


Memorandum

TO: Members of the Grant Making Design Team and Pilot Programs

FROM: Chris Stone 

DATE: January 30, 2015

SUBJECT: Your Final Report

I am grateful to have received your final report on the pilot year of 2014, during which OSF implemented most of the recommendations made by the GMDT in 2013—some across the grant-making programs, others only in pilot programs. The report is enormously helpful: clear, candid, cautionary, and hopeful. I am eager to implement your recommendations over the time periods you suggest, this year and next. In this memo, I share with you some of my own reactions to your findings, and respond specifically to each of your ten recommendations.

The Findings

I will not respond individually to all of your findings, most of which I find clear and compelling. All are useful, especially where you have found that the changes we've made have not worked or have had counterproductive side effects. Rather than respond to everything, let me focus on a few that struck me as especially significant.

The main impetus for the changes that we have been designing and implementing over the last two years is a hypothesis that if we decentralize grant approvals in our programs, we will encourage a greater pluralism in our grant making and put grantees in direct conversation with the real decision makers. I am therefore especially interested in your finding that decentralization has not led, at least not yet, to greater pluralism of approach. Your finding is consistent with my own observation. We have not yet decentralized sufficiently to have put many grantees in direct conversation with the ultimate decision-makers. Moreover, the focus on eligibility assessments has meant that we have strained, I believe only temporarily, the relationship between grantees and program officers.

Still, I am encouraged that we have the potential to get both of the advantages for which we hoped if, as you recommend, we further decentralize. I was specifically encouraged by your finding that, "all pilot programs reported increased staff ownership of grant decisions from those who were delegated greater authority." I think the pilot group was wise, as you report, to define decentralization, not only in terms of who clicks the "approve" button, but

as “a sense of agency within one’s assigned domain.” I agree with you that, “Over time, this may well lead to more pluralism in approach as well.”

Still on this point, I found it especially interesting that “not all grant-making staff showed a desire for full independence in grant making.” This may underscore the need for the role alignment exercise we are currently undertaking, and I therefore think you are wise to recommend that we not further decentralize until that role alignment is complete in any particular program since we will want some consistency in the roles to which we decentralize further authority.

The finding that most surprised me was your conclusions that “due to the larger size and breadth of work [in large programs], achieving strategic coherence is even more difficult.” I am surprised because strategic coherence is increasingly important within OSF, and it had not occurred to me that we might be making its achievement more difficult by creating larger programs. Indeed, one large program, the Public Health Program is often the source of examples of good practice in both grant making and strategic management. I believe that other large programs, such as US Programs and the Human Rights Initiative, are gaining strategic coherence, so your point is probably best taken as a useful reminder to patient as this develops.

There are several findings with which I fully agree and that nicely frame the entire focus on grant making. You helpfully articulate the two ideas “at the heart” of this effort: “the importance of critical thinking and professional judgment to effective grant making, and the role of healthy and effective organizations in strengthening the fields and places to which OSF is committed.” Nicely put.

I agree that I should implement “further delegation to program directors,” especially on eligibility, and that “aligning grant-making roles is a precondition for any meaningful discussion about further delegation of grant-approval authority.” I also agree that “additional messaging and training on the purpose of and appropriate approach to eligibility assessments is necessary” as part of that delegation.

Perhaps the only finding with which I disagree is the need to disseminate the results of portfolio reviews across OSF and externally. You note (and I agree) that “the insights from and outcomes of portfolio reviews are not consistently and effectively disseminated within and among OSF programs and externally with major partners.” But I disagree with your conclusion that, “[w]ithout this, portfolio reviews cannot fulfill their learning function.” If program officers know that their comments in a portfolio review will be seen by grantees, it may further get in the way of the candor that we are hoping to achieve in these reviews. While I hope we can eventually share our strategies externally, I think we should be content with portfolio reviews that teach their principal lessons to the participants in the room. The learning comes from the exchange, the questions, and the active participation.

The Recommendations

For ease of understanding, I reproduce your recommendations and add my brief responses after each one.

1. Deepen engagement by directors of grant-making programs in promoting a new grant-making culture

Given the ongoing and long-term nature of the shift to OSF's grant-making culture, the president should work closely with grant-making program directors to clarify his expectations of the leadership and mentoring role he would like them to play.

Implementation period: throughout 2015

Yes. I will organize a series of informal conversations in small groups with program directors about organizational culture: grant making, advocacy, decision making, and inclusion. My office will take responsibility for this.

2. Align human-resources practices and processes with the core competencies needed by grant makers

Once formal decisions have been made based upon the conclusions of the role-alignment process with respect to grant-making core competencies, the Grant Making Support Group and Human Resources should collaborate to develop recruitment, performance assessment, and professional development practices that reflect these standards. Once a proposal has been developed, a consultation should be held with the leadership of grant-making programs.

Implementation period: second half of 2015

Yes. Role alignment will lead into discussions about recruitment, promotion, assessment, development. The Grant Making Support Group and Human Resources should take responsibility for this.

