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The Best of the Humanistic and Technocratic: Why the Most Effective Work in Philanthropy Requires a Balance

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Key Points

- As a more technocratic approach to philanthropy has emerged over the past 15 years, it has been seen as the opposite of humanistic philanthropy.
- Rather than a dichotomy, these approaches are on a continuum.
- The best tools from each approach can and should be brought to bear, including the well-thought out and disciplined strategies and results orientation of technocrats and the values base, intuition, responsiveness, and flexibility of the humanists.
- Staff and board leaders at foundations should articulate the humanistic-technocratic blend they desire, deliberately distill it into the organizational culture and everyday practices, and hire staff who possess multiple intelligences.
- Philanthropic leaders need to encourage others to appreciate the tensions between the technocratic and humanistic modes, acknowledge the trade-offs, and respect and learn from each other.

The Rise of Rationality at Foundations – and an Emerging False Dichotomy

Over the past 15 years, a technocratic approach to philanthropy has become more common and brought numerous benefits to the field. While the term "technocratic" may carry negative connotations, it embodies elements that are positive: It typically involves experts applying business principles to help foundations define their goals clearly, devise focused strategies, measure results rigorously, and engage with grantees to increase impact. While modern features are now part of the mix, this way of thinking is not new. In the early 20th century, funders like the Rockefeller Foundation followed a "scientific philanthropy" course that similarly employed objective business and social science disciplines to address the root causes, rather than just the symptoms, of systemic problems.

Part of the current emphasis on the technocratic stems from economic and societal forces that shape the philanthropic landscape. In 2008, there were approximately 75,000 foundations in the United States, almost double the number of just a decade earlier. Yet the $46 bil-lion in grants those foundations made during that year represented only a small portion of non-profit revenues – meaning that it is even more essential to create a "bigger bang for the buck." (Foundation Center, 2010 Urban Institute, 2007). Especially in light of the recent recession, philanthropies are striving to find ways to create a wider ripple effect and amplify their impact. Greater scrutiny by regulators, the media, and the public has also contributed to a laudable desire to be more account-able and better demonstrate results.

As with any high-profile idea, the technocratic approach can get blurred or even distorted – and it is worth pausing to define the term. The field tends to use "strategic philanthropy" to refer to what this article is calling "technocratic." That phrase, however, does not appear in these pages because it may imply that other foundations do not act strategically, a position not shared by the author. For the sake of simplicity, however, this article does at times refer to technocratic practices – such as focusing on clear goals and plans with built-in accountability – as the work of "strategy" or "being more strategic."

Demystifying the sometimes elitist terminology attached to the technocratic approach reveals an underlying common sense. Strategy can simply be defined as a decision-making framework, based on a foundation's external context and internal capacity, for selecting goals and activities to accomplish results. Performance measurement – also part of the technocratic landscape – is a way to assess progress and make course corrections. Devising a program strategy requires articulating purpose and values, developing a clear understanding of the larg-er environment, creating well--defined and integrated aims and plans, and then evaluating programs and using what is learned to modify them.

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Straightforward as these ideas might sound, the evolving emphasis on technocratic practices – along with the vastly differing degrees to which foundations have embraced them – has led to confusion and a rift in the field. The technocratic paradigm has become a source not just of misunderstanding, but even of rancorous debate. It is now discussed in opposition to the humanistic, positing a false choice that obscures the most effective option of all: a blending of the two approaches. One does not have to listen hard to hear how heatedly divided the field has become about which form of philanthropy is best. While vigorous dialogue can help test assumptions and identify effective practices, the arguments have become narrow-minded and detrimental. By focusing on two extreme points on the spectrum, this debate gives the impression that these possibilities are mutually exclusive when they need not be.

A Counterproductive 'Either-Or' Debate and the Need for Nuance

Prominent authors such as Matthew Bishop (*Philanthrocapitalism: How the Rich Will Save the World*) and Michael Edwards (*Small Change: Why Business Won't Save the World*) have been at the forefront of this dispute. So have Paul Brest, president of the Hewlett Foundation and co-author of *Money Well Spent: A Strategic Plan for Smart Philanthropy,* and Bill Somerville, who is executive director of Philanthropic Ventures Foundation and wrote *Grassroots Philanthropy: Notes of a Maverick Grantmaker.* Other thought leaders in the field – while not using the terms "technocratic" or "humanistic" per se – give conflicting advice that sends readers in different directions and reveals the current schism. In *The Foundation,* for example, Joel Fleishman suggests that foundations methodically frame problems, employ evidence-based decision making, conduct due diligence to fund competent nonprofits, and hire intelligent staff to carry out strategies to increase their impact. By contrast, in *How to Change the World,* David Boorstein argues that local initiatives should drive change and recommends a more bottom-up approach that supports the work of empathetic, innovative, and values-driven social entrepreneurs.

EXHIBIT 1 Finding the Humanistic-Technocratic Balance In Philanthropy

Humanistic	Overall Approach to Philanthropy	Technocratic
Values- and passion-driven, expressive, heart-centered	Role of Values	Objective, dispassionate, instrumental, head-centered
Responsive, opportunistic, and intuitive	Grantmaking Style	Proactive, rationalistic, and disciplined
Hands-off, bottom-up, flexible, nonprofit as innovator	Relationship with Grantees	Hands-on, top-down, nonprofit as contractor
More qualitative and learning-oriented	Approach to Evaluation	More quantitative and accountability-oriented
An art and craft that is difficult to codify	Ability to Teach and Learn Philanthropic Techniques	A science and discipline with neat frameworks and tools

Some technocrats go so far as to arrogantly accuse other funders of following a scattershot and arbitrary "spray and pray" approach that is based on "magical thinking" and leads to scandalous squandering of money with few results. On the other hand, some with a bias against technocratic practices complain about a "philanthro-industrial complex" and patronizingly dismiss due diligence, theory of change, and social return on investment as the empty jargon of soulless business experts. They charge that performance measurement is just a "fetish" or an "obsessive measurement disorder" that creates excessive data that suffocates nonprofits and undermines social impact.

