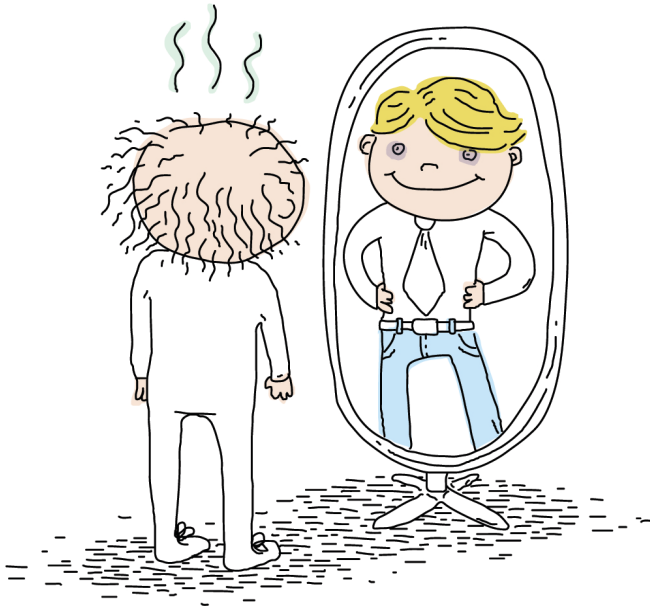


## Honest Practice: How the Public Sector Can Look at Itself

By Howie Fisher

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This reading of the field argues on behalf of a narrative approach to evaluating capacity building work in nonprofit organizations. It takes many of its examples from the Transmission Project's Digital Arts Service Corps, which pairs Americorps\*VISTA volunteers with media, arts, and technology organizations across the U.S. to conduct yearlong capacity building projects. We call our approach Honest Practice.

### Why Honest Practice?

Insisting on the distinction between Best Practice and Honest Practice is not only a way to encourage sharing failure as well as success, but also a way to acknowledge procedural bias in the nonprofit field. Generally, funders are interested in potential grantees' uses of conventional wisdom – practices commonly deemed “best” – but not in their creative attempts at problem solving. As Transmission Project Executive Director Belinda Rawlins put it, if “‘best practices’ are the standards of excellence within organizations considered high performing, how can it be expected that those standards could be immediately implemented in startup programs? What of differences in organizational culture and constituencies, not to mention technical and information systems? Is innovation supported if funding follows conventional wisdom?” In other words, how is such a narrow set of practices indeed *always* best? The idea behind Honest Practice methodology is to investigate the specific context in which a practice was used, not just to report the outcome – be it success or failure. Honest Practice views collecting stories as a type of data gathering that is essential rather than auxiliary to other public sector work.

A different way to look at the distinction between Best Practice and Honest Practice is by way of another: prescription versus description. Prescriptive approaches like Best Practice methodology assume that something good for one will be good for another; description merely describes what happens. Description is still helpful insofar as generalizations can be drawn from the experience. Examples of Best Practice and Honest Practice illustrate the distinction:

### **Best Practice**

Benchmarking is a powerful process nonprofits can use to assess and evaluate their organizations' practices, operations, and functions against a set of "best-in-class" criteria. This document contains 43 "best-in-class" benchmarks divided among six different sections. Each benchmark represents *the current standard* for appropriate, efficient and sustainable technology use in a nonprofit organization. Collectively, they provide an example of how a technologically literate nonprofit integrates technology into its daily work [...]

We know, of course, that creating a technologically literate organization is a continuous, iterative process. As one commentator has put it, benchmarking is the process of "taking your organization towards best practice."<sup>1</sup>

Taken from a guide written on behalf of a foundation, this excerpt tells us what *should* be done to improve an organization's use of technology, regardless of what the organization actually does. Benchmarking provides only one standard.

### **Honest Practice**

I did outreach last year to find and train low-income residents in wi-fi maintenance in the hope that they would help keep up the network, but there were problems with this model [...] We could not afford to pay even a small stipend to our "wi-fi helpers," so it was difficult to recruit people. Also, the task of maintaining the network turned out to be much more work than we could expect a volunteer to do (phone tech support, going to apartments, etc) – it's a lot of work, a lot of time. That's why we're hoping to either terminate our wi-fi services or go wired (way less maintenance, easier to use, etc).

This excerpt from an interview with a Digital Arts Service Corps member describes an actual attempt to implement technology and the lesson learned from it. The lesson is applicable to the work of others involved in building broadband networks in low-income housing without endorsing a "best practice."

