices via evaluation logics. These findings are discussed in more detail in the next chapter, along with testable hypotheses for future research.
To close this section, the illustration below recaps the findings described and discussed in this chapter.

![Figure 12: Research Findings](image-url)
8.0 IMPLICATIONS FOR FUTURE RESEARCH

The aim of this study has been to explore variations in foundations’ motivations for and practices of assessing grants, the possible sources of these variations, and the relationship between grant assessment motivations and practices. This analysis revealed that organizational identity and grant type are both significant sources of variation in grant assessment motivations and practices. Specifically, this analysis suggests a tight connection between how foundations express their purpose in mission/operational statements (organizational values), how staff work with grantees and view their role (competencies and aspirations), and grant-making practices, defined here as grant types awarded and assessment practices and motivations. These findings are new contributions that provide opportunities for future research. These findings are discussed here, in the context of what is already known about foundation behavior as well as the ways in which these ideas might be tested empirically in the future.

8.1 DISCUSSION OF FINDINGS

Existing practitioner-focused publications and surveys provide evidence that foundations do not assess all grants in the same way, nor do they think about all grants in the same way. This sentiment was strongly demonstrated by informants and best captured in these two comments by foundation CEOs: “All grants are not created equal” [P102:8] and “What is the right evaluation
tool for that…it doesn’t fall into a neat box that works for everybody” [P90:54]. At this point, however, the literature presents a confused mix of data about grant assessment practices. On one hand, practitioner publications on assessment practices have focused on particular types of grant awards (i.e., “how to” assess general operating, advocacy, or capacity building grants). On the other hand, the surveys that have asked foundations about their assessment practices have not differentiated between grant types. In addition, this literature has not attended to the influence of differing purposes and values on foundation behavior but rather projected a desire to promote uniformity and “best practices.” This literature does not consider either organizational identity or grant type as a source of variation in assessment practices, across a complete grant portfolio.

This study empirically traces the impact of grant type on assessment practices through an analysis of RGT data. Philanthropic affinity groups and professional associations have generated specific publications on how to assess different types of grants. Therefore, again, the finding that grant type influences assessment practices is not exactly new. However, this research effort specifically articulates the differences between assessment practices for different types of grants, particularly with respect to formal third-party evaluations, and this is a new contribution. The existing literature does not specifically address grant type as a source of variation. In the RGT interviews, several informants commented that grant type was something they had never considered as a source of variation. In contrast, other informants had: this was explicitly evidenced by the fact that the foundation had different assessment forms for each of the different grant types the foundation awarded. The findings here demonstrate the impact of grant type on grant assessment practices, across a complete grant portfolio. This is a new contribution.

Organizational theorists have used organizational identity as a construct to support empirical research about management practices, but organizational identity constructs have not
been empirically applied to foundation behavior. However, scholars have informally developed different foundation “profiles” to explain differences in foundation strategy and practices. These efforts have been presented as theoretical thought experiments (Bernholz, 1999; McIlnay, 1998; Young, 2001) or used more casually as a means of explaining differences in foundation behavior (Orosz, 2000; Patton, 2010). Frumkin (2006) included identity of the giver as one of five factors that influenced foundation behavior. This study suggests a strong central role for organizational identity in understanding foundation behavior based on original, empirical, and theoretically-grounded research. This is a new contribution to the literature.

Therefore, in reflecting on these findings, this research has made three contributions to the literature. First, it has suggested a foundation identity typology, based on Brickson’s (2007) work but modified to reflect the attributes unique to independent foundations. This typology has been tailored to capture the relationship between foundation identity orientation, mission statement content, foundation role, and grant-making strategy. This framework is conceptual and requires further empirical testing, which will likely result in more detailed definitions and other improvements.

Second, this study has provided empirical evidence that grant type influences assessment practices and motivations. The complexity of capturing assessment practices and motivations across foundation grant portfolios creates particular challenges for empirically testing this hypothesis. However, this finding is robust enough to warrant further research, through an analysis of foundation grant award data, and either semi-structured interviews or perhaps a survey instrument.

Finally, the most significant contribution provided through this research is the evidence of a connection between organizational identity and grant assessment. This finding provides
support for the view that foundation practices, including grant assessment, align with the
foundation’s own values and purposes, i.e., the foundation’s organizational identity. That is,
uniformity in grant assessment practices is unlikely and would only be desirable if all
foundations shared the same values and purposes. This suggests that as long as there are different
foundations with different values and purposes, there will be foundations with different
assessment practices. However, the organizational identity profiles suggest that there are patterns
of behavior. This finding suggests that some foundations will share assessment practices because
they share similar identity orientations. Each of these three findings is discussed below in more
detail, along with three options for hypotheses testing.

8.2 FINDINGS ONE AND TWO: FOUNDATION PROFILES

The literature has informally referenced identity by describing foundation grant-making
strategies along a continuum of “active” to “passive” (McInlay, 1998; Orosz, 2000; Ostrower,
2006; Patton, 2010). Though the “active” to “passive” continuum is commonly employed, the
informant responses revealed that this is not an accurate depiction of foundation strategies.
Instead, informant responses suggest that all foundations have active and intentional strategies,
but that these strategies are generated from different values and purposes. Each of the
foundations in this sample had an organizational strategy that informed its approach to grant-
making and assessment, though expression of that strategy varied. For example, some
foundations sought to make a contribution through their own intellectual capital – hiring and
training staff to be field experts and leading efforts to resolve persistent social problems. Their
grant-making is very project-focused, including several strategic initiatives led by the
foundation. The literature would tend to describe these foundations as “activist” and “strategic.” With respect to grant assessment, these values fuel a desire to see results and demonstrate impact.

In contrast, other foundations believe that their role is to provide financial and social capital to those working in the field, including a combination of public agencies and non-profit grantees. They seek to sustain the vitality of the public and nonprofit sectors. The literature would tend to describe these foundations as “passive” funders and perhaps as less strategic. The findings of this research study strongly suggest that differences in grant-making approach are a function of organizational identity rather than a lack of intentionality or strategic thinking. Further, this study suggests that these differences carry implications for both grant assessment motivations and practices.

