Developmental Evaluation in Practice: Lessons from Evaluating a Market-Based Employment Initiative

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Developmental evaluation (DE) has emerged as an approach that is well suited to evaluating innovative early-stage or market-based initiatives that address complex social issues. However, because DE theory and practice are still evolving, there are relatively few examples of its implementation on the ground. This paper reviews the practical experience of a monitoring and evaluation (M&E) team in conducting a developmental evaluation of a Rockefeller Foundation initiative in the field of digital employment for young people, and offers observations and advice on applying developmental evaluation in practice.

Through its work with The Rockefeller Foundation’s team and its grantees, the M&E team drew lessons relating to context, intentional learning, tools and processes, trust and communication, and adaption associated with developmental evaluation. It was found that success depends on commissioning a highly qualified DE team with interpersonal and communication skills and, whenever possible, some sectoral knowledge. The paper also offers responses to three major criticisms frequently leveled against developmental evaluation, namely that it displaces other types of evaluations, is too focused on “soft” methods and indicators, and downplays accountability.
Through its reporting of lessons learned and its response to the challenges and shortcomings of developmental evaluation, the M&E team makes the case for including developmental evaluation as a tool for the evaluation toolbox, recommending that it be employed across a wide range of geographies and sectors. With its recommendation, it calls for future undertakings to experiment with new combinations of methods within the DE framework to strengthen its causal, quantitative, and accountability dimensions.

Background

A Rockefeller Foundation youth employment initiative to connect high potential, disadvantaged young people to digital jobs was launched in 2011 in Kenya, South Africa, Ghana, and India. The initiative identified the business process outsourcing (BPO) sector as an avenue to provide sustainable employment opportunities to youth. It sought to catalyze the development of impact sourcing (IS) by employing individuals with limited opportunities for sustainable employment as principal workers in BPO centers. The Foundation posited that these young people, once trained, would be able to “provide high-quality, information-based services to domestic and international public and private sector clients” (The Rockefeller Foundation, 2011).

Under this initiative, the Foundation supported grants for demonstration projects to develop and test impact sourcing business models, and for research and sector building. The initiative was comprised of a diverse portfolio across several regions and leveraged a combination of grant-making and non-grant-making activities to operationalize its strategy.

E.T. Jackson & Associates was engaged as a monitoring and evaluation (M&E) partner early in the initiative’s lifecycle in order to document results and insights, and facilitate learning. A DE approach (explained in detail below) was used to guide the M&E assignment, test underlying hypotheses and assumptions, surface new considerations, and identify key issues that require attention.

The M&E assignment aspired to contribute knowledge on approaches, methods, and tools for evaluation. To that end, this paper begins with a brief overview of developmental evaluation as it relates to the youth employment initiative. Next, it describes key practical lessons that emerged with its implementation. Finally, it concludes with a review of the implications of these lessons for development practitioners and evaluators who wish to apply developmental evaluation to their work.

Defining developmental evaluation

The DE assignment was envisioned to contribute to the ongoing development of the early stages of the initiative by:

- tracking changes and providing critical reflection, evidence, and feedback to The Rockefeller Foundation and its grantees

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1 Business process outsourcing (BPO) refers to the practice of contracting third-party providers to perform specific business processes or operations. These providers can be based outside the company’s country (offshoring), in a neighboring country (nearshoring), or within the country (inshoring). Digital jobs occur within a range of sectors, and include the digitization of existing processes, outsourcing of back-office services, and creation of new products based on the virtual economy.

2 Impact sourcing is also known as socially responsible outsourcing.

3 This section is not intended to provide a comprehensive review of developmental evaluation. We encourage readers to consult the reference list for additional readings on this approach.
• determining the initiative's potential to achieve intended outcomes, and identifying the most promising pathways forward
• providing information on what may need to be changed, and what further developments will be required to take this work to scale
• reflecting on the implications of the new information and evidence
• contributing to the public good through the production of knowledge products that may support innovation, leading to new value creation and benefits.

