

Nonprofit Program Evaluation: Organizational Challenges and Resource Needs

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INTRODUCTION

Nonprofit organizations are under increasing pressure to improve their management practices and measure the results of what they do. Issues of accountability, outcomes measurement, and evaluation are at the forefront of both public and nonprofit management. Very little, however, is known about what nonprofit organizations actually do for evaluation, in terms of what it looks like and what activities they perform. Even less is known about the types of evaluation assistance and support that nonprofit organizations need.

A review of the literature reveals that a small but growing body of empirical literature and research has begun to emerge designed to assess the extent to which nonprofit organizations are engaged in evaluation. Some researchers have focused on describing the evaluation being done by nonprofit organizations at the local level (Fine, Thayer, & Coghlan, 1998; Hoefer, 2000; Morley, Vinson & Hatry, 2001; Weiner, Kirsch & McCormack, 2002). Others have focused on describing evaluation efforts being led by national nonprofit organizations (Hendricks, 2000; Sawhill & Williamson, 2001). Still others have looked specifically at evaluation being done by foundations (McNelis & Bickel, 1996; Patrizi & McMullan, 1999), or specifically at evaluation within federal government agencies (U.S. GAO, 1998).

Using qualitative interview data and data gathered through a mail survey of nonprofit organizations in New York and Ohio, this research adds to the growing body of literature by not only describing the evaluation practices of nonprofit organizations, but also

by examining the challenges nonprofit organizations face when conducting evaluation of their programs and services, and by identifying the resources that they need to improve their evaluation activities. We focus specifically on nonprofit organizations that are delivering public services in the fields of community development, developmental disabilities, and social services. We supplement the survey data with qualitative data gathered from interviews with nonprofit executives in order to contextualize and elaborate on our findings.

Although this article is not specifically focused on volunteer program evaluation, the findings have application for managers of volunteers particularly given the resource challenges nonprofit administrators encounter when conducting an evaluation and implementing the findings. Given that managers of volunteers often function as program managers in nonprofit organizations, an important recommendation that flows from this research is the importance of extending education and skills development training to these professionals so that they can become knowledgeable about and proficient at conducting program evaluation. As a result, managers of volunteers will not only be in a better position to accurately discuss the effect of their volunteer programs, but they will also be in a better position to assist in building overall organizational capacity through the identification and recruitment of appropriately qualified volunteers. To that end, we conclude the paper with specific recommendations for managers of volunteers as well as more general recommendations about how to

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improve the evaluation capacity of nonprofit organizations in the field.

DATA COLLECTION AND METHODS

The focus of this research was on nonprofit organizations providing human services in three specific fields: (1) traditional social services to children, adults and families; (2) community development, economic development, and housing, and (3) services to people with mental retardation, developmental, and other physical disabilities. These particular service fields were chosen because of their distinctive roles in providing direct public services to people in need.

Data for this research were gathered in two ways. Personal interviews were conducted in New York with executives from 31 nonprofit organizations working in the three service fields described above. The organizations varied along multiple dimensions such as organization size (e.g., small, community-based organizations with very few paid staff to large organizations with hundreds of paid staff members) age, geographic location (rural, suburban, and urban), and affiliation (some affiliated with national or state-wide nonprofit associations).

Personal interviews were conducted with the person who knew the most about the organization's evaluation activities. For the most part, this was someone in an executive leadership position, such as the executive director, an associate or deputy director, or the director of evaluation or quality assurance. Three interviews were conducted with program coordinators. Seven of the people interviewed rely on volunteers to conduct some aspect of evaluation. Examples include a developmental disability organization that has a board committee review evaluation data; three different community development organizations that use volunteers to collect evaluation-related data; and three social service organizations that rely on volunteers for data collection and program implementation.

Using the data gathered from these interviews, a six-page survey instrument comprising 22 closed-ended questions was constructed. Although the survey asked about a wide range of evaluation and management prac-

tices, in this article we focus our analysis on how respondents answered questions about the kinds of resources they needed in order to conduct better evaluation activities, and the challenges they encountered when implementing evaluation.

Because comprehensive and state-wide lists of nonprofit organizations do not exist, the sampling frames were developed from online databases available from the National Center for Charitable Statistics (NCCS), containing the 1999 IRS Form 990 data for nonprofit organizations in both New York state and Ohio, supplemented by data maintained by the NYS Office of the State Comptroller and lists of faith-based human service providers. The survey was sent to a disproportionate (100 in each of the service fields) random sample of nonprofit organizations—300 in New York State and 310 in Ohio. (The 10 additional organizations in Ohio were faith-based service providers.)