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<sup>1</sup> *Strategic Communications for Nonprofits: Technology Benchmarks for Nonprofit Organizations*, ed. Karen Menichelli and Jullaine Smith (Washington, DC: The Benton Foundation, 2006), 5. Emphasis added.

## Community-Based Organizations & the Culture of Best Practices

Ineffective as they are at helping organizations make good decisions about where to apply resources to build capacity, so-called best practices and the copy-and-paste mentality they encourage continue to influence the behavior of nonprofits because funders place value on them. This may be especially true of technology practices due to the sense of being state-of-the-art that conventionally accompanies technology. Having heard about a peer's success, an organization may rush to adopt the same technology without taking into account what is necessary to implement it or whether it is relevant to the organization's work. "Adapt and Adopt: An Experiment in Making Best Practices Adequate in an Organization" reiterates the need to adapt *any* practice taken from elsewhere to an organization's specific work:

So called best practices promise many advantages to organizations that adopt them. Reusing these practices, however, requires their adaptation to the specific context of each organization [...]

[T]hat term "Best Practices" is an oversell. It essentially hides the need to adapt any practice to the context of a specific organization. Organizations would do well to not get blinded by the marketing promise of best practices and remember that much work is needed before they can be used.<sup>2</sup>

Some organizations do realize this, and Corps members' assignments often require them to develop a strategy or long-term plan to adapt and adopt *x* because *x* has already been determined by the organization to be both advantageous *and* viable. At other times, organizations dive into a transition around a "best practice" without a concrete plan. In these cases, Corps members have had to figure out the necessary steps to planning the implementation as they go along. Many projects have failed under these circumstances.

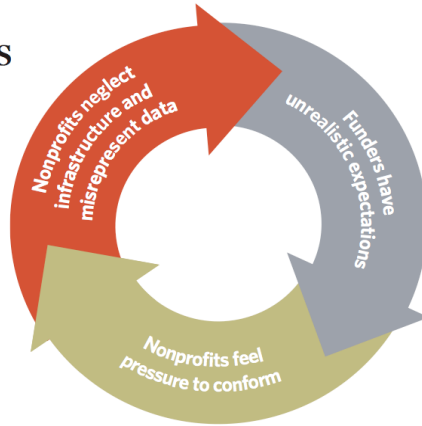
If "best practices" are always a false promise, then the questions arise, why do foundations uphold "best practices" in the first place and why do organizations blindly adopt them? Ann Goggins Gregory and Don Howard explore a self-perpetuating pattern of behaviors that keeps nonprofits and other community-based organizations from investing properly in the vital systems and overhead that constitute organizational capacity – or from investing in them at all. They describe the "Nonprofit Starvation Cycle" as follows:

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<sup>2</sup>Nelly Burrin, Gil Regev and Alain Wegmann, "Adapt and Adopt: An Experiment in Making Best Practices Adequate in an Organization," 2007, 1,7.

## The Cycle That Starves Nonprofits

Three forces intertwine to deprive organizations of much-needed overhead funding.



The first step in the cycle is funders' unrealistic expectations about how much it costs to run a nonprofit. At the second step, nonprofits feel pressure to conform to funders' unrealistic expectations. At the third step, nonprofits respond to this pressure in two ways: They spend too little on overhead, and they underreport their expenditures on tax forms and in fundraising materials. This underspending and underreporting in turn perpetuates funders' unrealistic expectations. Over time, funders expect grantees to do more and more with less and less – a cycle that slowly starves nonprofits.<sup>3</sup>

The culture of Best Practices is one sub-plot of this cyclical narrative. Funders are not experts in nonprofit management; they lack knowledge about what their benefactor organizations need to succeed.<sup>4</sup> In the absence of reliable ways of measuring success and making comparisons across a diverse body of organizations, so-called best practices are the superficial standards of excellence that funders endorse. Organizations' dependence on funders causes them to work toward these standards of excellence and misrepresent the results when they fail to guide them. The flawed report informs another round of even more abstract, less realistic "best practices."

An example from real life demonstrates the effect of Best Practice culture on organizations' reporting. Organizations' dependence on foundations has trained nonprofit practitioners to lapse into a cryptic and ingratiating language when communicating with funders. This use of rhetoric, like "best practices," is essentially marketing: it glosses over failure while emphasizing success. This author once conducted an interview with a VISTA supervisor regarding Salesforce (a platform for Constituent Relationship Management) to get information about the implementation process. This is an excerpt from the response he got:

[T]he information and intelligence that we gain from having a centralized place to track our activities and interactions with the people we serve is incredible, and we know we're only scratching the surface of our potential.

