6 ALIGN GOVERNANCE, LEADERSHIP, MANAGEMENT AND ORGANISATIONAL CULTURE WITH VALUES

All too frequently, we hear stakeholders, professionals, partners and grantees complain that philanthropic organisations do not always embody the values they are pursuing through their programmes and mission statements. Yet, the same individuals that constitute an organisation form the core of its transformation; they develop the culture that brings them together and the incentives to embody it across the organisation and its work. This principle of aligning governance, leadership, management, operations and organisational culture with values is critical to ensuring that philanthropic entities achieve their desired social impact and uphold their commitments to donors, grantees, and the communities they serve. For the purposes of this principle, values are defined as the set of core beliefs that guide an organisation's purpose, direction, and interaction with stakeholders.

When organisations align their leadership and organisational culture with their values, they ensure that those values live at the core of their work, serving as a guiding light for shaping the organisation's priorities, decision-making processes, and actions. If we follow the transformation journey on shifting power, this might involve addressing crucial power dynamics and imbalances internally, developing a listening capacity and embracing humility as core values at all levels. For instance, many organisations say that they value empowering local partners and creating egalitarian support structures but, in practice, their funding distribution or partnership models are very opaque. This is particularly important when an organisation is faced with difficult choices or trade-offs, because it gives team members a shared understanding and appreciation of the core ethos of their work, whilst still allowing them to bring a range of different perspectives to the table. Achieving this alignment also makes organisations more resilient to disruption, as they are guided in their action by values and principles, and can more readily adapt specific solutions or procedures to achieve their goals. For example, the Tanoto Foundation in Indonesia prioritised maintaining the Tanoto family's core values during a period of strategic expansion, which involved hiring top talent from outside of the charities/foundations sector. This combination of maintaining existing core values while building new teams and structures allowed the Foundation to build a stronger organisational culture based on a diverse set of collective experiences. To learn more about the Tanoto Foundation, see Resources at the end of this section for links to case studies on the organisation from WINGS and the Cambridge Centre for Strategic Philanthropy.

Boards also play a critical role in ensuring that philanthropic organisations align their governance, leadership, management, and organisational culture with values. They are responsible for setting the strategic direction of the organisation, and are critical to ensuring that this direction aligns with the organisation's values. Boards ensure that the organisation's leadership team commits to upholding these values and that the organisation's management structures are consistent with them. To achieve this, Boards should establish clear expectations around values and hold their executives and senior leaders accountable for upholding them. Major decisions such as endowment, investments and disbursements, and links to how the foundation's wealth is generated should take direction from the Board, along with a diverse set of perspectives from within the organisation. Governing bodies, be they Boards, trustees, or advisers, can also shape the organisational culture by modelling and reinforcing values through their own actions and behaviour. Ultimately, Boards must take an active role in ensuring that the organisations remain true to their values and committed to achieving their social impact goals.

One complication that may arise involves tensions between the differing – and potentially conflicting – values held by various stakeholders, especially around polarising issues. This may present a particular challenge for organisations working with culturally, ideologically, politically or religiously diverse communities[20]. Conversely, values that are shared across cultural or political spectrums can be very powerful. In either case, organisations should encourage robust, regular dialogue between their governing bodies and staff to discuss any contentious issues before they affect organisational operations.

Ensuring that values are not just performative or abstract, but are actually embodied in the organisation's daily practices and decision-making presents an ongoing challenge. Fundamentally, values and culture start at the individual level, so leadership teams must invest time and resources into working with employees to develop a values-driven culture, while individual staff members must also be willing to hold themselves and each other accountable for upholding them. This requires a sustained effort to communicate, reinforce, and embody values throughout the organisation. Reviewing and assessing the extent to which mission, vision, values and behaviours are aligned, relevant and being actively lived within an organisation is an ongoing and evolving process. Whilst values can dictate our behaviours, practices and policies, we should not impose them on others. Values, including fairness and equity, responsibility towards communities and the environment, humility, collaboration, openness, and accountability and respect for dignity, diversity and inclusion are extremely important. The practice of such values must recognise and strengthen the understanding of how local communities and partners adopt and understand them. For example, 'trust' may not be a term used within a local community.However, there are practices and ways of being that may reflect this shared principle and value.

Value-alignment not only makes an organisation more resilient and adaptable, it also serves as a powerful tool for engaging stakeholders. Among the younger generation of philanthropic wealth-holders and civil society professionals, the alignment of values and social impact is seen as increasingly important, as is the development of positive and inclusive organisational cultures in their workplaces. As this new generation begins to assume leadership roles – as funders, Board members, or employees – they are more likely to prioritise aligning governance, leadership, management, and organisational culture with their values as a key element of philanthropy. Generation Pledge[21] works directly with next-generation wealth inheritors to increase their own giving and mobilise their resources to advance greater philanthropic activity among high net worth individuals. They are currently developing a 'Theory of Wealth' focused on engaging inheritors on how they manage their wealth and the potential consequences on society as a result of how their money is managed and redistributed.
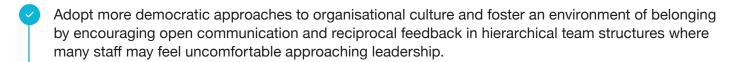
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20   Kass (2021), Values-Aligned Philanthropy: Foundations Resisting Hate and Extremism.