Developmental evaluation is often used for complex, dynamic interventions characterized by uncertainty and nonlinearity (Preskill and Beer, 2012), conditions which often mirror the context for many innovative early-stage or market-based approaches. This strategy facilitates collaboration in the conceptualization and testing of new programs, projects and models, and closely tracks both intended and unintended results.

Gamble (2008) has noted that developmental evaluation is best suited for organizations in which innovation is identified as a core value, risk tolerance is relatively high, resources are available for ongoing exploration, and the organizational culture is suited to exploration and inquiry. The Rockefeller Foundation's youth employment initiative included many of these conditions, making it an appropriate candidate for a DE approach.

Drawing lessons from developmental evaluation in practice

The M&E team’s experience in applying developmental evaluation to the Foundation’s youth employment initiative yielded five main lessons. Detailed in the list below, these lessons relate to the initiative’s context, intentional learning, trust and communication, tools and processes, and adaptation.

Michael Quinn Patton (2010) offered the following definition of developmental evaluation, which informed the evaluative approach to this initiative:

*Evaluation processes, including asking evaluative questions and applying evaluation logic, to support program, product, staff and/or organizational development.*

*The evaluator is part of a team whose members collaborate to conceptualize, design and test new approaches in a long-term, on-going process of continuous improvement, adaptation and intentional change. The evaluator’s primary function in the team is to elucidate team discussions with evaluative questions, data and logic, and facilitate data-based decision-making in the developmental process.*

Understand the context

The context in which The Rockefeller Foundation grantees operated for this initiative was complex, uncertain, and nonlinear. Some grantees found themselves operating in competitive markets and were therefore wary of sharing information that could hinder their competitive advantage and differentiation. This reality demonstrated how economic principles can inhibit joint innovation, collaboration, and shared learning. While the focus of the initiative was on four countries, each local ecosystem was unique in terms of the engagement and sophistication of the actors, context, and specific grantee objectives. There was, therefore, a high degree of uncertainty as to how each project – and the local or regional BPO sector – would evolve.

One of a DE’s starting points is attaining the right orientation, which is necessary to develop a clear understanding of both the specific intervention and the context within which it is situated (Gamble, 2008). It should be emphasized that understanding the context is rarely a static exercise. Moreover, understanding the various interconnections and flows of information or resources between and among actors is also an ongoing process. This was recognized by both The Rockefeller Foundation staff and the M&E team, and intentionally embedded within the initiative’s design and evolution. For example, country-specific assessments were undertaken to inform and foster localized grantee and

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For an overview of market-based approaches, see Prahalad (2004) and Elkington and Hartigan (2008).
stakeholder engagement. These assessments informed industry convenings in South Africa and Kenya, as well as the targeted engagements of individuals, organizations, and networks across all four countries.

Much like any other evaluation approach, the M&E team reviewed background documents and held interviews with key personnel. Where developmental evaluation differentiates itself, however, is in its high degree of engagement with stakeholders at all levels – both internal and external. The latter step proved particularly important within the context of a market-based approach, where new insights occur across sectors (public, private, non-profit) as much as within individual sectors. What was also notable in this particular case was the continuous influence of market dynamics on the programming strategy and implementation.

Embed an intentional learning approach

Given the dynamic nature of the initiatives in which developmental evaluation tends to be useful, the M&E team believes that it is critical to apply an intentional approach to learning, and to communicate clearly the objectives and results anticipated from such a process. Throughout the youth employment initiative, The Rockefeller Foundation and M&E teams used formal and informal approaches to build a shared understanding of the purpose of its learning agenda. At the beginning, most grantees were unfamiliar with the DE approach, which meant there was potential for them to wrongly equate this M&E assignment with a more conventional (summative) evaluation or performance audits. Fortunately, the Foundation’s initiative team members possessed the willingness and aptitude to apply the learning emerging from developmental evaluation, which clearly demonstrated its application and value to those involved.

