REFLECTIVE PRACTICE

Eyes Wide Open: Learning as Strategy Under Conditions of Complexity and Uncertainty

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Key Points

· Foundation strategy is hampered by a failure to recognize and engage with the complexity and uncertainty surrounding foundation work. This article identifies three common "traps" that hinder foundation capacity to learn and adapt: 1) linearity and certainty bias; 2) the autopilot effect; and 3) indicator blindness.

· This article urges foundations to alter their mind-set, questions, and processes to foster a more committed approach to strategy and adaptation. In essence, it argues for learning as strategy.

· This article draws on literature from systems theory, business strategy, and philanthropic practice as well as data from foundation benchmarking surveys.

With the emergence of strategic philanthropy, foundations have altered in significant ways how they work. They have moved from a responsive relationship with their grantee communities to a position that assumes more responsibility for identifying and framing problems, as well as for designing strategies to address them. An important assumption behind the adoption of this role in philanthropy is that foundations can use their position and resources to be good at strategy. But to be good at strategy, foundations need to be good at learning. However, foundations have not cracked the nut of how to learn about, adapt, and improve strategy in ways commensurate with their potential to meet their strategic aims.

While learning is important for strategic success in most circumstances, it becomes essential when foundations engage in the complex environments characterizing much of what they support under the mantle of strategic philanthropy. In fact, in these circumstances, learning is strategy.

Through this work, foundations engage in many large and extraordinarily difficult and complex concerns: improving food security in Africa; addressing global warming, poverty, or issues of equity in difficult urban settings; transforming social-service delivery systems or creating new and far more integrated systems. Some of these foundations have attempted to be comprehensive in their strategic approach, hoping to address root causes of deeply entrenched social problems; some have organized communities to take up common cause for greater "collective impact;" others believe that they can bring about the greatest impact by infusing large sums of resources toward a problem in a targeted manner, thereby stimulating whole systems to respond. Each scenario has no certain or widely accepted solution, but common to all of these efforts is the expectation that foundation work can bring about large-scale social impact.

Yet in the face of the often mind-boggling complexity of this work, foundations have tended to remain above the fray, particularly as strategies unfold – distanced from what some have called the "mess" of social change (Schall, 1994; Schon, 1973). This distance has raised questions from

both philanthropists and observers about whether foundations have a role in strategy at all (Buffet, 2013; Stannard-Stockton, 2009). These and other critics question whether foundations are close enough to the actual work on the ground to make decisions wise enough to guide strategy effectively (Patrizi & Thompson, 2011; Martin, 2012).

As leaders of the Evaluation Roundtable, we have observed and participated in foundation struggles to be better at learning, particularly as it relates to strategy. Through our benchmarking work with the Evaluation Roundtable (Evaluation Roundtable & Patrizi Associates, 2010), our former jobs in foundations, and our opportunities to consult with foundations, we have witnessed much change in how foundations approach learning – but also persistent barriers to their capacity to do so.

We have seen the role of evaluation expand considerably over the last 10 years, in part corresponding to the growth of strategic philanthropy. Foundations now pursue many avenues to collect and present information about their strategies and to report progress to their boards. Recent benchmarking data suggest that foundations apply evaluation throughout the strategy life cycle at least at acceptable levels (Center for Evaluation Innovation, 2013). However, deep frustrations persist about what foundations know about their strategies. One study found a majority of foundation chief executive officers as having identified obtaining "meaningful insights" from evaluation as a challenge (Buteau & Buchanan, 2011, p. 9). In another, foundation trustees said that among various aspects of foundation governance, they were least satisfied with the information they received to assess the foundation's progress against its strategy (Buchanan, Buteau, DiTroia, & Hayman, 2005).

In the most recent Evaluation Roundtable Benchmarking Survey, one quarter of evaluation staff reported that their foundations are doing a poor job of using evaluative information in midcourse decisions and to make summative judgments about program or initiative performance (Center for Evaluation Innovation, 2013). They also point-

> ### Characteristics of Complex Situations
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> - High uncertainty about how to produce desired results and great disagreement among diverse stakeholders about the nature of the problem and what, if anything, to do
> - Results that are highly dependent on initial conditions
> - Nonlinear interactions within a dynamic system
> - No right answers
> - Key variables and their interactions unknown in advance
> - Each situation is unique
>
> *Michael Patton: Developmental Evaluation*

ed to dissatisfaction about "the extent to which foundations use evaluation data to understand how complex strategies 'unfold on the ground'" (Coffman, Beer, Patrizi, & Thompson, 2013, p. 46). Although more data than ever are available to foundation strategists, we heard persistent concerns about how this information actually gets used to inform strategy. As one practitioner said, "We have lots of data, but it is challenging to get it into the work of the strategy team."

