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Creating a Culture of Philanthropy

by Lindsay Cavanah

Abstract

There are many elements to consider when creating a culture of philanthropy. First, one must acknowledge the definition of philanthropy. Philanthropy is defined as “the practice of giving money and time to help make life better for other people” (Philanthropy, n.d., para 1). Although this is true, an organization which promotes a culture of philanthropy may view philanthropy as its broader definition of “an effort to promote human welfare” (Philanthropy, n.d., para 2). A culture of philanthropy is a newly perceived way for organizations to view the process of securing resources (Gibson, 2016). There are four components on which a culture of philanthropy is built. These include (1) shared responsibility for development, (2) integration and alignment with the organization mission, (3) focusing on fundraising as engagement, and (4) developing and sustaining strong donor relationships (Gibson, 2016). Barriers that may become apparent when trying to create a culture of philanthropy include the steadiness of big business philanthropy, and the lack of a concrete way to illustrate the culture’s effectiveness. Such barriers convey why organizations who are creating, or transitioning to, a culture of philanthropy should employ a strategic change process. It is indicated that are five steps to promote a successful change process (Cummings & Worley, 2014). These steps include (1) motivating change, (2) creating a vision, (3) developing political support, (4) managing the transition, and (5) sustaining momentum (Cummings & Worley, 2014). Utilizing a strategic change process will create organizations in which the love of mankind is at the core of their philanthropic practices.

Creating a Culture of Philanthropy

There are many working parts when trying to create a culture of philanthropy. To begin, one must have an understanding of the definition of philanthropy. There are various definitions, but the most current one states that philanthropy is “the practice of giving money and time to help make life better for other people” (Philanthropy, n.d., para 1). Furthermore, philanthropy can be seen as any active effort which promotes human welfare (Philanthropy, n.d.). This broader definition is one that an organization who promotes a culture of philanthropy would follow. Often, individuals may perceive philanthropy as the act of donating money. This perception is being challenged by organizations who are working towards creating an overall culture of philanthropy. This discussion will define the term *culture of philanthropy* and explore the change process which it takes to create a culture of philanthropy within an organization.

Culture of Philanthropy

The term *culture of philanthropy* describes an updated way for organizations to view the process of securing resources (Gibson, 2016). Gibson (2016) indicates that a culture of philanthropy is one in which an entire organization takes part in securing resources to support the organization. Additionally, a culture of philanthropy promotes the importance of building relationships versus just donating money (Gibson, 2016). When creating a culture of philanthropy, an organization must view philanthropy through a broader lens. It cannot assume that being philanthropic is based strictly on donating money, but must also recognize other resources which may be donated. Such resources may include time, expertise, or

supplies. In an organization where a culture of philanthropy is present, any donation that helps the organization reach its mission is considered philanthropic (Gibson, 2016). To further explore the culture of philanthropy, the components and barriers will be discussed.

Components

Gibson (2016) indicates that there are four core components to recognize when creating a culture of philanthropy, which include: (1) shared responsibility for development, (2) integration and alignment with the organization mission, (3) focusing on fundraising as engagement, and (4) developing and sustaining strong donor relationships. The first component addresses the need of shared responsibility within an organization. This includes the staff, executive director, constituents, board and volunteers. Tasks associated with this component not only include fundraising, but also networking, making connections, and building and maintaining relationships (Gibson, 2016). The second component addresses how the organization sees fund development. An organization which has a culture of philanthropy sees fund development not just as raising money, but as securing any resources which will help it reach its mission (Gibson, 2016). The third component explains that fund development should no longer be separated from engagement. It further indicates that organizations should engage through multiple channels, and with various stakeholders (Gibson, 2016). The fourth, and final, component discusses the importance of building and maintaining relationships with donors. It is important for the donors to be connected to the work and the vision of an organization (Gibson, 2016). Although the components provide a more in-depth understanding of how to create a culture of philanthropy, there are still barriers which this perception faces.

Barriers

The culture of philanthropy deviates from previous perceptions of giving by providing a holistic model that supports relationships between donors and organizations (Gibson, 2016). Creating a culture of philanthropy challenges the widely accepted giving process, where donors feel that money is at the core of philanthropy (Harris, 2014). Today, big philanthropy in the United States is strong and steady (Barkan, 2013). It is indicated that in 2013, there were 66 private foundations with assets over \$1 billion (Barkan, 2013). Statistics such as this may explain why some are not convinced of the effectiveness of creating a culture of philanthropy (Gibson, 2016). To better illustrates its effectiveness, an organization transitioning to or creating a culture of philanthropy should employ a strategic change process.

Cultivating the Change Process

Creating a culture of philanthropy is possibly more likely to occur in existing organizations, and providing a plan will aid the organization through this cultural shift. Cummings and Worley (2014) indicate that there are five steps to follow to promote a successful change process, which include: (1) motivating change, (2) creating a vision, (3) developing political support, (4) managing the transition, and (5) sustaining momentum. Each step will be discussed to provide an understanding of how to create a culture of philanthropy within an existing organization.

