SHAPING CULTURE
Through Key Moments

LEADING
CHANGE
IN PHILANTHROPY

geo
GRANTMAKERS FOR
EFFECTIVE ORGANIZATIONS

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FOREWORD

After more than 15 years of promoting grantmaker practices that support nonprofit results, GEO is convinced that a strong culture inside foundations is critical for effective philanthropy. It's virtually impossible to operate as an ally and partner to grantees if you are working inside a foundation whose values and culture run counter to that spirit. Culture matters, and that is why it is important to be proactive about shaping the culture we want, because it happens whether we tend it or not.

In 2015, GEO published *The Source Codes of Foundation Culture*, continuing our exploration of organizational culture, how it influences grantmaker practice and how it can aid or impede results. With this publication, we want to keep the conversation going, with a focus on specific times in the life of an organization — whether large or small — when grantmakers can shape or express their organizational culture.

GEO is focusing on culture because of what we hear in our conversations with foundation leaders, staff, board members and nonprofits. People at all levels in their organizations regularly tell us how an unproductive culture can get in the way of what their foundations have the capacity and the potential to achieve. They share that successful grantmaking — grantmaking that supports grantees to achieve meaningful results — requires more than a great strategy and execution plan; it also requires an intentional focus on culture.

These voices from philanthropy and the social sector are not alone in identifying culture as an often-neglected yet critical factor in an organization's success. In a study released by Duke University and Columbia University in 2015, the majority of 1,800 CEOs and chief financial officers interviewed from around the world indicated that culture is critical to determining whether an organization will thrive and succeed in reaching its goals. However, only 15 percent of those interviewed said their company culture was where it needed to be, and 92 percent believed improving organizational culture would increase the company's value.[1]

> Successful grantmaking requires more than a great strategy and execution plan; it also requires an intentional focus on culture.

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[1] John R. Graham et al., *Corporate Culture: Evidence from the Field*, Duke Innovation and Entrepreneurship Initiative Research Paper No. 2016-33, 2016. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2805602.

A productive foundation culture accelerates impact and supports nonprofits to be successful.

WHAT WE'RE LEARNING

Given its importance to any organization's success, we've learned the following things so far related to foundation culture:

- **Culture is cultivated by everyone.** A productive foundation culture — one that accelerates impact and supports nonprofits to be successful — is the result of intentionality and constant tending. This means understanding what we're trying to achieve and then continually aligning strategy, operations, talent and culture in that direction. One key to success: Everyone throughout the organization needs to understand how her or his role and behaviors either reinforce or contradict the culture we are collectively trying to create.

- **Culture change is not for the faint of heart.** Trying to intentionally change an organization's culture is hard work. It can often seem like nothing is happening or that there are two steps back for every step forward. It's particularly difficult because so much of culture is actually beyond our conscious awareness — culture is about the underlying beliefs, values and assumptions that drive our individual and collective behavior. But the fact that it's hard shouldn't deter us. If we want to evolve our culture to better achieve our mission and support nonprofits, then it's not only worth the effort — it's absolutely critical.

- **There's no one "right" culture, but there are core attributes for supporting nonprofit success.** The foundations that GEO has studied share a belief that paying attention to internal culture is key to their missions and to effectively supporting their grantees and communities. Common cultural elements and practices that support nonprofit success include strong internal and external communication; explicit organizational values; and reinforcing behaviors such as trust, inclusion, learning, humility and collaboration.

- **Organizational culture is not created in a vacuum, and it doesn't stay within foundation walls.** A foundation's culture is transmitted in every interaction and communication (see sidebar on the Center for Effective Philanthropy's research, page 12). It affects how employees and board members relate to and interact not only with each other but also with nonprofits and external partners. Foundation culture is also influenced from the outside by such things as changing technology, demographics and economic trends. It's important to see our organizations as part of a larger system and to be mindful of how our cultures must adapt and evolve.

- **The trappings of power and privilege are often expressed in culture.**
  Foundation cultures and practices can unintentionally reinforce power
  imbalances as well as racial and other disparities. Paying attention to culture
  means being attuned to systemic and structural disparities and how our
  organizations may be perpetuating them. This can require thoughtful focus,
  hard conversations and continual learning to increase diversity, equity and
  inclusion not only in our communities but also in our organizations. For
  example, how we engage grantees, determine who makes decisions, define
  what success looks like and connect to the broader community are all
  expressions of organizational culture.