We take the position in this article that foundations have important but unrealized potential to contribute value to strategy by capitalizing upon their capacities to build, support, and engage in learning. Their location in the landscape of social-change agents affords them a rare line of vision to see patterns and to work across boundaries of organizations, systems, and peoples. They have the resources to import both experience (from doers) and expertise (from researchers and experts). They can afford to experiment and try multiple solutions. And if disciplined about their own commitments and biases, they can work to counteract the kind of blind spots and confirmatory tendencies that frequently undermine organizational capacity to learn (Kahneman, 2011; Tversky & Kahneman, 1974).

Foundations have faltered, however, in maximizing this potential. They have downplayed the complexity of their work and in many cases

ignored the uncertainties surrounding their strategic enterprises. This article explores what we see as a series of self-created "traps" that hamper foundations in advancing the kind of robust learning needed to guide strategy in these complex environments. Drawing on a deep body of work on action research (Lewin, 1946; Schon, 1973, 1983; Argyris, 1982, 1993; Reason, 2006, 2007) and our own experience working in and with foundations, we propose a framework to assist foundations to avoid these traps and advance a practice of learning strong enough to validate their adopted role as strategists.

The three traps are:

- linearity and certainty bias, which occurs when foundations frame their strategies as a set of linear, causal, and certain actions and fail to address the complexity surrounding the issues and systems they hope to change;
- the autopilot effect, which occurs when foundations distance themselves from strategy as it unfolds, thereby failing to learn from implementation; and
- indicator blindness, which occurs when foundations track and monitor their strategies through performance indicators that reinforce the linear, causal, and often-unchecked assumptions built into the work.

When caught in these traps, foundations approach strategy in ways that minimize and ultimately trivialize the amount of uncertainty they face in their theories of change, in the questions they ask of their strategies, in the information they collect, and in how they assess their strategies.

Strategy and all that follows, such as mid-course reviews and measurement, are often operationalized as bureaucratic artifacts and processes. Strategy comes to be understood as a relatively predictable set of actions, sometimes even serving as a "blueprint." Targets are assumed to be realized as planned (milestones), and performance is monitored accordingly.

An alternative mindset and approach are needed. Under conditions of uncertainty, foundations need to acknowledge what they do not know and cannot control and commit to learning their way to better strategy. This is no small matter. It puts the value of strategic philanthropy in question: To be good strategists in these settings, foundations need to become good learners and to position learning itself as a core strategy. If foundations are to meet the challenge of strategic philanthropy, they must guard against these traps and enter into the complexity and uncertainty of their work with their eyes wide open.

Strategy Trap 1: Linearity and Certainty Bias

Foundation strategy development took a leap forward in the late 1990s with the development of the theory-of-change approach (TOC) (Weiss, 1995). As designed, its purpose was to foster better understanding of comprehensive community change initiatives. These community change efforts are characteristic of the type of work that foundations pursue through their strategies (e.g. collective impact, system change), both then and now. The TOC approach was intended to help communities and foundation strategists articulate their theories about how change in their complex environments occurs and, more important, to remind them that, at best, they had working theories about change and not tried-and-true recipes. The TOC approach sought to 1) expand and foster recognition of the deep interconnectedness among system elements, actors, and interventions; and 2) shed light on the underlying assumptions of the TOC and the uncertainties associated with them.

By introducing "assumptions" into strategic thinking, the TOC was developed as a tool to drive home the point that strategy in complex settings is a highly conditional proposition. For instance, many foundations "assume" that there will be a ready demand for the supply of whatever a strategy might produce – models, knowledge, data, or collaboration; through the articulation of "assumptions," the TOC would allow examination of the barriers to adoption and thereby encourage consideration of how a strategy should address these barriers. Strategies are populated

BOX 1

The Dynamics of Complex Social Programs (Pawson, Wong, & Owen, 2011)

- Programs are active, not passive. Interventions do not work in and of themselves; they only have an effect through the reasoning and reactions of their recipients.
- Programs have long implementation chains and multiple stakeholders. Recipients are many and varied; reactions to programs thus differ; outcomes are thus generally mixed.
- Programs are embedded in complex social systems. Recipients are rooted in different localities, institutions, cultures, and histories, all of which shape the fortunes of a program.
- Programs are implemented amid the turbulence of other interventions. The policy agenda is delivered through a multitude of interventions, each one interfering with the reception of another.
- Programs beg, steal, borrow, and adapt. Practitioners work constantly to improve the delivery of interventions rather than preserving uniformity to meet evaluation and trial requirements.
- Programs are the offspring of previous interventions. Social problems are long-standing; interventions evolve to try to combat them; the success of a current scheme depends on its history.
- Programs change the conditions that make them work in the first place. An intervention's success is always time limited since alleviating a problem always involves changing its concomitant causes.

