



ORGANIZATIONAL EFFECTIVENESS STRATEGY

December 2023 | Effective Philanthropy Group



WILLIAM + FLORA

Hewlett Foundation

The William and Flora Hewlett Foundation invests in creative thinkers and problem solvers working to ensure people, communities, and the planet can flourish. Together with our partners, we are harnessing society’s collective capacity to solve our toughest problems — from the existential threat of climate change, to persistent and pervasive inequities, to attacks on democracy itself. A nonpartisan philanthropy, the Hewlett Foundation has made grants in the U.S. and globally for nearly six decades based on an approach that emphasizes long-term support, collaboration, and trust.

The Hewlett Foundation updates its grantmaking strategies periodically to be responsive to changing political, social, and ecological conditions. Led by Organizational Effectiveness Officer Jennifer Wei, the team of Hewlett staff that informed this refreshed strategy included: Marselle Alexander-Ozinskas, Amy Arbreton, Kathleen Badejo, Kristen Carriker, Lori Grange, Mary Kong, Larry Kramer, José Larios, Leanne Oue, Jehan Velji, Althea Anderson, Carla Bernal, Jaime Cortez, Angela DeBarger, and Andrea Keller Helsel. External consultants and partners who have also contributed to this process included: Esther Kim, Creative Research Solutions, Kris Hele, Patricia Scheid, and all of the grantees and funders who provided input and feedback throughout the evaluation and landscape scan. We have made this strategy and related evaluations public to partners, funders, and civil society as part of the foundation’s commitment to openness, learning, and transparency. A memo, very similar to this public document, was shared with the Hewlett Foundation’s board detailing this refreshed strategy in September 2023.



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I. Introduction

To achieve their goals, nonprofit organizations need strong leadership and staff, effective operational systems, and healthy organizational cultures. Yet present funding practices make it difficult to build these necessary structures. Multiyear general operating support is far from the norm, and most funders offer only restricted project grants that may not even cover full costs. As a result, scarcity has been both a mindset and a reality in the nonprofit sector, making it hard for many nonprofits — especially those who have been historically overlooked — to invest in themselves and to build strong, resilient organizations.

The Hewlett Foundation's Organizational Effectiveness (OE) program was created in 2004 to help address this problem by strengthening grantees' organizational capacities in such areas as strategic planning, board governance, and operations. The need for such a program has only grown since then, especially in the past few years. The pandemic, the undermining of democratic values, and new demands for greater diversity, equity, inclusion, and belonging have exacerbated pressures on the nonprofit sector — disproportionately so for organizations serving marginalized communities. Staff burnout is widespread and growing worse, resulting in a labor shortage in the nonprofit sector. The power differential between funders and grantees has undermined the ability of many organizations to work effectively — warping their incentives and impeding their ability to invest in organizational needs.

Amid this backdrop, it was a timely moment to refresh our OE strategy. Through a [landscape scan](#), we came to better understand the trends, challenges, and promising practices in the sector. [Our evaluation](#) enabled us to garner rich insights and feedback from grantees, staff, and consultants. With these inputs, we have identified the most critical shifts to make — how best to leverage the assets and strengths of the OE program, while adjusting what we are offering to more equitably support more grantees. Our values — to advance equity, shift power dynamics, center people, and learn and adapt along the way — guided this refresh.