- **We navigate multiple cultures in organizations.** While organizations
  contain dominant cultures, individuals tend to cluster in smaller groups. In a
  foundation, program officers or board members might form their own cultures.
  A unique culture might also evolve from a diverse group of people who are
  working together on an initiative or who coalesce around a shared interest.
  As foundations become more intentional about shaping their dominant
  cultures, it's also important to take a deeper look at how these smaller cultures
  (known as "subcultures" or "microcultures") work and the ways in which they
  contribute to (or get in the way of) foundation effectiveness.

- **Culture is always evolving, but some moments present unique
  opportunities for an in-depth focus on culture.** Times of organizational
  change — leadership transitions or strategic planning, for example — are
  opportunities to pay special attention to culture and how to align it with our
  organizations' values, vision and goals.

So, yes, culture matters — and it's complex. We all need to look out for those
opportunities to strengthen and improve our cultures so we can maximize our
impact on nonprofit success. Many thanks to the grantmakers interviewed for
this publication for sharing stories about their cultural moments. Their insights
will help us get a better handle on how we can all be more intentional about
our foundation cultures so that we can better support our grantees, partners
and communities.

Kathleen Enright, President and CEO
Grantmakers for Effective Organizations

INTRODUCTION

Kairos, an ancient Greek word meaning a propitious moment for decision or action, can be a useful concept when thinking about developing a foundation culture that supports smarter grantmaking. Every organization experiences moments when it has opportunities to tend its culture and to cultivate a more productive one — a culture in which staff and trustees are performing at their best and it is doing everything it can to make sure nonprofits are resilient, successful and strong.

Kairos can refer to moments of challenge as well as opportunity. Consider the following:

- At the Charles and Lynn Schusterman Family Foundation, critical grantee feedback spurred an intentional effort to shift from a transactional approach to grantmaking to a culture based on "transformational partnerships" with grantees.

- The R.J. McElroy Trust responded to a decline in assets during the Great Recession by honing its strategies, streamlining and simplifying grant application and reporting, and adopting a culture that prioritizes innovation.

- Under a new leader, the Bush Foundation has sharpened its focus on diversity, equity and inclusion as an organizationwide priority.

- A move to a new building provided the Kalamazoo Community Foundation with an opportunity to think deeply about the culture it wants and to design offices that reflect and advance that culture.

Paying attention to culture doesn't have to happen only at huge, earth-shattering moments in the life of an organization or its operating environment. Foundation leaders and staff have opportunities all the time to tend and shape the culture of their organizations. In this publication, GEO takes a deep look at the *kairos* of culture for grantmakers.

Kairos \kī-räs\ n
[ancient Greek]
A propitious
moment for
decision or action.

THIS PUBLICATION SETS OUT TO ACHIEVE THE FOLLOWING:

DESCRIBE WHY CULTURE MATTERS and how a productive foundation culture can support better results for grantmakers and nonprofits alike

IDENTIFY AND CATALOG SOME OF THE CULTURAL MOMENTS when grantmakers have an opportunity to proactively express or shape organizational culture

SHARE STORIES FROM GEO MEMBERS about steps they have taken to proactively shape organizational culture during these moments

OFFER PRACTICAL GUIDANCE about how grantmakers can be more attentive to culture and how they can leverage these opportunities to shift their cultures in a positive way

The content for this publication is based largely on interviews with GEO members who have made culture a focus during transformative moments, from leadership changes and office moves to the launch of new grantmaking strategies and initiatives. The publication has been informed by guidance from GEO's member advisory group on culture, feedback from our nonprofit advisory council, and a series of 18 meetings with more than 150 CEOs and senior leaders of grantmaking organizations from 2013 to 2016. GEO also conducted a review of relevant literature on organizational culture from both the philanthropic and business sectors.

WHAT IS
ORGANIZATIONAL CULTURE?

GEO defines culture as

"the collective behaviors and underlying assumptions of an organization."

Former MIT Professor Edgar Schein, author of Organizational Culture and Leadership, *compares organizational culture to a lily pond:*

"On the surface you've got leaves and flowers and things that are very visible; a visitor would see them. That's the 'how we do things around here;' but the explanation of why we do things in that way forces you to look at the root system, what's feeding it and the history of the pond, who planted what. If you don't dig down into the reasons for why we do things this way you've only looked at the culture at a very superficial level and you haven't really understood it."[2]

2   Tim Kuppler, "Culture Fundamentals: Nine Important Insights from Edgar Schein," Culture University, 2014. Available at http://www.cultureuniversity.com/culture-fundamentals-9-important-insights-from-edgar-schein/.

ARTIFACTS are the visible, tangible manifestations of culture — what your building or offices look like; the clothes you wear; your website, logo and printed products; the way you run meetings; your grant application and reporting processes; and so on. *These are the visible flowers on the top of the pond.*

ESPOUSED BELIEFS AND VALUES are how you publicly express what your organization hopes to achieve in the world and how you aspire to do your work. *These are the stems that support the flowers.* In public mission and values statements, grantmakers often express their belief in core concepts like "collaboration," "innovation" and "humility." Whether or not these public commitments show up in a grantmaker's actual work is a separate question.