by complex actors with minds of their own who interact with one another as well as participate in other "strategies," thereby producing complex and unpredictable interactions and effects. (See Box 1.) Rather than serving as a "blueprint for action," the TOC approach was designed to increase awareness of the system of actors, conditions, and dynamics – both at the outset and ongoing. Doing so was to provide the focus and drive for better questions, knowledge development, learning, and strategy-course correction.

As practiced, however, the TOC approach frequently has not met these aims. Although foundations may go through theory-of-change exercises as they develop their strategies, the resulting products rarely are seen as the living documents they were intended to be. Worse yet, as many of these documents mask both the complexity and uncertainty of the undertaking, they may undermine or even nullify the perceived need for ongoing learning. Even when complexity and uncertainty are acknowledged, they tend to be downplayed as strategy discussions move higher up the foundation ladder from program staff to management and, ultimately, to boards.

The typical foundation strategy document takes the form of a table organized into columns presenting lists of recommended interventions or actions, outputs, outcomes, and impact (broader so-

cietal change expected). Connections are depicted by arrows between the columns, and the table is often accompanied by a set of performance indicators aligned with the outputs and outcomes.

The illustration of strategy in this manner, while easing communications, obscures a great deal of important information as it tends to downplay assumptions and, in particular, creates the illusion that the work is simple and certain and can be understood in simple and certain terms.

The linearity depicted between what the foundation will support and the anticipated outcomes can be strikingly misleading:

- Nearly all of these documents filter out any indication of serious challenges or factors that might impinge upon foundation aims. Yet history tells us that such factors will greatly shape whether or not progress toward outcomes and impact can be or is being made. More consideration of who wins and who loses in strategy is warranted.
- Few documents offer serious examination of the major assumptions behind how larger impact will occur, and when they do, they tend to be underdeveloped. Assumptions proliferate regarding how foundation-supported "leaders" or "research" will "amplify" or "multiply" the effects of their interventions into broader impact,

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without articulating how this will realistically happen. Other assumptions often come in the form of "greater knowledge will lead to better decisions" or "demonstration of new ways of working will lead others to follow." Yet how this expected leverage will actually occur, while central to strategy success, often goes unarticulated and therefore, not addressed in the strategy.

- The context surrounding a strategy is rarely treated as being dynamic or of consequence. Issues of context might concern the adequacy of the workforce to carry out the strategy or other contextual issues related to system specific elements. For example, traditional academic disciplines have a stronghold on how professors are promoted, thereby limiting the capacity of new lines of research to take hold; community-service providers and school systems may not cooperate in the "systems" proposed by foundations because they report to and are funded by different authorities, even though they may serve and hold similar goals for the same population. Local circumstances can produce local variations that need to be considered in strategy. Unfortunately, many of these factors often are ignored until undesirable results emerge. Then "issues of context" are introduced post hoc as plausible explanations for what went wrong.
- Few foundation strategy documents address how a strategy will incorporate new informa-

tion so that it can be adapted during implementation. In other words, few strategies articulate the questions that should arise from recognized uncertainties, which in turn would provide the impetus to learn more as the strategy unfolds.

This tendency to oversimplify strategy from the start and throughout is inconsistent with indisputably high levels of complexity found in foundation efforts to foster social change. Few would argue that much of strategic philanthropy is anything but long term, uncertain, and nonlinear, but as strategy ambitions have risen in foundations, so too has the drive to portray strategy as simple, certain, and under control. A recent interview with a director of a large grantmaking program shed some light on why. Responding to an observation that his theory of change was fraught with many unstated assumptions, particularly in light of the highly ambitious nature of his goals, the director said that his manager told him, "These assumptions are fine, but get rid of them before it goes to the president and the board – this will never do; it is too messy."

The core of the problem may reside high up in foundations. Boards send strong signals to staff about their expectations for managing complexity when they assert, "If you know what you are doing, you can say it easily and succinctly." When boards request that all reporting on strategy be limited to red-, yellow-, and green-light indications of stop, caution, and go, they encourage obfuscation of complexity. It is not surprising, therefore, that interviews with foundation staff suggest that foundation CEOs struggle to find "the silver data bullet" that will assure the board of progress.

