On Crowdsourcing, Collective Intelligence, and Funder Decision-making

Crowdsourcing is attracting more and more buzz. Every time I consult Wikipedia’s entry on crowdsourcing, I notice new edits, a sign of how much interest, experimentation, and definitional debate there is in the idea of opening up projects to, literally, everyone.

For me the “honey in the buzz” about crowdsourcing is some compelling analysis of where and how “outsourcing to the crowd” can enrich information for decision-making, scale up engagement, and improve problem-solving.

Among the interesting and accessible books on crowdsourcing are The Wisdom of Crowds by James Surowiecki and Crowdsourcing: Why the Power of the Crowd is Driving the Future of Business by Jeff Howe. (Howe coined the term “crowdsourcing” in a 2006 article in Wired magazine.)

About Crowdsourcing

Crowdsourcing can take various forms, including four described by Jeff Howe:

- **Collective intelligence**, sometimes termed “the wisdom of crowds.” This refers to mechanisms for drawing in and aggregating input from a crowd to better understand a problem or identify a potential solution. An example of crowdsourced intelligence would be an information market.

- **Creative content**, in which many people can contribute individually or collaboratively to a project. A well-known example of crowdsourced content is Wikipedia, the encyclopedia that “anyone can edit.”

- **Crowd voting**, posing questions openly and collecting responses through mechanisms such as polls or elections.

- **Crowd funding**, through open interactions between projects and would-be donors. An example is the online microlending organization Kiva.org.

Collective Intelligence and Funder Decision-Making.

Funders face numerous information problems. Some of these directly result from, or are complicated by, the power dynamics involved in managing wealth. For instance, much of the information flowing into foundations comes from nonprofits or consultants who may be pitching as well as informing. Funders, grant-seekers, and contract-seekers all face disincentives for candor and critical feedback. Foundations rely heavily on expert and professional inputs, which though useful tend to under represent some relevant perspectives or omit them altogether.

Funders’ desire to gain better information for decision-making is one of their most common motivations in joining funder associations. This makes informational programs and services the
core offerings of most funder groups such as HEFN. Our perennial questions about how to improve information for funder decision-making led me to explore ideas around collective intelligence.

**Introduction to collective intelligence**

The basic case for collective intelligence argument is pretty intuitive: if you put together the total of what many people think, you often get a better answer than you would by asking even the smartest person in the group. Journalists and detectives draw on this premise all the time to deconstruct an event, seeking multiple sources rather than asking just one person who was there about what happened.

The collective intelligence literature is persuasive and filled with interesting illustrations. Surowiecki’s *The Wisdom of Crowds*, for instance, draws on academic research and real-world stories to make the case that the collective insights of a group tend to outperform the “smartest member” of any group. A common example is of invitations to a crowd at a county fair to estimate, for example, the number of jellybeans in a jelly jar, or the weight of an ox; the averaged guesses of the crowd regularly come closest to the actual correct answer. Numerous government agencies and corporations have used highly sophisticated crowdsourcing approaches to assemble a more comprehensive understanding of a problem or to devise more robust solutions.

Jeff Howe’s *Crowdsourcing* is equally bullish on crowdsourcing problems. Howe prefers the term “collective intelligence” to “crowd wisdom” to zero in on the value of diverse, distributed inputs for decision-making rather than any implication that crowds are inherently “wise.” Howe’s book expands intellectually on where and why crowdsourcing information works well, pointing to the cumulative bits of information distributed across a community which, if properly aggregated, represent the fullest collective intelligence one can bring to bear on a problem. Howe also cites Scott Page’s “Diversity Trumps Ability” Theorem, another analytical framework for understanding how a diversity of inputs, informational sources, and viewpoints can be more useful than any one source of expertise.

**Collective intelligence and philanthropy**

The theory and contemporary applications of collective intelligence are interesting on their own. I find them also particularly interesting because the crowdsourcing approach to gathering information or identifying potential solutions stands in such contrast to common philanthropic realities. Much of philanthropy is heavily reliant on experts, advocate advisers, and the “smartest guy in the room.” Information channels may be narrow, and decision processes are generally quite closed.

Crowd wisdom analysis would suggest that, as a system for pulling information and making decisions, these conditions are not likely to yield the fullest picture of a problem or pool of potential solutions. The literature also flags risks of closed information systems which, in the philanthropic context, could manifest in information gaps, groupthink (where the views of many are overly influenced by and then reinforce the views of one or a few), perpetuation of patterns
of inclusion and exclusion (both of opinion and of access to resources), and missed opportunities for broader capacity-building.