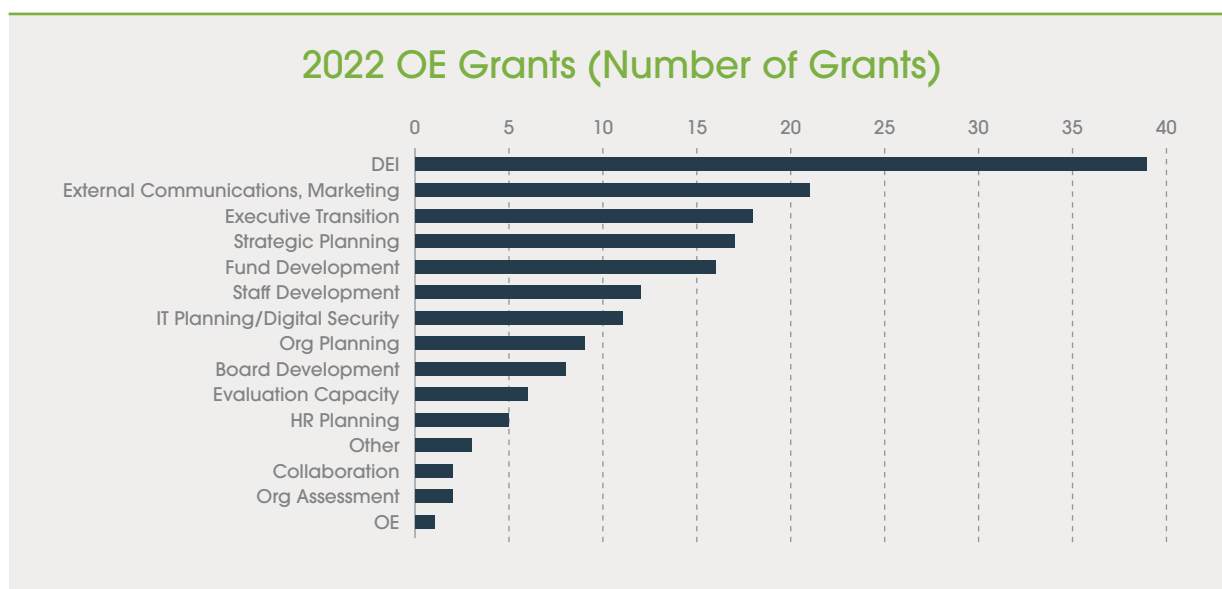
In moving forward, we recognize the need to strengthen our own approach to OE and the importance of being intentional, strategic, and equitable, ultimately in partnership with and in service to our grantees.

II. The Current Organizational Effectiveness Program

Housed in the Effective Philanthropy Group (EPG), the foundation's OE program was devised to strengthen our grantees' institutional capacities, so they are better equipped to achieve their goals. Offered as supplemental funding to existing grantees, OE grants offer modest support for a broad spectrum of organizational needs, including communications, leadership and staff development, and diversity, equity, and inclusion (DEI). As Hewlett's own grants mostly provide multiyear flexible funding, the add-on OE grants enable grantee partners to prioritize matters of internal capacity that are often overlooked or deprioritized due to the press of immediate demands (including those of other funders).

Over the past 18 years, Hewlett has awarded \$76 million in OE grants to 847 grantees across all the foundation's program areas. In 2022, we awarded 167 grants totaling \$12 million, with an average grant size of \$70,000. OE grants are typically one-time, one-year grants; only existing grantees are eligible.

Historically, strategic planning was the most commonly requested form of OE support. In 2018, we allocated specific funds for OE-DEI grants, and DEI immediately became and has remained the most requested form of support (comprising approximately one-third of all OE grants in 2022). OE support is also commonly sought for communications planning, executive transitions, fundraising, and leadership and staff development:



The OE team consists of an Organizational Effectiveness officer supported by a program associate, who splits time with EPG's Philanthropy Program. OE grants are initiated by request from staff in the foundation's other programs; the OE team sets guidelines and parameters for OE grantmaking and advises program staff and grantees on how best to use OE support. The team also organizes additional nonfinancial support, and captures lessons learned to share both internally and with the broader field. With guidance and advice from the OE officer, program officers identify which grantees should receive OE support, hold the primary relationships with OE grantees, and make the ultimate grant decisions.

Hewlett's longtime commitment to OE makes us a go-to organization for this kind of grantmaking. We receive regular inquiries from other funders interested in how we do OE grantmaking and seeking advice on structure, process, and how best to make the case internally to their leadership. We make our evaluations and assessments, landscape scans, and other resources publicly available, and present at conferences and other meetings. We also participate in funder cohort groups to learn from other foundations and collaborate on promoting best practices in organizational strengthening.

III. Looking Around and Looking Back

As part of this refresh, we commissioned a landscape scan (to “look around”) and an external evaluation (to “look back”). The findings from both provided important insights and useful feedback that informed our thinking and helped shape our priorities going forward.

A. Looking Around: The Current Landscape

The landscape for OE funding has evolved some but remains disappointingly stagnant. Change is slow, and entrenched funder practices impede progress. A number of funders have pledged to give flexible, multiyear funding — many moved to do so by the pandemic — but nowhere near a critical mass of funders does so.¹ Without flexible funds, nonprofits have difficulty investing in organizational capacity and are forced to “follow the funding,” namely, focus on direct program support at the expense of investing in systems, staff, and culture.