Likewise, the well-intentioned effort to increase foundation transparency by making foundation theories of change public as a communications tool has pushed theories toward simple drawings and "elevator speeches." The relatively recent increase in the call for an elevator speech is often tied to strategy clarity; clarity is tied to simplicity; simplicity to certainty; and certainty to the veneer of competence.

Strategy Trap 2: The Autopilot Effect

Foundation attention to learning from strategy implementation has been a persistent problem over the years we have benchmarked foundation strategy and evaluation efforts. While foundations often point to the pressures of "payout" as an explanation for the low level of attention strategy implementation receives, we posit that a kind of benign "unknowing" is at play. This may allow foundations to make major commitments while keeping themselves insulated from actualities surrounding their strategies that, if fully detailed, might halt any decision. This very well may be human nature or what Hirschman (1961) has called the "hiding hand," which allows decision makers to take risks without being immobilized by feelings that they need to know everything prior to taking action. Therefore, the challenge for any strategist is to be able to distinguish between what is acceptable and unacceptable risk and what kind of knowledge is associated with either.

One response might be that program staff need to know more before proposing funding. Although this may be somewhat warranted, "knowing more" can only go so far in complex settings where much will remain out of the range of "knowability" until work begins. It might, therefore, help foundation strategists to think about the "Rumsfeld Principle" – to sort through their priorities for learning before and during strategy:

> There are known knowns. These are things that we know we know. There are known unknowns. That is to say there are things that we now know we don't know. But there are also unknown unknowns. These are things we do not know we don't know. (Rumsfeld, 2002)

Much of the knowledge needed to support strategy can arise only during implementation. For example, how organizations react to each other's new initiatives will surface only over time. Although some dynamics of change in a system might be "knowable" before strategy launch, much of what needs to be learned about these dynamics depends upon actual experience. One experience we know well surfaced in a case study of the Robert Wood Johnson Foundation's grantmaking "to improve care at the end of life." Largely through their work with grantees, the foundation and their partner, Project on Death in America, came to understand that demand for palliative care was controlled by specialists (such as oncologists or neurologists) who were not inclined to give up on pursuing a "cure" for their patients; nor were most patients interested in a "good death." Much learning took place through trial and error, in part through market research, before advocates and the foundations realized that there was a stalemate between those who perceived that care (palliation) could be a complement to cure and those who perceived that care would have to displace efforts to cure. The foundation learned from their experience and that of their grantees that the stalemate might be broken if they could find ways to incorporate "care and cure," by developing palliative-care specialists who could work by the side of those physicians most intent on cure (Patrizi & Patton, 2010; Patrizi, Thompson, & Spector, 2008).

Even when a foundation strategy is seen as relatively predictable, problems will arise. Success often is contingent upon whole systems of organizations being able to work together differently and better to produce services in a timely and coordinated manner. Invariably, things break down. People are unprepared, delivery systems don't work, and anticipated funding from other sources evaporates. These problems require ongoing discussion and consideration.

So too, foundations tend to overestimate their ability to command the attention and commitment of others and underestimate competing claims on the same. Competition surfaces from newer initiatives, thereby affecting the capacity of foundations to hold the attention of their partners.

And uncertainties multiply as interventions engage "systems." Interdependencies emerge among and between many different component parts of change, frequently across organizational entities in order for the "whole" of the intervention to work. For instance, while "collective impact" efforts are designed to address interdependen-

Rather than learning as strategy unfolds, fidelity to the plan is emphasized when foundations ask: Did we do what we said we would do, did we meet our objectives, and did it result in the promised outcomes? Efforts to assure fidelity build on the assumption that the plan is correct and that the foundation's job is to assure that it is implemented accordingly.

cies, participants need to commit to learn about and address one another's inconsistencies and shortfalls such that they can make the "whole" work better. This takes time and commitment to learning.

These examples require strategic attention. But far from learning from implementation, formal attention to strategy tends to be organized around ways to track or monitor strategy according to measures reflected in the plan – that is, how it was articulated in the theory of change.

Rather than learning as strategy unfolds, fidelity to the plan is emphasized when foundations ask: Did we do what we said we would do, did we meet our objectives, and did it result in the promised outcomes? Efforts to assure fidelity build on the assumption that the plan is correct and that the foundation's job is to assure that it is implemented accordingly. In this case the strategist is not seeking information that might lead to more fundamental adjustments to the strategy beyond alignment with the plan.

Ignored are important questions, such as: Do we have what we need to do this work? Are parts of

the change effort missing? Which strategy elements are getting traction, where, and why? What kind of resistance is encountered and why? How do emergent policies affect change? What are we learning about the kinds of capacities that are needed in order to execute strategy well? What are we learning about leverage assumptions? What levers actually move a system and how?