Specifically, this analysis of foundation organizational values and grant-making purposes suggests that Brickson’s organizational identity categorizations provide a strong framework for understanding foundation identity and behavior. As discussed earlier, Brickson’s three profiles easily translated into foundation identities include in this sample. Brickson’s descriptions were modified and tailored to capture the unique aspects of foundation values and practices: those with their own agendas (“agenda setters”); those seeking to build capacity in the nonprofit sector, either in general or in a specific program area (“supporters”); and those seeking to support a specific community (“community-focused”). The following table describes these foundation profiles and the section of this study in which the elements of identity orientation were analyzed, followed a more detailed discussion of the factors that delineate these profiles.
Table 12: Foundation Identity Profiles and Grant-making Practices

<table>
<thead>
<tr>
<th>Organizational Characteristics/Attributes</th>
<th>Foundation Identity Profiles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agenda Setter</td>
</tr>
<tr>
<td>Operational Statements (Word Choices) [Section 7.2.2]</td>
<td>“Lead”</td>
</tr>
<tr>
<td>Foundation Role and Success Metric [Section 7.2.3]</td>
<td>Impacting social issues</td>
</tr>
<tr>
<td>Foundation consistently and frequently engages directly with community members [Section 7.2.3]</td>
<td>No</td>
</tr>
<tr>
<td>Strategic Planning Process [Section 7.2.4]</td>
<td>Centers on founder intent and the foundation’s interpretation of community needs</td>
</tr>
<tr>
<td>Staff Competencies [Section 7.2.5.2]</td>
<td>Programmatic expertise</td>
</tr>
<tr>
<td>Website Design, Functionality, Content [Section 7.6.2.1]</td>
<td>Highly interactive; Extensive content</td>
</tr>
<tr>
<td>Grant Types [Section 7.3.7]</td>
<td>Emphasizes project grants; Tends to avoid capital grants</td>
</tr>
<tr>
<td>Grant Assessment Motivation [Section 7.4.2.1]</td>
<td>Stewardship accountability; Learning to generate/share knowledge</td>
</tr>
</tbody>
</table>

*Tentative, warranting further research*
The research findings presented here suggest that organizational identity orientation may explain a number of foundation practices and attributes. As suggested by these findings, organizational identity helps explain not only grant assessment motivations and practices, but also the types of grants the foundation makes in the first place. As noted in the table above, these findings have already been discussed here. However, the findings specific to grant assessment motivations and practices are re-iterated in closing.

For agenda setters, the overall assessment process, similar to the selection process, is much more intensive because of the role the foundation plays in overseeing both the design of the grant initiative (“theory of change”) and implementation (“what actually happens”). That is, they engage in more strategic initiatives than funders who are more interested in supporting and helping those working in the nonprofit sector. Community-focused funders seek a balance between the developing initiatives and responding to nonprofits in their community. Their practice of engaging the community in identifying strategic initiatives and developing the capacity of the community to improve quality of life differentiates them from agenda setter and supporter foundations.

These differences in perspectives carry over to grant assessment motivations. Those with an interest in problem-solving, the agenda setters, engage in grant assessment as stewardship accountability to capture impact and share knowledge with others. In contrast, supporter foundations are motivated to maintain relationships with those they believe are best
positioned to impact the community in the long-run, i.e. the nonprofit sector as a whole. Therefore, they are motivated to assess grants to help grantees learn but are careful not to place excessive demands on grantees. The community-focused funders feel accountable to the communities they serve and also see grant assessment as a means of keeping stakeholders engaged and enthusiastic about working as a group to solve community problems.

As a result, community-focused foundations lean more heavily on community feedback to mark progress and assess their own effectiveness than do either funders focused on solving a problem or those which seek to support the nonprofit sector more generally. Collectively, the findings from the content analyses of foundation documents and websites, along with the particular insights provided by informants suggest three different sets of testable hypotheses about the connections between organizational identities, grant assessment motivations, grant assessment practices, and/or grant types. These hypotheses are detailed shortly, in Section 8.4.

8.3 FINDING THREE: LIMITS TO UNIFORMITY

The findings presented here suggest that there are limits to uniformity with respect to foundation behavior, and further, that efforts to define “best practices” may be mis-guided. These findings contest the view that uniform practices within the field of philanthropy are desirable (Jagpal, 2009). Instead, these findings suggest that “best” practices will vary based on foundation identity. That is, the grant assessment practices best suited to each foundation are a function of the foundation’s organizational values, unique competencies, and particular aspirations. However, this research also demonstrates that there are common patterns of behavior with
respect to grant assessment and that some foundations are more alike than others. These patterns of behavior emerged here via the dual lenses of organizational identity and grant type.

Just as organizational values, aspirations, and competencies vary, grants themselves vary in purpose and scope. Therefore, the reasons for making grants vary, the motivations for assessing grants vary, and the practices associated with assessing grants vary. Consequently, it is unlikely that all private foundations will ever assess grants, even the same types of grants, in exactly the same ways. Nonprofit grant-seekers will need to continue to work to understand the specific assessment practices that align with a given funder’s values, aspirations, and competencies and the type of grant that they have been awarded. Ultimately, these findings do not provide a simple answer. However, they do provide a framework for identifying patterns of behavior that might signal preferences in grant assessment practices.

### 8.4 TESTABLE HYPOTHESES

The findings presented in this exploratory study provide a variety of testable hypotheses, some more demanding than others. The most straightforward aspect of the findings presented here centers around the relationship between grant type and assessment practices. At the other end of the spectrum, the more complex and arguably more interesting finding is that of the foundation identity profiles. Under either scenario, future research of these hypotheses would benefit from extending data gathering to include content analyses of actual grant assessment reports and grantee perspectives on grant assessment processes. Options for leveraging this research are described in this section.
8.4.1 Option One: Grant Assessment Practices and Grant Types

As already cited, prior surveys have gathered information about the extent to which foundations award different types of grants (e.g., general operating, advocacy, multi-year project awards). Therefore, it would not be much different, or much more difficult, to construct a questionnaire to gather information about the practices foundations use to assess these different types of grant awards. The choice sets could follow the dimensions of evaluation practice described here (Section 7.5.1). This information would provide a means of capturing the specific grant assessment practices used for common grant types and the differences between grant assessment practices based on grant type within the same foundation. The RGT analysis revealed the most notable differences in assessment practices between project, general operating, and capital grants. Other grant types could also be included in a survey instrument, but lengthening the survey itself risks reducing participation. Therefore, there is some merit in focusing on the grant types that are most likely to reveal differences. For example, this survey could test the hypotheses set forth as general findings in Section 7.5.4 and Table 11. While this approach would generate primarily descriptive data, this type of information would provide important insights on the connection between grant type and assessment practices, across multiple grant types, that have not yet been specifically articulated in the existing grant assessment literature.

