Guiding Principles

The William and Flora Hewlett Foundation honors the aspirations of its founders by using the resources they placed in our trust in ways that remain true to their philanthropic ethos and values. Because the world in which we work changes continuously, honoring the Hewletts' hopes and ambitions requires us to change too. Adapting to evolving circumstances while preserving core principles can be challenging. To help meet the challenge, we have articulated a set of foundational principles to guide our activities, serve as a reference in ongoing operations, and help ensure that our actions are consistent with our aspirations.

Some principles are, or ought to be, embraced by organizations in any field or endeavor—principles like a commitment to act honestly and with integrity, to act in accordance with the law and the highest standards of practice, and to treat all those with whom we deal fairly and respectfully. Adhering to principles like these should, in fact, go without saying. We nevertheless make them explicit, and articulate them at the outset, to underscore their importance to us.

Undertaking to act ethically is only part of what we must do to fulfill the aims of our founders, which include their desire that we use the foundation's resources effectively for the betterment of society. Philanthropy is a distinctive enterprise, with unique challenges and opportunities. The Hewletts approached it with a humanistic philosophy based on faith in the capacity of people to do good and belief in the importance of healthy institutions as a means for doing so. Accordingly, we pursue our charitable goals through adherence to the following additional commitments and guiding principles:

1. The foundation seeks to bring about meaningful, socially beneficial change in the fields in which we work.

Meaningful social change is not achieved by quick fixes. It requires dedication and patience: willingness to take the time necessary to understand a problem, and readiness to stay the course long enough to mitigate or resolve it. We make long-term commitments to the fields in which we operate, reflected in our long-standing programs in education, the environment, global development and population, the performing arts, philanthropy, and the greater Bay Area community. Our commitment to these fields grows directly from the Hewletts' philanthropic interests and reflects values and concerns of importance to them. These long-term concerns comprehend matters of enduring importance in society, yet are broad enough to leave room for our goals and strategies to adapt and change with the times.

We do not confine ourselves to these fields exclusively, and have preserved flexibility to adopt special initiatives that respond in a timely fashion to unforeseen circumstances, the evolving needs of society, or emerging opportunities. In all our work, we are prepared to take the long view.

In choosing goals, we are idealists and aim high. As many others have observed, philanthropy is (or ought to be) society's "risk capital." As such, we look to invest our resources in areas and on problems that are vital, with particular emphasis on approaches that are unlikely to be addressed without us by other institutions, such as government or for-profit ventures. This is particularly true when it comes to taking steps these other institutions may avoid as too risky; preparedness to take chances is of paramount importance in our work. This risk tolerance necessarily includes willingness to experiment with ideas and approaches that may fail—experiments we undertake in the spirit of learning more about what does and does not work, which is itself a contribution to public understanding.

Illustrative Practices:

- Presumption of continuity for programs, including ongoing budget.
- Selecting problems and developing strategies within programs based on an assessment of how meaningful a role philanthropy can play.
- Being willing to continue working to solve problems for as long as it takes.
- Long-term relationships with organizations aligned with our goals and approaches.
- Willingness to adjust course.
- Time-limited initiatives outside programs.

Belief that healthy institutions in government, academia, and the non-profit sector are critical to a well-functioning democracy is an animating principle. This is reflected in our work to build new fields as well as our commitment to providing long-term general operating support to anchor institutions in the fields in which we work.

Sometimes explicit and always implicit in our work is a commitment to helping people who are underserved. This is neither a singular concept nor an independent strategic objective. It is, rather, an ever present consideration we are mindful of in recognition that our ultimate aim is to improve lives and help those who need help. As one consideration among many, it influences our choice of problems and solutions in the fields in which we work. "Underserved" means different things in different contexts and carries more or less weight in light of other considerations, but it informs our thinking and forms part of it—exerting a gravitational pull on discussions, analyses, and conclusions.