Setting appropriate expectations early in the process was critical. This was done at a grantee convening, which included an all-day facilitated process to introduce the developmental evaluation approach, clarify and prioritize learning questions, and begin constructing and aligning measures and indicators. This event, which was planned and facilitated jointly by the M&E team, The Rockefeller Foundation’s Evaluation Office, and the initiative team, was followed by in-person meetings with each individual grantee in order to reaffirm and advance key elements of the convening. While aligning all the players was time intensive, the fact that this included a high degree of “face time” meant that it, in turn, allowed the M&E team to build relationships with all grantees.

The M&E team worked closely with The Rockefeller Foundation’s program team and Evaluation Office to design and implement an approach to guide the M&E assignment, while refining the framework in response to new information and learning as the assignment proceeded. Regular communication via phone, email, and in-person meetings among the initiative team, Evaluation Office, and the M&E team ensured that each was aware of the status of M&E and implementation efforts. In addition, the Foundation included a formal clause pertaining to M&E processes and learning objectives in each grant agreement, in order to reinforce and clarify expectations among grantees.

Create appropriate tools and processes

There is no one “right” method for conducting a developmental evaluation. A range of methods can be deployed to fit and adapt to the changing context that characterizes complex interventions. For this particular evaluation, where the focus was on implementation,
outputs and outcomes, a mixed-methods approach was deemed appropriate. The range of methods and tools used in this assignment also evolved over time in response to changing needs in data collection and analysis.

A key lesson that emerged was the need to ensure the process was as “tangible” as possible for grantees and Foundation staff alike. In particular, focusing the data collection on responses to a set of learning questions that framed the key issues across four thematic areas meant that grantees could get a sense of the scope of information that they would have to provide to the Foundation, both initially and over time.

In the early stages of the assignment, the M&E team submitted a comprehensive work plan, followed by a detailed inception report. The latter became an important reference document, and included a full description of the M&E approach, implementation process, considerations, and visualized profiles of each grantee. A baseline survey conducted with all grantees was combined with data collected from the grant memos (the key documents that set out the terms of the grant) into an M&E readiness assessment matrix. The matrix entailed an early assessment of the M&E capacity of the grantees, and preliminary analyses of relevant indicators and issues across the key learning questions. While there were gaps in the available information and most grantees were at an early stage of implementation, this process nevertheless proved important for targeted capacity development support.

This intentional learning approach also included two other key elements – a theory of change for the initiative and a set of learning questions. This approach provided a consistent framework for articulating and framing the learning emerging from the initiative. As Gamble (2008) noted, such an effort focuses on: “what the group needs to pay attention to as they go forward” and “what they need to learn.” A theory of change (ToC) was used from the outset of the initiative to guide and anchor many elements of the M&E approach. The ToC was modified over time as assumptions were validated or dispelled. Furthermore, the ToC aided the M&E team in clarifying the program design and areas of activity, as well as in visualizing gaps and opportunities in the design of the initiative in its current form, and in considering the implications for a longer term program design.6

The learning questions were adopted widely by grantees, and formed the backbone of their reporting templates and processes. One of the challenges faced by the M&E team was that the sheer volume of information available from individual grantees – combined with that of the emerging impact sourcing market and set against a backdrop of broader macroeconomic information – was sometimes unwieldy. As has been noted by other developmental evaluation practitioners, there can be a challenge of information overload. In that regard, it proves helpful to prioritize evaluation questions and data collection (Preskill and Beer, 2012). The M&E team was able to do this by working closely with the program team and Evaluation Office,

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5 The four thematic areas were Social Outcomes, IS Models & Operations, Customer Demand, and Scale and Sustainability.

6 For a discussion of the application of theory of change to the field of impact investing, another market-based approach, see Jackson (2013).
winnowing the list of learning questions from about 30 to 10, and refining data-collection protocols that fed into frequent monitoring reports in order to make them actionable.