BASIC UNDERLYING ASSUMPTIONS are the real-life, everyday, often unstated operating principles that drive the work of an organization and its people. *These are the hidden root systems that feed the plant.* These assumptions can grow from an organization's values, or they can run directly counter to those values. For example, a foundation may espouse collaboration and partnership and yet still do its work in a top-down, directive, go-it-alone way. This may reflect an invisible underlying assumption that staff (or grantees or the community) cannot be trusted to come up with solutions.

CULTURE MATTER?

Interviews and research conducted for this publication reinforced GEO's belief that a productive internal culture aligned with a foundation's mission and goals is essential to support nonprofit resilience and success. In other words, if we are striving to have more impact, we should look not just at our external strategies and theories of change but also at how our organizational behaviors, assumptions and values either support or potentially undermine what we are trying to achieve. Although this level of intentionality, awareness and alignment is often missing, many leaders in both the corporate and nonprofit sectors have identified it as a key to organizational effectiveness.

"There is so much focus in philanthropy on the 'what,'" said Jim Canales, president and trustee of the Barr Foundation. He explained that most foundation staff and trustees are quick to tell you what issues they work on or what geographic areas they cover. Canales continued, "Paying attention to culture means focusing on the 'how.' How do we want to do our work? How can we be as effective as possible, especially when our success depends almost entirely on the work of others? How do we partner and engage with others and still not shy away from the leadership role we want to play?"

Canales' questions are a reminder that organizational culture is transmitted in every interaction and communication inside and outside a foundation's walls. It affects how staff and board members relate to and interact not only with each other but also with nonprofits and external partners. It's embedded in our grant application processes and reporting requirements, the content on our websites and social media feeds, and the design of our meetings and convenings. Whether or not we are intentional about it, our organization's culture has broad ripple effects.

"Culture is built every day in every action you take," said Stacy Van Gorp, executive director of the R.J. McElroy Trust. "It affects how people think about your organization, whether they trust you, and their willingness and eagerness to work with you."

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The power dynamic inherent in philanthropy makes culture an especially important focus for grantmakers. Because foundations have money that others want and need, they often are perceived (and can behave) as all-powerful in relation to nonprofits and communities. This imbalance of power can be either intensified or lessened based on a foundation's culture. For example, if our culture is to make decisions behind closed doors without input from grantees and partners, then we make the power imbalance worse. However, if we truly engage nonprofits and work to build trust with the communities we intend to serve, then we have a culture that helps reduce the power imbalance.

IT'S NOT JUST ABOUT CULTURE

While organizational culture is a key factor in foundation effectiveness, it is also inextricably linked to strategy, operations and talent. "The challenge is how to create a throughline so your values as an organization are lived in every facet of the organization's work," Canales said.

An example of a funder that is paying attention to these connections is the Democracy Fund. Created by eBay founder and philanthropist Pierre Omidyar in 2014, the Democracy Fund describes itself as "a resource for those who want to strengthen our nation's democracy." From the start, the Washington, D.C.–based grantmaker set out to build a staff team with the capacity and commitment for creating strategic impact that reflects its underlying values. Leading this work is the fund's chief people officer, Margaret Yao. "On the talent side, it's easier to use the hiring process to signal our culture and to screen for people of diverse backgrounds who naturally reflect our values and how we want to do our work," Yao said.

These underlying values — collaboration, humility, integrity, learning and impact, which happen to spell CHILI — are important drivers of how the fund seeks to work. With its roots in Silicon Valley, the Democracy Fund has adopted what Yao calls an "entrepreneurial approach" to its work and its learning value. "We need to embrace the complexity of the problems we are facing, which requires that we experiment, learn and iterate," Yao said. This means using strategies like systems thinking and systems mapping to support staff and partners to find their way to solutions. "We are definitely a work in progress, but what we are learning is that culture influences everything you do, and vice versa," Yao said.