Susan Berresford, the former head of the Ford Foundation, questions the efficacy of technocratic approaches in a recent essay in *The Chronicle of Philanthropy,* "What's the Problem With Strategic Philanthropy?" She asserted that while it sounds promising and is at times valuable, it "miniaturizes ambition" and has a "deadening effect" on nonprofit innovation (Berresford, 2010). Still, despite carefully explaining what she is against, she does not articulate clearly what she is for. And she leaves out the key theme of this article: how to explore ways in which the different modes could inform and complement each other.

If the black-and-white dichotomies are indeed false, then what would it look like to include gray shades, rather than simple labels of "unstrategic" and "strategic," or "old" and "new"? Exhibit 1 shows a framework for thinking about these different options along a continuum. At one end is a "humanistic" approach and at the other a more "technocratic" one. As the exhibit illustrates, these two major models have different assumptions about values, grantmaking styles, relationships with grantees, and evaluation. Foundations in the humanistic school tend to be driven by values and passions, exhibit a responsive and flexible grantmaking style, have hands-off relationships with grantees, and employ qualitative evaluation primarily for learning. Funders in the technocratic camp embrace objective and rational analysis, use a proactive grantmaking style, forge hands-on relationships with nonprofits, and rely heavily on metrics-oriented evaluation for accountability to monitor and prove returns. Despite the sometimes black-and-white debate about the technocratic versus humanistic approach, most funders acknowledge that they do not fall at one end of the range but somewhere in the middle. They may also be at different points at different times for a wide variety of reasons.

Muddying the landscape further is the fact that neither of these two schools is directly aligned with any one political ideology. It is true that progressive funders who support social justice tend to be more humanistic, while conservative, market-conscious funders who advocate social enterprise are apt to be more technocratic. Yet some conservative philanthropic leaders, such as William Shambra, director of the Bradley Center for Philanthropy and Civic Renewal, espouse a populist philosophy calling for nonprofits and ordinary citizens – rather than professional elites – to address our most pressing social problems. And more liberal philanthropic leaders, such as Aaron Dorfman, head of the National Committee for Responsive Philanthropy, believe that rational strategies and performance assessment can be beneficial. Moreover, many wealthy donors schizophrenically check their business acumen at the door when they get involved with philanthropy. And some of the most innovative, free-market crowd-sourcing techniques are being utilized for highly responsive and grassroots social problem-solving.

Neither the humanistic nor technocratic model has cornered the market on taking risks or on being innovative – or even strategic or effective. As stated earlier, this article is not suggesting that humanistic funders don't think or act strategically – they often do. But they tend not to embrace the technocratic practices described in these pages. Often the most effective course is to accept the tensions between the two approaches – in other words, to creatively unite both the art and science of philanthropy. A similar rationale lies behind the ever-more-popular call to utilize both right- and left-brain thinking. The point is not to ignore differences, but to use appreciative inquiry, weigh trade-offs, and try to balance frictions given the particular complicated circumstances.

As the philanthropy field matures, it needs a hybrid model that incorporates the best of the humanistic and the technocratic.[1] These seemingly contrary forces are in fact interconnected in a dynamic yin-and-yang-style system. When joyful and passionate conviction converges with judicious and dispassionate analysis, a powerful creative energy emerges. Another way to think of this melding of different mindsets is that they employ multiple intelligences, encompassing logical, emotional, and creative abilities. The way forward requires holding these differing perspectives in balance and productive tension. Sometimes an oxymoron, in its capacity to mix up ideas and make us think in unpracticed ways, holds hidden value. What would it mean to ponder such ideas as humble ambition, rigorous values, passionate discipline, rational exuberance, soulful strategy, planned opportunism, proactive responsiveness, flexible engagement, strategic intuition, irrational insight, immeasurable outcomes, and poignant data? The answer is "soft" and "hard" practices at the same time, which will ultimately lead to heightened effectiveness.

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This article first explains how funders can incorporate this type of mixed approach in their everyday practices, providing a range of examples. It then describes how foundation leaders can create an organizational culture that embraces balance, highlighting several cases in which philanthropies

[1] This call to embrace the creative tensions has also been eloquently made by Katherine Fulton, Gabriel Kasper, and Barbara Kibbe in "What's Next for Philanthropy?", Peter Frumkin on the Philanthropy Central blog, and Carla Javitz on the Tactical Philanthropy blog.

have deliberately recalibrated and made deeper shifts. Finally, this article offers advice on how the field can advance by reframing its current tired debate and appreciating the tensions between the technocratic and humanistic factions, so that each can learn from the other.

Creating a strategy is perhaps the most profound area in which a foundation can benefit from thinking in both technocratic and humanistic ways. As described earlier, technocratic thinking is intrinsic to strategic analysis – but so are more humanistic practices.