**Strengthen trust and communication**

To borrow an overused cliché, developmental evaluation is about the journey, not just the destination. A critical component in this respect is the ability to build strong relationships – formally as well as informally – with participants and stakeholders, in order to gain as much relevant information as possible to identify and decipher patterns (Dozois et al., 2010). It is critical for the M&E team to earn and maintain the trust of internal and external stakeholders. The evaluator must also seek to understand the program team in terms of its objectives and aspirations, how its members work and communicate, their team culture and norms, and other related issues.

The evaluator in a developmental evaluation is much more involved than in traditional M&E. Indeed, the evaluator is often treated as an embedded member of the program team. This can be particularly helpful in shortening the time between the identification of new data or patterns, on the one hand, and the ability to respond to them in an informed and timely manner, on the other. Regular engagement using a combination of in-person, phone, and virtual meetings is critical for strengthening communication. Of course, it can be challenging to resist the obvious biases that may accompany this orientation, such as a positive bias when interpreting data collected via monitoring efforts. One strategy used to mitigate this problem is to encourage different members of the M&E team (who presumably each have a different level of engagement with program teams and grantees) to hold each other to a high standard on how specific data points are translated into conclusive opinions or advice.

Building trust and communication also enables the evaluator to intervene in ways that are deemed acceptable and valuable rather than intrusive. Given that developmental evaluators are expected to participate actively in informing and shaping program strategies and implementation, they must establish sufficient credibility to be able to influence decision makers (Dozois et al., 2010). For example, grantees that have had mixed experiences with evaluators in the past must be made to feel comfortable with sharing information on their challenges, and to trust that the evaluator will interpret these findings for purposes of learning and continual improvement.

In order to enhance communication and trust, the M&E team used a combination of formal approaches, including structured site visits with several members of each team, as well as informal strategies, such as sharing of publications, networks, and information to address immediate grantee needs or opportunities.

One final point should be made here. Markets are about competition and, therefore, also about confidentiality for competitive advantage. Indeed, the BPO market is...
hyper-competitive both globally and locally. The M&E team came to understand that certain information or analysis of individual grantees needed to be kept confidential, because that information or analysis could have mean real or perceived loss of competitive advantage for the grantees in question. Markets don’t always reward public-good behavior; thus, this dynamic influenced the pacing and approach of this particular developmental evaluation, precisely because it involved a market-based intervention.

Plan to adapt
While the context in which a developmental evaluation occurs is dynamic, the DE process itself is often just as fluid. In this case, the initiative was punctuated by frequent opportunities, setbacks, and lessons. For instance, the M&E team unsuccessfully attempted to use a set of web-based collaborative data collection and reporting tools to share data with grantees and the initiative team. Despite a robust plan to manage data collection and analysis through these tools, it simply proved to be too complex for implementation in practice. Alternative approaches were required to accomplish the task at hand. Monitoring protocols and reports were eventually simplified, which allowed the initiative and M&E team to be more responsive to trends, challenges, and opportunities.

Managing expectations and balancing priorities were also important for this assignment. For example, balancing learning and implementation for grantees proved especially challenging for some first-time grantees. The aspiration to move beyond documenting outputs toward capturing outcomes was also uncharted territory for some. Allowing grantees the necessary time to carry out their implementation efforts, while also emphasizing a level of discipline in terms of documenting and sharing observations within the context of the learning questions, can be challenging. It was here where the positive relationships fostered through earlier M&E activities and ongoing communication with grantees proved beneficial.

Setbacks did occur for the M&E team. Unsurprisingly, key issues encountered were lack of availability or quality of data, such as comparative baseline and follow-on assessments for technical and soft skills, especially for first-time grantees that faced project implementation challenges. There were several areas where the M&E assignment was able to provide strong insights, but others where only limited evidence from short-term outputs was available. Inadequate data necessitated additional research to understand how these outputs could translate into outcomes and impact. As well, attempts to develop a sophisticated shared-reporting tool were not successful, since grantee preferences and capacity varied significantly.