In spite of a considerable effort to ensure that the mail surveys were sent to correct addresses and directed to the executive director or CEO of the organization, eight surveys were returned as undeliverable (four in New York and four in Ohio). Two rounds of survey mailings and follow-up post cards yielded the return of 305 (178 from New York and 127 from Ohio) completed surveys, for an overall response rate of 51%.

Of the 305 organizations responding to the survey, 38% provided social services, 30% provided services to people with physical or developmental disabilities, and 32% provided primarily community development and housing services. There were very few differences between nonprofit organizations in New York and nonprofit organizations in Ohio. In fact, the only statistically significant differences were among the organizations' funding sources, with more nonprofit organizations in New York reporting that they received funding from state government sources and fewer organizations reporting that they raised funds from fees, sales, or dues. This suggests the challenges and resource needs faced by respondents are common in varying organizational contexts.

FINDINGS

As previously noted, the data collected for this research provides detailed information about evaluation use and practice, in this article we focus on the organizational challenges and resource needs that nonprofits face when conducting an evaluation, making specific recommendations for managers of volunteers when appropriate. This is of particular importance given that although 92% of the survey respondents reported they engaged in evaluation activities, 36% indicated there may be room for improvement.

CHALLENGES

The survey respondents were asked to identify the issues and challenges that they encountered when conducting program evaluation. As presented in Table 1, a factor analysis (principal components, with a varimax rotation) found that the issues and challenges could be grouped according to three factors: resources (time, staff, funding), implementation problems (evaluation expertise, evaluation design, staff resistance, confidentiality), and information technology (computer software and computer hardware problems).

TABLE 1	
Challenges of Doing Program Evaluation	
(N=287)	%
Resources	
Not enough time	75%
Not enough staff	61%
Not enough funding	45%
Implementation	
Not enough evaluation expertise	38%
Problems with evaluation design	31%
Staff resistance to data collection	23%
Confidentiality issues	15%
Information Technology	
Data collection or data management issues	29%
Computer software problems	24%
Computer hardware problems	15%
Other issues	4%

Resources. Funding, of course, was a big issue, and evident in both the survey and interview data. As one executive director

noted, “The greatest challenge that we face is funding. Even though [evaluation] is imposed upon us, there is no funding for it.” Yet, what is more interesting is that while the survey data confirm that few organizations have funding specifically dedicated for evaluation, with only 12% receiving separate evaluation grants or having funding for evaluation included in their grants or contracts, lack of funding was cited by just 45% of the respondents. In fact, more survey respondents reported lack of time (75%) and lack of staff (61%) as important challenges they faced in conducting evaluation. These sentiments were also echoed during the interviews:

Time is the primary barrier. We don’t have time ... We get to the end of a program cycle, and basically, it is on to the next program cycle. So, we don’t have the time to sit somebody down and do evaluation.

Implementation Problems. In addition to lack of funding, lack of time, and lack of staff, 61% of the respondents identified one or more challenges related to evaluation technical assistance, in terms of not having enough evaluation expertise (38%), problems with designing evaluations (31%), or data collection and/or data management issues (29%). Moreover, those interviewed also explained that technical, logistical, and confidentiality issues were thwarting organizational efforts at evaluation. Consider this comment related to evaluation expertise and evaluation design:

Every contract and every grant has a report... They all have their own format. There is wide variation from one operating division to another... They all have different means of evaluating what you do... How do you develop such a system?

Another implementation issue related to data collection and data management, particularly problems that were technical or logistical (how do we do this?) and normative (should we even be collecting these types of data?) in nature. One person interviewed

explained how she had taken classes to learn more about the software used for data management and admitted to reverting back to “hash marks” because she simply did not “know enough” and did not “have the time to figure it out.”

The human side of delivering essential, person-centered services to people in crisis led some executives to question the appropriateness of gathering some types of evaluation data. As a person from a domestic violence organization aptly noted, it could be dangerous to do follow-up. “We really have strong feelings about potentially jeopardizing them [those who have been abused] by calling and asking ‘So, is your husband still hitting you?’” Another respondent talked about the stress experienced by families:

The families hate it, and when you work with a family that is already stressed out, can’t pay their bills... one of the spouses is leaving, and then to say, “Sorry, can you take some time to fill this [survey] out?”... They don’t want to do it.... When you are standing there in front of the parent and you know their life is falling apart, how important is this?