None of this is an argument that crowdsourcing information guarantees a perfect outcome or that expert inputs have no value. The argument is just that hierarchical, centralized, and closed systems are less likely to yield as complete or robust a solution as more open ones. Many people have some pieces of information or perspectives that could be relevant for understanding a problem or finding a solution, and also that everyone has biases and errors; drawing inputs from a wider group is a way of gaining a more complete picture of reality and of cancelling out errors.

In theory this sounds reasonable. Experience, however, suggests that crowds can be profoundly unwise.

Preconditions for collective intelligence

Surowiecki outlines four conditions under which crowds may be “wise”, including:

- **Diversity of opinion.** Drawing in a wide range of different inputs helps maximize the information and intelligence collected, avoids overreliance on any one input, and lessens the risk of groupthink.

- **Independence.** It’s important to solicit opinions before they are determined by opinions of those around them. This will maximize benefits gained by participants’ diversity and lessen the potential for many to be influenced by the views of some.

- **Decentralization:** Drawing in input from those who specialize and those who have local knowledge can bring in valuable information less likely to be held by central “experts.”

- **Aggregation.** There needs to be some mechanism for collecting individual opinions and compiling them into a collective opinion.

A couple of these conditions – decentralization and independence -- are the norm within much of philanthropy and civil society. Each foundation is an autonomous institution, responsible only to its own board of directors and mission. Each nonprofit similarly is an autonomous entity, responsible to its board (and funders and/or community). The environmental health and justice landscape is quite decentralized, with many channels of information flow and numerous nodes of decision-making. Communities and populations affected by the issues are everywhere. Ironically the very fragmentation and autonomy of foundations, nonprofits and communities that we may sometimes view as an inefficiency or as a barrier to effective collaboration could also function as an informational asset.

When it comes to diversity of opinion, philanthropy as a whole does far less well. On face value, groups competing for grants or contracts regularly supply foundations with a diversity of opinions and strategies in the form of funding proposals. In reality, however, funders may face such an overwhelming cacophony of pitches that by necessity many voices are tuned out. Real listening happens mostly within small groups of trusted colleagues and advisors. The
grantmaking-grantseeking dynamic likewise tends to discourage funders and practitioners -- who may be allies and even trusted partners -- from sharing full information and honest feedback.

Funder groups can help mediate this significantly, to the extent that they draw together diverse funders, expose funders to more diverse inputs, and create safe space for learning and critical discussion. On the other hand, funder groups themselves operate amidst power dynamics that can impair the diversity and quality of inputs. Most worrisome is when funder associations appear to confuse wealth with wisdom, functioning to reinforce consensus around the norms and strategies of the biggest foundations. This functionally can narrow even further the diversity of opinions that are seriously considered. The kinds of “unwise” crowd behaviors warned about in Surowiecki’s book can manifest where funder groups support group think or information cascades, in which many unwisely follows a few, acting on too little information or much like-minded thought.

Diversity of input, of course, is relative and can extend in many directions. I recall hearing one program officer remark that, within her foundation, “diversity in philanthropy” would mean having someone other than a family member on the board of trustees. Most often, and most easily, funders can expand the diversity of opinion to which they are exposed by learning from other funders and by drawing in collective intelligence from nonprofits. Philanthropy is less well equipped as a sector to draw on diverse inputs and expertise of other sectors or of local communities.

In terms of Surowiecki’s four conditions of wise crowds, philanthropy may fall shortest in its capacity to aggregate diverse inputs into decision-making. The landscape is nearly opaque to the outside world and barely more visible from within. What rises to the top of the philanthropic radar screen is usually less an aggregation of views than the smartly-packaged views of certain thought leaders.

It bears underscoring that this is not an argument against intelligence and expertise. Both are highly valuable. For some kinds of decisions, getting a limited amount of high quality input may be enough. Rather, this is an argument for broadening what is considered to be relevant intelligence and expertise, and for making fuller use of that diversified base in certain types of decisions -- such as about how to direct investment into complex social change work.