8.4.2 Option Two: Foundation Identity and Grant-Making Practices

The findings presented with respect to the relationship between foundation identity and foundation practices present the most complex set of hypotheses. These findings generate several testable hypotheses, provided earlier in Section 8.2 (Table 12). At this point, it is not
clear that a survey instrument could sufficiently capture this information. As a result, testing these hypotheses would likely require extensive qualitative research, given the need to draw on a much larger sample while also engaging in both semi-structured interviews and content analysis of foundation mission statements and website design, functionality, and content. Empirically testing foundation identity orientation through the hypotheses suggested in Section 8.2 could provide important insights to move the field closer to a theory of foundation behavior.

8.4.3 Option Three: Grant Types, Assessment Practices, and Organizational Identity

Another approach to hypothesis testing would be to extend the grant type-grant assessment survey to include an open-ended question for the respondent to include the foundation’s mission statement (to capture organizational identity) and grant portfolio questions to capture the allocation of grants across common grant types. At this point, it is not clear that a survey instrument could accurately capture organizational identity. However, the mission statements in this sample provided very strong indications of organizational identity and thus may be able to serve as proxies. This approach would require extensive pre-testing and piloting but if deemed viable, would provide a rich source of data on organizational identity while at the same time requiring much less resource-intensive research. Gathering grant portfolio data from survey questionnaires also presents challenges. Foundation grant management systems may be able to generate this data but it will require extra effort on the part of participants to include this information with a survey about grant assessment practices. However, grant type data would provide insights about the extent to which organizational identity influences the number and amount of grants awarded across different grant types and thus would be an important element of future research.
8.5 OTHER OPPORTUNITIES FOR FUTURE RESEARCH

One of the tentative findings of this study pertains to the influence of evaluation logics, and its relationship to organizational identity and grant assessment practices. The evaluation logics framework remains intriguing. In particular, it would be a valuable framework for introducing multiple perspectives to the evaluation use literature. The evaluation use literature seems presently constrained by a uni-dimensional perspective on what constitutes evaluation that hampers efforts to fully capture the tools and processes that practitioners in the field use to assess their work. Through the lens of evaluation logics, evaluation use scholars may gain new insights about what evaluation means in different contexts and to different stakeholders. The evidence from this study suggests that evaluation logics is either embedded in or linked to organizational identity. Future research to intentionally explore foundations’ evaluation logics, coupled with more information about the grant type composition of foundation portfolios, could benefit further understanding of foundation behavior and identity, as well as evaluation use more generally.
9.0 CONCLUSION

The stated purpose of this study was to determine the extent to which foundations’ grant assessment motivations and practices vary and if so, to identify possible sources of this variation. As already cited, survey data, foundation literature, and anecdotal practitioner narratives document significant differences in foundations’ grant assessment practices. However, the reasons for these differences have not been articulated in empirical terms. The expressed academic contribution of this study was to help further the field’s understanding of a specific aspect of foundation behavior: grant assessment. The expressed practitioner contribution was to minimize the gaming, frustration, and confusion experienced by nonprofit organizations that seek foundation grants.

For practitioners, the good news is that this study has uncovered two mechanisms which help explain why assessment practices vary. The other piece of good news is that grant type is one of these mechanisms, and it is commonly understood and easily identified. The other source of variation, grant assessment motivation, is linked to organizational identity and likely signaled by mission statements. Therefore, the frustration, gaming, and confusion experienced by grant-seekers may be somewhat alleviated by the findings of this study, which provide at least a rough framework for detecting patterns of behavior and funder preferences for grant assessment practices.
From an academic perspective, these findings may be most valuable as a springboard for future research. The study leverages theoretical and empirical data from several perspectives to gain insights into the mechanisms that influence grant assessment. One of these insights is that there is evidence that grant assessment does in fact warrant the continued attention of other scholars. The literature reviewed here indicates that academics and practitioners are interested in this topic as evidenced by the number of articles and surveys about grant assessment. In addition, the asset size, growth, and increasing influence of private foundations in public domains signals a need to improve overall understanding of foundation behavior. Finally, 30 grant-makers graciously offered their time to participate in this research project. This is likely a combination of their interest in grant assessment and their personal commitment to helping others, in this case the researcher, for which she is extremely grateful.

Whatever their motives, this research engaged about 75% of staffed and financially independent foundations in the Pittsburgh area in focused conversations about grant assessment. This narrow geographic focus may be viewed as a constraint on generalizability. However, this sample represented a range of organizational identities, asset sizes, and staff sizes. This diversity suggests that these findings and the testable hypotheses generated from this regionally-focused research effort may provide more insights into foundation behavior than efforts focused on only the very largest national foundations.

As an exploratory study, this effort has the potential to contribute to the fields of institutional philanthropy by providing a set of testable hypotheses for improving understanding of foundations’ grant assessment motivations and practices. For the field of evaluation research, this study strongly suggests that a uni-dimensional perspective on evaluation use fails to capture the motivations and practices of practitioners working in the field. In the case of independent
foundations, organizational identity is an important variable for understanding not only evaluation use and practices, but also the motivation for evaluating grants in the first place.

Ultimately, the desired outcome of this initial effort is that these findings will eventually contribute to a framework that foundations can use to articulate their own assessment motivations and practices. In addition, this framework – if indeed validated – could reduce confusion, gaming, and stress among those nonprofit organizations seeking foundation funds by improving grantee understanding of foundation behavior.
APPENDIX A

RECENT SURVEY QUESTIONS ON GRANT ASSESSMENT PRACTICES

A.1 Ostrower (2004), P. 155, 158

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Often</th>
</tr>
</thead>
<tbody>
<tr>
<td>General operating support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational/management development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advocacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation-designed initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsolicited proposals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other purposes often supported: _______________________

11) Does the foundation require grantees to collect information on outcomes of their work?
- Never
- Rarely
- Sometimes
- Often
- Always

12) Does the foundation ever formally evaluate the work that it funds?
- No → please skip to Q17
- No, but plans to do so within the next 12 months → please skip to Q17
- Yes

13) Why does the foundation conduct formal evaluations? How important are the following? (Check the most appropriate box for each item.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Not at all</th>
<th>Not very</th>
<th>Somewhat</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn whether original objectives were achieved</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learn about implementation of funded work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learn about outcomes of funded work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribute to knowledge in the field</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthen organizational practices in the field</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthen public policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthen its future grantmaking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please indicate any other very important reasons: _______________________

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11. During the past two fiscal years, approximately what proportion of your organization’s annual grantmaking budget was devoted to general operating support grants (also known as unrestricted grants, core operating grants or general purpose grants)? Rough estimates are fine.

Note: For the purposes of this survey, exclude grants that build overhead costs into a project, are designated solely for capacity building or are designated solely for capital expenses (e.g., facilities and equipment).

Percentage of grant dollars (if none, please write ‘0’): ________% 

12. During the past two fiscal years, how often did your organization invest in GENERAL OPERATING SUPPORT GRANTS? (Rough estimates are fine.)