The failure to learn during strategy implementation is a serious problem. A large and well regarded body of research, going back to the seminal studies of the War on Poverty programs, points to implementation issues as key, if not central, in program failure (Pressman & Wildavsky, 1973). What was learned then and what has emerged repeatedly in implementation studies is that strategy implementation is highly unpredictable – opposition emerges, allegiances change, and important elements of the context shift, sometimes dramatically.

Under conditions of uncertainty, fidelity to the plan can seriously mislead decision makers either by attributing core strategy problems to poor implementation or allowing a weak strategy, which goes according to plan, to proceed unchecked and therefore uncorrected. With the mindset of fidelity in place, even when a strategy is known to work, the strategist may fail to examine difficult and challenging conditions, alternatives, and, most important, how organizations and beneficiaries actually experience the work. It treats learning from strategy implementation as a relatively remote and inconsequential exercise.

Strategy Trap 3: Indicator Blindness
A centerpiece of strategic philanthropy is its focus on results. And results drive questions about how well a foundation performs against its desired outcomes. Indeed, Paul Brest, former president of the William and Flora Hewlett Foundation, has suggested the term "outcomes-oriented philanthropy," which he defined as

> where donors seek to achieve clearly defined goals, where they and their grantees pursue evidence-based strategies for achieving those goals, and where both parties monitor progress toward outcomes and as-

sess their success in achieving them in order to make appropriate course corrections. (Brest, 2012, p. 42)

This perspective is not an isolated one; great interest has been generated by movements toward managing to outcomes (Morino, 2011) and results-based accountability (Friedman, 2009).

Consequently, outcomes tracking and data collection have increased dramatically. Evaluation staff report that more resources are being applied to tracking strategy performance, with report cards and dashboards proliferating as the favored devices, especially for reporting to boards (Center for Evaluation Innovation, 2013). These report cards are populated with indicators and their associated metrics. Indicators often emerge early in strategy development, usually attached to a nascent theory of change. Indicators tend to correspond to the inputs, outputs, and outcomes identified in the TOC document.

Whether this drive toward a range of performance measurement and management approaches is appropriate for complex strategies warrants some serious consideration. A recent edition of New Directions for Evaluation, devoted to performance management, identifies two conditions needed for effective use of indicators: "Performance measurement ... works on the twin assumptions that the operational theory of change is correct and will lead to intended outcomes, and that internally measured data are valid" (Hunter & Nielson, 2013, p. 9). For instance, we know that immunizations work. Since we know already that immunizations are effective, tracking the delivery of immunizations can provide valid information about how the health system, in this case, performs.

This kind of certainty, however, does not characterize much of the work supported under the umbrella of strategic philanthropy. Whenever interventions focus on creating change in highly dynamic systems with unpredictable reactions and results, uncertainty exists on many levels: from whether the requisite human and organizational capacities are in place to launch the strategy to how the surrounding market for services

and products responds and affects the strategy in important ways.

In light of all of these unknowns, when foundations adopt performance indicators that reinforce the belief that the linear, causal, and often-unchecked assumptions built into the strategy theory of change are certain, they fall into the "indicator blindness trap." Rather than treating strategy elements as the tentative hypotheses that they likely are, foundation investment in tracking indicators can become far more deterministic of all that follows.

Also, used poorly, indicators can misinform and misdirect subsequent actions and distract foundations and grantees from asking and exploring more salient questions. For instance, it is rare for an indicator to provide insight into the degree to which core strategy assumptions hold up. In complex situations where causal links are unclear, tracking indicators as though "what gets done" is equivalent to achieving an outcome (such as the case with immunizations) is misleading – as what gets done might not work.

However, indicators have an appropriate role in strategy. And some indicators are better than others. Indicators provide basic information about "how much" of something exists, be it a condition, behavior, or characteristic. They can point to the amount of a problem, asset, or concern. As such, they can inform ballpark estimates of the size of a problem. Indicators can also help draw attention to issues of concern, drive good discussions among stakeholders, and point to the need for more thoughtful analyses.

For the most part, indicators need to be approached with great care and should not be used without thought about the behavior they will motivate. For instance, the goal of "hitting a quantitative target" historically has distorted behavior toward an emphasis on more rather than better. Many of the indicators foundations employ tend to consist of raw counts and are not based on knowledge of whether what is measured is predictive of an outcome. Likewise, targets are set without understanding the thresholds of performance

of any one indicator or the interaction among them, and data are often presented without the contextual or qualitative information that could help make their meaning more apparent.