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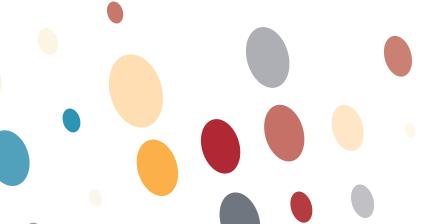> — *Margaret Yao,*
> *Chief People Officer,*
> *Democracy Fund*

MAKING IT INTENTIONAL

The grantmakers interviewed for this publication share a belief not just that culture matters but also that creating a productive foundation culture — one that accelerates impact and supports nonprofits to be successful — is the result of intentionality and constant tending. It is not easy work. Foundations often have built up their current cultures over a period of many years or even decades. As GEO explored in *The Source Codes of Foundation Culture*, our cultures often have deep roots in other fields, from higher education to banking and, more broadly, the private, for-profit sector. Although certain aspects of these cultures can serve grantmakers well — for example, a bank-like focus on fiduciary integrity or a university-like emphasis on intellectual rigor — other aspects do not. Many grantmakers' onerous application and reporting processes mirror the internal processes of banks, for example. In addition, university-inspired cultures can show up in siloed programs and staff teams, together with an overemphasis on analysis and research over action. These institutions are also of the dominant culture, created by and serving the privileged.

Creating a productive foundation culture isn't easy because it requires us to take a deep look at where we have come from and at how our basic, underlying assumptions may be standing in the way of our ability to accelerate impact and support nonprofits to be successful. It means asking tough questions about which aspects of our current culture reflect and reinforce the values and strategies at the heart of our work and which aspects do not. In other words, does our culture support or detract from our ability to do what we want in the world? If it detracts, what do we need to change?

Paying attention to culture also means paying attention to where and how we spend money. If we want to create a more responsive organizational culture, for example, then that will likely have implications for the operating budget in areas from staffing to technology. This might force us to make trade-offs in other areas. The fact is that budgets and spending are an expression of the culture and values we bring to our work.

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> — *Stephanie Andrews,*
> *Talent Development Director,*
> *Bush Foundation*
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"People think culture decisions are only big decisions," said Stephanie Andrews, talent development director with the Bush Foundation. "But every little thing matters, and those little things can either support the culture you want to create or else take you off course."

The alternative to thinking about culture as intentional work is having what Zappos CEO (and noted culture pundit) Tony Hsieh refers to as "culture by default." The key characteristics of a default culture are often shaped by the tenets of the industrial revolution, including top-down control and a fear of rocking the boat. The better approach, according to Hsieh, is to create a "culture by design." As he wrote in his book *Delivering Happiness: A Path to Profits, Passion and Purpose*, "Without conscious and deliberate effort, inertia always wins."

CENTER FOR EFFECTIVE PHILANTHROPY RESEARCH SHOWS EFFECT OF FOUNDATION CULTURES ON GRANTEES

CEP has surveyed staff at nearly 50 foundations over the past decade and found that staff and grantee perceptions of foundations are correlated on key issues related to foundation culture. In a 2016 article in the *Stanford Social Innovation Review*, Kevin Bolduc, vice president of assessment and advisory services at CEP, shared the following examples:[3]

• When foundation staff report high levels of empowerment, grantees perceive greater clarity and consistency from that foundation.

• Foundations whose staff report deep understanding of the fields and communities in which they work tend to have grantees who perceive the foundation to have more impact on their fields and communities.

• When foundation staff strongly believe that their organization learns from past performance, their grantees tend to feel more positive about the quality of their relationships with the foundation and its staff.

[3]   Kevin Bolduc, "The Ripple Effect of Foundation Culture," *Stanford Social Innovation Review*, August 16, 2016. Available at http://ssir.org/articles/entry/the_ripple_effect_of_foundation_culture.

WHAT ARE
OPPORTUNITIES TO SHAPE CULTURE?

Whether or not we are intentional about it, the cultures of our organizations are taking shape and evolving all the time. Like the lily pond in Edgar Schein's analogy, culture is ever changing and fluid. The pond changes with the seasons, with the introduction of new creatures, with a heavy rain or drought, or in response to environmental changes such as pollution or predation. Similarly, in grantmaking organizations, the culture evolves with changes in people (leadership, board, staff), the foundation's assets or operating environment, its programs and strategies, its physical space, or other factors.

These changes present opportunities for foundation leaders and staff, whatever their roles, to bring more intentionality and foresight to the work of shaping and tending culture. Rather than allowing our cultures to stagnate or to evolve entirely on their own, we can, in these moments, work with our colleagues to articulate and nurture the cultures we want.

Selecting the right moments for this work is key. For example, Rick Williams, CEO of the Sobrato Family Foundation, advised against waiting for moments of crisis. "I'd say we should intentionally look for moments to shape and change culture — opportunities for evolutionary changes versus waiting for a burning platform when everyone is struggling to make change. I think we increase our chances of success when it's driven with intentionality versus a reaction to a crisis."