From the public's perspective, this means fewer missed opportunities from loss of information, more smiles in our phone voices because we know we have the right information, and more personalized emails and phone calls, because in our universe of contacts, we know who likes what just a little better than we used to.

<sup>3</sup> Ann Goggins Gregory and Don Howard, "The Nonprofit Starvation Cycle," *Stanford Social Innovation Review* (Fall 2009): 50. Illustration by David Plunkert.

<sup>4</sup> Dan Pallotta. "Stop Giving Donors What You Think They Want." *Harvard Business Review Blogs*. 15 Feb. 2011.

The response discusses the potential benefits of Salesforce but says nothing about the process of getting it to work. It fails to mention that the organization had not completed adopting the platform due to a lack of resources and limited staff time to dedicate to the project, exacerbated by the Corps member's scheduled departure. Besides the disproportionate emphasis on success, the tone of the response betrays the influence of Best Practice culture. It sounds like marketing for Salesforce when this practice has in fact proved itself unsuitable to the organization.

Dan Pallotta attributes such "Boy Scout-like" acquiescence to "best practices" to a lack of professional integrity.<sup>5</sup> Provided the relationship between organizations and funders, however, organizations cannot be held fully accountable for masking complicated situations as success. Gregory and Howard speak to the anxieties faced by organizational leadership that cause them to generate the misinformation that fuels funders' unrealistic expectations:

The power dynamics between funders and their grantees make it difficult, if not impossible, for nonprofits to stand up and address the cycle head-on; the downside to doing so could be catastrophic for the organizations, especially if other organizations do not follow suit. Particularly in these tough economic times, an organization that decides – on its own – to buck the trend and report its true overhead costs could risk losing major funding.<sup>6</sup>

With the financial stability of one's organization at stake, going along with "best practices" is an easy answer to what may seem like funders' unjust demands. Moreover, the power that funders wield amounts to more than the size of their charitable gifts. Philanthropic enterprises belong to a progressive tradition that designates them (and the social scientists who inform their decision-making) the authority on how money is to be best dispensed to achieve the greatest social good.<sup>7</sup> Even when nonprofit practitioners working in communities contest this presumed expertise, they do so under the weight of a century-old tradition.

Of course, the cycle does not stop there; adhering to so-called best practices further contributes to funders' inaccurate impression of what goes on in organizations. The Communication Network's Jargon Finder explains how funders respond to (perceived) success:

The trouble is that, lately, every time a nonprofit organization manages to get through the day without falling into bankruptcy, a team of researchers moves in, often with generous support from a major foundation, casting about for BEST PRACTICES. The phrase has gotten out of hand.

BEST PRACTICES was coined – advisedly, it seems – to refer to the very best of the practices in a field, not merely all the good ones that could possibly fit into a 100-page report. And in some new and evolving fields, as the nonprofit organization Public/Private Ventures recently argued, there are not yet any practices that can be canonized as "best" – only promising ones that deserve close study and discussion.<sup>8</sup>

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<sup>5</sup> Dan Pallotta., "Stop Giving Donors What You Think They Want."

<sup>6</sup> "The Nonprofit Starvation Cycle," 50.

<sup>7</sup> Lenore T. and Steven D. Ealy, "Progressivism and Philanthropy," *The Good Society*, 15.1 (2006): 37-38.

<sup>8</sup> "Jargon Finder," The Communications Network, 2008.

Simply marketing success as a “best practice” obscures what makes practices successful and completely disregards the complications that may have preceded success. A culture interested only in “best practices” also eschews the benefits of learning from failure – both one’s own and others’. The problem lies in how stories get told. Funders and the greater nonprofit community must hear a more thorough account regarding what organizations need and how they manage to get it. We lack the valuable “close study and discussion” of our own work.