2. The foundation pursues change by tackling defined problems in a pragmatic, nonpartisan manner.

Our aspirations are idealistic, but we pursue them pragmatically. We promote change by identifying problems where philanthropic resources can make a difference—specifying a problem's parameters and asking how it can be solved, with minds open to whatever works best. We focus on problem-solving, not advancing a partisan agenda or particular ideology. We do not begin with overarching theories or operate with broad presumptions like promoting markets or expanding government regulation. Instead, we base our approach on sound research and the best

Illustrative Practices:

- Commitment to acting on evidence provided through ongoing monitoring, regular evaluation and high-quality research from the fields in which we work.
- Continuing to work in areas like climate change or women's reproductive health, which became politicized after we launched our efforts.
- Launching efforts, like Madison and Cyber initiatives, built around supporting organizations across the ideological spectrum in addressing deeply politicized problems.
- Ensuring we do not engage or appear to engage in inappropriately partisan or political conduct.
- Collaborating with funders across the ideological spectrum who are interested in solving the same problems that we are.
- Being open-minded to potential solutions regardless of where the grantee falls on the ideological spectrum.

evidence available, building our theories of change from the ground up. We follow the evidence and adopt whatever course of action, consistent with our values, it suggests is most likely to succeed. We listen to the voices of those who will do the work and those who are meant to benefit from it, and we try to do this continuously. If subsequent experience or evidence indicates we were wrong, we change course. We recognize that most efforts call for tradeoffs among competing goods or interests, and we try to confront and acknowledge these honestly and openly.

While scrupulously non-partisan, we do not avoid issues or problems because others have made them matters of partisan dispute, and we will not avoid or abandon a strategy that is supported by evidence because it has become politicized. We are, as an organization, accountable first and foremost to our mission to promote the well-being of humankind.

3. The foundation focuses on outcomes in order to maximize the effectiveness of its support.

We define and pursue specified outcomes for the problems we identify and choose to tackle. We believe this approach is beneficial and important for the clarity it provides—helping us to focus with greater precision and intention on what we are doing, why we are doing it, and whether our efforts are making a difference. This has sometimes been called "strategic philanthropy," though debate over that term has confused and clouded its meaning. The essence of our outcome-focused approach is nevertheless straightforward. Having identified a problem, we ask three things: What is our goal? How will our grants and other efforts achieve that goal? How will we know if we are succeeding?

Answering these questions invariably becomes complicated in practice. Goals can be hard to specify, there may uncertainty about causal pathways, resources to execute may be lacking at the foundation or in the field, developing implementation markers and systems to track progress might prove difficult. We seek to measure progress, but are wary not to make a fetish of quantifying or fall into the trap of false precision. Reasonableness under the circumstances is our touchstone.

It is all too easy to fall prey to confirmation bias, to unthinkingly accept outdated conventional wisdom, to follow the herd, or to see and hear only what we want. We combat this by constantly asking ourselves, honestly and fearlessly, how we know what we think we know. This means listening to our grantees, our intended beneficiaries, and especially our critics. It means being rigorous about examining evidence and paying attention to what it teaches—which includes changing positions when experience or new data suggest that prior or existing suppositions are wrong.

Illustrative Practices:

Practicing Outcome-Focused Philanthropy (OFP) as detailed in the OFP guidebook.
Requiring assessments of progress using outcomes, tripwires, and implementation markers for each strategy as part of annual budget process.
Relying on, and disseminating, independent third-party evaluations.
Combatting confirmation bias through term limits for program staff.

- Requiring regular interactions with board members so they can ask questions and offer input, including through board advisory committees, annual "deep dive" sessions, in-depth retreats and the budget approval process.

4. The foundation is committed to openness, transparency, and learning.

Our commitments to openness, transparency, and learning, while individually important, jointly express values that are vital to our work. Because our operations—both internal and external—are situated in complex institutional and cultural environments, we cannot achieve our goals without being an adaptive, learning organization. And we cannot be such an organization unless we are open and transparent: willing to encourage debate and dissent, both within and without the foundation; ready to share what we learn with the field and broader public; eager to hear from and listen to others. These qualities of openness to learning and willingness to adjust are equally important for both external grantmaking and internal administration.

Learning is a sensibility as much as it is a practice. It needs to be nurtured and encouraged. We seek out ideas, information, and approaches so we can learn from others, including those whose views diverge from ours. We prioritize learning over "being right" and emphasize its importance across the whole organization, empowering everyone to contribute to continuous improvement. Knowing it is necessary to take risks, we recognize and expect that sometimes things won't work—in which case we ask why and make changes. We frame

such efforts in terms of what we can learn, and we ask our staff, our grantees, and our other partners to be open and candid about both failure and success. We encourage this because failure and success are both part of our work, and we learn from both. Our mantra is "try, learn, adapt"—a philosophy we seek to cultivate in our grantees and in the sector generally, as well as in ourselves.