The widespread practice of permitting only very low rates for indirect cost recovery exacerbates the problem by underpricing what nonprofits need to even do the projects funders say they want to support. To address this, the Hewlett Foundation partnered with Ford, Packard, Open Society, and MacArthur Foundations to recruit a number of other large foundations and launch the Funders for Real Cost, Real Change Collaborative. The group supported research, which it then used to advocate for more generous indirect cost recovery. But few even of the participating foundations changed their indirect rate policies,² and most nonprofits still struggle to find resources for internal organizational needs.

The past few years have been particularly challenging due to the pandemic, the racial reckoning, and their continuing effects. Organizations working in areas such as democracy, LGBTQ+ rights, disinformation, and education have been subject to increasingly vicious attacks, and staff fear for their safety, both physically and online. Organizational culture challenges around race, hybrid work, and DEI generally have been fraught, while the “great resignation” included a high turnover among leadership. New leaders, including especially leaders of color, were often not properly supported or were saddled with unrealistic expectations that they would come in and quickly fix longstanding labor and DEI issues.³

Not surprisingly, these conditions have taken a toll on staff morale. In the Center for Effective Philanthropy’s 2023 report, “State of Nonprofits,” the top challenges reported by nonprofit leaders all related to staff, including burnout, hiring, and retention.⁴ One consequence has been flight from the sector, leading to a labor shortage. A recent study by the National Council of Nonprofits concludes that this labor shortage is affecting the ability of nonprofits to provide services, with nearly 75% of respondents reporting job vacancies.⁵ In times like these, OE support is more essential than ever.

Not surprisingly, the organizations that have historically not received flexible funding or support for capacity building tend to have smaller budgets and are disproportionately based in communities of color. Our landscape scan, “[How Funders Are Strengthening Nonprofit Capacity](#),” highlighted the need for funders to look for implicit biases in grantee selection criteria and ask whether their support for organizational strengthening is structured or administered in ways that deny access to categories of otherwise qualified nonprofits. It also encourages funders to pay attention to power dynamics in funder-grantee relationships and to consider shifting power to grantees in appropriate circumstances and ways.

There is a notable distinction between support for shorter-term OE projects and long-term, holistic investments in organizational development. Both are valuable, but there is growing support for emphasizing longer-term organizational resilience. A number of foundations in the study acknowledged the need to sometimes simply provide nonprofits more resources, time, and space for organizational development, without excessive demands or requirements. Tellingly, all the funders in the study recognized the need to give nonprofits more agency in determining plans for longer-term organizational strengthening.

The landscape scan revealed important gaps in the field of consultants and technical providers. An evaluation we did in 2015 found that consultant fit was the number one factor in whether an OE grant was successful.⁶ Lack of access to a diverse set of high-quality consultants can thus be a limiting factor in an organization's effective development. Funders noted an oversupply of consultants in some regions (e.g., East and West Coasts of the United States, Western Europe) and in certain technical areas (e.g., strategic planning and communications), and a shortage in places like Africa, as well as among BIPOC and LGBTQ+ groups, and in areas like fundraising and DEI.

Some promising new practices emerged in the landscape scan. To address staff burnout, some funders have launched programs on grantee wellness.⁷ The Packard Foundation's Resilience Initiative offers open access to resources, training, and coaching that can be used by nonprofits as they wish, with no funder requirements or expectations. The Oak Foundation offers program staff (as well as staff at regranteeing intermediaries) a training series of five, week-long online modules designed to build skills for supporting grantees' organizational needs.

B. Looking Back: Evaluation

In 2021, we commissioned Creative Research Solutions (CRS) to conduct an evaluation of the OE program.⁸ In addition to available quantitative evidence, the evaluators sought qualitative input from grantees, consultants, and Hewlett staff, paying careful attention to inclusiveness. Their analysis took into consideration how grantees' reactions might differ based on their backgrounds and experience, and CRS looked carefully and specifically at subgroups of grantees that were likely underrepresented in prior OE evaluations.