The Best of Both Worlds: Integrating Humanistic and Technocratic Practices in Philanthropy

The trouble with technocracy is that, despite the best of intentions, it can on occasion become too much of a good thing. The pendulum has at times swung too far toward technocratic practice, and course corrections are needed. When it becomes overpowering, it can actually cause damage. Problems arise when guiding principles are not articulated well, strategies are too prescriptive or unrealistic, grantmaking becomes too standardized, and evaluation focuses exceedingly on accountability. This type of imbalance can result in the use of detailed but infeasible plans, a lack of unified purpose created through shared values, or even harm to the community when its input is overlooked. The result is the tainting of the entire purpose of the technocratic model.

At the same time, its many positive attributes should not be discarded. The ideal route is moderation, achieved by incorporating key features of the humanistic approach. This synthesis is gaining ground in the foundation world, but needs more explicit recognition. Below is specific advice on how grantmakers can enhance their practice by aligning unambiguous values with feasible strategies, combining responsive and proactive approaches, flexibly choosing the right tool for the right job, and employing a mix of numbers and stories for learning-oriented evaluation.

Aligning Goals and Strategies and Grounding Them in Clearly Expressed Values

Despite some prominent exceptions that help set the tone, most foundations are actually not technocratic. They are also not necessarily as strategic as they might think. The Center for Effective Philanthropy (CEP) reported in 2009 that while the majority believe being "strategic" can help them have greater impact and claim that they pursue strategies to achieve specific goals, many do not act strategically[2] (Buteau, Brock, and Buchannan, 2009).

Creating a strategy is perhaps the most profound area in which a foundation can benefit from thinking in both technocratic and humanistic ways. As described earlier, technocratic thinking is intrinsic to strategic analysis – but so are more humanistic practices. A prime example: A foundation's programmatic strategy needs to be rooted in an explicit set of guiding values. Such principles help ensure that strategies are steered by a deeper compass than mere data. Yet many donors and funders find it difficult to articulate the passions and beliefs that steer their work. Recently, more are saying that they practice a form of "values-neutral and -averse" or "issue-agnostic" giving, meaning that they devote funding to scale the most efficient and effective models, regardless of the purpose or ideology of a nonprofit organization. Some conduct extensive cost-benefit

[2] CEP nicely defines "strategic" as: 1) having an external orientation in their decision making and, 2) making logical connections between how they determine how to use their resources and the achievement of their goals. Notably, CEP's study involved a survey of the 440 largest private foundations, which represent less than a quarter of total giving, and did not include the many community and family foundations that might have institutional limits on acting strategically as a result of constraints related to donor intent or geography. Many smaller foundations and individual donors do not focus on the highest performing nonprofits but are motivated to support institutions that serve them, endorse their religious beliefs, or follow family tradition.

analyses because they find it so difficult to articulate what they truly care about.

The risk with so much objective thinking is that it overlooks intuition gained through personal experience and principles that can influence decision-making. Values are valuable – it is helpful to know upfront if a donor cares more about sick babies or sick puppies. Philanthropy is inherently influenced by underlying morals. The heart and soul can not be left out entirely; indeed, the Greek derivation of the word "philanthropy" is "love of humankind." Skipping over this crucial step can make it hard to set strategies and priorities. And clarifying values too late in the process can result in switching course too often and sending mixed messages to stakeholders.

It is crucial that a foundation's programs are based not only in clear values, but also in research and rigor. At the core of the process is identifying the prob-lems a grantmaker is attempting to alleviate and then conducting an external assessment to understand their underlying nature and the range of possible solutions. Social, economic, and political trends affect-ing the foundation's work must be taken into account, as well as stakeholders' perceptions of the foundation's work. A foundation should also explore what other funders are doing.

Both quantitative and qualitative methods should be used to collect this data, including a literature review, interviews, surveys, discussion groups, and benchmarking. The ultimate goal of this research is to artic-ulate and precisely assess how the founda-tion's additional resources would make the greatest impact, leverage others' investments, fill any gaps, and avoid duplicating efforts. Small funders with few or no staff can conduct less formal data collection and analysis and piggyback on the field research and strategy designs of larger foundations in a given program area.

Constructing a logic model can assist greatly by providing a visual depiction of a theory of change — the causal connections between the foundation's actions and the change it aims to effect. Often employed for evaluation, logic models are also useful for upfront planning. They help go beyond simply defining a vague set of program areas for possible funding by bringing structure, rigor, and specificity into strategy development. They also encourage systematic thinking about what resources and approaches are needed, where and how they can be applied, and what effects they can realistically have in the short and long terms. Different types of problems are amenable to an approach that tilts more in either the humanistic or technocratic direction – or gain from a fusion of both. For example, funding aimed at addressing symptoms of a social problem, such as by feeding the poor, calls for a more straightforward technocratic course. But striving to address the underlying, systemic causes of poverty is more complex and would benefit from a hybrid approach.

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Logic models also rely on establishing goals and deciding how to allocate limited resources. A foundation can usually optimize its effectiveness by concentrating on a smaller number of program areas over a longer period, deepening its experience. The Phoenix-based Flinn Foundation, for example, decided in 2002 to drop several program areas and commit all of the foundation's resources through 2012 to enhancing the competitiveness of Arizona's biomedical research enterprises. This shift has resulted in increases in biotech business start-ups and jobs in the state (Center for Effective Philanthropy, 2003). Lately, more foundations, such at The California Endowment and the San Diego-based Jacobs Family Foundation, have chosen to pursue place-based strategies and concentrate their funding in particular communities. However, too tight a focus can sometimes backfire. The Pittsburgh Foundation, for instance, found that narrowing so much lessened its connection with the breadth of its community. Instead, it chose moderation, deciding to return to a more open and less restricted path (Zlatos, 2009).

