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New Directions for Evaluation

Teaching Evaluation Using the Case Method

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Evaluation professionals can benefit from practice in the same way that lawyers, doctors, and other professionals improve their performance through practice. The case method enables practice through role plays and situational analyses.

Evaluation Case Teaching from a Participant Perspective

John Bare

In her training to be an attorney, my wife used cases and moot court to learn the law and become skilled at questioning witnesses and arguing before a judge and jury. In her training to be a pediatrician, my sister studied cases in medical school to learn to interact with and treat patients. A veteran actor friend in Los Angeles still refines his craft through workshops that require him to interpret cases on stage. Donovan Lee-Sin, my former research assistant, came to evaluation after a career in professional soccer, where he put in more than thirty-one hours of practice time for every hour of live performance on the pitch in Dublin.

Compare such customs with what we find in the evaluation trade, perhaps especially evaluation in the nonprofit sector, where few good cases exist and the culture ignores or disparages the notion that highly paid, highly educated professionals might need to practice in order to improve their performance.

The good news, to crib from the title of a recent children's book designed to help kids resist gang membership, is that "it doesn't have to be this way." The opportunity to use evaluation cases provides a way out of the routine professional life, which is as incurious as the gang life is violent.

Preparation: Learning That Improves Performance

Phil Meyer, a journalism professor at the University of North Carolina, uses the 1981 Sydney Pollack film *Absence of Malice* as a case study for students in his ethics class. The film, written by journalist Kurt Luedtke, tells the story of a reporter, Megan Carter (played by Sally Field), sliding down a slippery ethical slope without even knowing it. Before she realizes a government attorney is leaking information, not all of it accurate, to the newspaper in order to use the press to put heat on a potential witness, the reporter is too far down the path to undo the harm.

One of the nice things about the case is that it allows for a role play with students. When a government attorney leaves Megan Carter alone in his office, with supposedly secret investigative materials in full view, should she read them? Or is she being used? Students in the class (and I have been one) have to confront their own biases and preferences in articulating what choices they would have made. It is wonderful preparation for the day when officials hand reporters newsworthy accusations but request anonymity.

When I was a daily newspaper reporter in North Carolina, I carried with me, in my wallet, copies of the state's open meetings and open records law. When a police official in a small Pitt County town tried to hold back information I knew he had, I showed him my copy of the open records law and asked him to tell me where in the law he could find a provision allowing him to keep the material secret. He then handed me the paperwork I wanted. I was nervous at the time, but I was able to remain composed and execute because I had worked through similar cases in a class.

Business students routinely use cases to test their nerve, and some simulations extend beyond the classroom. In the spring of 2004, Scott McCartney of the *Wall Street Journal* reported on "an elaborate game" run by the University of Texas McCombs School of Business, where "three made-up student-run companies competed in the cutthroat computer-hardware industry, all trying to maximize revenue, keep costs down and beat back competitors. But the prizes—$11,000 and the chance to perform in front of a high-level, real world executive panel—were real" (McCartney, 2004, p. R7).

The game, which included scripts that threw curveballs at students as the plot unfolded, revealed that even students who created companies grounded in progressive values quickly adopted undesirable behaviors when confronted with time and revenue pressures. Students took jobs offshore, concealed hazardous waste problems, and gave safe harbor to employees who had stolen trade secrets.

"Students who thought they were driven by the right goals were rattled by how they had acted," the *Journal* reported. "'What's scary is that I never thought I'd make the choices that way,'" said one student, who played the role of ethics officer for his company. "'But it was as if the business was yelling at me, 'You've got to get production . . . You've got to get production.' I made the wrong choice'" (McCartney, 2004, p. R7).

From another example, the 2004 Venture Capital Investment Competition, a University of Washington graduate student said he "learned more through this competition than I have through the MBA program" (Gilmer, 2004, p. 13). In the final two-day competition, teams of graduate

students analyzed four real companies, met the executives, and dissected business plans in order to decide where to invest venture capital. Professional venture capitalists judged the performance. The 2004 winning team from the University of Washington was singled out in part for its success at uncovering risks and putting mitigation strategies in place.

The evaluation cases in Chapters Two through Four in this volume provide compelling opportunities for exactly this type of role playing and simulations among evaluation professionals and their colleagues. At the first teaching of the Packard case, I played the role of a leader of a community-based nonprofit committed to providing home visitation services to mothers of infants. Given that part of the Packard Foundation's original interest was supporting service delivery in its northern California home base, the eventual focus on—and debate over—scholarly research provided an edge to the case. In my role, I challenged the foundation executives not to allow research interest to steer them away from the small nonprofit organizations touching families directly. As with any other good case study, the Packard experience is robust enough to provide learning opportunities for all of the roles represented in the case, across the nonprofit sector, including funders, grant recipients, external evaluators, and scholars.