- Never (0%)
- Rarely (1-25%)
- Sometimes (26%-50%)
- Often (51%-75%)
- Almost Always/Always (75%+)

13. In determining your foundation’s strategy related to general operating support, which of the following influenced your decision to NEVER or RARELY fund general operating support? (Please check all that apply.)

- Prefer specific accountability/deliverables by grantees
- Too hard to assess impact of grant
- Lack of familiarity with grantees
- Foundation policy/bylaws prohibit
- Do not want to make grantees overly reliant on the foundation
- Very few requests/needs by grantees
- Other (Please specify): ____________________

14. In determining your foundation’s strategy related to general operating support, which of the following influenced your decision to SOMEBEING, OFTEN, or ALMOST ALWAYS/ALWAYS fund general operating support grants? (Please check all that apply.)

- Provide flexibility, stability/capacity to the grantee organization in tough times
- Grantee has proven results, enhance impact
- Invest in or support the overall grantee mission
- Reduce grantmaking costs
- Seed new organization or innovation, foster risk-taking
- Allow for advocacy programming
- Other (Please specify): ____________________
31. Does your organization evaluate the work it funds?

Please note: for the purposes of this survey, *evaluation* is defined as the systematic process of asking questions, collecting information and using the information to answer those questions.

☐ No → skip to question 36
☐ Yes

32. When evaluating the work that your organization funds, how important are the following?

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<thead>
<tr>
<th>Item</th>
<th>Not at all</th>
<th>Not Very</th>
<th>Somewhat</th>
<th>Very</th>
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<tr>
<td>Learn whether original objectives were achieved</td>
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<td>Learn about implementation of funded work</td>
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<td>Learn about outcomes of funded work</td>
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<td>Contribute to knowledge in the field</td>
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<td>Strengthen organizational practices in the field</td>
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<td>Strengthen public policy in the field</td>
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<tr>
<td>Strengthen our future grantmaking</td>
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<tr>
<td>Other (please specify):</td>
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33. During the past two years, who in your foundation has been leading your organization’s evaluation or learning activities? (This does not mean they necessarily conducted the evaluation themselves, but rather, had responsibility for evaluation.) Please select only one.

☐ Existing program officers assumed these responsibilities as part of their current roles
☐ Senior foundation staff (CEO, Senior VP for Program, etc.) assumed these responsibilities as part of their current roles
☐ An evaluation, assessment or learning officer position and/or department
☐ Other (Please specify): ______________________________________________________

34. What have you done with your organization’s evaluation data during the past two fiscal years? (Check all that apply.)

☐ Planned/revised programs
☐ Planned/revised strategies
☐ Reported to your board on grants
☐ Attempted to influence public policy or government funding choices
☐ Reported to grantees/stakeholders
☐ Shared findings with other grantmakers
☐ We have not used evaluation findings
☐ Other (Please specify): ______________________________________________________
This Appendix highlights the key features of the scientific, bureaucratic process, and discovery evaluation logics conceptualized and described by Hall (M. Hall, 2014).

Scientific evaluation logic is rooted in the scientific method, with a heavy emphasis on systematic observation, gathering observable and measurable evidence, and employing objective experimental procedures. Under this approach, the desired outcome of evaluation is evidence-based “proof” about treatment effects and attention to alternative explanations for the outcomes (i.e., rival hypotheses). “Good” evaluation practices are objective and follow standardized procedures that avoid conflict about the evaluation process itself. The focus of the evaluation is reductive so as to represent the outcome effects of projects in simplified forms. The role of the evaluator as that of a scientist or research expert. Philosophically, this frame of reference reflects a positivist approach to evaluation that is evident in randomized field experiments (Banerjee & Duflo, 2011), quasi-experimental research designs (Cook & Campbell, 1979), and social return on investment techniques (Kramer, Parkhurst, & Vaidyanathan, 2009).

Bureaucratic evaluation logic follows a rational planning model that emphasizes step-by-step procedures, categorization, standardization, and goal achievement. Quality evaluation processes categorize activities and treatment effects. “Good” evaluation practices follow a linear sequence. The focus of the evaluation is to assess the achievement of pre-defined goals, with the evaluator providing oversight to ensure that the evaluation process itself is followed. Philosophically, this frame of reference primarily reflects a positivist approach but pragmatically focuses on process more than scientific principles, as represented in logic models (W.K. Kellogg Foundation, 2004a) and balanced scorecards (Kaplan & Norton, 1996; Marr, 2009). The explicit goal orientation of this model also follows a strategic management approach (Mark & Beery, 2004).

Learning evaluation logics emphasize an openmess to change and seek to understand not only the intended but also the unintended effects of social change efforts. Consistent with this aim, learning evaluation logics incorporate a wide range of perspectives, with particular attention to lay rather than professional expertise in the evaluation process itself. In this model, a “quality” evaluation analyzes the fullest possible range and variation of project effects. “Good” evaluation processes consist of techniques that do not require specialized training and allow for
extensive participation. The focus of the evaluation process is to test existing beliefs about project processes and outcomes, as well as to challenge the evaluation process itself. As a result, the evaluator’s role is that of a facilitator to engage full participation and encourage open dialogue. Philosophically, this evaluation logic embraces a social constructionist approach as it privileges the perceptions of a wide range of perspectives, including program beneficiaries. The emphasis on challenging underlying assumptions is consistent with Argyris’ “double loop learning” (Argyris, 1993) and Senge’s “system thinking” (Senge, 1990) organizational learning strategies.
APPENDIX C

UNIT OF ANALYSIS QUESTION: MIXED VIEWS FROM THE LITERATURE

This section includes several critical perspectives from the literature that offer a variety of views about the relative influence of the organization (foundation), the board, and the individual program officer on grant assessment processes. As suggested by the references provided below, many scholars offer a mix of perspectives, often implicit rather than explicit, about the interactive effect of limited organizational structure and the broad autonomy exercised by program officers.

Organizational Influence
“Culture determines whether foundations attached importance to evaluative information and what kind of evaluation is preferred. Some believe that the standard of evidence should be as close to rigorous scientific method as possible; others rely on less formal, though systematic, methods of assessment” (Leviton & Bass, 2004, p. 10).

“The Grantmaking School and the GrantCraft initiative have significant data on good practice and solid experience in teaching these practices to foundation program officers. These information resources, of course could be instantly mobilized by the financial where withal that foundations command. The only missing components, indeed, are widespread recognition of the need for generally accepted principles of good practice and the political will necessary to create and sustain a process that would lead to the creation of a field wide body of such principles” (Orosz, 2007, p. 51).