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Making Sure a Strategy Is Sound and Well-Executed

Having a strategy is never enough – it must be an excellent one. What does a mediocre strategy look like? It is based on inadequate assessment of needs, effective practice, or input from stakeholders; has vague goals; relies too much on reinventing the wheel or one-size-fits-all interventions; and the inputs, planned activities, and expected outcomes are not aligned well, leading to unattainable aspirations.

Following grand plans and pure numbers instead of wisdom or intuition, some foundations engineer overly ambitious theories of change, pursue flawed plans to address too large a problem with insufficient resources, and anticipate exit strategies that wind up being premature. In the 1990s, the Annenberg Foundation, as a classic example, dedicated $500 million (matched by $600 million from other sources) to encourage school reform and improve education in 18 sites. In Los Angeles, the $53 million grant was stretched to reach 200,000 students in 247 schools across 14 large districts. "We spread ourselves too thin," admited Harold Williams, who was on the Los Angeles advisory board and is former president of the J. Paul Getty Trust. "If we had taken on fewer school families and focused our dollars and human resources on those, we could have accomplished more" (Annenberg Foundation, 2002, p. 28). Similarly, the Bill and Melinda Gates Foundation recently announced that it was reducing its investment in its elaborate Grand Challenges initiative after devoting more than $460 million to solving some of the developing world's most vexing health problems. The foundation's global health director explained that, in retrospect, "many of the problems tackled were so tough, it was unrealistic to expect solutions in five years"(Doughton, 2010).

Often, what is missing from such strategies are the sound judgment, humility, and instinct necessary for deeper, more holistic thinking and program design. This usually necessitates tapping the knowledge of others. Some funders act as if they possess more personal and institutional intelligence than they really do. Constructing a sound model requires that it not be a "staff only" exercise. The humanistic approach emphasizes the need to listen to key stakehold-ers – including foundation board members and grantees – so that they can under-stand, provide input, and agree to the intended outcomes for each program strategy.

A logic model entails seeing connections in order to construct concrete steps to change, and then making tough decisions about how to allocate resources. Many in the field assume that foundation strategic plans include this logic, but according to data from the Center for Effective Philanthropy, all too often they do not (Buteau, Brock, and Buchannan, 2009, p.10). Underlying assumptions and principles should be built into a theory of change and strategic plan. Foundations should also incorporate a "gut check" based on experience. For instance, they should build a margin of safety into their budgets based on their collective insight into what can go wrong. Furthermore, a foundation's comprehensive program strategy should include explicit humanistic elements, such as a clear explanation of when and how a foundation will be responsive to and form relationships with grantees and use evaluation for learning as well as accountability.

Designing a sound program plan is far from the end of the job: Execution trumps strategy. Here, too, the flexibility that stems from a more humanistic approach provides a critical counterbalance. While an ideal strategy lays out a clear map for all participants, it is also important that the plan not be carved in stone. It is a living document that must be monitored and altered as circumstances dictate. Regular opportunities for assessing and refining the strategy should become an ongoing discipline. Those who help form the strategy should remain open to reexamining hypotheses. Both the foundation and the outside world will undergo change and, to stay relevant, a strategy must also go through improvisation and evolve organically.

Using a Dynamic and Tailored Mix of Proactive and Responsive Approaches

Most funders lie on a contin-uum between being proactive and responsive in their grantmaking – between waiting to receive unsolicited requests and assertively seeking out and guid-ing grantees. A more balanced framework brings benefits that neither approach can accomplish on its own. Technocratic foundations are more proactive by finding grantees that will further their identi-fied aims. They set specific goals, design initiatives, conduct intensive due diligence, and select high--performing nonprofits for long--term support. But while this engaged approach can generate strong results, it can also be too rigid, providing insufficient opportunity for creativ-ity and initiative by grantee organizations and treating them as mere vendors. On the other hand, more reac-tive foundations may post some general guidelines, wait for proposals to arrive over the trransom, and fund individual projects across various programmatic areas; they act more according to values or interest area. While this approach can enable a foundation to be responsive and quick to take advantage of opportuni-ties, it can also lead to too much passivity – or even limited impact.

Attaching too many strings to a grant can squelch innovation. Some "philanthropic investors" work through nonprofits but consider them contractors through which the foundation's work is essentially outsourced. One result is that community knowledge and desires can be overlooked. Even if a seasoned nonprofit leader has not delineated a detailed logic model, he or she may have an excellent implicit theory of change based on deep experience and wisdom.

Sometimes, a funder's proactive approach – grounded in a reliance on technocratic thinking – can spill into hubris, go overboard, and become disruptive. Attaching too many strings to a grant can squelch innovation. Some "philanthropic investors" work through nonprofits but consider them contractors through which the foundation's work is essentially outsourced. One result is that community knowledge and desires can be overlooked. Even if a seasoned nonprofit leader has not delineated a detailed logic model, he or she may have an excellent implicit theory of change based on deep experience and wisdom. Certain funders go so far as to launch and operate their own programs rather than support existing nonprofit groups that are capable and doing similar work.