The M&E and initiative teams were able to work through these sets of issues by triangulating data points across multiple methods, including monitoring templates, check-in calls and site visits, and through regular communication to address emergent issues or opportunities. In retrospect, however, other approaches could have been more helpful such as focusing only on a discrete set of questions with the potential for deeper examination that would, for example, aid in assessing the nature of social outcomes that result from employment for individual workers. However, while this could have worked for specific individuals and grantees, it would have been difficult to generalize across the portfolio, given the differences in contextual factors, such as business models, regions, and target groups.

Making the case for developmental evaluation
Developmental evaluation as a tool in the evaluation toolbox
Traditional evaluation approaches are generally well suited for intervention designs have linear change models. On the other hand, developmental evaluation is especially suited for market-based approaches that embed the principles of social innovation, social enterprise, and social finance. The experience with this M&E assignment confirmed that developmental evaluation was well aligned with the market-based context of the impact sourcing sector as well as with the intentional learning design and objectives of The Rockefeller Foundation’s youth digital employment initiative.

This experience also has additional implications for how evaluation is conducted in market-based sectors by
Assembling skilled developmental evaluation teams

One way to satisfy at least some of these conditions is to recruit the right evaluation team. The experience applying developmental evaluation to The Rockefeller Foundation's philanthropic organizations. In this case, The Rockefeller Foundation chose to engage in a sector that showed much promise for providing youth employment opportunities but, at the same time, is a global, competitive, and dynamic industry. The corresponding tension between the “public good orientation” of the Foundation with the “profit maximizing orientation” of the private sector raises new challenges for evaluators. One implication here is that evaluation approaches for market-based solutions must establish clear lines around the nature and use of information, and not simply assume that the public good benefits should always take precedence.

In retrospect, while developmental evaluation seems well-suited to a market-based context, it is only as helpful as the participants allow it to be. For example, it was important for grantees to be able to integrate the results and lessons from evaluative activities within their operations in a timely manner. In practice, however, there were circumstances where the evaluation activities moved faster than the operational activities, which resulted in a disconnect around the value of evaluations. This will likely be a recurring challenge. However, segmentation along specific criteria, such as readiness, capacity, and business model, could help mitigate this challenge.

Findings from the literature as well as experience with this case suggest that developmental evaluation should be viewed as one tool in the evaluation toolbox. It is evident that developmental evaluation is appropriate for only certain circumstances, and its limits should be acknowledged. Other challenges encountered in this experience of developmental evaluation in practice included: managing boundaries for the evaluator, dealing with ambiguity and uncertainty, reconciling multiple stakeholders, managing the volume of data, keeping a results focus, ensuring perceptions of credibility, and building capacity for developmental evaluation (On such challenges, see: Cabaj, 2010; 2011).

Assembling skilled developmental evaluation teams

One way to satisfy at least some of these conditions is to recruit the right evaluation team. The experience applying developmental evaluation to The Rockefeller Foundation's youth employment initiative, together with the literature on developmental evaluation (e.g. Gamble, 2008), underscore the special importance of assembling M&E teams with a combined skill set that matches the requirements of the DE approach. In this regard, DE teams should:

- be skilled communicators with excellent observation, synthesis, listening, facilitation, and speaking capabilities that can be deployed across multiple teams and stakeholder groups
- be comfortable initiating and nurturing relationships, and have the high emotional intelligence required to set and manage expectations around roles and desired outcomes
- demonstrate the integrity necessary to build trust and confidence among partners and stakeholders, while also being cognizant of inherent biases that may may be present during a DE process
- possess the ability to use mixed research methods, and be comfortable using a range of evaluation techniques and approaches, depending on the nature of the assignment and the context within which is it implemented

DEVELOPMENTAL EVALUATION IN PRACTICE: LESSONS FROM EVALUATING A MARKET-BASED EMPLOYMENT INITIATIVE
It is important to recognize that developmental evaluation is not a silver bullet for solving all M&E challenges and meeting all needs. However, responses to these criticisms can be found below, each in turn.