“Staff at the largest foundations may well have sufficient time and expertise to evaluate grants, but it is hard to see how even the most dedicate staff could have much time to assist grantees. The smaller the foundation, the more stretched the staff. Among the hundreds of foundations with $50M to $250M in assets, there are five times as many grants per professional, and an average of two staff members handle grants in 11 unrelated fields. The smallest foundations often rely on the volunteer efforts of trustees, making it almost certain that many decisions are reached with little formal evaluation at all….Those broad metrics also suggest that foundations are not using the more powerful forms of value creation beyond selection” (Porter & Kramer, 1999, p. 128).
“If you (the donor) are clear about your aspirations, values, and beliefs, the new priorities that emerge will continue to reflect the good you most want to see done in the world” (Tierney & Fleischman, 2011, p. 48).

“…because all philanthropy is personal, data can be useful but is not necessarily determinative” (Tierney & Fleischman, 2011, p. 71).

**Board Influence and Relationships**

“Although foundations vary in staffing levels and responsibilities, there are two general groups of stakeholders within a foundation: (1) those who make overall funding decisions and (2) those who carry out the decisions….For ease of discussion, we refer to the former group as board members and the latter as program officers…the “board member” group may or may not be among the group of primary stakeholders for a particular evaluation. In some cases, these stakeholders are interested only in allocating resources and may be content to have others, such as program officers, focus on the operational aspects of foundation funding, includes evaluation….In other cases, however, the board members may have a strong interest in evaluation questions related to process…and outcomes” (Connor, Kuo, Melton, & Millett, 2004, p. 179).

“One of the impediments to our progress as a field is that we’re still not where we need to be in terms of our relationships with our boards and the ways in which we engage our board in the substantive work of our organizations,” says Mr. Canales. “If more progress on that score were made, then perhaps we would have a culture that would embrace and permit us to talk openly about these issues without fearing that the board would be troubled or worry we’re not doing the right thing” (Mento, 2013).

**Combination of Organizational and Individual Factors (Mixing Organizational and Individual Units of Analysis)**

“The influences that drive foundation action can be viewed as a complex web of external and internal factors. The innermost level of this web includes those factors found only in a single organization. For foundations, the number of founding-family members on the board, the particular staff expertise, the “age” of currently funded programs, and the staffs’ own particular emphasis on “innovation” are all powerful influences on grant decisions…Outside this innermost level of decision influences is the layer of factor that results from and affects the actions of a community of foundations…The third and most external layer includes factors located outside of foundations….local, state, and national political climate, contemporary demographics and anticipated populations fits, the fiscal health of local service providers, and the federal tax codes regulations regarding foundation disbursements” (Bernholz, 1999, p. 361).

“One way in which many funders and evaluators reacted was to try to get ever more data in order to understand community context, assess implementation of programs or intervention strategies, and document the changes in relationships that are critical to system change efforts. However, foundation staff often lacked the capacity (staff time and expertise) to make use of much of this data. (Behrens & Kelly, 2008, p. 40-41)
“‘Traditional’ evaluation, as understood by most foundation program officers and as applied by most foundations, has failed to meet both sets of expectations by not taking into account the real complexities of the social problems being addressed, the multiple causal factors at play in communities and systems, politics inside and outside foundations, and the fact that no major social ill can be solved by a single foundation acting alone. (Behrens & Kelly, 2008, p. 43)

“Foundations need to manage the production of knowledge at the strategy and policy levels and at the point of service delivery. Information is best when produced by individual grantees and subsequently flows to the foundation. Foundation staff, in turn, need to analyze information across their portfolios to determine the collective contribution or impact(s), inform future strategy and policy directions, and determine what additional information may be necessary. In this sense, performance measurement and monitoring and evaluation efforts are complementary” (Boris & Kopczynski Winkler, 2013, p. 76).

“One reason evaluation is typically not seen as a leadership duty is the sheer complexity of philanthropy’s work, with its seemingly endless demand for new information. For executives and especially board members who oversee multipurpose foundations, the knowledge required to make wise decisions can be downright overwhelming. Foundations are often dealing with intricate human systems that take on intractable social problems in constantly changing contexts. Even the most carefully crafted strategy will quickly become obsolete if not reviewed against changing circumstances, regularly and mercilessly. It comes as little surprise, then, that many leaders resort to delegating the responsibility for getting a good handle on that information to program officers, evaluation officers, and consultants” (Patrizi, 2006, p. 8).

“Executives, perhaps feeling ill-informed about the field and uninvolved in programmatic conversations, as well as distanced by dense evaluation products, may not ask critical questions of program staff. Program staff, feeling pressured to get the commitment of busy executives to program strategies that have been developed at a far remove from the executive office, may minimize or even overlook information that runs counter to the strategy of choice. Meanwhile, evaluators, taking their charge from program staff, often address questions that are of marginal ultimate interest to those in leadership positions. The frequent result: bad strategy and irrelevant evaluations” (Patrizi, 2006, p. 9).

“…foundations strongly value the lowest possible expenditures for overhead, investments in research, management infrastructure, or evaluation. Unable to assess social impact, boards give disproportionate weight to minimizing administrative expenses in the unfounded belief that a larger percentage of payout going into grants means greater effectiveness….Program officers themselves often come from this background, having previously worked in nonprofits. Used to scare resources, they value program dollars above all and would prefer to minimize the resources devoted to evaluation” (Kramer & Bickel, 2004, p. 64).

“Taken together, the cultural bias favoring good intentions over rigorously measured results, the autonomy of staff, a lack of meaningful performance reviews that include evidence about results and learning the limited administrative budgets, and the constant press of new grants in frequently changing fields create an organizational structure that fights against the time, money,
or incentives for disciplined evaluation and ongoing organizational learning” (Kramer & Bickel, 2004, p. 64-65).

“Most foundations try to make their strategic choices and grantmaking decisions as rationally as possible. But in the end, all the decisions foundation officers make are based on individual human judgments and are therefore subjective” (Fleishman, 2007, p. 217).

“…foundations have generally shared a ‘culture of diffidence’ that discourages openness about their activities and agendas. This diffidence arises, perhaps, from a lack of confidence that many foundation officers may feel about the soundness of their strategies. Uncertain whether they are dispensing their funds in the best long-term interests of society as a whole, they shy away from public scrutiny and open debate” (Fleishman, 2007, p. 222).