A Tonic to Ward Off Delusional Optimism

Princeton psychology and public affairs professor Daniel Kahneman, winner of the 2002 Nobel Prize in economics, and former McKinsey & Company strategy specialist Dan Lovallo gave the evaluation world a gift with their 2003 *Harvard Business Review* article on "delusional optimism" (Lovallo and Kahneman, 2003, p. 4). The authors explain the effects of delusional optimism this way:

> We don't believe that the high number of business failures is best explained as the result of rational choices gone wrong. Rather, we see it as a consequence of flawed decision making. When forecasting the outcomes of risky projects, executives all too easily fall victim to what psychologists call the planning fallacy. In its grip, managers make decisions based on delusional optimism rather than on a rational weighting of gains, losses and probabilities. They overestimate the benefits and underestimate costs. They spin scenarios of success while overlooking the potential for mistakes and miscalculations. As a result, managers pursue initiatives that are unlikely to come in on budget or on time—or to ever deliver the expected returns [p. 4].

The nonprofit sector is particularly susceptible to inflated claims. In the foundation arena, such claims are the result of a cycle where foundation staff hype opportunities to gain board approval, and nonprofit staff supply bloated rhetoric to get funded. Evaluation so threatens the mutual reinforcement that most foundations never make a serious attempt to change things. Michael Hooker has described the condition in an essay titled "Moral Values and Private Philanthropy" (Hooker, 1987):

> It seemed to me that prudence required exaggerating my proposals in order to enhance the probability that they would receive favorable action, because I recognized that proposals competing with mine would be similarly exaggerated. It was as if we were all playing a game of rhetorical persuasion where the rules regarding honesty and candor are suspended or subtly altered, just as they are in poker. By the same token, I felt compelled to exaggerate my follow-up reports, because the probability of receiving future funding from the grantor would be diminished by candor. Whether either fear was justified is irrelevant; what is important is that I believed them to be. It is also important that I believed others believed the same. Indeed, I know from talking with deans and presidents that they believed future funding would be diminished by candor, and they believe it now. Once I began self-consciously to reflect on the element of deception in my proposals, I recognized that the whole culture of which I was part supported such hyperbole [pp. 128–129].

Lovallo and Kahneman (2003) provide a remedy that is adaptable to the nonprofit sector. They recommend formally constructing an "outside view," which requires program planners to identify a similar group of projects from the field as a reference class. Forecasts based on the experiences and outcomes of this reference class help make up an outside view, and the resulting forecasts are more accurate and reliable, Lovallo and Kahneman report.

Cases are one way to help program planners confront what Lovallo and Kahneman (2003) call "pertinent outside-view information." Thus, cases can help evaluation staff and program planners overcome the three cognitive biases that contribute to delusional optimism:

- Anchoring. Our initial seat-of-the-pants forecasts may be wildly inaccurate, yet those original estimates, however irrelevant, serve as the basis for subsequent drafts. Even adjustments that seem large may not be large enough to move us away from early, failed assumptions. Cases require us to confront facts that unleash us from our anchors.
- Competitor neglect. Leaping into novel areas or new projects, we may forget a critical rule of game theory: in response to every move we make, others may make their own moves. Even in the nonprofit sector, where the notion of a business competitor may not translate exactly, program planners must take into account the moves of others in the sector. Cases remind us that every individual and organization is moving at the same time, perhaps all assuming they are choosing the destiny of the group.
- Exaggerating our abilities and control. As Lovallo and Kahneman explain it, we tend to "take credit for positive outcomes while attributing negative outcomes to external factors and deny the role of change in our plans' outcomes" (p. 1). Cases that require us to calibrate our control more accurately may improve our forecasts.

Cases can also help evaluation staff and program planners combat the two organizational pressures that contribute to delusional optimism:

- "We approve proposals with the highest probability of failure" (p. 1). Because investors want results, whether in the business or foundation worlds, usually dollars follow proposals that forecast the most impressive and dramatic returns—either financial profits or a change in the social condition. When only the most over-the-top promises draw support, we are setting ourselves up for failure.
- "We reward optimism and interpret pessimism as disloyalty" (Lovallo and Kahneman, 2003, p. 1). "Bearers of bad news," Lovallo and Kahneman say, "tend to become pariahs, shunned and ignored by other employees. When pessimistic opinions are suppressed while optimistic ones are rewarded, an organization's ability to think critically is undermined" (p. 6).

Every evaluator has encountered this dilemma. Cases provide openings for evaluators and program planners to experiment with new norms of communication regarding what are perceived as positive and negative comments. In my own work, I try to unhinge my opinion of the promise of the project from my support for its funding. It is helpful to get used to saying: "No, I don't think this grant will produce the outcomes folks are expecting, but yes we should fund it." If we restrict our funding to magical solutions only, we would never fund anything. Small and moderate successes are golden.

In the Robert Wood Johnson Foundation Fighting Back case (Chapter Two, this volume), part of the struggle involves definitions of "good news" and "bad news." The initiative itself was sold, by some readings, as a national cure-all for substance abuse. Its aspirations were astonishingly high. The results of the initiative, as with most other things in life, were a mixed bag, which left staff and grantees unsure of how to deal with findings that contained hints of promise but were short of fantastic.