**DISPLACING OTHER TYPES OF EVALUATION**

A healthy debate on all evaluation approaches is useful, and developmental evaluation should be subject to the same scrutiny as other approaches in the evaluation field. However, the experience of this M&E assignment demonstrated that, rather than displacing other methods, developmental evaluation can complement them. Creative “blending” of approaches can yield even more insightful evaluations. The M&E team’s work benefited from the use of theory of change (theory-based evaluation) and stakeholder engagement (participatory evaluation) within the overall frame of a developmental evaluation.

**SOFT METHODS AND INDICATORS**

It is true that this experience relied heavily on qualitative data collection and analysis methods. While such methods were appropriate and resulted in meaningful and accurate findings and advice, there nonetheless is room to strengthen the robustness of these methods. The Rockefeller Foundation M&E experience suggests that it would also be beneficial to strengthen the quantitative dimensions of developmental evaluation in both data collection and analysis. For instance, statistical analysis of the responses of large-scale survey questionnaires could be useful for DE exercises in more scaled-up interventions. For smaller-scale programs, the use of cost-benefit and social-return-on-investment analysis tools could easily be applied in developmental evaluation (SROI Network, 2012). Approaches that utilize large data sets, such as social network analysis, also can enhance the nature of information collected and analyzed.

**ACCOUNTABILITY**

Rodin and MacPherson (2012) have argued that evaluations should address accountability and also advance learning at the same time. This applies to developmental evaluation as much as to any other evaluation approach. Developmental evaluation offers an approach for advancing these two goals, particularly in the case of innovative and dynamic interventions. All of

- have the ability to engage a large number of internal and external stakeholders at all levels
- have, whenever possible, at least one team member who has some familiarity with the sector or thematic areas.

Funding agencies that plan to commission developmental evaluations should begin building rosters of such highly skilled personnel at the country and global levels and across a wide spectrum of domain or sector knowledge areas, ranging from water, health, and education to agriculture, small business, and renewable energy.

Choosing to do developmental evaluation

With the increasing interest in new evaluation techniques, as well as a shift towards systems or market-based approaches, developmental evaluation is likely to gain further prominence in the evaluation community and, more broadly, in the development and philanthropy sectors.

Nevertheless, developmental evaluation has its challenges and shortcoming and frequently faces criticism. The criticism, which focuses on three main areas, implies that developmental evaluation:

1. displaces other types of evaluations
2. is too focused on “soft” methods and indicators
3. downplays “accountability” (Cabaj, 2010).
this experimentation-through-practice requires a deeper and more sustained dialogue between practitioners and academics in development, philanthropy, and evaluation. Here, conferences, symposia, webinars, blogs, and refereed journals can all play roles in animating such a dialogue which, in turn, should lead to a stronger and more effective practice of developmental evaluation.

Conclusion

The experience reviewed here confirms that the DE approach can be especially relevant and well suited to innovative, emerging or early-stage programs that operate within dynamic contexts. Further, the DE approach seems particularly appropriate to interventions which use market-based strategies, such as The Rockefeller Foundation youth employment initiative.

In this M&E assignment, a DE approach was used in order to validate assumptions, surface new considerations, and identify key issues for individual grantees as well as for the initiative as a whole. The application of developmental evaluation to this program yielded lessons relating to context, intentional learning, trust and communication, tools and processes, and adaptation. Finally, there is little doubt that highly skilled DE teams are essential to the success of this approach to evaluation.

Most of all, what is required is that more developmental evaluations be carried out across a wide range of geographies and sectors. Moreover, these undertakings should experiment with new combinations of methods within the developmental evaluation frame, and efforts are needed to strengthen the causal, quantitative, and accountability dimensions of developmental evaluation. An ongoing dialogue between practitioners and scholars on the theory and practice of developmental evaluation would enhance this work. However, it is only through real action on the ground – and a lot of it – that practitioners in international development, philanthropy, and evaluation will be able to optimize the use of developmental evaluation. As this paper shows, such action has begun.
References


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