### **The Value of Evaluation**

Telling the whole story is getting more and more difficult. Gregory and Howard relate correctly how organizations’ skewed reporting feeds back into funders’ false perceptions. However, they only hint at an equally important, parallel problem. As the sector fails to address the actual capacity needs of organizations, organizations themselves often neglect the very systems that allow them to know what those needs are in the first place:

Without strong tracking systems, nonprofits have a hard time diagnosing which actions truly drive their desired outcomes. “The catch-22 is that, while organizations need capacity-building funding in order to invest in solid performance tracking, many funders want to see strong program outcome data *before* they will provide such general operating support,” says Jaime McAuliffe, a portfolio manager at the New York–based Edna McConnell Clark Foundation.<sup>9</sup>

Generally speaking, funders are skeptical about financing capacity building that aids the work of reflection; they prefer to invest in programs that will presumably produce immediate results or at the very least increase capacity in areas of already-recognized “best practices.”<sup>10</sup> Thus, as they chase so-called best practices, which may be irrelevant to their work, organizations increasingly lose touch with their ability to define success, measure it, and articulate what they need to perform better.

### **The Role of Researcher in an Environment Dominated by Best Practices**

In Gregory and Howard’s estimation, foundations should take the lead in breaking the “starvation cycle” by changing their expectations because “they have an enormous power advantage over their grantees. When funders change their expectations, nonprofits will feel less need to underreport their overhead. They will also feel empowered to invest in infrastructure.”<sup>11</sup>

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<sup>9</sup> “The Nonprofit Starvation Cycle,” 51.

<sup>10</sup> Jessica Clark and Tracy Van Slyke corroborate both the need and the lack of funding for evaluation in “Investing in Impact: Media Summits Reveal Pressing Needs, Tools for Evaluating Public Interest Media,” Center for Social Media and The Media Consortium, May 12, 2010, 7.

<sup>11</sup> “The Nonprofit Starvation Cycle,” 52.

While funders certainly have a role to play in changing Best Practice culture, this conclusion assumes that foundations have resources to fund evaluation on top of other forms of capacity building *and* programmatic work. Like organizations, funders have to demonstrate results with limited resources. This explains their reluctance to fund evaluation and their eagerness to invest in projects that are seen as impacting communities directly, which capacity building is not.<sup>12</sup> Gregory and Howard essentially replace a cyclical narrative with a linear one that begins with funders. Their conclusion lifts unnecessary blame from nonprofit practitioners, but it also wrests from them the agency to intervene on their own behalf.

Changing the way work gets done in the public sector requires a concerted effort on all sides to attain accurate information, and this important cultural work will fall to researchers, writers, and evaluators working within organizations. Writing about and publishing what actually goes on in organizations carves out a space for Honest Practice, which remains marginalized due to the foundation-beneficiary relationship by which funding follows “best practices.” By asking what organizations produce besides success as defined by Best Practice culture, the researcher aims to make Honest Practice methodology the dominant one and illustrate the advantages of honesty. When an organization pursues a so-called best practice, it alone receives the support of the foundation extolling that practice, but when organizations talk about what that practice has done (or not done) for them, everyone benefits. The task at hand is to explore what led to success or failure, recognize structural barriers to organizations’ effectiveness, discuss methods of adapting promising but inadequate practices, and draw attention to real innovation and creative thinking – all with an eye to benefiting organizations and transforming the field.

In the spirit of Honest Practice, the following list offers the kinds of questions funders should support organizations in asking with the help of evaluators and researchers. They address what Best Practice ignores. Asking such questions allows funders to establish a baseline for success when it comes to capacity building projects. Organizations will also have a better grasp of where they stand if they address these points.

### Basic Information

- What is the community of the organization and the constituency it serves?
- What is the economic environment (supported by a foundation, state grant, etc.)?
- What is the regulatory environment (legislation, political movements)?
- What is the IT Readiness of the region (rural, urban, etc.) and what technologies do constituents use?
- What is the nature of organizational governance and structure (hierarchical, collective, etc.)?

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<sup>12</sup> Transmission Project director Belinda Rawlins points out the challenge of marketing the idea of making improvements to overhead when she says, “You can’t take pictures of capacity building.”

### About Project Planning

- How was the need for the project determined?
- Who was involved in its planning? What constituencies will benefit from the project and to what degree were they involved in project planning?
- How has project success been defined?
- How will the project help the organization do its work better and achieve its mission?
- Will the project produce lessons or new knowledge for the organization and the field?
- How is the project to be guided (by the organization staff, volunteers, the field, and/or frameworks) and what are its research needs?
- Will the person in charge of the project have access to the right people in the organization and community and to the right resources to be effective?
- How realistic are the budget and project timeline?
- What practices or tools will be implemented (technological or otherwise)? What alternatives were considered and how was a decision reached?
- Will partnering organizations be involved and what is the purpose (financial, research, implementation, etc.) and timeline (long-term/short-term) of the commitment?

