

The Evaluation Capacity Development Group: A New Nonprofit Organization

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The Evaluation Capacity Development Group

<http://www.ecdg.net>

Last February, Craig Russon served as a resource person at The World Bank's Global Grantmaking for Small Grants Workshop (Russon, 2005). During his presentation on tracking results and measuring effectiveness, he advanced the idea that the evaluation needs of projects funded by small grants and those funded by large grants are essentially the same in that they both seek to answer two fundamental questions: "Are we doing the right things?", and "Are we doing things right?"

The major difference between projects funded by small versus large grants really lies in their capacity to gather information to answer these questions. In this regard, projects funded by small grants face some special challenges. Russon identified two basic approaches to addressing the capacity issue. Projects can either hire external evaluation capacity or they can develop their own internal evaluation

capacity.

With regard to hiring external capacity, he pointed out that in the last ten years, the number of regional and national evaluation organization around the world has grown dramatically (Russon, 2004). These organizations all provide professional development opportunities to their members. As a result, there are now very good local evaluators in almost every part of the world. If one is going to hire external evaluation capacity, there is no reason not to use these local evaluators.

Unfortunately, there are problems with hiring external evaluation capacity. They can be expensive relative to a small grant budget. In addition, when the external evaluator hands in the report and walks out the door, the project is no better off in capacity than it was before. For these reasons, it makes sense for projects funded by small grants to develop their own internal evaluation capacity. He encouraged the participants to take up the challenge of finding new ways to accomplish this task.

In the months following the small grants workshop, both authors took the idea one step further and established a nongovernmental organization called the Evaluation Capacity Development Group (ECDG). ECDG's philosophy is that evaluation capacity can be developed at one of three levels: national, individual, or organizational (Horton, et. al., 2003). Evaluation capacity development (ECD) at the national level involves strengthening the evaluative institutions of governance. The World Bank uses this approach extensively, but it has limited application for the rest of us.

ECD at the individual level involves conducting seminars and workshops for individuals. Evaluation organizations such as the American Evaluation Association and others work on this model. They provide professional development opportunities to individual evaluators in the forms of conferences, workshops, and publications. The problem with this approach is, if there is no support from the home-organization, the training usually does not have a lasting effect.

For these reasons, ECDG works at the organizational level. Its mission is to develop the capacity of small to medium nonprofit organizations to conduct evaluation by themselves. Based on the professional literature (Horton, et. al., 2003), our theory-of-change (ToC) is that providing information, offering training opportunities, and facilitating organizational change will help nonprofits develop their evaluation capacity. This in turn will enable them to improve the products and services that they offer, become more accountable to funders and the public, and become learning organizations.

Based on the above ToC, ECDG is pursuing three strategies to help develop the evaluation capacity of nonprofit organizations. First, ECDG is developing Internet resources that will include an interactive “learning tree,” evaluation tools, and links to other related websites. Second, ECDG is conducting seminars and workshops in order to provide hands-on training in the theory and practice of evaluation capacity development as it relates to nonprofits. Third, ECDG staff is providing technical assistance required to help nonprofits apply the process to develop organization capacity.

Many who claim to do evaluation capacity development only provide training on how to conduct evaluation. ECDG believes that until an organization has the necessary organizational architecture in place, evaluation training is not an effective use of resources. Therefore, ECDG has developed a toolkit to help nonprofits put the necessary organizational architecture into place (Russon & Russon, 2005). The toolkit has 10 modules that contain checklists, step-by-step instructions, T-charts, rating scales, brainstorming activities, force field analysis forms, sample budgets, and other helpful tools appropriate for use with the various modules. Below is a brief summary of the toolkit modules.

Tool 1: To Rent or To Own

The first tool addresses the question of whether a nonprofit should hire an external evaluator or develop internal evaluation capacity. We used the analogy of renting an apartment or buying a house. When moving to a new area, if a person plans to stay for a short-time, it makes sense to rent. If one is going to be there for a number of years, that individual might want to invest in a house and build some equity. The same is true for evaluation. If a nonprofit has one-time funding for a special project; hire an external evaluator. However, if it is going to be conducting evaluation for multiple projects over an extended period of time, it may want to invest in developing some evaluation capacity (Conley-Tyler, 2005).

Tool 2: Purpose and Shared Vision

If a nonprofit decides it wants to develop its own evaluation capacity, the first step in the process is to decide the purpose of evaluation. Three commonly accepted purposes are found below. Note that these purposes are distinct but not necessarily mutually exclusive:

- To provide feedback for program improvement
- To demonstrate accountability to funders
- To promote organizational learning

Once a nonprofit determines the purpose, it should create a shared vision for evaluation. This imagines the potential or desired future for the role of evaluation within the organization. This process should involve the whole organization, not just the Executive Director and the Board. It should also be aligned with the organizational vision. The toolkit provides instructions for various methods of visioning (Broholm, 1990; Preskil & Torres, 1999).

Tool 3: Organizational Design

Once the evaluation purpose has been determined and a shared vision for evaluation has been created, the nonprofit needs to put the organizational design in place to achieve the vision. In Tool 3, we recommend that nonprofits pay particular attention to four elements of organizational design found below. The unique

combinations of these elements will create an organizational design the likes of which is found in no other nonprofit (Ivancevich & Matteson, 1993).