Nor do indicators provide answers to questions, as they offer little useful insight into how and why performance varies. Donald Campbell, a scholar of social experimentation, captures the core of the indicator trap in his advice to evaluators to treat indicators as questions rather than as answers (1977). Yet foundations' adherence to indicators as a gauge of strategy performance reflects a level of certitude that ends up precluding both the asking and the answering of good questions.

Results, of course, are important. However, when foundations push on "results" before they know whether what they fund actually works, they install a kind of compliance mentality that will likely undermine grantee capacity to adapt and respond appropriately. As the adage goes, what gets measured gets done – whether it produces results or not. So while results matter, when foundations drive on measurement prematurely and without commensurate reflection, conversation, and adjustment based on learning, they are likely to derail learning and progress.

Advancing the Practice: Building Strategic Learning Capacities

> The heart of the strategy formation process can be found in learning from tangible experience and visioning from creative insights.
> – Henry Mintzberg (2007)

This article presents a case and an approach to help foundations avoid the traps we have described and to arrive at better ways to learn in complex and uncertain strategy situations. This shift toward learning will require foundations to make changes in how they think and act as strategists – in their mindset about what constitutes strategy and learning, in the nature of the questions they ask and the kind of information they value, and ultimately in the processes they construct to reflect upon and improve strategy as it evolves.

By adopting strategic learning many small things would change. For instance, theories of change would include hypotheses and assumptions. They would not predict with false precision how the change process and its impact will occur 10 or more years down the road, but instead would make predictions contingent on what is learned during implementation. Questions would focus on building understanding of "what is" rather than focusing on "whether what was planned was done." Questions of "why," "how," and "for whom" would become at least as important as "what" or "how much."

Larger and more fundamental changes are needed as well. Authoritative single perspectives would give way to more inclusive approaches. Areas of core uncertainty would become opportunities to build understanding and increase shared perspectives. And recognition of real disagreements and conflict is allowed. Strategy is not seen as "one and done," but as adaptive and evolving.

Ultimately, this work must be supported by foundation leaders. Foundation executives must build the appetite among their board members to hear more of the substance behind the work that they fund and come to understand and accept the depth of their reliance upon their grantees to navigate uncertain terrain. Foundation executives and boards can contribute in important ways to the evolution and sophistication of the strategy by fostering the kind of useful debate that can challenge staff to grapple more with those who think differently. They can ask for and thereby encourage more discussion about what has not worked well just as much as what has. The cost for the board is likely to be perhaps more to read; on the other hand, the payoff is that all parties will know more and have more of a chance to form a deeper understanding of the complex work that the foundation supports.

Shift the Mindset
We appreciate that foundation boards and staff confront a broad spectrum of anxieties as they propose and engage in strategy: the inherent risks associated with funding uncertain strategies (Can we make a difference? What if it doesn't work?);

the sufficiency of due diligence before making a funding decision (Did we learn everything we could to assure that this will work?); and early and ongoing concerns about progress (How will we know if our strategy is working?). Typically, foundations believe that the most important decisions are made at the outset because that is when the most risk is actually experienced.

This is where indicators and report cards have played what we see as a largely symbolic role. Much of performance tracking and the indicators used by foundations at the outset reinforce an illusion of manageability, control, and accountability in complex circumstances. "To track a strategy" conveys the message that a funder knows what to do, how to do it, and can manage strategy performance to the desired outcomes. In essence, they serve as a symbol of strategy certainty and control. In reality, this sense of certainty and foundation control is fleeting and indicators provide inadequate guidance to those who need to make actual strategy decisions.

Strategic learning requires foundations to make several changes in their approach to strategy:

- These endeavors are, by definition, ongoing, long haul, and will necessarily evolve; therefore learning and strategy decisions need to be iterative.
- There is more that is unknown about a strategy than what is known, therefore better diagnosis and more informed capacity can be developed only by doing the work, thinking about it, and importing experience and knowledge into strategy decisions.
- Rote strategy tracking needs to give way to questions, reflection, and strategy adaptation.

One of the most important changes that must accompany this work is for foundations to accept that knowledge will necessarily be incremental and imperfect.

Table 1 provides a set of mindset flags to help foundations spot and discuss trap-like features of linearity, certainty, control, denial, etc., when they arise and to help identify alternative ways of thinking.