In the worst cases, an overly directive foundation can alienate and even hurt a community. The Northwest Area Foundation recently admitted that it had followed a go-it-alone approach, been too prescriptive, and in some cases caused harm – one community-based organization ended up suing the foundation. Since 1998, the foundation devoted more than $200 million to reduce poverty in an eight-state region, following a path that mostly sought to engage entire communities through newly created organizations. "Our approach failed to capitalize on expertise, experience, and credibility that already existed within the communities of our region," acknowledged Kevin Walker, chief executive officer of the foundation. The foundation invested in extensive data collection, but it was used mostly to judge grantees rather than to learn and adapt. It went through a humbling process of introspection and has deliberately changed course to better support community knowledge and initiative (Northwest Area Foundation, 2008).

There is growing momentum for the idea that an exceedingly top-down approach can hinder efforts. In the Grantmakers for Effective Organizations' guidebook, *Do Nothing About Me Without Me: An Action Guide for Engaging Stakeholders,* the authors explain how funders who follow a bottom-up approach believe that most knowledge resides in the communities they serve. This engagement – rooted in humanistic thinking – takes time and effort, but by involving others in meaningful ways, a funder can potentially save time and increase impact. For one, communities will offer less resistance to change and have greater buy-in. And contrary to the perception that being "strategic" means being inflexible, the Center for Effective Philanthropy found that the more strategic foundation CEOs and program staff were actually more likely to look outside their foundations for input (Bournes, 2010).

It is best for a foundation to reach an equilibrium between being responsive and proactive, customizing its methods depending on particular goals and circumstances. The Robert Wood Johnson Foundation, for instance, typically follows a more top-down approach in its program areas that focus on targeted problems or evidence-based public health solutions. However, the foundation pursues a more open and bottom-up course for its Pioneer Portfolio grantmaking program, which invests in novel approaches to health research and medical decision-making. Likewise, most funding of the Open Society Institute (OSI) supports long-term advocacy for public policy and system change for social justice. In 2009, however, OSI founder George Soros pledged $50 million to provide basic services like food and shelter for people in New York City who were struggling during the tough economic times. Other foundations responded to the recession by both narrowing their focus and honing their strategic plans and providing more responsive and less restricted support (Lawrence, 2010).

Some funders dedicate a portion of funding to a small number of focus areas, for which strong nonprofits are selected through a competitive process, and reserve the bal-ance of funding for less directive grantmaking, enabling the foundation to also respond to innovative ideas and new needs as they arise. Such a course was adopted by the Commonwealth Fund: It set aside roughly 10 percent of its grantmaking funds in an account used to respond flexibly and quickly to opportunities that do not fit within the fund's core strategies.

Employing a Full Set of Tools and Choosing the Right One for the Job

More of this nimbleness is needed. When devising strategies, it is critical to remember that in addition to awarding grants, there are many other ways to further goals and achieve impact. For example, a foundation can conduct research that advances the field, inform debate on public policy, or assist in a nonprofit's capacity-building efforts.

Most foundations have limits on the type of grants they may make, imposed by the donor, board, or staff. Certain grantmakers, for instance, provide only seed funding for new, innovative projects, while others fund direct program costs rather than over-head such as staff salaries. But such restric-tions can impede progress. The Edna

McConnell Clark Foundation found that by providing flexible general operating support to grantees and building in more accountability, it was able to provide working capital that allowed grantees to scale proven programs and manage growth. Endowment and capital grants, used judi-ciously, can also produce potent results. For certain nonprofits whose programs rely heavily on facilities, such as a youth services or arts organization, support for bricks and mor-tar can be pivotal.

Furthermore, grant periods longer than a year may serve a foundation better because they can enable grantees to have more flexibility in complet-ing their work. It takes time to build trust, collaborate productively, and engender true change. But such openness to less definable time frames requires more agility than rigidity; it flows from a more humanistic perspective.

Making Performance Assessment More Than Just a Report Card

A strategy framework provides the basis of a foundation's evaluation plan, underscoring the need for an explicit articulation of goals and activities at the outset. Having an evaluation plan in place, so that assessment can take place along with funded activities, means that organizations can make more effective, timely changes based on what is – and is not – working. The foundation needs to consider the focus of its assessment and how much to concentrate on strategies, short-term outcomes, and long-term impact.

Some technocratic funders deliberate so much on monitoring short-term results that they lose sight of more significant, but harder-to-measure, long-term outcomes. Complex social problems often defy simple metrics. Paying excessive attention to performance measurement can inadvertently induce nonprofits to focus on the problems that are easiest to quantify and solve. Although funding should be tied to performance, some grantmakers use evaluation to focus on accountability at the expense of learning. One leader at a venture philanthropy described the problem by saying that his team cared about empirical results – whether a program worked – much more than *why* it worked. But using evaluation to determine both what worked and why can help illuminate the route to change and how it is affected by different conditions. Such insights then lead to further potential for even greater positive change.

Paying excessive attention to performance measurement can inadvertently induce nonprofits to focus on the problems that are easiest to quantify and solve. Although funding should be tied to performance, some grantmakers use evaluation to focus on accountability at the expense of learning.

One of the most important areas where infusing a humanistic approach can bring benefits is evaluation. The purpose for evaluation should include improving, not just proving – evaluation should be a learning experience, not just an accountability-focused report card that strictly adheres to numbers and monitors return on investment. In fact, when TCC Group analyzed key drivers of financial sustainability for nearly 700 nonprofit groups, it found no correlation with conducting evaluation -- what mattered most was if the organization spent time reflecting on and learning from evaluation findings (York, 2009).