“I found that every grant was called ‘evaluated’ even before the books on them were closed. I found that young people were brought in and did routine once-overs. I instituted a serious, rigorous, non-routine evaluation system, which the program officers resisted mightily. Foundation program officers are sanguine and forward-looking. They don’t like at all to look back” (Richard Lyman, former president of the Rockefeller foundation, as quoted in Fleishman, 2007, p. 223)

“Neither grantmakers nor foundations want to give up the freedom that the lack of professional structure permits, but they also want more clarity in their own work and more effective and responsible work from the field as a whole” (Horn & Gardner, 2006, p. 93).

“Foundations are often compared to universities in the pursuit of knowledge and experimentation, and it is no accident that a significant number of foundation executives and CEOs are former university presidents or administrators. Academic administration, however, is very different training ground than other kinds of management. Faculty members have considerable autonomy and, within their fields of expertise, are typically judged only by their peers. This “hands off” management approach is often transferred to the foundation, resulting in an organizational culture that confers nearly complete autonomy on program staff to devise strategies, formulate initiatives, and recommend grants for approval with little independent verification, accountability or oversight. This culture of autonomy is accentuated by program staff drawn from a wide variety of backgrounds, with little opportunity for education or training in their new responsibilities. Unlike other professions or trades, foundation staffs often do not share a common base of expertise or culture….Few foundations tie performance reviews or compensation to achieve programmatic and learning objectives. The evaluation of past grants, therefore, may have little meaningful impact on a foundation executive’s or program officer’s future career, confirming their freedom from accountability and undercutting any need to use evaluation. In such an environment, internal politics and favoritism tend to fill the void left by the absence of more objective measures of performance or achievement, further complicating the work of an (outside) evaluator who has a foundation as a client” (Kramer & Bickel, 2004, p. 63).

“Philanthropic programs, especially those intended to be strategic, are hypotheses about how the world works, and they test what will happen if a program is implemented successfully. But philanthropy’s incentives reward program staff for generating hypotheses much more than for
seeing what happens…’program officers are motivated largely by the development of new and exciting programs. Once a program is conceived and approved, it is easy to forget it and move on to the next page’ (Isaacs & Colby, 2010, p. 97-98).

“Leaders who come to the foundation field from other professions are apt to assume that such things are pre-employment training and a cohesive internal culture are as much a part of grantmaking as of their former fields…Everyone associated with foundations, from the chair of the board to the program staff, has at least one thing in common: they were all trained to do something else entirely. Given the absence of expertise, how can you prevent your foundation from becoming the uninformed learning the unprepared toward the undefined?…Foundation staffers have been recruited from a riotous diversity of backgrounds; every field, it seems, from astronomy to zoology is represented. When a staff consists of people utterly diverse in their socialization and worldview, how can you create a team that works effectively together?” (Orosz, 2007, p. xxvii).

“We found that the structure-strategy conflict often arises because foundations find themselves divided between two organizational types: the bureaucracy on the one hand, and what Mintzberg called the ‘adhocracy’ on the other” (Patrizi, 2011, p. 56).

**Normative Organizational Frame combined with “actual” individual frame**

“…we argue, foundations can and should make systematic judgments about what to evaluate…(and)…how intensely to evaluate those things the foundation has decided to evaluate systematically….Of course, less systematic informal evaluation may occur for everything a foundation does, based, for example, on program officers’ observations of grantees. Indeed, some form of evaluation, however informal, presumably informs all the decisions make within a foundation” (Mark & Beery, 2004, p. 145).

**Program Officer Autonomy and Individual Influence**

“For the most part, program officers at foundations are motivated largely by the development of new and exciting programs. Once a program is conceived and approved, it is easy to forget it and move on to the next. Evaluation is often left for the very end, and in too many cases is an afterthought” (Isaacs & Colby, 2010, p. 28).

“We know that organizational learning in general is hard. In foundations, it is especially so….for a program officer armed with a critical evaluation of the programs’ first year performance, ‘it would not have been unusual…to remain upbeat and noncommittal’” (Isaacs & Colby, 2010, p. 96).

“Exemplary workers in philanthropy have compensated for the lack of field-wide standards and external regulation by developing personal standards” (Mariano & Verducci, 2006, p. 230)

“…there are very few uniform procedures and rules for distributing funds, providing feedback to applicants, or wielding influence – a situation radically different from that of government funders….the relative absence of procedures requires that individual grant officers develop their own ways to cope with the demands of stakeholders, with effects on evaluation” (Leviton & Bass, 2004, p. 11). (Leviton & Bass, 2004)
“…for most foundations, systematic evaluation, with well-planned data collection, isn’t feasible for everything all the time, at least not at a high level of intensity. Resources are limited. Evaluation can be costly. Choices must be made. Those choices can and often are made without formal procedures – by happenstance, by best professional judgment of program officers, by intuition, or by tradition” (Mark & Beery, 2004, p. 146).

“We noted earlier that the term evaluation can refer to widely different kinds of activities from effective practices review and needs assessments, to informal grantee self-reports, to substantial studies by professional evaluations…Theories, models, and techniques of evaluation are multiplying, even as debates intensify about what the future and mission of the profession (evaluator profession) are, who belongs in it, and whether evaluation could even be considered a profession” (Kramer & Bickel, 2004, p. 65).

“Many grantmakers feel isolated from the public, their grantees, and their professional colleagues. The structure of philanthropy as a whole provides little grounding for its professional grantmakers…most program officers and foundation executives do not approach philanthropy as a career” (Horn & Gardner, 2006, p. 77)

“In contrast to other professional, professional philanthropy lacks shared norms regarding the purpose and practice of grantmaking. Most grantmakers agree only on ‘positive social change’ as the purpose of philanthropy, a concept so vague it lacks the power of a professional mission…Grantmakers also lack shared professional standards. What some view as effective grantmaking, others dismiss as bad practices” (Horn & Gardner, 2006, p. 91).

“The program staff, if given full rein, thrive in an atmosphere of entrepreneurial ferment, where creativity is honored, innovation is rewarded and rules are minimized. Program officers like to keep their options open, their horizons wide, and their actions unfettered” (Orosz, 2007, p. 64).

“Motivation, clarity of purpose, and satisfaction are difficult to sustain in such a fragmented field. Grantmakers are left to find professional grounding on their own. They pick up what they can from implicit foundation norms. …Some foundations have orientations for their new grantmakers in attempt to pass on the grantmaking wisdom accumulated over the foundation’s lifetime, but this type of training is inconsistent across foundations and depends largely on the agenda of the foundation’s leadership” (Horn & Gardner, 2006, p. 91).

“The shadow side of philanthropy may be autonomy run amuck. Power overzealously pursued. Influence thoughtlessly advanced…It’s the flip side of having resources to do good” (Horn & Gardner, 2006, p. 92).