**Reflections on HEFN through a collective intelligence lens**

The collective arguments really resonate with my understanding of environmental health and justice challenges. So many factors contribute to the problems, and so many actors must contribute to the solutions. It makes sense that more collective intelligence could lead to more effective and sustainable solutions. Indeed, in practice many successes in the field so far have included diverse inputs woven together strategically, rather from than a singular project.

They also resonate with some practical experiences with funder groups. The learning community aspect of HEFN fits well with the collective intelligence case that a diverse group of people can come up with better answers than anyone can on their own. The HEFN funder community draws on wise-crowd preconditions such as diversity, independence,
decentralization, and aggregation, at least to the extent of seeking to learn from a diversity of funders and from the communities and grantees with which they work. There clearly is a long distance HEFN and its funders could go towards more fully using collective intelligence in supporting good philanthropic decision-making, but it may be useful to look at what already is being done to highlight groundwork on which we might build, along with gaps.

As with philanthropy as a whole, one thing the HEFN community has going for it in terms of conditions for good collective intelligence are its participants’ independence and decentralization. Each funder represents an independent foundation; the funder community is a flat landscape without much hierarchy, and funders participate as individuals, rather than as foundations, which can bring more intellectual fluidity to conversations.

Diversity also is almost structurally a value within the HEFN community. The cross-cutting nature of its issues means HEFN has always sought to engage funders across the health, environment, sustainability, social-justice and/or rights-based, and other worlds. The community includes a range of sizes of foundations, and variance in whether they are focused in places or around strategic interests.

Funders participating in HEFN tend to be curious and enjoy learning and critical discussion. They tend to value and seek to steadily increase the diversity within their ranks. Historic disconnects including across environment health and environmental justice interests have gradually been intentionally addressed and bridged.

Even the HEFN funders working closely together in working groups tend to look for ways to use their diversity to advantage, rather than seeking to erase it. The HEFN Catalysts, for instance, have worked for years to tackle toxic chemicals using a strategic framework that encouraged a diversity of investments (across policy, market, science, and community-focused interests) as valuable contributions towards the desired societal changes. They committed themselves to learning from one another’s diverse investments (and grantees), as well as to funding infrastructure to help enable learning and strategic collaboration within the field as well.

While its working groups foster discussion and collaboration around nodes of shared interest, HEFN funder calls and meetings often aim to facilitate learning across those nodes of interest. HEFN funder meetings typically expose all participants to different areas of work within the field and then draw those interest areas into integrative discussion.

Developing culture and skill at funder collaboration that uses, rather than narrows, diversity has not always been easy (nor has HEFN perfected it). However, that approach clearly has enabled critical thinking, iterative learning, new alliances, and eventual strategic alignments that I believe would not have emerged from more tightly-focused funder strategy.

Similar efforts on the HEFN staff side have sought to bring more collective information into funder decision-making. The HEFN staff sees one of its primary roles being to provide information to funders. We tend to focus much more on working to expand and facilitate the flow of information among many actors within the field, rather than on generating information
ourselves (except where we have some unique contribution or inputs). And we seek intentionally to avoid becoming information gatekeepers.

HEFN’s website, for instance, includes an information-sharing platform that grantmakers and grantseekers alike are encouraged to use to share profiles, reports, and other information. For HEFN’s tenth anniversary, the staff decided to put more effort into highlighting stories from the field that HEFN’s funder community has helped build, rather than to publicize HEFN’s story per se. A new splash page was added to HEFN’s website to showcase videos, voices, and other materials from communities, nonprofits, and funders working for healthier environments.

Some HEFN activities over the years have attempted to aggregate information from philanthropy and the field. For example, for several funder meetings HEFN produced briefing books for several funder meetings with summaries of various nodes of strategy, as well as updates from numerous coalitions, collaborative, and campaigns in the field. HEFN continues to experiment with mechanisms for collecting and sharing information about funder strategies, both to enable collaboration and to build the shared knowledge base about nodes of opinion and strategy on environmental health and justice.

Some “thought leaders” within HEFN or the environmental health and justice movement seem to function as aggregators as much or more than they do as experts. The community benefits greatly from individuals or groups that have broad connections within the field and the gift of using their own voice to report perspectives of many more voices.

**What more?** While all of this is valuable, we clearly have a long way to go towards making use of the full potential of collective intelligence.