- Division of Labor—who will do the evaluation? Experts with PhDs in evaluation, program officers, staff, or the Executive Director?
- Authority—what are the relationships among coworkers? Are program officers and evaluators independent? Or does one have authority over the other?
- Departmentalization—is there a separate evaluation unit or is evaluation integrated into the program areas?
- Span of Control—who oversees whom and who answers to whom?

Tool 4: Organizational Culture

Organizational culture can be thought of as the collective personality of the nonprofit. This intangible quality is pervasive throughout all other aspects of the organization. A stated goal of ECDG is to help nonprofits incorporate evaluation into their organizational culture. We refer to this as developing a culture of evaluation. This goal can be accomplished by paying attention to the three dimensions found below. The toolkit offers nonprofit leaders ideas for developing a culture of evaluation within their organization (Schein, 1990; Marais, 1998).

- Observable Artifacts—reports, records, stories, myths, symbols, etc. For example, the physical layout can give an indication of evaluation's place

in the culture. Are the evaluation offices in the far corner of the basement or near the Executive Director's office? Do minutes of staff or board meetings reflect discussions regarding the role of evaluation in the organization?

- Values—beliefs about whether evaluation is a good thing or a bad thing. Bad past experiences can leave some staff believing that evaluation is not very desirable. In such instances, it is necessary for the leadership of an organization to make evaluation be a positive experience.
- Assumptions—these are beliefs about evaluation that we think to be true without questioning them. Evaluation should be done this way or that way; or by a specific person at a specific time. ECDG believes that evaluation is robust enough to defy many preconceived notions.

Tool 5: Evaluation Policies

In Tool 5, we assert that organizational design and culture are put in place by the policies that the nonprofit implements. We define policy in its broad sense, including practices and procedures. ECDG provides tools for nonprofits to do informal policy analysis in order to determine if evaluation policies that are implemented will have the desired results (Bardach, 2000).

Tool 6: Budgets

Tool 6 deals with budgeting for evaluation. It is important to realize that the policies to which we referred in the previous tool are operationalized through budgets. A sample of the rules of thumb included in the toolkit can be found below. Have you ever heard, “Every dollar spent on evaluation is one dollar less for programming?” Not true! The increased service capability and reduced expenses that come from an effective evaluation system should more than pay for itself (Horn, 2001; WKKF, 1998).

- An evaluation budget will range from five to ten percent of the total programming budget.
- Typically the higher the total programming budget, the lower the percentage devoted to evaluation
- Be sure to consider the trade-offs between evaluation quality and budget; a larger budget USUALLY allows for higher quality work

Tool 7: Processes

At this point, nonprofit organizations can begin to use some of the evaluation capacity that they have developed to inform the processes that they carry out. In Tool 7, the integrative and adaptive processes that nonprofits implement are discussed. Integrative processes help maintain equilibrium within the organization (a characteristic of a system). These types of processes are often the subject of

monitoring efforts. Adaptive processes help the organization react to its environment (another characteristic of a system). These types of processes are often the subject of evaluation efforts. Both types of process use the same mechanism. They take inputs from the environment, convert or transform them, and return them to the environment as outputs.

Evaluation is an important part of the process mechanism. For example, it can tell the nonprofit whether the integrative process output is aligned with the organization's mission and goals. In other words, "Are we doing things right?" Evaluation can also tell the nonprofit whether the adaptive process output is aligned with the needs of the external environment. In other words, "Are we doing the right things?" The toolkit offers tools that enable nonprofits to make that determination.

Tool 8: Approaches to Training

At this point, it would be appropriate for a nonprofit to start thinking about training. Training that is conducted before the necessary organizational architecture is in place is often a waste of resources. Tool 8 helps nonprofits determine their evaluation training needs by using the following process:

- Determine what skills and abilities should be in place and what information should be known by whom at what point in time
- Ascertain the current situation through interviews, observations, and document reviews

- The gap between the identified needs and current realities will be filled by evaluation training

Tool 9: Action Research

If a nonprofit has followed ECDG's advice, it may have resulted in changes to the organizational design, organizational culture, policies, budgets, processes, and training. ECDG would expect the nonprofit to take a critical look at these changes to determine whether or not they are working. One way that ECDG suggests doing this is through participatory action research. In Tool 9, we outline the process (Selener, 1997).

Tool 10: Standards for Internal Evaluation

In order to determine if the nonprofit is using its newfound evaluation capacity well, ECDG recommends applying a set of standards especially developed for internal or self-evaluation by the UK Evaluation Society (UKES, 2005).

At the heart of ECDG's philosophy of *evaluation capacity* is the idea that nonprofits must create an environment which is *evaluative* in nature. When steps are taken to develop this environment, individuals in the nonprofit will naturally think in an evaluative way about how their jobs are performed, how services are delivered, and how well the organization is run. ECDG proposes to help nonprofits become more evaluative by providing information, conducting training, and

facilitating organizational change. ECDG has created its toolkit to support these efforts.

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