The evaluation found that both grantees and program staff highly value the OE program and believe it provides much-needed benefits and resources. Most grantees (89% of survey respondents) said that OE grants improved their organization's health and ability to make progress toward its overall mission and goals. This is consistent with the results of our most recent Grantee Perception Report,⁹ which found a statistically significant difference in the positive ratings of grantees who receive OE grants and those who did not.

When disaggregated by race, the grantee data showed that respondents of color are less likely to request OE support and less likely to have received an OE grant in the past. That finding is in line with the landscape scan, which likewise found that historical biases have limited the ability of nonprofits led by people of color to access resources for building organizational capacity.

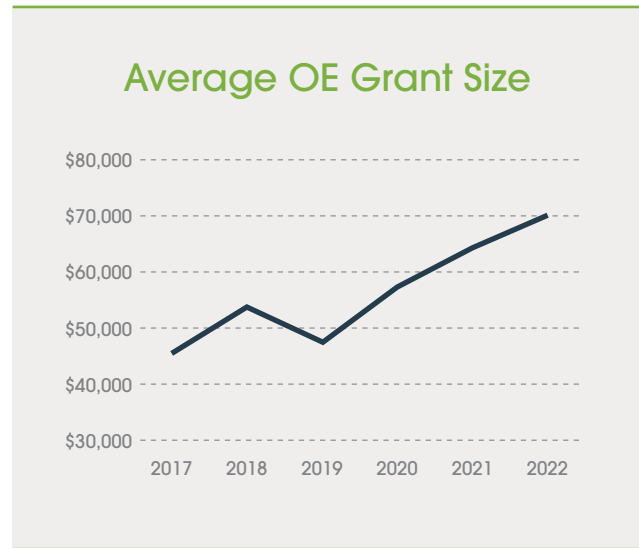
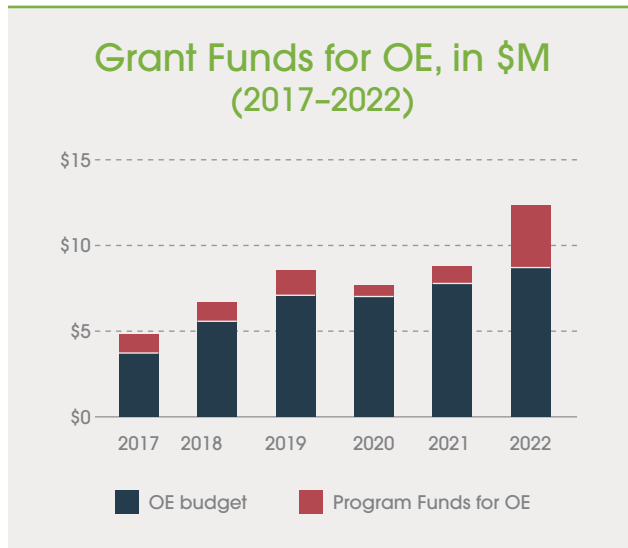
According to 75% of respondents, Hewlett's OE grants fund projects that grantees would not normally be able to fund. Without such funds, grantees say (especially those with smaller budgets), they would likely have delayed or not invested in organizational strengthening work. Smaller budget sizes also have a correlation with race; our demographic data shows that larger-budget OE grantees (more than 100 staff) are on average 80% White-led, while smaller OE grantees (fewer than 50 staff) are between 53%-61% White-led.

Guidance from the OE staff was cited as one of the program's main strengths, with 91% of respondents describing such support as effective and even invaluable. Some grantees and staff wished that the OE team had more capacity to help, while acknowledging the limitation of Hewlett's lean staffing model.

Finally, OE grantees trust and highly value their relationship with program officers. Stronger relationships make for more candid conversations, which, in turn, enable program officers to better ensure that OE grants address grantees' needs. Both program staff and grantees said they would like more peer learning opportunities to share lessons and best practices.

C. Grants Analysis and Trends

A review of OE grants data over the years reveals some notable trends. OE grants have increased both in number and in size. In 2018, we added \$2 million to launch an OE-DEI fund, followed by additional increases of \$1 million, in both 2020 and 2021, to enable us to pay more of the true costs of OE projects (which take staff time and typically include other indirect expenses). Meanwhile, inflation has meant higher consultant and operating costs for nonprofits. Between that and the often higher costs of DEI work, average grant size has increased from \$45,000 in 2017 to \$70,000 in 2022.