One potential area for future work could be experimentation in crowdsourcing some informational or strategy questions. Groups like HEFN would be well-placed to host questions from a funder community and invite inputs from many quarters. Foundations also could encourage their grantees to make greater uses of collective intelligence. The crowdsourcing world has developed some interesting mechanisms and potential models for coping with common problems like managing numbers of participants, uneven quality of inputs, and expectations.

Another particularly intriguing area particularly for funder decision-making is in strengthening mechanisms for aggregation of data. In the crowdsourcing literature, financial markets are often cited as examples of good information aggregators. Within philanthropy the closest analog is likely grant dollars. If grants are “votes” by funders, then tracking grants functions as a way of aggregating those votes.

HEFN began work to track investments several years ago, building a trial run database, developing a taxonomy, and analyzing grants from about 40 foundations. Most of the Consultative Group on Biological Diversity groups, the Environmental Grantmakers Association, Grantmakers In Health, the Funders Network on Population, Reproductive Health and Rights, and others have likewise done some grants tracking and analysis.
Building within and across groups towards more sophisticated and integrative capacity to track grants could, if done properly, create a phenomenal base of information across areas of investment. This information could have many uses, including for philanthropic decision-making, supporting collaboration, and connecting potential partners (funder-funder or funder-grantseeker) across silos.

I also see great potential for aggregating information within philanthropy about nodes of strategic collaboration. It is highly useful to know where funders are investing with others in alignment or together, whether through consultation, coordination, or pooling of funding. Within HEFN, we often introduce new funders to the collective wisdom of our community by describing its nodes of funder investment and alignment.

Many funder groups similarly serve informally or actively to aggregate both grant and strategy information. Much more could be done within and especially across groups. With a more fully developed architecture for knowledge-sharing and aggregation, the inherent strengths that lie in the decentralized, diverse landscape of foundations and non-profits could be woven into much more resilient social capacity.

Most of this essay has focused on ways to increase the collective intelligence flowing into foundations to improve their decision-making. An even more ambitious challenge for philanthropy vis-à-vis collective intelligence would be to work on the reverse flows, namely what foundations could contribute and share with other decision-makers in society. Philanthropy collects an enormous amount of information for its own decision-making, and in the form of reports of its grantees. Only a fraction of this is ever shared or made accessible to others.

Figuring out how to open up and scale up flows of information for decision-making about complex social problems will be hard, both within and beyond philanthropy. The only thing harder might be to overstate the positive potential of what that could do in the world.

**Crowd intelligence versus crowd creativity.**

As I’ve noted earlier, most analysts of crowdsourcing suggest that you get better collective information for some kinds of problems by soliciting and aggregating the opinions of a diverse group of independent actors. Jeff Howe’s *Crowdsourcing* warns, for instance, that facilitating deliberation and consensus within a group may be counterproductive to engaging participants’ collective intelligence (at least for information market-type problems) because that would reduce independence and diversity of contributions.

Howe and others also describe different forms of crowdsourcing that produce creative content. This “usually involves cultivating a robust community” of people committed to their craft and to each other. Howe argues that crowdsourced creative products benefit not only from the diversity of skills applied but also from a collective commitment to the process. Unlike a conventional business model in which people are paid to create content, effective incentives in crowdsourced content projects typically have more to do with the joy and meaning people derive from a craft or creative outlet, social ties, seeking of status with peers, and enjoyment of learning and teaching.
Though many real world projects draw on a mix of crowd wisdom and crowd creativity, in analytical terms at least the differences between these two types of crowd-sourcing are worth noting because they could suggest different approaches and priorities. In collecting distributed intelligence, the “crowd” value comes from actors remaining autonomous and independent. For creating content (such as a strategy or report) within an open process, the “crowd” value depends upon the cultivation of community.

Within HEFN’s work we try to cultivate some of both types and could do more. Opportunities to draw in collective intelligence most clearly fall within our “information and learning” efforts, where the priority is on constantly enriching the information coming into discussions and decisions. More creative content work, usually in the form of funder collaboration, happens within working groups for which a sense of community is important. It may be useful to prioritize independence in the informational arena, community in the funder collaboration efforts, and a healthy interplay between the two.

My interests in exploring applications for collective intelligence within philanthropy or the environmental health and justice arena have, in turn, stimulated more critical thinking about the nature of our problems and objectives. I’ve found particularly interesting ideas, models and lessons about community-generated creative content in reading about open source software development, to be addressed in another essay.

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1 Also of interest: The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations, by Ori Brafman and Rod Breckstrom.