Thinking more humanistically means embracing a range of methods to learn about a foundation's performance. Instead of relying exclusively on quantitative analyses and performance metrics dashboards, more balanced funders also take advantage of oral histories, participatory photography, and video-sharing. In other words, they embrace dynamic and compelling qualitative ways to share data that open up hearts and help decision makers and constituents find meaning.

The most effective foundations recognize that performance assessment, while grounded in rigorous research and tangible results, is also an art calling for adaptability and pragmatism. Different indicators may be required to capture the broad range of the foundation's work. Tracking too many performance indicators, however, may lead to frustration. The Wallace Foundation, for example, created a comprehensive scorecard that examined how every aspect of its activities was contributing to its goals, from program progress to investment returns to reputation. Wallace Foundation President Christine DeVita eventually discov-ered that so much detail worked against clear communication, planning, and management. As she put it, "in organizational performance assessment, less is more" (DeVita, 2006).

Staff must lead with an open heart, exercise humility, pay attention to their gut sense, attend to relationships authentically, and renew their own spirits. Much of their work is not easily defined and calls for a combination of skill sets and a blend of the rational and instinctual.

The James Irvine Foundation strikes a manageable balance between being comprehensive and selective in its performance indicators, mixing hard-core documentation with thoughtful interpretation. It developed three indicators related to program impact: inputs, outcomes and results, learning and refinements. Three others relate to institutional effectiveness: leadership, constituent feedback, and finance and organization.

What enables such an approach to work is its intrinsic fluidity. Beyond merely tracking data, discussion taps both rationality and intuition and centers on finding new connections. An open and safe environment is paramount, enabling both staff and board members to discuss numbers and stories, what is and is not working well, what they have learned from both successes and failures, and how they can modify future plans. Ideally, internal discussions go beyond "show and tell" to foster respectful and can-did debate.

Embedding a Humanistic-Technocratic Blend Into a Foundation's Organizational Culture and Plan

How can a foundation put into practice the nuanced mixture of technocratic and humanistic approaches described in these pages? It must originate at the top and become instilled in the foundation's DNA. Staff and board leaders alike need to encourage candid discussions and champion the desired equilibrium. They also must lead by example, nurturing an organizational mindset that embraces dynamic and creative tension.

Doing so is an ongoing leadership challenge. Board and staff members may have very different philosophies and styles lying on different ends of the spectrum. Staff may resist the leadership's chosen direction. Or an M.B.A.- versus M.S.W.-style culture clash can exist between camps. Generational differences may also arise, with younger people possibly having a more technocratic approach or vice versa. Whatever the dynamic, leaders need to encourage open communication, build trust, and work to understand and reconcile differing perspectives and modes. Exhibit 2 offers examples of questions that foundation leaders can pose to stimulate internal discussions about how to be more ambidextrous. The chosen course should be documented in an organizational plan that articulates the foundation's values, grantmaking style, attitude about relationships with grantees, and approach to evaluation.

Foundation executives should strive to hire staff who possess multiple intelligences. The most effective are not only analytical, objective, and expert, but also self-aware, collaborative, and intuitive, and they are able to adjust the mix based on a given circumstance. While much of their critical work is technocratic in nature, they cannot afford to leave their emotions – and humanity – outside the workplace. Staff must lead with an open heart, exercise humility, pay attention to their gut sense, attend to relationships authentically, and renew their own spirits. Much of their work is not easily defined and calls for a combination of skill sets and a blend of the rational and instinctual. For example, they have the power that comes from controlling funding, but need to be modest and use authority respectfully. They have to be able to get people to the table and know how to construct compelling arguments to advocate for change. Perhaps most important, they have to inspire people and listen well. Without collaboration with key stakeholders, a grantmaker is unlikely to succeed.

Training and guidance can help staff enhance the range and complementarity of their talents and practices. Someone who is more humanistic can be taught disciplines, frameworks, and tools related to business planning and evaluation. A technocrat can learn about humanistic methods through mentoring from a seasoned leader, executive coaching – or just the hard-earned wisdom gained from experience.

Funders also need to know how to compensate for their own inclinations. More humanistic funders need to bring in staff and trustees who are skilled at strategy and performance measurement. Conversely, more technocratic leaders should be cautious about hiring staff who are book-smart but lack common sense and emotional intelligence. The dangers of this imbalance have been well-chronicled. In his ironically titled book, *The Best and The Brightest,* David Halberstam explained how a set of arrogant whiz kids led the country into the quagmire of the Vietnam War. When Vice President Lyndon Johnson raved about them to House Speaker Sam Rayburn, Rayburn presciently responded: “They may be every bit as intelligent as you say, but I’d feel a whole lot better . . . if just one of them had run for sheriff once.” A more modern example exists at Google. Since it was formed several years ago, the philanthropic arm of this most engineering-driven, metrics-obsessed, and technocratic of companies has acted arrogantly and struggled, creating solutions that were looking for problems and having only a limited positive social impact (Boss, 2010).

A strong partnership between executive and board leadership and a lucid vision for the organization’s future is necessary to recalibrate the humanistic-technocratic equilibrium. Over the past decade, for example, the leaders of the California Wellness Foundation have worked together to deliberately guide the foundation from a more technocratic to humanistic model. During the first eight years after its founding in 1992, it designed and carried out highly structured, multimillion-dollar, five- to 10-year initiatives through competitive Requests for Proposals and conducted large-scale evaluations. Yet the foundation’s board and staff leaders discovered that its complex, top-down approach shut out community-based nonprofits and did not adequately support community-defined health solutions that were inventive and beneficial (California Wellness Foundation, 2004).