Approximately 15% of Hewlett grantees receive OE funds each year, but demand for OE support is greater than our budget. In 2022, for example, even though the \$9 million OE budget was supplemented by an additional \$3 million from programs, some grantees had to wait until the following year.

Roughly 50% of OE grantees between 2017-2022 have received more than one grant; a handful have been awarded multiple grants (including a few that have received eight or nine OE grants since 2010). This data aligns with the anecdotal experiences of our program officers, who have shared that past OE grantees return year after year to request another OE grant. By and large the requests come from more established grantees, which have strong relationships with their program officer and tend to have larger budgets and staffs. While this may indicate the importance of these grantees to their respective program strategies, it also invites further analysis to better understand how these grantees have benefitted from multiple OE grants to help them achieve their goals and contribute to Hewlett's program strategy goals. It also raises the question as to which grantees have been excluded from OE support, but are important to strengthen organizationally.

In terms of demographics, in 2019 (the first year we collected demographic information), 71% of the heads of organizations that received OE grants were White, compared to 68% of the entire foundation's grantees. Two years later in 2021, 60% of the heads of OE grantees identified as White, which was on par with 60% of the foundation's grantees. The shift reflects progress on the part of programs in finding and addressing racial inequities and implicit bias in their grantee selection, and shows how closely OE grantees mirror the demographics of the foundation's overall grantee pool.

IV. Looking Forward: Revised Strategy

Our previous strategy focused on building “high-performing organizations that are healthy and sustainable.” Our revised strategy reframes performance in terms of the ability to “adapt and thrive.” We believe this language better reflects our understanding that organizations need to invest in their capacities continuously and need to focus on flexibility and resilience to achieve their missions over time.

A. Ultimate Goal

The revised OE goal is thus:

To strengthen Hewlett Foundation grantees’ ability to adapt and thrive so that they can better achieve their missions.

The idea reflected in this goal is for OE support, alongside Hewlett’s primary funding, to enable grantees to invest in their people, culture, systems, and planning, so they can be more resilient in times of change and better-positioned to make progress on our shared goals.

We do this, with an eye on equity, by:

- Providing funds and other supports to grantees to make their organizations stronger.
- Supporting both Hewlett staff and grantees with guidance and advice.
- Sharing lessons learned with other funders to inform and influence the field about effective practices in organizational strengthening and the importance of investing in nonprofits.

B. Obstacles to Achieving the Goal

Achieving our goal requires grappling with some challenging circumstances in the field and at Hewlett.

First, we cannot do this alone. Yet many funders generally do not provide flexible support and very few invest in OE. For too long, the philanthropic sector’s practices have hindered nonprofits’ ability to thrive, leading many struggling to survive. In order to make meaningful progress in the nonprofit sector, other funders need to step up in providing more flexible funding and/or support for OE.

Second, power dynamics between funders and nonprofits are complicated and can get in the way of healthy relationships. Many grantees find it difficult to share their true organizational needs, worried that revealing weakness may jeopardize their funding and status as a grantee — if not with Hewlett, then with other funders who get wind of the problems. Even grantees that accept OE funding often choose the project they think their funder wants (such as strategic planning), as opposed to what they really need. In order to make meaningful progress in the nonprofit sector, other funders need to step up in providing more flexible support and/or support for OE.

Third, we must work with a limited budget. The amount of OE funding we make available is not tied to our general grant budget and fluctuates between 1%-1.5% of Hewlett’s overall grantmaking. Programs have helped keep pace by contributing funds from their regular budget, but some programs feel limited in how much they can contribute, with the result that some grantees are forced to delay addressing important needs. As we know, organizational strengthening work sometimes cannot wait.

Lastly, the field of service providers is fragmented, making it difficult for grantees to know who is out there, who is high quality, and how to find the right consultant. As noted earlier, consultant fit is the number one factor in determining the success of an OE grant. However, the lack of information about, and limited access to, diverse, high-quality consultants can be a challenge, especially in other parts of the world.

C. The Opportunity

There is growing recognition of the opportunity costs incurred by not investing in OE — costs that have become increasingly evident over the past few years. Weak organizations that have been underinvested in can be a major barrier and threat to the progress of the social causes and issues that we care about. If not properly supported, the reduced effectiveness of these organizations could in some cases set us back many years. An increasing recognition of these challenges, and the historic inequities of organizational capacity support, are leading to an increasing desire among funders to invest and shift the balance.