Foundation leaders can play a part not just in identifying opportune moments to work on culture but also in creating and shaping those moments as a way to drive change. In a 2016 article in *The Foundation Review*, Amy Celep, Sara Brenner and Rachel Mosher-Williams of Community Wealth Partners wrote that leaders can build culture intentionally at "natural inflection points." Among their examples are "strategic planning, pivoting the organization's impact or changing one's role, embarking on big-bet projects, participating in collaborative work with grantees, and making major leadership, team and organizational changes."[4]

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[4] Amy Celep, Sara Brenner and Rachel Mosher-Williams, "Internal Culture, External Impact: How a Change-Making Culture Positions Foundations to Achieve Transformational Change," *The Foundation Review* 8, no. 1 (2016).

In interviews for this publication, grantmakers described many inflection points when their organizations seized the opportunity to tend culture. These moments, which include the following, tracked with some of those identified in the *Foundation Review* article.

NEW LEADERSHIP. This was perhaps the most common trigger for "culture work" among the grantmakers GEO interviewed. At the Sobrato Family Foundation, for example, the trustees have embarked on a gradual process to scale up and professionalize the grantmaker's operations. A key step in this process was the hiring of Rick Williams in 2013 as CEO of the Silicon Valley grantmaker. With a long career in philanthropy and management consulting, Williams has been working with the trustees and staff to bring a new strategic focus to the foundation's grantmaking, as well as a new commitment to community engagement.

"We can't do this work sitting in our office," Williams said. "We need to be out in the community, listening to people and partnering in new ways for real change." Other grantmakers where new leaders are helping to drive culture change include the Barr Foundation (page 29), the Bush Foundation (page 33) and the Moses Taylor Foundation (page 45).

EXTERNAL EVENTS. Culture is not created or shaped solely from the inside out. External factors such as changing demographics and technology trends can also impact organizational culture and provide opportunities to cultivate it. Increased attention to inequity across the country, for instance, has led grantmakers to examine their own organizations, people, processes and grantmaking. For The Heinz Endowments in Pittsburgh, the opportunity for a deep look at culture came as the region it serves was undergoing profound economic changes. These changes included the rise of the shale gas industry in western Pennsylvania and Pittsburgh's emergence as a hub for innovation in technology, education, the arts and other fields.

These changes prompted the grantmaker to try to break down the walls between its programs and to adopt a more crosscutting, collaborative organizational culture. According to CEO Grant Oliphant, "In a world where all these different factors are coming together to change our community, we couldn't afford to operate like there was one foundation in the economic development space, and another in the environmental space, and another in education and equity."

Oliphant shared that the grantmaker's latest strategic plan takes five program areas and blends them into three interconnected priorities. "Each of our

CULTURAL MOMENTS

- New leadership
- External events
- Changes in assets
- Launch of a planning process
- Grantee and community feedback
- Anniversaries
- Office moves or redesigns

teams is now cross-disciplinary by definition," Oliphant said. The grantmaker also created a staff team to address the question of how to strengthen nonprofit leadership in the Pittsburgh area so the sector can stay ahead of the changes happening in the economy and local communities. "We believe we are operating in a transformational, time-bound moment and we have a five- to seven-year window to change the direction of Pittsburgh," Oliphant said. This, in turn, has spurred efforts to instill a fresh sense of collaboration and urgency in the culture of The Heinz Endowments, as well as in its organizational strategies and structure.

CHANGES IN ASSETS. When the investments of the R.J. McElroy Trust suffered a serious hit in the 2008 recession, trustees and staff of the Iowa grantmaker took an in-depth look at how to sharpen their strategies, streamline their grantmaking processes and shift to a culture that emphasized innovation. One result: Nonprofits now spend just three hours, on average, to request funds from the trust, down from an average of 10 hours in the recession's immediate aftermath. The foundation also reined in its grantmaking in areas served by other funders, choosing to work more deeply and collaboratively in communities where its work can potentially make a bigger difference.

Quoting one of her trustees, CEO Stacy Van Gorp said the foundation today aspires to be a "congenial disruptor." According to Van Gorp, "We've shifted from wanting to be 'Iowa nice' and trying to make everybody happy to a culture that is focused on identifying those places where we can really have impact."

Of course, an increase in foundation assets (due to a significant gift or bequest or a well-performing investment) can also be an opportune time for paying attention to organizational culture. As a grantmaker considers expanding its staff or programming in response to a jump in assets, staff and trustees can work to ensure that growth happens in a way that reinforces and advances the organization's desired values and behaviors.

LAUNCH OF A PLANNING PROCESS. Strategic planning is a ready-made opportunity for grantmakers not just to review and potentially reshape core strategies but also to take a hard look at the organizational culture that will make those strategies successful. In fact, culture should be a critical focus of any strategic planning process as we weigh how our organizations' core behaviors, processes and practices align with our strategic vision.