“Foundation presidents and program officers are also part of the problem, because they often don’t tell their trustees about failure, says Joel Fleishman, a professor at Duke University and author of The Foundation: a Great American Secret—How Private Wealth Is Changing the World. Instead, he says, they gloss over things that aren’t working, because they know many trustees don’t want hear about it and fear of the effects of the public’s learning about failed
efforts. Foundation leaders, Mr. Fleishman says, need the support of trustees willing to ‘ferret out the truth about the results of grants’” (Mento, 2013).
APPENDIX D

SEMI-STRUCTURED INTERVIEW PROTOCOL

Outline of Desired Information
- Organizational Identity
  - Organizational values
  - Perceived role
  - Competencies
  - Aspirations
  - Stakeholders (internal and external)
  - Relationships with internal and external stakeholders
  - Relationships with nonprofit grantees
- Grant-making Strategy
- Evaluation Logics
  - Purpose of assessing performance
  - What constitutes a “good” assessment
  - Who is involved with grant assessment
  - Who is the audience for grant assessment results

Interview Guide for Foundation Chief Executives
Thank you for taking the time to meet with me and to participate in this study.

The purpose of this research project is to better understand how private foundations formally and informally assess and reflect on past grants. Allegheny County, Pennsylvania is the geographic focus of this research project, and I plan to interview representatives of 20 to 25 foundations, as well as chief executives of 20 to 25 nonprofit human services organizations. The desired outcome of this research project is to increase understanding about how funders assess grants, post award. This information will improve communication and transparency between funders and grantees by clarifying the assessment process for grantees and thus better equipping grantees to meet funders’ expectations and objectives.

For this project, I am conducting two different types of interviews. My interviews with program officers and nonprofit chief executives ask them to think about specific grants they have either
awarded or received. They do not tell me the name of the organization who granted or received the award, but do give it a code name so that they can refer to it easily during the interview. The interview questions ask them to compare and contrast the formal and informal assessment processes they actually used for each of these grants.

My interviews with foundation chief executives are more general and ask about strategic rather than tactical perspectives on grant assessment.

This interview will be recorded and should last between 60 and 90 minutes. Everything you say will be kept confidential, unless you specifically wish to be identified. If you have any questions during the interview, please ask me to clarify or re-state my question.

Do you have any questions before we get started?

I have reviewed your foundation’s website, recent annual reports, and current mission statement. [Provide copy of mission statement].

- From your perspective, which elements of this mission statement have the greatest influence on your foundation’s work?
  - Which most capture your aspirations for the foundation?

- How do you perceive your foundation’s role in the community today? In what ways has your foundation’s role changed over time?

- Can you tell me more about the attributes of your foundation that enable it to make these contributions?

- As you look back on the foundation’s contributions over the last several years, what types of indicators or criteria are most important to you when you assess the foundation’s overall contribution?

- Based on your experience over the last several years, how would you characterize your relationships with…
  - Other foundations?
  - Your foundation’s grantees?

- Can you list any other individuals or groups that you look to for feedback on the foundation’s contributions?
I am going to shift the conversation a bit to talk more specifically about your foundation’s grant-making strategy. Several philanthropy groups promote shifting from project grants to general operating support grants.

- In your opinion, what are the pros and cons of moving in this direction?

- On what basis do you assess these two types of grants?

In addition to project and operating grants, there are a variety of other grants your foundation provides to grantees [list based on the foundation’s grant history, i.e., capacity building, equipment and infrastructure, advocacy, and “brick and mortar”].

- From a strategic perspective, does your foundation establish parameters for allocating a specific number or dollar amount across these different grant types or in other ways? i.e., program, operating support, capacity building, or “brick and mortar”? Or by program area? Combination?
  - If so, what are those targets and what is the process by which these targets are developed?

- On what basis do you assess these different types of grants? For example, how do you assess a capacity building grant…[list others that apply to the foundation].

- When you talk with your program officers, how do you describe the purpose of assessing past grant awards?
  - Does the purpose vary depending on the situation? [If interviewee asks for clarification: For example, does it depend on whether the grant is a project or operating support grant? (List others relevant to the foundation)]
  - How would you describe the role of your program officers in conducting grant assessments?

- In your opinion, what constitutes a “well-done” grant assessment report? That is, what are you looking for when you review an assessment report?
  - Does that vary depending on the situation? If so, in what ways?

- At your foundation, who is involved with developing and providing input into the grant assessment?
  - Does that vary depending on the situation? If so, in what ways?

- At your foundation, who are the audiences for grant assessment reports?
  - Does that vary depending on the situation? If so, in what ways?
APPENDIX E

SYSTEMATIC (RGT) INTERVIEW PROTOCOL

Elements: Grant Role Titles
- Project Grant
- Operating Support Grant
- Capacity Building Grant (Management or Professional Development)
- Infrastructure Grant (Financial or Technology Systems)
- Capital Grant (New Building or Renovation)
- Advocacy Grant (Public Awareness Campaign or Public Policy)

Interview Protocol
- “In what ways are any of these two grants similar to each other and different from the third, in terms of how you assessed them later, after the grants were awarded?”
- “What word or phrase describes what ways the assessment process is similar to two of the grant types and a contrasting word which describes the way the other grant type is different?”

If an interviewee only has experience with two grants, dyads will be presented, consistent with the RGT literature on this approach (Fransella, et al., 2004):
- “In what ways are any of these two grants similar to each other, in terms of how you assessed them later, after the grants were awarded?”
- “In what ways are they different, in terms of how you assessed them later, after the grants were awarded?”

Follow-up questions:
- “Can you tell me a little bit more about that process?”
- “…and why is that important”
- “Are those processes directed by foundation policies or your own? Could you please provide me with an example?”
- “What types of measures are used...”
- “Who is involved with the assessment process...”
- “Who leads the assessment process...”
• “Who is the primary audience for that information...”
• “Is there other information that you or others would like to have...”.
• “And how would you describe the process you used to assess the third grant?”
  o Repeat above questions, as needed for the 3rd grant type
APPENDIX F

KEY ASSUMPTIONS IN PERSONAL CONSTRUCT THEORY

Fundamental Postulate: A person’s processes are psychologically channelized by the ways in which he anticipates events.

Construction Corollary: A person anticipates events by construing their replication.

Individuality Corollary: Persons differ from each other in their construction of events.

Organization Corollary: Each person characteristically evolved, for his convenience in anticipating events, a construction system embracing ordinal relationships between constructs.

Dichotomy Corollary: A person’s construction system is composed of a finite number of dichotomous constructs.

Choice Corollary: A person chooses for himself that alternative in a dichotomized construct through which he anticipated the greater possibility for extension and definition of his system.