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In 2001, the board decided to balance its proactive style with a more responsive approach that combined flexibility and focus, breadth and depth, short term and long term. The foundation launched a program that provides flexible core operating support to frontline providers of preventive health services throughout the state to back what they identify will best help them fulfill their missions. The course change has paid off:

A 2009 evaluation affirmed the effectiveness of the foundation's responsive grantmaking program, documenting that the foundation has built trusting relationships with grantees and attained greater returns through multiyear and unrestricted support.

In reflecting on the foundation's journey, Tom David, its former executive vice president, offered his insights about how there is no single type of strategic philanthropy, but instead a nuanced balance: "I suggest that the most strategic approach to grantmaking is to keep it simple. A foundation needs to make choices, and it needs to communicate those choices clearly." Otherwise, he warns, a foundation can get bogged down in endless planning and become perceived as insensitive, arrogant, and ineffective (David, 2000).

The Heron Foundation board instructed staff to go beyond thinking of respect in a "touchy feely" way, but instead ground it in hard-core business metrics and treat grantees as customers. "They urged us to demonstrate customer service in action," said former Vice President Patricia Kozu, "a charge that resulted in some fundamental changes in how we do our work.

During the past few years, the pendulum has swung the other way at the Ford Foundation. President Luis Ubińas, a Harvard Business School graduate and former McKinsey executive, has deliberately brought a more technocratic approach to the foundation's work. Previously, it was decentralized, emphasized the craft of grantmaking, and did not evaluate its programs comprehensively or measure its collective impact. Under his and the board's leadership, Ford has streamlined its staffing and operations, tightened the scope of funding, and established clear objectives for specific strategies. It now measures quarterly short- and long-term indicators of progress and expects returns on its investments. After two years, Ubińas has begun to see promising initial results: Restructuring operations has enabled the foundation to shift more than $40 million from operating expenditures to the grant budget, and it is in a better position to assess its contribution and respond to the dynamic changes in its operating environment (Ford Foundation, 2010).

Yet Ubińas is cautious about having the foundation become too technocratic, and he is striving to maintain important subjective aspects of the organizational culture. The foundation has recommitted to its strong values, which still drive its program priorities. And although it now emphasizes impact measurement, Ubińas is wary about getting boxed in by what is easily understood. "When you move to narrow quantitative measures, you run the risk of moving to narrow, quantitatively driven activities," he observed, adding that Ford works on complex issues that require a sophisticated approach that entails the qualitative as well (Alliance, 2008).

Even if a foundation is not undertaking a major overhaul like those at the California Wellness or Ford foundations, board and staff leadership must still work intentionally and collaboratively to combine compassion and discipline. The leaders of the F.B. Heron Foundation, for instance, realized that to live out their heartfelt conviction of respect for their constituents, they needed to be exacting and systematic. Combining rigor, rooted in the technocratic, with respect, a humanistic and intangible value, is exactly the kind of oxymoronic pairing that can bring rich results.

Indeed, the Heron Foundation board instructed staff to go beyond thinking of respect in a "touchy feely" way, but instead ground it in hard-core business metrics and treat grantees as customers. "They urged us to demonstrate customer service in action," said former Vice President Patricia Kozu, "a charge that resulted in some fundamental changes in how we do our work" (Kozu, 2004).

EXHIBIT 2 What Can We Learn From Each Other?

Questions for More Humanistic Funders	Questions for More Technocratic Funders
How can we incorporate and gain from more dispassionate analysis in our philanthropy work, without losing too much of the joy and heartfulness?	How can we do a better job clarifying and expressing the values and passions that guide our philanthropic work?
When would it be valuable for us to offer more direction to grantees and less flexibility and lenience?	In what cases might it be beneficial for us to be less directive and more nimble, opportunistic, and patient with grantees?
Could we profit from more research on needs and best practices to avoid duplicating effort and reinventing the wheel?	How can we get a broader array of constituents (beyond outside "experts") to weigh in on what they see as the needs and how to address them?
Can we do a better job articulating what specifically we are trying to achieve and explaining the interconnections among the inputs, strategies, and outcomes?	Is our theory of change really feasible? Might there be opportunities for us to improvise more and make more "leaps of faith," based on intuition?
Are there times when we delegate too much to a grantee so that our own knowledge is not tapped sufficiently and the nonprofit is not accountable enough for its performance?	Are there times when our engaged relationships with grantees end up being too meddlesome, putting them in a servile role, creating too many hoops to jump through, suppressing their innovation, and overlooking their full organizational capacity? How and when could we give grantees more leeway?
How can we build in more rigorous performance measurement into our evaluation so that we document evidence of success and inform our future funding decisions?	How can we share evaluation findings with a broad array of stakeholders – including nonprofit grantees and maybe even beneficiaries – and refine program strategy based on reflection and learning about what worked, why, and under what conditions?
What is the best way for us to learn more about and become more at ease with the disciplines, tools, and frameworks associated with strategy and performance measurement? What might nonprofits be able to learn from business?	How can we learn more about the softer, "art and craft" side of philanthropy, including practicing and grooming bold leadership, making sound judgments, encouraging innovation, and building trusting relationships and collaborations? What might business be able to learn from nonprofits?

Staff began by precisely defining such abstract ideas as responsiveness and courtesy. They then established uniform standards and created systems to collect feedback and measure performance. They incorporated customer service goals into their operations; performance against timeliness benchmarks, for instance, is included in program officers' performance reviews. By increasing professionalism and holding staff accountable, the foundation was able to create more trusting relationships with nonprofits, thereby increasing effectiveness.

