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

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Agenda

• Overview of the technocratic and humanistic approaches to philanthropy

• How to integrate them in your philanthropic practice

• Embedding a humanistic-technocratic blend into your foundation’s organizational culture and plan

• Advancing the philanthropy field by building bridges, not walls
The Rise of Rationality at Foundations

Inputs
- Funder’s experience, knowledge, skills and plan for the initiative.
- $250,000 grant to support activities over 2 years.
- Experience, skills, and knowledge of staff of 5 human service agencies.
- Management consultants who have strategic planning expertise.
- Monitoring and evaluation.

Activities
- Management consultant facilitates peer exchanges on a monthly basis, during which the 5 Executive Directors share knowledge related to organizational planning.
- Management consultants work with each agency to conduct situational analysis, hold board and staff retreat, and develop strategic plan.

Outputs
- Executive Directors receive 48 hours of peer support related to strategic planning.
- Each human service agency develops an ambitiously realistic strategic plan that articulates the organization’s vision, values, goals, strategies, and resource allocation plan.

Long-Term Outcomes
- Organizational resources are better aligned to achieve organizational goals.
- Increased staff productivity and capacity to serve clients.
- Increased quantity and/or quality of services.
- Increased ability to achieve organization’s mission, vision, and goals.

Short-Term Outcomes
- Staff and board members at each agency have the knowledge, skills and capacity to implement a strategic plan and modify it periodically.
Hallmarks of the Technocratic Approach

• **Strategy:**
  A decision-making framework, based on a foundation’s external context and internal capacity for selecting goals and activities to accomplish results.

• **Performance Measurement:**
  A way to assess progress and make course corrections.
The Positive Legacy of Technocratic Philanthropy: Greater Social Impact
The Downside:
When it Becomes Too Much of a Good Thing

Guiding principles not expressed

Community input overlooked

Overly rigid Strategies

Over powering hubris, nonprofit treated as vendors

Evaluation just a report card
...and Rationality Overrides

...and Your Work Falls Out of Alignment
...and the Pendulum Swings Too Far...
... and Social Impact is Undermined

Northwest Area Foundation

Google.org
A Counter-Productive “Either-Or” Debate

vs.

Philanthropy vs. Capitalism

How the Rich Can Save the World

Matthew Bishop & Michael Green

Small Change

Why Business Won’t Save the World

Michael Edwards

Bookshare
...Resulting in a False Dichotomy
...and Rancor Intensifies

- Scattershot
- Spray and pray
- Magical thinking
- Pissing away money

- Philanthro-industrial complex
- “Due diligence” and “logic models” are just empty jargon
- Performance measurement is a “fetish”
## The Humanistic – Technocratic Continuum

<table>
<thead>
<tr>
<th>Humanistic</th>
<th>Overall Approach to Philanthropy</th>
<th>Technocratic</th>
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<tbody>
<tr>
<td>Values- and passion-driven, expressive, heart-centered</td>
<td>Role of Values</td>
<td>Objective, dispassionate, instrumental, head-centered</td>
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<tr>
<td>Responsive, opportunistic, and intuitive</td>
<td>Grantmaking Style</td>
<td>Proactive, rationalistic, and disciplined</td>
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<tr>
<td>Hands-off, bottom-up, flexible, nonprofit as innovator</td>
<td>Relationship with Grantees</td>
<td>Hands-on, top-down, nonprofit as contractor</td>
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<tr>
<td>More qualitative and learning-oriented</td>
<td>Approach to Evaluation</td>
<td>More quantitative and accountability-oriented</td>
</tr>
<tr>
<td>An art and craft that is difficult to codify</td>
<td>Ability to Teach and Learn</td>
<td>A science and discipline with neat frameworks and tools</td>
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<tr>
<td></td>
<td>Philanthropic Techniques</td>
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Where Does Your Foundation Fall Along this Spectrum?

HUMANISTIC

1 Very Humanistic

2 Somewhat Humanistic

TECHNOCRATIC

3 Somewhat Technocratic

4 Very Technocratic
The Best Course is Moderation

- Accept the tension between the models
- Hold the differences in balance
- Weigh the trade-offs
- Employ multiple intelligences encompassing logical, emotional, and creative abilities
Think Oxymoronically...

- Rational exuberance
- Poignant data
- Deliberate improvisation
- Immeasurable outcomes
- Strategic values
- Soulful strategy
Stay in Balance

- Humanistic
  - Objective
  - Proactive
  - Top-down
  - Discipline

- Technocratic
  - Passion
  - Responsive
  - Bottom-up
  - Agility
Five Practices to Tap the Best of Both Worlds

1. Align goals and strategies, and ground them in clearly expressed values
   - Root strategies in explicit guiding values
   - Use rigorous research to identify needs and gaps
   - Devise a logic model to showing causal connections between activities and outcomes
2. Make sure your strategy is sound and well-executed

- Ensure that your strategy is feasible
- Clearly explain when and how you will be responsive and how you will form relationships with nonprofits
- Continually assess and refine your strategy
3. Use a Dynamic and Tailored Mix of Proactive and Responsive Approaches

- Mine community knowledge
- Avoid rigidity that squelches nonprofit innovation
- Customize methods so that, in addition to proactive ones, responsive ones are used too, to support new ideas as they arise
4. Employ a Full Set of Tools and Choose the Right One for the Job

- Use tools beyond grants, including research, public policy, and organizational capacity building.

- Try to limit restrictions on funding work that is not brand new and overhead.

- Consider making the duration of grants more than a year.
5. Make Performance Measurement Work for You

✔ Do not focus on accountability at the expense of learning.

✔ Use qualitative evaluation methods – like oral histories, participatory photography, and video-sharing – to share data that opens up hearts and makes meaning.

✔ Assess your foundation’s overall performance and encourage and foster candid debate.
Embedding a Humanistic –Technocratic Blend into a Foundation’s Organizational Culture and Plan

- Board and staff leaders must champion the desired equilibrium.
- Hire staff with multiple intelligences, a blend of hard and soft skills.
- Compensate for your inclinations.
A Deliberate Recalibration at Two Foundations

California Wellness Foundation

- Responsive
- Flexible, core operating support to frontline providers

Ford Foundation

- Decentralized
- Emphasis on grantmaking craft
- No comprehensive evaluation

- 5 – 10 year initiatives via RFPs
- Proactive
- Big summative evaluation

- Streamlined operations
- More focused funding
- Quarterly performance measurement
How the Skillman Foundation Strikes the Balance Well

- Powerful ethics & values code
- Flexible funding for strategic opportunities
- Evaluative learning

- Detailed theory of change
- Focused funding in 2 areas in 6 Detroit neighborhoods
- Rigorous performance measurement
Some Other Ambidextrous Funders

Mary Reynolds Babcock Foundation

The David & Lucile Packard Foundation

Cleveland Foundation

The James Irvine Foundation

Rockefeller Brothers Fund

The F.B. Heron Foundation

NoVo Foundation

Latin: change, alter, invent
Other Fields Have Progressed When Tensions Have Arisen, New Paradigms Clashed, and the Best of Both are Blended

Business Management

- Scientific management
- Operations

Eclectic Practice

- Organizational development
- Values-based leadership
Physiology

- Behavioral
- Cognitive

Multi-modal treatments tailored to each person

- Psycho-dynamic
Advancing the Philanthropy Field by Building Bridges, Not Walls: A Call to Action

- Persuade funders to appreciate the tensions between the modes
- Employ alternative frameworks and vocabulary
- Encourage educators to teach an eclectic and integrated range of approaches
Resources