At the same time, we appreciate that our lessons often come, at least partly, at someone else's expense. We should learn from failure and not worry about confessing error, but we should also work hard to avoid it—never forgetting that our mistakes have real consequences for real people. Which is also why, when we make mistakes, we need to share the lessons broadly.

Making what we have done, and are doing, visible facilitates learning and is part and parcel of being a learning organization. We should share what we are doing freely with grantees, the field, and the public. By doing so, we invite others to tell us why our approach may or may not be right and how it could be better. We empower intended beneficiaries as well as grantees to share reactions and give feedback, and we enable experts in relevant fields to offer criticism and advice. Broadly sharing information about our strategies and practices also encourages input from the wider public, whose welfare is our ultimate objective.

Illustrative Practices:

- Encouraging staff to participate in conferences, seminars, and peer networks, and supporting such networks and other organizations that strengthen the sector.
- Administering Grantee and Staff Perception Reports, and taking the resulting feedback seriously.
- Engaging or creating task forces and working groups to solicit feedback, encourage dialog, and develop recommendations for issues that arise.
- Openly licensing our own work product and requiring that project-funded research be openly licensed.
- Regularly convening grantees or subgroups of grantees, while helping grantees develop their own networks.
- Hosting regular conference calls with all of the foundation's grantees as a group.
- Organizing cross-program and cross-foundation learning.
- Supporting professional development for staff.
- Sharing ideas through a variety of channels, and supporting efforts to promote foundation openness.
- Explaining our philanthropic strategies clearly, while being transparent about individual grants.
- Inviting speakers who disagree with our strategies to explain why and examining their challenges with them in a serious way.

Openness and transparency can help build trust, but only if we are genuinely open to hearing what others have to say. Inviting feedback is meaningful only if we sincerely listen to new ideas, new perspectives, new approaches, and new ways of thinking. This is true of

conversations among our own staff as much as discussions we have with others. We encourage an internal environment that is open to deliberation, in which staff as well as grantees and external partners are empowered to debate and dissent as part of a process of making decisions that—once made—we get behind and work together to execute.

5. The foundation is committed to working, both internally and externally, in a collaborative fashion based on mutual respect. Grantees, co-funders, and other colleagues in our work are our partners in problem-solving.

We strive to build a culture based on mutual respect and mutual support—commitments of equal importance in our internal staff relations and our relationships with grantees, co-funders, consultants, and other partners. We aspire to treat everyone who works with us with respect and understanding.

When it comes to grantees and other funders, the importance of genuine collegiality is heightened by awareness of our limitations. We need to collaborate with others, because the problems we tackle are bigger than we could ever hope to handle ourselves. We need to treat those with whom we work as partners, because they bring knowledge and capacities we lack and cannot do without.

Maintaining relations grounded in sincere respect takes effort and attention. Collegiality can be tested by other commitments, like the commitment to fostering an environment in which dissent is encouraged and people can challenge each other's thinking. Our efforts to include diverse voices and perspectives, or even ordinary staff turnover, likewise can affect collegial relations. What matters is that colleagues and co-workers—both inside and outside the foundation—respect each other and assume each other's good intentions.

Grantees are a special case, because the power imbalance between grantmaker and grant recipient is always present in the background. The foundation is deeply committed to treating its grantees as partners and working with them in ways that are facilitative rather than controlling. We express this perspective often, as we must, both to remind ourselves and to assure grantees of the genuineness of our intentions. Yet words, however reassuring, are not enough and must be backed by action. This means letting grantees lead and giving them credit in recognition that it is they, not we, who do the work. It means listening to what they tell us and being responsive, encouraging them to be honest and candid, and meeting with them as much as possible. It means sharing information openly and not engaging in protracted negotiations or asking for information we do not need or use. And it means giving them flexibility to use their best judgment about how to achieve our mutual goals.