3. Decentralize renewal of organizational eligibility

Give program directors authority to renew the eligibility of any organization with a current (non-expired) eligibility status to receive OSF funding. Prior to implementation, the president should hold a meeting with directors of all grant-making programs to share his experience over the last year and clarify expectations for writing and approving assessments. The president's engagement could then shift to monitoring trends by program, subprogram, or portfolio through semi-annual meetings to review patterns, as well as ongoing approval of all first-time grantees.

Implementation period: first half of 2015

Yes. I expect to implement this delegation effective on March 15. The town hall meeting with directors and deputy directors of grant making programs will take place on March 3. We'll then review early experience at a side event coinciding with the meeting of thematic program directors with the SMC in June.

4. Decentralize approval of grants over the one-third threshold

Give program directors authority to approve grants that exceed the one-third threshold guideline. Prior to implementation, the president should conduct a review by program of 2014 grants in this category. In preparation for this review, programs should prepare a memo outlining the particulars of the fields and places in which they regularly experience the need to make grants above one third.

Implementation period: as conditions allow in late 2015 into 2016

Yes. This will be assisted by the addition of a drop-down menu for approval of these grants, and a standard format for explaining the reason for surpassing the one-third threshold. My office will work with the Grant Making Support Group, Grants Management, and IT to implement this. By decentralizing both eligibility (#3 above) and approvals for exceeding the one-third threshold, I will free time that I can use to meet with program directors and other colleagues to discuss how these decisions are being made, looking at recent cases and patterns. In other words, I will get myself out of the transactional chain, but remain involved through after-the-fact review and discussion.

5. Decentralize grant-approval authority below director level

Once formal decisions have been made based upon the conclusions of the role-alignment process, task the GMSG with proposing levels and thresholds for decentralized grant approval. Grant-making programs should be able to request authority to decentralize below director level once they have completed role alignment within their program. As soon as is reasonably practical, changes should be made to FC that allow for those with delegated authority to exercise that authority without the involvement of supervisors. Programs proposing further decentralization should consider peer reviews or analogous mechanisms as part of their decentralization plan as a means of promoting programmatic cohesion and a strong culture of high-quality grant making. This is particularly the case for large programs.

Implementation period: late 2015 into 2016

Yes. The Grant Making Support Group will work with individual programs to implement this after we have implemented role alignment.

6. Address concerns about the handling of sensitive or confidential information in Foundation Connect

Task the GMSG to consult with relevant stakeholders and make recommendations to the Senior Management Committee, with policy, training, and technical changes implemented as soon as is feasible.

Implementation period: throughout 2015

Yes, but we should be careful to focus on policy and practice, and less on technical changes to our software, which can create perverse effects quite easily. The SMC is indeed a good place to bring these recommendations.

7. Advance practice of informal portfolio reviews

Encourage the use of a lower-intensity model of portfolio reviews at the staff level to ensure that programs – particularly the largest – can review all of their work over a two-year period. With directors' agreement and oversight, lower the profile of internal reviews by offering other managers and grant makers the ability to conduct reviews themselves. Task the Strategy Unit with ensuring that a) programs have developed an approach to staff-level reviews that is suitably light without losing rigor; and b) programs have a plan in place for reviewing all portfolios over a two-year period starting with January 2015.

Implementation period: first half of 2015

Yes. The Strategy Unit will take responsibility for this.

8. Develop internal capacity to collect and utilize data from FC and elsewhere to improve portfolio reviews and other grant-making practices

Consider options for building staff capacity in programs or support units to prepare reports and analyze data to inform strategy and budget development, portfolio reviews, program development, and other aspects of grant making.

Implementation period: first quarter of 2015

Yes. This is going to be organization-wide effort, but gradual. We can start with president's office, support units and large programs, since the smaller programs do not usually have the staff capacity that will be required for the early development. As with #4, my office will work with the Grant Making Support Group, the Strategy Unit, Grants Management, and IT to implement this, which I understand will require new software.

9. Explore means of providing programs with budget flexibility from one year to the next

Consider options for a more flexible approach to budgeting, especially one that facilitates multi-year grant making. Task the Finance Department to examine the barriers and gather information about how such approaches work at peer foundations, and to make recommendations to the Senior Management Committee.

Implementation period: second half of 2015

Yes and No. I want to encourage multi-year grants, but within annual budget discipline. I will ask the Grant Making Support Group, the Strategy Unit, and interested grant-making staff to have informal conversations to begin, in small groups.

10. Establish an ongoing monitoring and evaluation group to assess grant-making culture

In order to provide continuous feedback on grant-making culture change, the GMSG should periodically convene grant makers from across the network to gather feedback on processes, monitor implementation of the recommendations, and provide a space to evaluate the need for further reforms.

Implementation period: ongoing

Yes. This will be enriched with Date from #8. The Grant Making Support Group will take this forward.