Motivating Change

Motivating change includes two steps: creating readiness and overcoming readiness for change (Cummings & Worley, 2014). To create readiness for change, one must be able to understand and shape organizational culture. Once readiness has been developed, strong leadership will guide the organization to overcome any negativity towards

the readiness for change.

Organizational culture. Understanding and shaping an organization's culture is an important consideration when creating a culture of philanthropy. Organizational culture can be described as shared beliefs, norms, and expectations that are present within an organization (Fauri, Wernet, & Netting, 2008; Lewis, Packard, & Lewis, 2011). Organizational culture is essential to the organization's effectiveness, and therefore plays an important role in creating a culture of philanthropy (Gibson, 2016; Lewis et al., 2011). There are three distinct elements of organizational culture, which include (1) artifacts, (2) values, and (3) basic assumptions (Fauri et al., 2008). Artifacts are visible organizational structure and processes, such as behaviors or technology. Values are explained as strategies, goals, and philosophies within the organization. Basic assumptions can be described as unconscious perceptions, thoughts, and feelings (Fauri et al., 2008). To promote cultural change within an organization, a leader must acknowledge and fully understand these elements within the organization.

Leadership. Leadership plays an essential role in motivating change. Leaders must have a clear vision for the organization, be persistent and patient, ready for change, self-aware, have the ability to motivate others, and have the ability to involve others in the change process (Fauri et al., 2008; Lewis et al., 2011). Changing an organization's culture may take years, so it is important to have a plan in place to best implement the change (Gibson, 2016; Lewis et al., 2011). Successful transformation is predicted by the leader's understanding of the organization's culture and their ability to motivate staff to support change (Fauri et al., 2008). Once an organization is ready for change, it can begin the next activity in the process of creating a vision.

Creating a Vision

A vision is described as what the members want the organization to look like or become (Cummings & Worley, 2014; Lewis et al., 2011). Cummings and Worley (2014) indicate that there are two parts to creating a vision. First, the members must develop and agree upon the organization's core values and purpose. To create a culture of philanthropy, members may utilize some of the model's core components into its newly developed vision. Second, goals and objectives should be established to obtain the organization's purpose. The goals and objectives should focus on aiding the organization while transitioning into a culture of philanthropy. Such topics which may be addressed through the creation of goals and objectives include: (1) developing policies and procedures to make plans concrete, (2) nurturing and sustaining the newly created culture, and (3) developing ways to engage with donors (Gibson, 2016; Whitchurch & Comer, 2016). Once goals and objectives are identified, the change process can focus on developing political support.

Developing Political Support

Developing political support includes three activities: (1) assessing the change agent's power, (2) identifying key stakeholders, and (3) influencing stakeholders (Cummings & Worley, 2014). Whitchurch and Comer (2016) indicate that an important step in creating a culture of philanthropy within an organization is implementing an assessment. This illustrates why utilizing a Strengths, Weaknesses, Opportunities, and Threat (SWOT) Analysis may be a good tool to use. A SWOT Analysis assesses how internal factors (strengths and weaknesses) interact with external factors (opportunities and threats) (Lewis et al., 2011; Sergeant, Shang, & Associates, 2010). Implementing this type of analysis can enhance the development of political support, and also provide insight into ways which to manage the

change process.

Managing the Transition

Organizational change involves an organization moving into its desired state (Cummings & Worley, 2014). Change-management structures can be utilized to aid the organization in this transition (Cummings & Worley, 2014). Today change-management structures include new technology, such as Align. Align is a cost effective company which uses proven business management methods to enhance focus and alignment throughout an organization (Align, 2015). This works through a database where the organization's priorities are listed. Group and individual priorities, which align with the main organization priority, are also listed and show the percentage at which the goal has been completed (Align, 2015). This tool helps manage organizational priorities and goals to further enhance the change process. Additionally, having a concrete way to manage the change process will aid the organization in sustaining the change in the future.

Sustaining Momentum

Once the change process has occurred, it is important to sustain momentum so that the organization continues to support a culture of philanthropy. Within a culture of philanthropy, one way to sustain momentum is to retain donors. Because a culture of philanthropy strongly believes in building and maintaining relationships, utilizing qualitative research may prove to be helpful. Specifically, the organization could use qualitative data gathered from community members which services are provided to, and volunteers. Utilizing this type of qualitative data will tell the story of the organization and its impact on the community, which may aid in the recruitment and retention of new donors.

Conclusion

It is indicated that philanthropy literally translates

to "love of mankind" (Gibson, 2016, p. 18; Meriam-Webster, n.d., para 4). This is especially true within a culture of philanthropy. No longer should organizations be viewing philanthropy as the act of donating money, but as acts which enhance human well-being. Providing a strategic process for organizations who wish to create, or transition to, a culture of philanthropy will strengthen their ability to do so, thereby further promoting acts of kindness and support throughout our communities.

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