In addition to the Heron Foundation, Exhibit 3 provides brief profiles of four others – the Skillman Foundation, the Rockefeller Brothers Fund, the Cleveland Foundation, and the David and Lucile Packard Foundation – that exemplify the effective blending of humanistic and technocratic practices. The table includes a range of foundation types and sizes, in order of smaller to larger. The pairings of practices described for each are not black and white, but instead give a flavor of a hybrid approach. The humanistic side (mentioned first) tends toward flexibility and subjectivity, while the technocratic leans in a more focused, results-oriented direction.

Advancing the Philanthropy Field by Building Bridges, Not Walls

There is no doubt that the social and environmental problems we face are enormous and multifaceted. It only follows that no one approach will successfully tackle them. Philanthropy is marked by a history of innovation, guided by people who are not just capable of understanding complexity, but welcome it to foster greater creativity and impact. The dynamic energy between the technocratic and the humanistic comprises rich territory that has not been fully mined. As described here,

EXHIBIT 3 Ambidextrous Foundations That Synthesize Humanistic and Technocratic Approaches Well

The F.B. Heron Foundation

- is deeply committed to providing high-quality customer service to grantees – and holds them accountable for achieving measurable results.
- does not impose plans or initiatives onto grantees since it believes that their efforts must be informed and led by community members – and declares a narrow set of goals and strategies related to community wealth creation that it supports in five specific geographic areas.
- provides accommodating, multiyear core support to nonprofits – and expects them to demonstrate performance at a consistently high level, assess their tangible impacts, and use data to continually improve performance.

The Skillman Foundation

- is guided by a powerful code of ethics and values – and a detailed theory of change.
- devotes flexible funding for strategic opportunities that arise that can make a difference – and concentrates its grantmaking to support proven models in two specific program categories in six Detroit neighborhoods.
- uses what it learns through evaluation to help communities devise better strategies – and rigorously measures performance and accountability.

The Rockefeller Brothers Fund

- supports cross-national efforts to advance social change in an interdependent world – and concentrates its funding in three “pivotal places”: the western Balkans, southern China, and New York City.
- dedicates funds to some special opportunities that may surface – and awards grants mostly in three main program areas.
- receives high marks from grantees for being responsive to their needs – and is highly engaged with them in the development of programs.

The Cleveland Foundation

- invests in plans developed by community leaders – and exercises leadership by helping to set a visionary agenda for the region and acting as a community think tank and incubator.
- systematically requests input from grantees about ways to enhance the foundation’s practices – and provides feedback and support to help nonprofits strengthen their organizations and programs.
- provides responsive funding to address pressing short-term human service needs – and makes proactive grants to devise long-term solutions for such fundamental issues as regional education systems and economic development.

The David and Lucile Packard Foundation

- is receptive to taking risks to support unsolicited and innovative “big ideas” – and has a focused set of funding priorities and clearly articulated strategies and takes the initiative on certain major efforts.
- seeks out and listens to grantees’ ideas and carefully monitors the foundation’s performance in meeting grantee experience standards – and, when appropriate, provides direction to grantees.
- is committed to conducting external evaluations to encourage continuous learning – and to document outcomes and track dashboard indicators.

both approaches are needed, and together unlock new potential. A more integrated philosophy also makes it more likely that philanthropy will move beyond its traditional boundaries in other ways, such as forging new collaborations with government and business.

Joshua L. Liebman, a rabbi who sought to reconcile religion and psychiatry, said that “maturity is achieved when a person accepts life as full of tension.” Similarly, fields progress when tension arises as new paradigms emerge and clash with previous ones and leaders combine the best elements of both. During the 20th century, for example, the business world benefited from “scientific management” methods involving analysis of operations, while later mixing in more humanizing approaches such as organizational development and values-based leadership. Likewise, more recently, the psychology field, after decades of fierce infighting between behavioral/cognitive and psychodynamic schools, now mostly supports multimodal treatments that are tailored to the person and the problem.

It is time for courageous and bold leaders in philanthropy to step above the fray, sound a wake-up call, and reframe the debate. They need to encourage others to appreciate the tensions between the technocratic and humanistic modes, acknowledge the trade-offs, and respect and learn from each other. The thought-provoking questions in Exhibit 2 can help start a fieldwide discussion to move people from an "either/or" to a "both/and" perspective. Leaders should call for more research that compares the efficacy of the models and identifies practices for synthesizing them, ensuring that they are applicable to smaller foundations, too.

They should also encourage educators to teach an eclectic and integrated range of philosophies and techniques. Seemingly paradoxical concepts – such as values-driven business planning, strategic intuition, and deliberate improvisation – should be promoted. Since the tools and frameworks associated with technocratic disciplines are usually easier to codify, effort should be put into documenting, teaching, and providing mentoring for more humanistic approaches.

The Rev. Martin Luther King Jr. observed that "power without love is reckless and abusive, and love without power is sentimental and anemic." To advance as a field, philanthropy must tap its own ability to think through paradox to cultivate a deeper wisdom. At its most effective, philanthropy will require combining objectivity with passion, discipline with agility, proactivity with responsiveness, and top-down with bottom-up. This broader perspective depends on making a shift that is not just more nuanced and sophisticated but potentially game-changing. Funders devote their lives to breaking down walls to find solutions to the problems of communities and society. It is time to break down the walls that have come up closer to home. As King advised with his usual eloquence, "Let's build bridges, not walls."

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