However much research and analysis we do, we still are working far from the front lines. The organizations we support—not to mention the beneficiaries they support—have experience and knowledge we lack. Our grantees live with the issues up close on a daily basis, making them better situated than us to make judgments about tactics and to adjust swiftly to changes on the ground. The celebrated "HP Way," which we aspire to apply in our philanthropy, holds that one

Illustrative Practices:

- Being clear with grantees about expectations that come with a grant. Showing respect for grantees' time by keeping procedures flexible and asking for reports and other materials only if genuinely needed.
- Providing general support as often as possible, and taking steps to ensure that project grants fund the true costs of what we ask grantees to do.
- Acting consciously and intentionally to mitigate the power imbalance with grantees by listening to their ideas and opinions without imposing our own and being flexible about budgets and process.
- Building long-term relationships with grantees, and providing support (including organizational effectiveness grants and other forms of technical support) to strengthen them institutionally.
- Supporting grantees that are experiencing organizational or operational difficulties with advice, organizational effectiveness grants, and by being flexible about our own needs.
- Creating cross-functional learning opportunities through forums like Shop Talks and in-town weeks for members of different teams to share knowledge.
- Seeking feedback from those who are intended to benefit from our work as part of the development and implementation of our strategies.
- Seeking opportunities to collaborate with other funders, including openness to whatever means will be most effective.
- Accommodating our strategies and procedures to the needs of other funders when necessary.
- Soliciting feedback on internal practices to ensure staff experiences are consistent with our aspirations, do not needlessly reinforce a hierarchical culture, and are conducive to achieving our best work.
- Discouraging turf-consciousness and encouraging staff to solve problems together and give each other the benefit of the doubt.

gets the best results by finding the right people and giving them the flexibility and freedom to find the best path to achieve objectives. Both we and our grantees are stronger the more we enable, rather than control, what they do.

This commitment is reflected most powerfully and importantly in our willingness, whenever possible, to provide grantees with long-term, general operating support, and to fund grantees' true costs when we make restricted project grants. Equally important, we listen to the voices of those who will do the work and those who are meant to benefit from it, and we try to do this continuously.

While the dynamic is different when it comes to co-funders and other organizations with whom we work, the reasons to be collaborative are largely the same. We are more likely to achieve our shared goals if we work collaboratively and as partners, treating each other with respect, learning from each other, and being flexible and accommodating in our joint efforts to achieve shared objectives.

6. The foundation seeks to promote the values and practice of diversity, equity, and inclusion in its workforce, its culture, and its grantmaking.

The foundation embraces the importance of diversity, equity, and inclusion in all its operations—both internally, in our hiring process and organizational culture and practices, and externally, in our grantmaking and related efforts. We care about and hold these values essential both because this is the right thing to do and because it is the smart thing to do.

It is right because, as an endowed institution with significant resources, our choices about how we use our assets have important consequences. In hiring staff and supporting partners to help address critical social problems, we also empower the individuals and organizations we choose. We have a duty to exercise this privilege—for it is a privilege—thoughtfully, mindful of the larger society of which we are part, and of the historical, economic, and cultural forces that shape it. We believe this duty includes a responsibility, in hiring staff and choosing grantees and other partners, to recognize that some groups have been historically disadvantaged, whether by virtue of race, ethnicity, socioeconomic status, gender identity, sexual orientation, ideology, religion, or other characteristics that reflect significant social categories or fractures. While our efforts encompass a wide range of identities, we believe the unique history of racial injustice in the United States imposes a special responsibility to make intentional efforts to address systemic racism, both internally and in our grantmaking.

Pursuing diversity, equity, and inclusion is not just right, moreover. It is also smart, because the work of our departments and programs is enhanced and improved by including a diverse range of voices and perspectives. We want people to feel safe introducing outlooks and perspectives that matter to them and seem relevant to what they and we do. Equally important, we want people to not just listen, but to actually hear others when they do so. We do not limit ourselves to perspectives drawn from the divides that dominate public discourse. When we speak of diversity and inclusion, we mean the whole range of attitudes, outlooks, and perceptions that matter to the people who work with us—whether coming from familiar sources of personal identity, like race, gender, or religion; from less common sources that are particular to our institution, like place in the foundation's hierarchy; or from sources that are idiosyncratic and individual in nature.