> An increase in foundation assets can be an opportune time for paying attention to organizational culture.

When Jim Canales launched a planning process with the trustees of the Barr Foundation shortly after he was hired to lead the organization in 2014, much of the discussion was about culture. "We talked a lot at the time about how to balance the tension between being humble and rigorous in our work, and about wanting to always be curious and wanting to learn and improve," Canales said of those conversations ().

GRANTEE AND COMMUNITY FEEDBACK. Feedback can be a great spark for working on organizational culture. When we hear from grantees, staff or others that our culture isn't really what we want it to be, that can be an opportunity to reflect on where we are falling short and what we can do to improve. But getting honest, candid feedback can be difficult (and countercultural) for foundations, particularly given the power imbalance between philanthropy and nonprofits. This is why many foundations increasingly are turning to anonymous, independently administered surveys to assess how their processes, effectiveness and cultures are perceived and to spotlight issues that they may need to work on. This happened at the Charles and Lynn Schusterman Family Foundation in 2005, when a grantee survey conducted by the Center for Effective Philanthropy turned up less-than-stellar results.

"It was a wake-up call," admitted Lisa Eisen, vice president of the global grantmaker that focuses on youth development and education, including programs to develop leadership and cultural identity among young Jewish people. "That survey showed that we were perceived as too transactional and not sufficiently transparent in our grantmaking processes. People didn't understand our grantmaking processes, and many of them said we weren't respectful in our dealings with grantees."

"Ever since, we have been very intentional about building close partnerships with our grantees and cultivating a strong internal culture to support them," Eisen continued. The foundation grew its global staff, began convening nonprofits for regular retreats as well as learning and networking events, and created a much more transparent and collaborative process for applying for grants, fellowships and other opportunities. It mirrored this commitment internally, investing in staff retreats, professional development and service days to cultivate a culture of mutual respect and teamwork. Subsequent surveys showed that these efforts paid off.

> When we hear from grantees, staff or others that our culture isn't really what we want it to be, that can be an opportunity to reflect on where we are falling short and what we can do to improve.

ANNIVERSARIES. They may be just a date or a year on the calendar, but anniversaries often are a good time for taking stock of what our organizations have achieved, where we want to go next and the kind of culture we need in order to get there. As they looked ahead to the 100th anniversary of the Surdna Foundation in 2017, staff and trustees began discussing how to mark the occasion. Working with a consultant, they developed a plan for special grantmaking initiatives, convening activities, communications efforts and more. Board member Kelly Nowlin said these discussions inevitably turned to culture.

"We want to mark this anniversary in a way that reflects and advances the culture we embrace," Nowlin said. Among the priorities are to avoid self-serving communications about the foundation's achievements and to instead use the anniversary as a time for reflection and sharing lessons from the work that is useful for the field. The foundation is also interested in leading with the work, placing the majority of its centennial resources behind a special grantmaking initiative that serves its mission around building just and sustainable communities in the United States.

"We are hoping this will be an opportunity to really express our values around collaboration, learning and respect for the people we work with," Nowlin said.

OFFICE MOVES OR REDESIGNS. Offices and workspaces have been evolving for decades. Today, the trend is toward more flexible and open work environments; smaller individual offices or workspaces balanced with more collaborative space; and, in some high-tech companies, table tennis, "nap nooks" and other amenities. Where senior leaders and managers used to be holed up in window offices and executive suites, today they are increasingly likely to be in open workspaces or glass-walled offices that aren't a whole lot different from the rest of the team's.

All of this can have a huge and obvious impact on organizational culture. Building a collaborative culture, for example, is likely much harder in a workspace with walled-off, closed-door offices and minimal meeting space. Recognizing this, many grantmakers have used office relocations or redesigns as opportunities to create a physical space that will reflect (and perhaps promote) the kind of culture they want to create. The most prominent example of this among the grantmakers interviewed for this publication is

> " We are hoping this will be an opportunity to really express our values around collaboration, learning and respect for the people we work with.
>
> — *Kelly Nowlin, Trustee, Surdna Foundation*

the Kalamazoo Community Foundation. Previously located on the third floor of an old bank building that the foundation's CEO called a "nine-floor black box," the grantmaker's staff now work in a ground-floor, glass-enclosed conservatory space that is a physical representation of its desired culture of transparency and openness (see page 37).

Other grantmakers are opening up their offices to nonprofits and the community as a way to express their desire to serve as a resource and a hub for collaboration. The Foundation for a Healthy Kentucky Inc., for example, went so far as to build out 5,000 square feet of office space in its Louisville headquarters as a co-working space for nonprofits and others in the community. Called (c)space as a reminder of the focus on 501(c)3 organizations, it includes workstations and private offices that are rented out to "members" at affordable rates and on flexible terms.