We have learned important new lessons, too, including the obligation to more squarely confront inequities and power dynamics that have been overlooked or ignored. Our ultimate goal is to provide grantees with access, opportunity, and resources to address their most important organizational challenges, and to do so when and as needed. This requires us to be more responsive to grantees and to listen carefully as we determine how best to serve them through our OE grantmaking.

To further guide our work, we developed a set of guiding values:

- **Attend to equity:** We will work to address the historically inequitable distribution of organizational strengthening resources.
- **Attend to power dynamics:** We must do better in supporting grantees to determine their path forward, making resources available to build organizational capacity when and how they need it.
- **Center people:** Organizations are staffed and run by people. In thinking about OE, we must consider how to support the needs of nonprofit leaders, staff, and volunteers — providing our support in ways that nourish and sustain their ability to do the work and their resilience in the face of whatever challenges they face.
- **Learn and adapt:** We will seek input and feedback from grantees, consultants, and other participants, in order to improve in real time; we also will share what we learn.

D. Intermediate Goals

We have developed four intermediate goals that reflect our strategic priorities and will advance our ultimate goal:

1. More Grantees Have Access to OE Support When and As Needed

In advancing equity, we want to enable more grantees to have access to more OE support. Currently, approximately 15% of Hewlett grantees each year receive OE grants, about half of whom have received OE grants in the past. We want to be more intentional in distributing our resources more widely and evenly so that we can reach more grantees.

In addition to grants, we want to make a greater range of OE supports available — including (as we discuss at greater length below) access to capacity coaches and technical assistance providers, trainings and webinars, and dedicated funds to respond to specific areas of needs. We want OE support to be varied enough and flexible enough to meet the needs of grantees when, where, and how they need it.

As consultants are critical to the success of OE projects, we will also continue working hard to identify high-quality, culturally competent consultants we can share with grantees, including outside the U.S. We have an internal OE consultant database that includes grantee feedback from which we can draw to make referrals. We plan also to work with other international funders to expand and diversify our pool of high-quality consultants in different geographies.

2. Grantees Are Better Able to Identify Their Needs and Choose Ways to Address Them

Grantees should control their own organizational development, and funders must take care not to impose on them needlessly or thoughtlessly. Many nonprofits are ready to take such ownership, but some of our grantees say they don't know where to start and need guidance on identifying, prioritizing, and sequencing the work. To strike the right balance — always with an eye on the need ultimately to support and bolster grantee agency — we want to help them access expert advice, whether from us, with an external advisor, or both. Funders have a sector-wide perspective that most grantees do not — this is, in fact, among the most important things we have to offer. Yet we also need to know when it is time to step back and let grantees determine their own pathway.

One way of sharing our perspective without overbearing individual grantees is to carve out special funds for specific areas of critical need, as we did for DEI and wellness. Setting aside dedicated funding signals our sense of the importance of the specific area, but without dictating to grantees, while still making funds available for areas they may otherwise find difficult to prioritize or support.

3. Program Staff are Better Equipped to Make Informed and Equitable Decisions Regarding OE Support

Program staff hold the primary relationships with grantees, including for OE grants. The partnership between the OE team and program staff has already been effective in many ways. While helping program officers better advise their grantees, the OE team has acted as a central hub to share practices across programs and help program staff learn from each other. Our staff have rich insights, ideas, successes, and failures to share with each other.

We have not leveraged peer learning as much as we should, however. To enhance our support for program staff, the OE team will offer more trainings, resources, and peer learning opportunities. We will also support program staff by offering resources or advice directly to grantees if and when deemed helpful or necessary.

An important shift, already underway, calls for programs to be more intentional about integrating OE support into their strategy development and grantee selection. To counter the unexpectedly large number of high-frequency OE grantees, we are encouraging program officers to be more proactive, strategic, and equitable in deciding which organizations receive OE support. During strategy refreshes (and periodically during implementation), program staff should identify which grantees are central to their portfolio and determine what organizational areas they need to strengthen to help better achieve their goals. This may entail everything from identifying where there are gaps in their portfolio's OE support to working closely to help grantees who need such support apply.

