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# The David and Lucile Packard Foundation OE Goldmine Research Project

## Overview of Findings

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Since 1997, the David and Lucile Packard Foundation has awarded 1,391 Organizational Effectiveness (OE) grants to over 900 organizations.<sup>1</sup> The OE Program is designed to enable current grantees of the Foundation to undertake projects that transform their organizations in sustained and meaningful ways. OE grants support a variety of capacity-building efforts for grantee organizations and networks. Some examples include strategic planning, financial and executive coaching, organization or network assessment, board development and governance, etc.<sup>2</sup>

In response to growing demand for learning information from the nonprofit capacity-building field, the Packard Foundation launched the OE Goldmine Research Project to collect, organize, and analyze data from its OE Program in April 2010. Initial work on the project was conducted by the Data Center, who administered a survey to former OE grantees and organized the vast amounts of data related to the program.<sup>3</sup> The Foundation subsequently engaged TCC Group, a national consulting firm that provides evaluation and planning services to nonprofits and foundations, as partners in the learning process. The project examined a number of key organizational effectiveness questions and then used an innovative “learning in public” approach to further refine findings and disseminate key learnings.

"This grant supported an effective and thoughtful process for our search for a new [President]. As a result, the selected new leader holds the qualities needed to bring improved stability to the organization. Our new leader has experience in our work and in the vision of our mission and best practices for implementing positive developments organization-wide."

Overall, OE research findings as well as insights generated through the LIP process suggested that Packard’s OE program is achieving many of its desired outcomes. Key highlights of the data include:

- Close to 80% of the OE grants have resulted in new capacity at an organizational-wide level, with more than half of the OE grants (53%) reporting that new capacity was built and has sustained itself with significant organizational wide impact.
- Grantees reported that they can clearly make the link between organizational capacity building and program service outputs or outcomes in a measurable way. Sixty-six percent of 169 grantees said the OE grant had “significant” or “transformational” and measurable impact on program services.
- Grantees identified organizational readiness as the most important factor that contributed to the success of their OE projects. Sixty-eight percent of the grantees reported organizational readiness has contributed to their project success, which suggested that Packard’s current approach has been effective in ensuring grantee readiness before making an OE grant.

These positive results suggest that Packard’s current OE approach has been effective. Beyond Packard’s own use, the research was intended to address five questions relevant to OE practitioners and nonprofit organizations. Key findings for each research question are found below.

### Research question 1: What is the sustained impact of OE grants, if any?

- ▶ Close to three quarters of the grantees reported new or long-term results related to adaptive capacity—the ability to monitor, assess and respond to and create internal/external changes.
- ▶ More than half of the OE grants (53%) reported that new capacity was built and has sustained itself with significant organizational wide impact.
- ▶ A more detailed and rigorous framework is necessary to determine with more certainty the scope and duration of impact for various types of capacity-building activities.

### Research question 2: How and to what extent can impact on the organization, impact on staff/leaders/board, and impact on program outputs/outcomes be determined?

- ▶ Grantees reported that they can clearly make the link between capacity building and program service outputs or outcomes in a measurable way. Sixty-six percent of 169 grantees said the OE grant had “significant” or “transformational” and measurable impact on program services. They described programmatic impact examples such as improvements in program quality and reach, more strategic in programming, and more visibility, community support, and program resources.
- ▶ While grantees self-report making the connection, the data are not sufficient to answer this question beyond that reporting.

### Research question 3: In what ways do OE grants build one-time transactional capacity vs. ongoing transformational capacity?

- ▶ TCC does not believe that the Goldmine data are sufficient to answer this research question. One possible data point was a multiple-choice question that asked respondents to describe the nature of the capacity that was built with their OE project. An initial reading of the data suggested that the OE grants seemed largely transformational in nature: close to 80% of the respondents reported that their OE grants have resulted in new capacity at an organizational-wide level. However, further analysis of the data suggests that the conclusion is not clear. Because the survey question asked respondents to

check all that apply, TCC recoded the responses to further distinguish grants that built ongoing transformational capacity from grants that built only one-time transactional capacity. The results suggested that only 11% of the grants were transformational.

#### Research question 4: What contributed to the consultant relationship working or not working?

- ▶ According to grantees' survey responses, the most important factors contributing to consultant success were "understanding of grantees' unique needs" (34%) and "ongoing communications and trusting relationships" (29%), while "consulting skills" (23%) and "field knowledge" (15%) ranked lower.
- ▶ Grantees whose consultants had both field knowledge and nonprofit experience scored higher in three outcome areas: sustainability of grant results, impact on program services, and organizational sustainability. Consultants' specific consulting experience did not make a difference in grantee outcomes.

#### Research question 5: What are the factors that contribute to a successful OE project? When and under what circumstances do OE projects succeed or fail?

- ▶ Grantees identified organizational readiness as the most important factor that contributed to the success of their OE projects.
- ▶ Strategic planning, organizational learning and leadership succession grants had higher levels of sustainability than fund development grants, though all had high levels.
- ▶ Fundraising grants achieved better results when there was strong leadership involvement.
- ▶ Grantees that identified "resources to implement the project" as a key factor to project success scored higher in three outcome areas: ongoing learning, organizational sustainability, and overarching outcome.

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<sup>1</sup> OE Goldmine Research Project RFP.

<sup>2</sup> <http://www.packard.org/what-we-fund/organizational-effectiveness-and-philanthropy/organizational-effectiveness/>.

<sup>3</sup> A description of the scope, administration, and limitations of the data can be found in the full report.