"We all know how nonprofits often struggle to find office space that they can afford and where they don't have to lock into long-term leases," said Mary Jo Shircliffe, vice president for operations and administration with the foundation. "This is an effort to provide a flexible, turnkey solution to that challenge." Shircliffe added that recent nonprofit tenants have included the Kentucky Environmental Foundation, Kentucky Voices for Health and The Kentucky CASA Network (which connects programs for court-appointed special advocates assigned to child abuse and neglect cases).

Office space can be an expression of culture in numerous ways. Many grantmakers display physical artifacts — such as imagery representing grantee work or the communities they serve — that speak to their culture and that help others connect to their story and purpose. Still others endeavor to ensure that their office space does not exacerbate the power differential between philanthropy and nonprofits and communities. Stacy Van Gorp of the R.J. McElroy Trust, for example, expressed satisfaction with the "no-frills" feel of her organization's space. "We have a nice office but it is not palatial or anything like that," she said, noting that the chairs in the grantmaker's board room are chairs that a local bank was getting rid of.

WHAT KIND OF CULTURE DO WE WANT?

From the previous examples, it is clear that foundation leaders and staff have taken advantage of different opportunities to intentionally shape and tend culture. It is important to make the most of these inflection points to create change and nurture the cultures we want. How do we know what kind of culture we want? The following pages will explore some of the core attributes of productive culture.

CULTURE: IT'S NOT JUST A TOP-DOWN THING

We may think about culture as something that is tended and shaped by the senior leaders and trustees of our organizations. But an organization's culture is influenced by everyone who is a part of it.

While preparing this publication, GEO reached out to members for examples of how nonsenior staff have independently helped shape culture in a positive way. These examples of "middle-out" or "bottom-up" change show that a productive foundation culture is one in which everyone has a role to play in creating the organization's ethos and core behaviors.

"We have **midday power walks** on average twice a week. Anyone sends out an email/informal invite for anyone that wants to gather in the lobby and head out. We typically walk 15 minutes out and 15 minutes back in. It also aligns with our lunch hour. It is a good way to exercise, build team spirit and share highlights of our week."
— *Alexandra Rojas, Tides*

"Since health science is a common theme among our programs, some of our staff decided to create a forum where we would discuss the big ideas and innovations in the field that would be of interest to all. Four times a year, staff organizers invite the entire staff to a **lunchtime forum** entitled 'Let's Talk: Hot Topics in Science.' Topics have included gene-editing technology, the microbiome and emerging infectious diseases. Attendance has consistently numbered approximately 75–80 percent of the staff, and many staff members express great appreciation for the learning opportunity. It has brought diverse parts of the organization together and, in a small way, has enhanced the sense of shared mission."
— *Dr. Robert A. Cook and Dr. Ben Williams, The Leona M. and Harry B. Helmsley Charitable Trust*

"Junior staff members were vocal about the need for us to be more culturally informed and **social media savvy**. They asserted that reports, policy briefs and memos were important but would not appeal to a larger audience. Now, social media is one of our strongest platforms for sharing our message, and arts and culture has also become a powerful social justice organizing tool, reaching new audiences that we would not have otherwise reached through traditional media outlets or organizing tactics."
— *Nicole Pritchard, The California Endowment*

"Staff members recommended we have rotating, two-minute-long **'get to know you'** conversations for the last 30 minutes of one of our staff meetings (rows of tables were used like for speed-dating). It was such a hit, we've done it twice now, and I imagine it won't be the last time."
— *Sarah Cotton Nelson, Communities Foundation of Texas Inc.*

"Our team is focused on finding moments to show genuine, specific and meaningful appreciation across all levels of our foundation. We utilize the Languages of Appreciation to understand how one another likes to feel valued. Additionally, one of our departments gives small gold **thumbs-up trophies** across the organization as a thank-you gesture to members of the team. They take the time to personally thank the recipient, sharing their gratitude both verbally and with the trophy as a visual token. The idea is for the person who receives it to not keep it for long and to then pay it forward to someone else, continuing the moments of meaningful gratitude."
— *Rebecca Cisek, The Bainum Family Foundation*

"About two years ago, we had a small group of employees from across the foundation approach our HR learning team to explore the possibility of leveraging mindfulness as a way to move our culture in a positive direction. The employees kicked off a drop-in, weekly **meditation session** and successfully advocated for a dedicated 'Reflection Room' space for quiet and meditation. Our facilities team recently added an additional reflection room so that both office buildings now have this space. In addition, HR worked with the employees to launch a successful nine-week Awake at Work mindfulness program, now enrolling its fifth cohort."
— *Charissa Bradstreet, Bill & Melinda Gates Foundation*

WHAT KIND OF
CULTURE DO WE WANT?