Central to the case discussion is the debate about whether to consider the successes of each site, on its own merits, or only to assess the initiative by the aggregated findings from all sites. For case participants, it is a reminder of the importance of talking through different scenarios for their own work. What will we do if the results are poor? What if results are mixed? Talking through these scenarios ahead of time, so that individuals are aware of the options, can diminish the uncertainty that causes anxiety. Again, the Johnson case can serve as an entry point for a variety of actors in the nonprofit sector, including advisory committee members, national intermediaries, outside evaluators, foundation staff, and community-based nonprofits that partner with large foundations. The Fighting Back case, it turns out, would have been a great outside view for the Knight Foundation, where

I worked for seven years. In the late 1990s, Knight launched a twenty-six-city initiative to prevent youth violence, and many of the cross-site dilemmas from the Johnson case turned up in our work. When I read the case today, I see many lessons that would have helped us. As it turned out, our experiences were nearly contemporaneous to Johnson's. I am comforted that foundations can do better next time thanks to Johnson's willingness to publish its struggle so that we could benefit from the experience.

Surfacing the Values

Smart evaluators figure out how to untangle program planners' interests in outcomes from their commitment to values. Given today's fads, it is more hip to describe a program or organization as outcomes based or outcomes driven than to acknowledge a commitment to values.

Yet at decision time, when individuals must allocate resources, it is values that usually drive decisions. There is nothing wrong with that. Values-driven organizations can be as rigorous about evaluation and mission as any other outfit. The problem occurs when there is a lack of alignment. Cases can help untangle the interests and thereby increase alignment.

Consider an example that is a synthesis of several experiences from foundations. Consider foundation investing in a strategy to increase the number of minority high school students who go on to become medical doctors. The foundation may explicitly describe its grant as a strategy to boost minority preparation for medical school. It takes several years before the pool of students is large enough to reveal trends. When the foundation eventually sees that students participating in the program are no more likely to consider medical school than any other minority students, the foundation elects to end its funding.

At the same time, the organization running the program views the evaluation data as quite good. Cases help us sort through ways to handle these conflicts before they occur. What if program participants do not pursue medical school but enroll in and graduate from college at much higher rates than similarly situated minority students not taking part in the program? The students are not gravitating toward medical careers, it is true, but the program now has strong evidence to support its belief that it is producing other kinds of benefits for minorities. Moreover, the grant recipient cares more about helping the minority students in some way than about the pursuit of medical careers. Those running the program do not understand why the foundation wants to kill a good and successful program.

Not all unintended outcomes are bad. Sometimes we dig for gold and strike silver. For investors who care about precious metals, that is a good surprise. For gold dealers, it is not so good. It is hard to predict exactly how social change strategies may play out, but foundations and grant recipients can help themselves by thinking through not only the most obvious possibilities (more minorities attend medical school or not) but other things that

may happen. What if program participants get interested in medicine but are turned off by what they perceive to be culturally insensitive environments in the profession?

Values can shape the way foundation-nonprofit relationships evolve. In the Irvine Foundation Central Valley Partnership case (see Chapter Three, this volume), the external evaluator eventually became a technical assistance provider charged with building the capacity of grantees to do their own evaluation. The program director said the evaluator had "become part of the partnership." As the roles of the grantee and the evaluator began to blend, the shift reflected a values-driven decision on the part of Irvine staff—values associated with trust and support for community-based organizations.

In the Packard case, there is no absolute measure of worth for research about home visitation programs or for community-based home visiting programs. In their own ways, each can contribute to positive changes in the human condition. The difference lies in the values that observers bring to the question. When values are the turning point, no amount of evidence or information is likely to sway us from our position. It is what we believe. It is common to see months or years of program and evaluation work rendered irrelevant by a decision maker's values-driven decision to support or oppose a program or strategy, regardless of what a report or a key informant says. It helps everyone involved to surface these kinds of values as programs and evaluations are being designed and to revisit them along the way. The case method can help accomplish this.

Risk analysis is a device that can help bring values to the surface. The basic questions of risk analysis are:

- What can go wrong?
- What is the likelihood that it will go wrong?
- What would be the consequences of this hazard materializing?

Two individuals may look at the same program or strategy and see different potential hazards. For a foundation-funded program designed to improve reading among fourth graders, one observer may point to the risk that the curriculum will serve only the best students, putting the poorest students further behind. Another observer may point to the professional risks for the public school teacher, who may receive less pay if his or her students' reading scores do not improve. These different views reveal different values among the individuals involved. Individuals who value the job security of public school teachers most of all may resist innovations, even ones that could benefit students, if there is even the slightest risk to teachers. For an individual who wants to destroy the public education system and start over, the more disruptive interventions will be the most appealing ones. Diminishing teacher security may not be a risk at all.

The values that individuals bring to program planning and evaluation need to be brought out into the open. Cases help reveal these. With the

Fighting Back case from Robert Wood Johnson, whether one's heart lies with program officers supporting the program, the outside evaluation firms (one was fired), or the community-based partners will reveal a great deal about one's values. Cases can help evaluators tap into those values in the developmental stages of programs and strategies, at a time when it is still possible to acknowledge the values in the design of the undertaking.

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