> ### Mindset Advice for Evaluators
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> Identify and acknowledge sources of uncertainty, including inadequate knowledge about how to produce desired outcomes [and] disagreements among key actors about what to do, including value conflicts. Nurture tolerance for ambiguity. (Patton, 2011)

Ask Better Questions

Framing good questions for strategy has often been challenging in the context of foundation strategy. One aspect of the problem stems from the narrow perspective that some foundations typically take toward their work, i.e., one-by-one grants and initiatives. Rather the strategy frame needs to be enlarged to include a greater focus on conditions and dynamics surrounding the strategy – i.e. the types of markets of professionals and organizations and other actors, such as political and regulatory, who drive or constrain strategy evolution. As noted, a major part of the problem has been that important assumptions about motivation for change, such as participation levels or how change will actually deepen or expand, are rarely examined. Another part of the problem emerges from the way that questions asked by foundation boards – "Did we move the needle?" "Did we have an impact?" – deflect attention from what actually occurs.

Better questions emerge from real experience. As the palliative-care advocates learned during the implementation of their strategy, doing the work of strategy can make strategists keen enough to ask the right questions. Our experience as evaluators has given us the opportunity to work with excellent strategists and we have learned that they share a common feature – a reliance on "doing" as a way to make them smarter and more effective strategist and change agents.

While there is no established method to identify the questions that may be most appropriate for any given strategy, Table 2 suggests a way to generate questions associated with a number of the underlying assumptions surrounding these strategies. This table is meant to provide a starting point for reflection.

TABLE 1 Mindset Flags to Avoid Strategy Trapsx

From: Certainty and Linear Tracking	Why the mindset is problematic	To: Recognizing Complexity and Strategic Learning
Simplified, linear, certain plan.	Distorts complexity, conceals dynamics and what needs to be learned during implementation.	Articulate and test assumptions, understand the present through data and experience.
There is a single right perspective and approach.	Rarely true, and never perceived as such; can be foundation-centric; can represent confirmation bias.	Multiple perspectives and courses of action are possible; keep an eye on environmental conditions that affect the feasibility of your approach or the desirability of alternatives.
Plan comprehensively before doing.	Discounts emergence: Answering all questions up front assumes a static environment.	Evolve strategy by learning from doing. Observe shorter-term results. Build in periodic strategy updates based on same. Examine what happens as a result of strategy actions. Pilot and test.
Exclusive/dominant focus on philanthropic action/strategy.	Overly foundation-centric: Focuses data collection on foundation strategy rather than how systems respond to interventions.	View action and reaction as part of a whole; treat context as though it matters. Look at variation – what happens under different conditions.
Track for alignment.	Over-commitment: forces alignment toward what might be wrong.	Improvement through making sense of what you see and learn; align when it makes sense.
Measure what you can.	Often not "valid" – that is, not really measuring what you want it to measure or easy but not relevant; focuses on counting and calls it accountability.	Measure what matters: look at experience – analyze data, look for variation, interpret, and adapt.

Use a Disciplined Process to Support Strategic Learning

Sidestepping the strategy traps illustrated in this article requires more than just shifts in thinking and better questions. It requires a process of reflection and decision to support strategic learning and decision making. In this process, strategy is treated as the actual theory that it is rather than a blueprint for certain action.

While there is no single way to approach this work, there are two major process features to consider for better strategic learning:

1. Engage a group of outsiders and insiders led by an external strategy facilitator. A range of important perspectives should be involved in the learning and adaptation process. Reflection requires input from both strategy insiders and outsiders. Participants in the strategy, as well as those affected by or influencing it, will have different views regarding the nature of the problem, the feasibility of different approaches, and how interventions are experienced over time. To be successful, social-change strategists need to incorporate better information and knowledge of the experience from a wider range of perspectives

TABLE 2 Sample Strategy Questions to Support Learning and Adaptation

Primary Assumption Areas	Questions to Consider
Who is in or out of the strategy? (Meadows, 2008; Ulrich, 2005; Westley, Zimmerman, & Patton, 2006)	The nature of motivation
Assumptions about strategy being so compelling or "right" can be a blinder to understanding deeper sentiments, resistance, and nature of competition for attention.	Explore motivations, incentives, and areas where actors feel control exerted over them, by whom, why, and how: What are the historical and current major allegiances for participants? To whom do they feel accountable? What are the real or perceived costs to participation, including opportunity costs? What are the real or perceived costs to participation, including opportunity costs?
Who benefits? (Attenborough, 2007; Schon, 1973; Williams & Hummelbrunner, 2010)	The nature of "benefit" to whom and why
What is the evidence and does it matter and to whom? What is the actual experience?	Explore how the "problem" is framed and underlying sentiments, sources: How do actors articulate the problem? In what ways does it vary? Where, how, and why does it differ from dominant strategy perspective? Who trusts whom, and why? Explore actual experience of beneficiaries and constituents: How do "outcomes" vary? Who gains and who loses, and why?
Is leverage viable? (Hagel, Brown, & Davison, 2010; Schon, 1983)	The nature of leverage and requirements for deployment
Many assumptions about leverage but not well understood; important arena for exploration.	Explore and question what leverage is; how and when it works; whether it works now. Explore how the surrounding system keeps things in stasis; when, where, and why does the system make change: Where would a change in one part of the system ripple through other parts?

and positions from within the systems they seek to change. Also important is to be open to different types of knowledge from both practice and formal research and from divergent opinions.