### About Process and Outcomes

- Did the project go as planned? Were there complications and how were they addressed?
- Were project implementers able to respond to changes in environment swiftly?
- What was accomplished that was not included in the original plan?
- What was the impact of institutional structures (policies, advisory boards, etc.)?
- What was the level of stakeholder involvement (staff and community)?
- What is the status of the project? What are the plans from this day onward?

### Can You Practice What You Preach?

The Transmission Project's role as both a capacity building agency and a federally-granted project makes it sensitive not only to the needs of organizations, but also to their frustrations with uninformed or disinterested funders. As a funder, the Transmission Project avoids integrating "best practices" into the projects it supports by handing the reins of project design over to organizations. Rather than prescribing a set of standards, it involves organizations in designing projects that will meet their capacity needs and allow them to better serve their local publics.

For the Transmission Project, gathering stories is a way of collecting data in a relatively pure form. Corps members regularly record project developments in field reports. Reports are narrative in nature; they are rich in complications, complaints, and lessons, not just in accounts of project success or failure. Unlike a Best Practice methodology, this narrative approach does not deracinate project results from their contexts. However, having gathered such raw data, the Transmission Project must do the additional work of interpreting it, integrating it into its grantmaking process, and continually refining the kind of information it gathers and the kinds of questions it asks.



Despite the importance of this additional evaluative work, The Corporation for National and Community Service neither provides resources for the kinds of reflection and analysis the Transmission project undertakes, nor does it gather anecdotal data from the Transmission Project, its beneficiary. Instead, CNCS collects only what it deems to be pertinent poverty-related data regarding Corps members' host organizations, such as the number of disadvantaged children and youth who were engaged as volunteers at a particular organization or the number of children of incarcerated parents the organization served. Because the Transmission Project supports media, technology, and arts organizations, CNCS's collected data do not reflect the impact of the capacity building work of Corps members or the media justice-oriented missions of the Transmission Project's partner organizations. Because CNCS's standards do not capture the social impact of the Transmission Project's work, it must continually defend the value of arts, media, and technology for communities. This gap in values is evidence of a cultural divide between the Transmission Project, which supports a relatively small number of organizations and is highly attuned to their work, and CNCS, which administers a national community service project and applies the same standards across its range of programs.

## Conclusions

“Best practices” are the offspring of a nonprofit business culture that places value on quantitative information and immediately tangible results with little consideration for narrative evaluation or sustainable impact. They are symptomatic of an inability or unwillingness to look beyond a narrow definition of success. Best Practice remains a popular concept because it allows foundations and other funders to easily distinguish – albeit superficially – between driven, successful organizations that deserve reward and poorly managed organizations that are ignorant of what is common knowledge for the rest of the nonprofit community. However, it is not ignorance of “best practices” that keeps organizations from succeeding but a lack of practices that suit their actual needs and a lack of support from funders to reflect on the work that does get done. The solutions to the challenges nonprofits face are more complex and require more hard work than the professed magic bullet of Best Practices. While a particular practice may have proven effective for some at one time, elevating it to the status of “best” is misleading and unfair. Certainly, to allow so-called best practices to dictate funding is to authorize bias.

Honest Practice intervenes in this environment by encouraging the discussion of organizations' specific needs as well as the innovative solutions they generate. More than “best practices,” recommendations, or benchmarks, organizations require the tools to undertake self-evaluation so that they know what their other overhead needs are. They also benefit from hearing their peers' stories and learning how others address needs similar to their own. Funders need to listen carefully so they can guide and support informed efforts to build organizational infrastructure that can sustain programs. Only in this context can much needed capacity building take place and effective programs result. For this reason, the Transmission Project values Honest Practice and takes pride in its partner organizations that invest in the work of reflection.

**About the Transmission Project**

Formerly known as the CTC VISTA Project, the Transmission Project has built the capacity of nonprofit organizations that use media and technology for more than 10 years. Its Digital Arts Service Corps places AmeriCorps\*VISTA members with media, arts, and technology organizations across the country. The work of these organizations serves the public interest, and the capacity building made possible by the Transmission Project puts systems into place to support their long-term program and policy agendas. By streamlining the application process, subsidizing the cost of hosting an AmeriCorps\*VISTA volunteer, and providing the volunteer with training and continued support throughout his or her year of service, the Transmission Project makes a valuable resource accessible to more organizations.

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