Finally, some nonprofit administrators reported staff resistance to data collection (23%) as a challenge they faced, with larger organizations being more likely to report issues related to staff resistance. As one executive director explained, “Getting the staff on board has been a real challenge which is why training is so critical. They need to understand what it is, what we need to ask, and why we need to ask. It is not just frivolous.” Issues of confidentiality (15%) exemplified by discussions of the Health Insurance Portability and Accountability Act (HIPAA) privacy rules, and other issues (4%), such as wages and staff turnover, were also noted.

Information Technology. In addition to these types of data collection and management problems, 27% of the survey respondents identified either computer software or computer hardware problems. As one person

noted, “One of our biggest barriers was the change in software. Staff really didn’t want to use it. They did not see the benefits.”

RESOURCE NEEDS

Survey respondents were also asked to identify what types of evaluation resources their organizations needed. As shown in Table 2, a factor analysis (principal components, with a varimax rotation) found that, like the implementation challenges, resource needs could be grouped according to three factors: resources (more and better trained staff, funding), technical assistance (evaluation models and concepts, evaluation design and maintenance, advice on how to use evaluation results) and leadership (internal and external). When it came to resource needs, there again were no significant differences between nonprofit organizations in New York and Ohio, nor were there significant differences between nonprofit organizations in different service fields.

TABLE 2
Evaluation Resource Needs

(N=305)	%
Resources	
More funding	55%
More staff	44%
Better technology (i.e., computer software)	43%
Better trained staff	41%
Technical assistance	
Technical assistance to design & maintain an evaluation system	51%
Education on basic evaluation models & concepts	41%
Advice on how to use evaluation results	25%
Leadership	
Internal leadership & support	12%
External leadership & support	10%
None, we have everything we need	8%
Other	3%

Resources and Technical Assistance.

Although resources and technical assistance emerged as separate factors in the analysis, we grouped the discussion of these needs together given the interrelatedness of their implica-

tions. Funding, once again, was a big issue and it was the most frequently cited resource that was needed (at 55%). As one executive director observed, "Evaluations are time-consuming and they are costly. You have to pay for the supplies, the evaluation tools, and then you have to pay somebody to go out and do it." Together with the data gathered about implementation challenges, these data suggest that nonprofit organizations would use additional funding for evaluation to build evaluation capacity either by hiring additional staff (44%) or by funding technical assistance. (51% reported they needed technical assistance to design and maintain an evaluation system and 41% percent reported they needed more education about basic evaluation concepts and models.) In the words of these executives,

I think technical assistance would be good for all of us—to be able to find surveys, to know what is out there. I know that I don't need to re-create the wheel. I think that we would do more evaluation if we had tools that were easy to use or available.

In addition to the knowledge piece of technical assistance, nonprofit organizations would also, in all likelihood, use additional funding for information technology, (43% of the survey respondents reported that they need better technology.) For example, according to the executive directors who were interviewed, nonprofit organizations still struggle with making decisions and purchasing information technology, and many lack the basic data management tools that are widely available today. Consider this comment:

We have people design software for us, and I think we have had some real systems stress about that, because there are people who could talk you into anything if you don't have a knowledge base about it. I think we have made some "not great" decisions and maybe have wasted money on that.

Nonprofit organizations also reported needing more staff (44%), better trained staff (41%), and advice on how to use evaluation results (25%). These findings were also consistent with the comments made by executive directors about the lack of training, lack of education, and lack of in-house evaluation capacity. As one person explained,

I would like more training on how to do outcomes measurement. What we have had has been very minimal. If we could find some source to bring people in, on-site, or make it less stressful, because you lose work time to go away. And, you get this little encapsulated two hour down-and-dirty training, and you think, "How do I apply this to what I do?" "I don't understand." I think that would be tremendously helpful.

Leadership. Nonprofit organizations identified needing leadership and support for evaluation at both the internal, in terms of having someone at the head of the organization who really understands organizational behavior and relationships (12%), and external (10%) levels.

SUMMARY AND RECOMMENDATIONS

According to the data presented here, there were very few differences between nonprofit organizations when it came to implementation challenges and resource needs. These data suggest to us that nonprofit organizations are struggling in similar ways with evaluation. Many nonprofit organizations perceive evaluation as being an "unfunded mandate," are concerned about "one size fits all" approaches to evaluation and measurement, and struggle with how to adapt evaluation tools to fit their needs.

While lack of funding was, of course, a common theme, the most frequently reported implementation challenges were lack of time (75%) and lack of staff (61%), and the most frequently reported resource needs were funding (55%) and technical assistance to design and maintain an evaluation system (51%).