Range Corollary: A construct is convenient for the anticipation of a finite range of events only.

Experience Corollary: A person’s construction system varies as he successively construes the replications of events.

Sociality Corollary: To the extent that one person construes the construction processes of another, he may play a role in a social process involving the other person. (Kelly, 1955 and 1963, p. 103-104)
The Repertory Grid Technique (RGT) is an analytical tool that grew out of personal construct theory, an explicit theory of human understanding and psychological therapy, developed by George Kelly (Kelly, 1963 and 1955). In the context of organizational theory, PCT is consistent with the themes of neo-institutional theory and sense-making. For example, PCT is based on the assumption that all thinking is based on prior convictions and that the relationship between individuals and their environment is dynamic. This means that individuals do not merely respond to their environment but rather construct it (represent it) in a way that is consistent with their experiences and interests. The constructivist under-tones are expressed in the assumption that even if the individual misrepresents the situation, it is still entirely real. PCT asserts that individuals make sense of their realities through personal construct systems composed of a finite number of dichotomous constructs. In this way of thinking, a construct is very different than a concept or idea. Constructs are bi-polar, whereas concepts and ideas are not. Personal construct theory holds that constructs are those things that individuals use to describe and analyze events and experiences (Jankowicz, 2004). This approach asserts that understanding how individuals interpret and view their role, surroundings, and relationships, requires identifying each individual’s personal construct system. As such, PCT shares with classic cognitive psychology an interest in classification and categorization (Eysenck, 2000; Feldman, 1981) (Eysenck, 2000; Feldman, 1981).

Scholars from a variety of fields, ranging from clinical therapy to market research to organizational behavior, have used RGT to identify the underlying meanings of contested constructs (Fransella, Bell, & Bannister, 2004). Management scholars have used the RGT to identify the dimensions of individual and team performance management and the essential skills of organizational leaders (Easterby-Smith, Thorpe, & Holman, 1996; Hayes, Rose-Quirie, & Allinson, 2000; Kearns, Livingston, Scherer, & McShane, forthcoming; Napier, Keil, & Tan, 2009).

Developing the repertory grid (the data gathering instrument) involves several critical steps: identifying the topic, selecting the elements, eliciting the constructs, rating the elements, 17 The literature also suggests that informants rate rather than rank constructs. The literature does not find significant difference in effects from using ratings or rankings. Ratings will be used here to acknowledge program
and analyzing the full grids. Grids are conducted on a specific topic (here grant assessment). The purpose of the construct elicitation process is to capture all the constructs relevant to the specific topic, or the informants’ “repertoire” of terms they use to describe and analyze events and experiences. To identify these constructs on a specific topic, the individual is presented with examples of the topic, formally called “elements” in the RGT lexicon: “…an element is an example of, exemplar of, instance of, sampling of, or occurrence within, an informant topic” (Jankowicz, 2004, p. 13). Therefore, it is crucial that the RGT researcher select elements that are mutually exclusive and that thoroughly and evenly cover the topic.

Constructs are specified by each informant. The RGT literature refers to this process as construct elicitation. The RGT provides a means of eliciting these constructs by presenting the informant with several randomly generated triads (sets of three) of elements and asking a question that begins, “In what ways are any of these two items similar to each other and different from the third.” Follow-up questions enable the researcher to explore the meaning of elicited constructs in more detail. These follow-up questions are called “laddering” or “pyramiding” in the RGT literature (Fransella, et al., 2004). After the informant completes the triad series, the researcher asks the informant to rate each of his/her constructs in terms of its importance to assessing each element.

The RGT process generates a great deal of data, including analyses from each individual grid, as well as the collective set of grids. This rating process yields a data matrix that enables quantitative analysis using principal components analysis to group similar constructs and elements. There are several software tools designed expressly for RGT analysis that assist in the analysis process. These tools generate full correlation matrices to test for asymmetrical relationships, root mean squares to identify constructs that are most highly correlated to others (this reveals core themes), and cluster analyses (distances) to find the constructs and elements that are most similar to each other. The cluster analysis of elements shows how the elements group together and highlights similarities and differences between constructs. Similarly, the cluster analysis of constructs will show how the constructs group together and highlight similarities and differences between elements. This also aids in identifying the number of factors for the principal components analysis, which will show the extent to which the constructs and elements are similar and different from each other. These patterns literally draw out relationships between both elements and constructs.

staff may equally value more than one assessment criteria for any grant and thus it allows more comprehensive analysis across both constructs and elements (Neimeyer & Hagans, 2002).

Methodologically, the PCA and cluster analysis both assume that construct relationships are reciprocal/symmetrical, i.e., the relationship between Construct A and Construct B is the same as that between Construct B and Construct A. That is, there is no hierarchy of constructs. Therefore, a full correlation matrix is necessary to test for asymmetrical construct relationships (Fransella, Bell, & Bannister, 2004).
Areas of Interest
- Programmatic or Geographic Focus

Evaluation
- General
- Criteria
- Method
- Process
- Scope

Foundation
- General
- Goals
- Mission/Vision
- Practices
- Role

Grant-making
- General
- Goals
- Selection Criteria

Organizational Identity
- Values (including Founder Intent)
- Attributes
- Competencies

Success
- Definitions
- Indicators
- Stories (examples used)

Miscellaneous
- Evidence of Participant Honesty
- Definitions, opinions, or beliefs
## APPENDIX I

## WORD COUNT

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WEBSITE ANALYSIS CODING RUBRIC

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## APPENDIX K

### CUMULATIVE DISTRIBUTION FREQUENCY, RGT GENERATED GRANT ASSESSMENT CONSTRUCTS

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RGT Interactions
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</tr>
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</tr>
</tbody>
</table>
## APPENDIX M

### SAMPLE HCA OUTPUT

#### Proximity Matrix

<table>
<thead>
<tr>
<th>Case</th>
<th>1:Project</th>
<th>2:CB</th>
<th>3:Infrastructure</th>
<th>4:BM</th>
<th>5:GO</th>
</tr>
</thead>
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<td>36.000</td>
<td>38.000</td>
</tr>
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<td>16.000</td>
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</tr>
<tr>
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<td>44.000</td>
<td>38.000</td>
<td>0.000</td>
<td>72.000</td>
</tr>
<tr>
<td>5:GO</td>
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<td>34.000</td>
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HCA Output for Interview #2 RGT Matrix
### Proximity Matrix

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HCA Output for Interview #6 RGT Matrix
BIBLIOGRAPHY


Broad, B. W. (2014). Billionaires With Big Ideas Are Privatizing American Science (pp. Section A; Column 0; National Desk; Pg. 1).


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