4. More Funders Understand the Value of and Deploy More Resources to Help Strengthen Organizations

Given Hewlett's longstanding commitment to supporting both OE and effective philanthropic practice generally, we can play a meaningful role with other funders. This is essential to our long-term goal, as Hewlett cannot do this alone. Other funders have, in the past, sought our advice, and several subsequently launched OE programs of their own. We can do more, however: leading by example; sharing what we learn and highlighting opportunities, inequities, and paths to impact; publishing internal studies and blogs; participating in conferences and webinars; and making the case for why strengthening nonprofit organizations matters.

E. Pilot Offerings

In addition to our regular OE grantmaking, we want to test some new models and approaches that align with our values:

1. Partnership with LeadersTrust

The largest pilot, in partnership with LeadersTrust, will enable us to provide a broader range of capacity-strengthening supports as we look to provide more accessible offerings to more grantees, while also recognizing grantee agency and self-determination. LeadersTrust is a group spun out of the Evelyn and Walter Haas, Jr. Fund (currently fiscally sponsored by the Tides Center) that works with foundations to offer a variety of leadership and capacity-strengthening supports for nonprofits. These include multiyear engagements with vetted capacity coaches¹⁰ and lighter-touch trainings and resources through the Resilience Initiative. Grantees would also have peer-learning opportunities and access to the Resource Hub, a curated online platform to find vetted organizational consultants.

To explore the benefits of deep engagement, up to 10 grantees would receive multiyear OE funding and work with capacity coaches at LeadersTrust over a two-to-three year period. Coaches will help leaders assess, prioritize, and implement changes to strengthen their organization. Coaches will also help grantees apply for OE grants from the foundation and select consultants for specific areas of work.

To explore the lighter-touch model, up to 100 grantees will have access to a variety of vetted consultants offering bite-sized trainings and coaching in areas such as human resources, fund development, finance, and wellness. Access is designed to allow grantees to choose the capacity supports they want, when and how they want them.

If successful, we will incorporate elements of this partnership, including access to coaches and the Resilience Initiative, into our regular OE offerings.

2. Grantee Wellness Fund

A second pilot will explore ways to support grantee wellness — a response to organizational strains resulting from staff burnout and high turnover. In 2022, we joined the [Funders and Wellbeing Group](#), a global learning community for grantmakers to share practices related to well-being and self care. As wellness is a new area of grantmaking, we are beginning with a small fund to support grantee well-being activities like offering mental health resources, staff retreats, wellness days, and coaching. In addition to helping grantees prioritize well-being activities they would not otherwise be able to offer, we will use the fund to learn more about how best to support grantee wellness going forward.

3. Grantee Trainings

We will offer trainings in a range of areas, including financial skills and communications; we will develop and may offer some of these trainings in partnership with external providers and/or other Hewlett departments (e.g., Grantmaking, Learning, and Operations team for determining true costs; Communications for external communications). We will continue assessing these options and getting feedback from grantees to determine what works best in different areas.

V. Evaluation, Learning, Monitoring, and Assessing

To advance our ultimate goal and intermediate-term outcomes, we have developed a learning and evaluation plan. The plan includes “learning questions” to guide our data collection, so we can assess whether the work is proceeding as anticipated and adapt, as needed, in real time. Our initial questions are included in the Appendix.

While ongoing monitoring will help us address our overarching learning questions, we also will need to undertake a deeper assessment from time to time. With respect to the pilots, however, as these are new and experimental, we want to assess their effectiveness early — within the first two years. To that end, the pilots include plans for ongoing developmental evaluation.

Appendix

Our overarching learning questions include:

- Are these the right approaches and pathways to achieve our overarching goals? What might be missing?
- Where are we seeing progress on our goal and outcomes? What are enabling and inhibiting factors? Are the impacts aligned with our intentions?
- How can we continue and grow what we see contributes to progress? What does it take to reduce or overcome barriers?
- How can we optimize for the OE staff time, program staff time, and budget to make the most progress toward our goal and outcomes?
- How are we embodying the values of shifting power, advancing equity, and centering people in our strategy? How can we effectively identify and mitigate biases and blind spots along the way?
- Given the long-term nature of this work, how do we measure ultimate success for building organizational effectiveness and resilience?
- With the OE team one step removed from grantees, how do we measure progress of OE grantmaking and support for the program staff so that it is helpful for decisions about where to make OE grants, how, and when?