Taken together, these data suggest that the problem is not just a matter of allocating more funding to nonprofit organizations. Rather, the problem is one of evaluation capacity and not having enough resources to acquire or develop trained staff with the time and expertise to design, conduct, and maintain an evaluation system that is well suited to the types of services that the organization provides. We conclude with two specific recommendations for managers of volunteers and four general recommendations for improving the overall evaluation capacity of nonprofit organizations in the field.

Implications for Managers of Volunteers

1. Build organizational capacity through strategic recruitment. Respondents in this study clearly stated that two of the most important challenges in conducting evaluation were lack of time and lack of staff. As one executive director explained, "[Evaluation] is something that always falls on the executive director ... I have great staff. They each do their part, but I have to coordinate it all...[It would be great to] take some of that off me." This practical reality has important implications for managers of volunteers who have primary responsibility for identifying meaningful opportunities to engage volunteers. One way managers of volunteers might fulfill their obligation to assign volunteers worthwhile tasks and address the concerns expressed by respondents in this study is to recruit for evaluation-related expertise. For example, given the specific nature of challenges related to technological capacity, it seems fairly obvious that volunteers could be enlisted to assist nonprofit managers in purchasing equipment, selecting software, and learning how to use basic data management tools. Volunteers could also be recruited to help with evaluation design and implementation. In fact, considering that an important aspect of nonprofit management education is to situate learning "in the field" by incorporating service learning activities when possible, it may be advantageous to call upon the academic community to help develop

methods and processes for evaluation that are specific to individual organizations. Incidentally, both authors have found these kinds of partnerships quite valuable to both students and the participating nonprofit organizations.

2. Advocate for training. Managers of volunteers must be recognized as program managers in their respective organizations. As such, these professionals should be provided with opportunities for continued administrative training in areas such as evaluation. Given that skilled volunteers are often engaged to build organizational and leadership capacity (by providing programmatic support, project-specific assistance, or service on the board of directors) it is essential for managers of volunteers to gain the knowledge and expertise required to evaluate the ways in which volunteer labor contributes to organizational outcomes. By extending evaluation and outcome training opportunities to managers of volunteers, whose activities arguably affect many different aspects of organizational life, executive directors can build internal staff capacity while maximizing scarce resources. Moreover, an investment in the professional development of volunteer managers might also position the organization to petition funders for additional resources in order to conduct an evaluation that not only specifies program outcomes but also demonstrates the effectiveness of volunteer programs in the organization.

Implications for the Field

1. Make evaluation an ongoing activity. A common theme in the academic and practitioner-oriented literature is that evaluation should be considered from the beginning of a project as opposed to conceptualizing, gathering, and analyzing data once the project is underway or completed. By their own admission, nonprofit executives feel overwhelmed and under-resourced when thinking about the task of evaluating programs and services. Perhaps much of the self-reported stress with regard to evaluation is because these

processes are embarked upon at the "end of a program cycle." If evaluation was a continuous process where performance data are collected throughout the life of the program, the task of analyzing the data may not seem so daunting or laborious to those in the field.

2. Consider the purpose of evaluation.

Although this recommendation seems somewhat simplistic, our data suggest that nonprofit administrators experience real implementation challenges that stem from collecting a wide range of incompatible data for various purposes including producing reports for the board and other stakeholder groups, informing the decision making, and improving the delivery of programs and services. Assembling and interpreting organizational and programmatic data to accomplish any of the tasks listed requires a certain amount of evaluation expertise, particularly with regard to designing an evaluation so that the data collected provide the information needed to accomplish a clearly identified purpose. To that end, it may be prudent to develop lists of reliable and valid survey questions and related measures that administrators can select from and group according to various purposes. This is also one way to be proactive in responding to concerns from the field with regard to practitioner concerns regarding "reinventing the wheel."

3. Dedicate resources to improving the technical infrastructure within nonprofit organizations. Technology costs are rapidly declining. By investing in computers, networks, data management software, PDAs, etc., government and other funders can provide the technical infrastructure needed to support and streamline data collection and reporting processes. The managerial and accountability benefits that can be achieved with ongoing, high quality, data collection and analysis, that can be used to inform organizational decision making and strategic planning, are certainly worth the relatively small investment.

4. Modify evaluation training so that it meets the needs of today's nonprofit

administrators. Government and other funders might consider providing in-depth orientation to evaluation use and implementation by providing resources for specialists to work with the leadership and others in the organization to set up useful evaluation systems. These coaching opportunities should be supplemented with computer skills training using affordable, commonly available software such as Microsoft Excel or Microsoft Access. The training should be fairly extensive, perhaps over an extended period of time, so that those in attendance can actually develop or work with their own organizational databases and data relevant to their programs and services.

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