21   Generation Pledge.

Recommended practices for implementation:

How to get started:

✓ Adopt more democratic approaches to organisational culture and foster an environment of belonging by encouraging open communication and reciprocal feedback in hierarchical team structures where many staff may feel uncomfortable approaching leadership.

- Invest time and resources in building stronger organisational values as an ongoing process.

- Hold regular team and all-staff meetings where feedback is encouraged.

✓ Identify behaviours that link to how values can be implemented across different levels of the organisation, and reinforce them during performance reviews and feedback discussions.

✓ Seek to understand root causes of internal challenges by examining them within the broader context.

- For example, are issues occurring due to communication and ideological breakdowns between two separate teams? In this case, better alignment is likely needed among team leaders.

✓ Establish clear values within your organisation (where they do not exist already), and be consistent with your staff about why these are intrinsic to your operations.

- Important values to guide philanthropic frameworks include fairness and equity, responsibility towards communities and the environment, humility, collaboration, openness, accountability and respect for dignity, diversity and inclusion.

- Ensure these values are communicated externally and reflected in interactions and work with external stakeholders.

To go beyond:

✓ Adopt leading practices from other sectors or leaders in your field (e.g. 360 feedback, diversity, equality and inclusion, building a learning organisation)

✓ Prioritise strong organisational culture to attract and retain high calibre talent, including fair, equitable compensation, and professional, empathetic talent management.

✓ Dedicate internal policies and work time through staff training and professional development allocation to encourage members of the internal team to grow, expand their knowledge base, and bring their new skills to the organisation.

✓ Critically examine and challenge the role of philanthropy today, and whether the methods and models we use support or perpetuate systems of inequality and exclusion internally as well as externally.

- Use these understandings to evolve your organisation's culture and values to reflect the needs of your broader operating environment.

Potential obstacles

Suggested solutions

Philanthropic organisations often face difficulty attracting top talent to the sector due to limited financial resources, lack of aligned values and organisational culture, and limited professional development or progression opportunities.

Where possible, ensure that finances are available to bring in talented individuals from other sectors and properly resource teams. Beyond financial resources, ensure there is further dedication to emerging best practices that foster the development of strong, supportive organisational culture (e.g. flexible working, good workplace benefits). Ensure that your governing Board understands the importance of allocating these resources to staffing and frame this as a long-term investment in the organisation's sustainability and values.

Organisational values are not well-represented or encouraged and many staff members do not feel a real connection to the work or broader mission of the organisation.

Executives and leadership teams must ensure that organisational values are embodied by all staff members, including themselves, and should invest time in professional development centred around building a positive organisational culture and mechanisms to hold each other accountable to living the values.

Management and leadership teams within a philanthropic organisation may face difficulty convincing Boards and other governing bodies to embrace values-driven approaches.

While Boards often provide invaluable guidance and support to a philanthropic organisation, they can also be slow to change or shift based on values-driven approaches. Ensure that Board members are only appointed if they have a clear understanding of the organisation's values and their importance.

Resources

Barrett Values Centre. The Barrett Model: Seven Levels of Consciousness.

Better Boards. What Boards and CEOs Need to Know About the Future of Philanthropy and Fundraising.

Boettcher, B. and Janus, K. (2019). Stanford Social Innovation Review. Three Ways to Improve Diversity, Equity, and Inclusion in Philanthropy.

CEFIS (2019). Guía Para La Gobernanza Efectiva de Fundaciones y Corporaciones en Chile.

Council on Foundations. Values-Aligned Philanthropy for Community Foundations.

Council on Foundations. Values-Aligned Philanthropy: Foundations Resisting Hate and Extremism.

Daniels, A. (2017). Chronicle of Philanthropy. How to Identify First-rate Board Members.

Institute for Sustainable Philanthropy (2020). Plans and philanthropic culture – The essential ingredients for increased fundraising revenue.

Katzen, S. (2022). Association of Fundraising Professionals. Philanthropy in Focus: Living Your Organisational Culture.

PEAK Grantmaking (2019). Strategies for Aligning Practices and Values.

Philanthropy Transformation Initiative (2023). WINGS. Case study Tanoto Foundation.

Robert Bosch Stiftung (2023). The Transformative Power of Intersectionality.

Robert Bosch Stiftung. Principles for Intersectionality in Social Change Work.

Societal Thinking Space.

Wallestad, A. (2021). Stanford Social Innovation Review. The Four Principles of Purpose-Driven Board Leadership.