Our initial plan for monitoring progress against each of our intermediate goals (which will also serve to inform our learning questions) is outlined below. We will continue to track progress through annual reflections, grant reports, grants data analyses, demographic data and the Grantee Perception Report.

Intermediate Goal 1: More grantees have access to OE supports when and as needed.

- Grantees report they have more access to OE support through a variety of avenues, such as grants, coaches, technical assistance providers, trainings, and other resources.
- OE support is more equitably and strategically distributed, with consideration toward historically overlooked organizations.
- Grantees have greater knowledge and access to high-quality consultants who understand their cultural contexts.

Intermediate Goal 2: Grantees are better able to identify their needs and choose ways to address them.

- Grantees report they have the skills and knowledge to identify priority needs and can make well-informed decisions regarding their next steps in organizational strengthening.
- Grantees have greater access to knowledgeable guidance, which could be from their program officer/associate, OE team, capacity coach, and/or technical assistance provider.
- Grantees are investing in areas of need that they may not have otherwise prioritized, such as wellness.

Intermediate Goal 3: Program staff are better equipped to make informed and equitable decisions regarding OE support.

- Program staff feel more confident in their knowledge and skills supporting grantees in OE.
- OE support is more equitably and strategically distributed across grantees, with consideration toward historically overlooked organizations.
- Program strategies have considered and incorporated OE into their plans.

Intermediate Goal 4: More funders understand the value of, and begin to fund, OE.

- Increasing number of funders recognize the importance of OE.
- Increasing number of funders are deploying funds and/or increasing access for organizational strengthening, especially for historically overlooked organizations.

Endnotes

1. According to CEP, the average proportion of grantees receiving general operating support increased slightly from 23% to 30% after 2020: <https://cep.org/portfolio/before-and-after-2020-how-the-covid-19-pandemic-changed-nonprofit-experiences-with-funders/>.
2. “Reimagining Project-Based Giving,” Funding for Real Change: <https://www.fundingforrealchange.com/>.
3. “Making (Or Taking) Space: Initial Themes on Nonprofit Transitions from White to BIPOC Leaders,” Building Movement Project: <https://buildingmovement.org/reports/making-or-taking-space-initial-themes-on-nonprofit-transitions-from-white-to-bipoc-leaders/>.
4. “State of Nonprofits 2023: What Funders Need to Know,” Center for Effective Philanthropy: <https://cep.org/report-backpacks/state-of-nonprofits-2023-what-funders-need-to-know/?section=intro>.
5. “The Nonprofit Workforce Shortage Crisis,” National Council of Nonprofits: <https://www.councilofnonprofits.org/nonprofit-workforce-shortage-crisis>.
6. Consultant fit can be understood in many ways, but most notably, it is the relationship between an organization and consultant, as defined by intangible qualities — communication style, degree of transparency, compatibility, and chemistry to work well together. “Evaluation of The William and Flora Hewlett Foundation’s Organizational Effectiveness Program,” Social Policy Research Associates, November 21, 2015: <https://www.hewlett.org/wp-content/uploads/2016/10/Evaluation-of-OE-Program-November-2015.pdf>.
7. Laura Bacon, “Learning from Luminate’s Wellness Stipend,” Luminate, November 30, 2021: <https://www.luminategroup.com/posts/opinion/learning-from-luminates-wellness-stipend>.
8. Jennifer Wei, “Centering Equity: Evaluating our Organizational Effectiveness Program,” The Hewlett Foundation, February 7, 2023: <https://hewlett.org/centering-equity-evaluating-our-organizational-effectiveness-program/>.
9. Larry Kramer and Jehan Velji, “Grantee Perceptions: Feedback We Received from Grant Recipients, and How We’re Responding,” The Hewlett Foundation, February 25, 2022: <https://hewlett.org/grantee-perceptions-feedback-we-received-from-grant-recipients-and-how-were-responding/>.
10. Capacity coaches help leaders assess, prioritize, and implement organizational strengthening activities to help an organization better achieve their mission and goals. They provide hands-on support, behind-the-scenes guidance, coordination among multiple consultants, a sounding board when mid-course changes seem needed, and confidentiality to foster trust.