We don't want to reduce ourselves or our partners to labels or turn each other into anything less than the complex, multifaceted individuals we all are. We seek, rather, to develop enough awareness of difference—enough mutual understanding and cultural sensitivity—that people can raise what matters to them, and we can learn from the enriched dialogue and relationships that result. We value the diverse perspectives our present staff already bring to the foundation's work,

Illustrative Practices:

- Examining how systemic racism affects each of our grantmaking strategies and the fields in which we work, and taking appropriate steps to better achieve our charitable goals.
- Launching a 10-year, $150 million racial justice initiative.
- Considering questions of diversity, equity, and inclusion when we develop and implement our grantmaking strategies.
- Incorporating inclusion of diverse voices and perspectives in our outcome-focused philanthropy guidance for strategy development and implementation.
- Supporting sector efforts to increase diversity, equity, and inclusion.
- Collecting data about the diversity of our grantee pool and pursuing measures to combat the role of implicit and structural biases in our grantee selection.
- Providing organizational effectiveness grants to help grantees with their own efforts to enhance the diversity, equity, and inclusiveness of their organizations.
- Creating a position for Chief of Equity and Culture reporting to the foundation's president.
- When hiring and recruiting staff, looking for candidates from a broad pool of qualified applicants with different backgrounds and experiences, and paying attention to diversity when setting up search committees.
- Striving to build a diverse board by searching for candidates outside traditional and familiar networks.
- Making available to all staff individual training in cultural competency and in having difficult conversations available to all staff, and coaching on race in the workplace.
- Supporting foundation-wide, internal learning sessions on how systemic racism operates in society and affects individuals.
- Recognizing and celebrating the cultural diversity within the foundation.

but we are conscious that we have more to do and more to learn, and we look for ways to understand better how to engage and meaningfully include diverse voices in all of our work. Doing so will, we believe, improve the outcomes we and our grantees and partners achieve in our work.

7. The foundation approaches its role in philanthropy and its responsibilities to society with humility and respect for others.

We are committed to operating in the modest, low-key style of our founders—avoiding braggadocio, self-promotion, and actions that smack of self-importance. We embrace this approach for its own sake, because it reflects the kind of organization we want to be. But in philanthropy, humility is a virtue for other reasons as well. Most important, it helps counter the power imbalance that inherently exists between us and our grantees and beneficiaries, keeping us cognizant of the need to listen to—and learn from—them. We try to be humble for the same reasons we treat grantees as partners: because often we don't know best, and they are better situated than us to understand what needs to be done and to know how to do it.

Illustrative Practices:

- Using our voice and platform to amplify the work of grantees, through our website and by other means.
- Acknowledging when we are wrong both internally, by reflecting formally on what did not work, and externally, by sharing lessons learned publicly.
- Communicating about the foundation's work through a lens focused on advancing or enhancing our strategic goals or the goals of our grantees.
- Avoiding language that is boastful or that can be interpreted as bragging.
- Dedicating our communications resources chiefly to supporting programs and grantees.
- Letting grantees decide whether to publicize our support if helpful in advancing their goals, unless disclosure is ethically appropriate for reasons of transparency.
- Not requesting naming rights in exchange for our grants or support.

Humility is a way of behaving, and we must be intentional about practicing it. (We say this aware of the irony, if not impossibility, of discussing how humble we are without seeming to brag about it.) Arrogance and overconfidence come easily to those who, like us, are largely immune from market and political pressures and hold power over their chief allies in the form of a checkbook. We must never forget that our principal task is to support other organizations and people, and our intention is to enable their success. We give them financial resources, often supplemented by assistance and guidance "beyond the grant dollar." But in the end, it is grantees who do the

work, and we should not take credit for their achievements. It is they who deserve—and, as important, can use—whatever attention comes from these efforts.

We operate transparently, but for the sake of learning and sharing, not self-aggrandizement. We do not seek the limelight. We use our voice for purpose, not for ego, and employ it to advance our strategic goals and the goals of our grantees. Sometimes, as in the early stages of building a field, our voice may be necessary to attract interest and attention from other funders or NGOs or to help shape perceptions of a problem. Our ability to influence other funders, thought leaders, and public agencies likewise depends on their being aware of who we are, what we do, and how we do it. This doesn't require bragging or boasting, and it's not a euphemism for chasing headlines. Rather, it calls for purposeful and judicious communications to build and maintain a reputation for thoughtfulness, integrity, and reliability.

8. The foundation's operations depend on (a) a lean staff, which is given considerable autonomy; (b) a commitment to simple, flexible procedures; and (c) a cooperative working relationship between the board, the president, and the staff. The president is the leader of the foundation.