Insiders (staff, key grantees) are susceptible to biases when examining information about their strategies. They tend to see their experiences as unique, and therefore discount potentially useful learning from analogous situations.

To be successful, social-change strategists need to incorporate better information and knowledge of the experience from a wider range of perspectives and positions from within the systems they seek to change. Also important is to be open to different types of knowledge from both practice and formal research and from divergent opinions.

Outsiders tend to be less biased and more capable of generalizing across situations and incorporating relevant data from previous decisions (Bazerman & Moore, 2009). Outsiders can deliberately import different perspectives and bodies of research to help the group make sense of what they are learning and to surface potential adaptations that could be tried. Outsiders might include subject-matter experts with deep content knowledge in the area, researchers who bring data or evidence to bear about questions that emerge, and practitioners from other fields who have tried similar tactics or approaches.

External facilitation to guide reflective practice and raise challenging questions will help the group explore variation in perspective and action that emerges from the strategy work. The facilitator can play devil's advocate, push against

confirmatory bias, and examine what doesn't work as well as what does work (and for whom, how, and why).

This is meant to be a pragmatic process designed for productive participation – not every potential person or group involved with the strategy should participate in these deliberations. Broader input and feedback can be incorporated through

focus groups, alternate planning processes, surveys, and other methods. This process can be put into place experimentally – that is, through piloting work with select strategies – while the board, staff, and grantees come to understand what learning might mean for them.

2. Commit to the process as ongoing and iterative to support ongoing strategy adaptation. To be adaptive, strategy under conditions of complexity is iterative. There is no one-point-in-time process that can suffice. Although there are no hard and fast rules about how often strategy-related data and potential adaptations should be considered, in light of the level of uncertainty in complex settings, reflection needs to occur more frequently than at the beginning, midpoint, and end of a strategy; we suggest convening the group every six months. This frequency of convening should represent a period during which enough work would have taken place to warrant questioning and reflection, but not so long that the window of opportunity to make decisions and adjustments is lost.

By engaging in such a process, a foundation makes a serious commitment to ask and address difficult questions. It requires dedication and resources to gather information, collect and analyze data, and – perhaps most important – to reflect on what is learned in order to modify and improve strategy. The strategy facilitator surfaces questions as the strategy evolves and helps the group commit to productive information gathering of various kinds – from evaluators, researchers, or reconnaissance by members of the group. Older and newer approaches such as developmental evaluation (Patton, 2011) and reflective practice (Schon, 1983; Argyris, 1982, 1993) can provide advice and guidance for those assuming this role.

The Value and Discipline of Strategic Learning
Taking complexity seriously means that learning be built on cycles of acting, sense making, and drawing implications for action – as action is the essence of strategy. Strategic learning is not something to be done about strategy, but rather is the core of strategy.

We challenge foundations to exercise their strategic role by recognizing and accepting that uncertainty exists; to use their freedom and flexibility to act, learn, fail, and do better; and to go beyond their reliance on overly simplistic indicators. Paramount to this is the realization that deep understanding of complex strategic work can only emerge through action, reflection, and more action (Schon, 1983; Mintzberg, Ahlstrand, & Lampel, 1998; Mintzberg, 2007).

While we recognize that foundations operate under constraints, few other entities have the purview, freedom, or position to learn as well. Foundations have the resources to support information. And they have the freedom to try and err.

Learning as strategy is not a trivial or occasional exercise. It must be a deliberate process, as decisions will depend on it. So too, it requires commitment, time, resources, and the support of leadership. Foundation leaders must support the function and work to build board appetite for more complex discussions that adequately reflects the nature of the work.

Ultimately, the value of strategic learning will be found in the quality of thinking, decisions, and improvements to strategy that emerge. While not a guarantee of certain success – complexity at best ensures uncertainty – this type of process offers the promise of more attuned action, more timely innovation, greater understanding of the implementation challenges, and better awareness of and response to the context surrounding the strategic endeavor.

As Henry Mintzberg, a corporate strategist and one of the most influential thinkers in the corporate world, has argued, and we have attempted to demonstrate here, it is only through learning from action that a truly powerful strategy – one with the potential to foster change and better outcomes – can emerge and take hold.

Acknowledgements

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