The foundation is committed to an operating model that is based on lean staffing for an organization with our resources and responsibilities. We make this commitment in part to reinforce other commitments, such as looking to grantees for ideas and leaving room for them to experiment and explore. By giving our staff broad responsibilities, we make micromanagement of grantees difficult, reduce the danger of inappropriate interference, and reinforce our preference for long-term, general operating support.

There is a cost. Sometimes lean staffing makes it hard to provide grantees with help or attention they actually want from us. We nevertheless err on the side of leanness. We do so, first, because experience suggests that this particular slope tends to get slippery fast. But second, and wholly independent, we keep the foundation staff lean because—reflecting a value important to the Hewletts—we care about the organization's internal culture. None of us wants the foundation to become a place in which staff no longer know each other's names; in which communication can no longer be face-to-face; in which meetings of the whole staff require an auditorium; or in which we have multiple layers of management, slow and inefficient

decision making, and widespread office politics. We are, for these reasons especially, committed to keeping the foundation a small, intimate, relatively flat organization. This model depends for its success on a high-performing staff, capable of acting autonomously and taking initiative in executing the foundation's goals and objectives. The "Hewlett Way" of managing—finding the right people, trusting them, and giving them room to find the best path forward—encompasses more than external relationships with grantees and other partners. It applies internally as well. We want and encourage staff to utilize their knowledge and judgment and creativity in finding ways to improve our work and make the foundation better.

Equally important for the success of our staffing model is a commitment to simple, flexible procedures. We try to minimize the burden we impose on grantees by asking only for what is needed for due diligence and legal compliance, by accommodating their methods and processes as much as possible, and by taking into account burdens placed on them by other funders. Our internal rules and procedures likewise are applied flexibly to encourage resourcefulness, creativity, and collaborative problem solving. We favor informal over formal process and consensual over hierarchical decision making whenever possible.

The foundation's success ultimately depends on a high functioning board to provide balance and ballast. The board is small and places a high value on collegiality and consensus. New members are chosen for thoughtfulness, intelligence, experience, and general judgment more than for specialized expertise. Diversity is as important for the board as it is for the staff and grantees. While we are an independent, professional foundation, the board is responsible for preserving our commitment to the founders' values.

Final decisions rest with the board as a formal and fiduciary matter, but the board makes these decisions with a healthy and prudent measure of deference to the staff's expertise and judgment. The board safeguards our long term values and effectiveness by probing and challenging staff recommendations with an eye on the big picture—helping to ensure that grantmaking strategies have been thoroughly researched and properly vetted and are consistent with the foundation's core values and guiding principles. The board's approach is responsive rather than proactive, and it encourages and makes space for the president and staff to take the lead in recommending strategic directions.

Working with the board and staff, the president is responsible for setting the foundation's overall vision, tone, and strategic direction, as well as for ensuring that its operations are efficient and its grantmaking effective. The president is expected to lead by persuasion: initiating new ideas, but only after listening; setting a direction, but one that incorporates and reflects the views of the board and staff. Relations among the three legs of the Hewlett stool—the president, the board, and the staff—rest upon mutual respect, candid and open communications, and a healthy degree of deference and understanding among all three components. Working closely with the board chair, the president is responsible for maintaining a healthy balance in this regard.

Illustrative Practices:

- Housing the foundation in a single headquarters rather than working out of branch offices.
- Keeping the organizational structure flat, with few levels for reporting up or down.
- Providing opportunities for staff to socialize and learn together across teams and functions, including lunch, Shop Talks, in town weeks, social events, and dinners with the board.
- Emphasizing flexibility in grantmaking and in strategy origination and implementation.
- Reliance on cross-team task forces that consult widely to address important organizational issues.
- Making significant changes through consultation with the senior staff followed by recommendations to the whole staff for feedback.
- Having the president and senior staff maintain an open door policy.
- Helping preserve the founders' values by requiring that three of the board's permanent directors be members of the Hewlett family; a fourth position is reserved for a family member to serve for two years as Special Director, giving subsequent generations an opportunity to learn and prepare for later board service.
- Selecting board members through an extensive vetting process that includes one-on-one or small group meetings with everyone on the Nominating and Governance Committee and with most board members.
- Having the board engage in an annual self-evaluation to ensure it is operating as intended.