While there is no one "right" organizational culture, GEO's interviews and research have lifted up some of the core attributes of foundation culture that grantmakers and nonprofits believe are important for effective philanthropy.

COLLABORATION AND PARTNERSHIP. Many foundations interviewed for this publication cited their desire to build organizational cultures that are "relational" — as opposed to largely transactional. GEO has always believed that working together makes grantmakers and nonprofits more effective. In *Building Collaboration From the Inside Out, Working Better Together* and other resources, GEO has shared the stories and perspectives of foundations that are strengthening their external relationships and working closely with each other and with nonprofits to get better results. Through collaboration, we can tap into new ideas, bring more resources to the table to achieve shared goals and reduce duplication of effort.

Creating an organizational culture that supports collaboration and partnership isn't easy, however. It often means challenging the status quo in philanthropy, where many grantmakers make decisions behind closed doors and where we work to build "branded" programs and initiatives that bring recognition and attention to *our* organization (instead of to the foundation down the street). As the Moses Taylor Foundation in Scranton, Pennsylvania, opened its doors in 2012, it was determined not to operate in this way. Rather than throwing its weight around as a large new grantmaker in the community, it launched a determined effort to reach out to other foundations to explore collaborative approaches to the health challenges in the region .

Similarly, the Sobrato Family Foundation recently held learning sessions in its local community to get outside input as staff were scoping out a new line of work to strengthen career pathways. "It was a new way of doing business for us, and it reflected a desire to move from transactional grantmaking to a culture where we have more intentional engagement and partnership with the community," said CEO Rick Williams. He added that the foundation used input from the learning sessions to draft a theory of change for its career pathways work, which it then took back to the community in an additional round of outreach for testing and refinement.

CORE ATTRIBUTES OF PRODUCTIVE FOUNDATION CULTURE

- Collaboration and partnership
- Diversity, equity and inclusion
- Respect and humility
- Responsiveness
- Transparency and trust
- Curiosity and learning

> ❝
> You need people on your team who can stand in others' shoes and who have experienced difference themselves and can express empathy and sympathy.
>
> *— Sylvia Yee, Former Vice President of Programs, Evelyn & Walter Haas, Jr. Fund*
> ❞

DIVERSITY, EQUITY AND INCLUSION. Race, ethnicity, class, gender, sexuality, ability and other facets of human identity are mainstays of culture for organizations and society. As we focus on culture, it is essential to pay attention to the influence of these factors on the cultures we have and the cultures we want to create. Philanthropy, for example, traditionally has been a white-dominant field. But in a nation that is growing more and more racially and ethnically diverse, and in a society where inequality remains a stubborn and pernicious barrier to opportunity for millions of people, grantmakers increasingly are coming to recognize a need to build organizations and cultures that embrace racial and ethnic diversity. An example is the Bush Foundation, where the portion of staff who are people of color has risen from 14 percent to 50 percent (including staff positions filled by participants in the Ron McKinley Philanthropy Fellowship) in the past several years. The foundation also has embarked on a determined effort to train and support its increasingly diverse staff team to build their cross-cultural competence so they can work more effectively with each other, grantees and communities (see page 33).

Similarly, the Surdna Foundation has made diversity a priority as it set out to bring non-family members to its board of trustees, and the Evelyn & Walter Haas, Jr. Fund, among many other grantmakers, has also worked to diversify its staff. "You need people on your team who can stand in others' shoes and who have experienced difference themselves and can express empathy, respect and diverse perspectives," said Sylvia Yee, the fund's former vice president of programs.

Despite examples like these, Michael McAfee, president of PolicyLink, said philanthropy still has considerable work to do on equity issues. "We tend to romanticize the idea of diverse people coming into our space, but we often don't prepare that space for the energy and the perspectives they bring," he said in a plenary at GEO's 2016 National Conference. Embracing diversity, equity and inclusion, he suggested, is about more than reaching out to underrepresented communities in new ways or building more diverse staff or board teams. It is about building an organizational culture where all people have opportunities to share power, own their contributions to results-based work, and feel valued, needed and acknowledged.

Research increasingly shows that paying attention to diversity, equity and inclusion translates into better performance for people and organizations. For example, a 2014 *Scientific American* article surveyed decades of studies showing that socially diverse groups (based on race, ethnicity, gender and sexual orientation) are more creative and innovative than homogeneous

groups.[5] Recent research by McKinsey & Company shows that companies with more diverse workforces perform better financially. According to an article about the McKinsey research, "We live in a deeply connected and global world. It should come as no surprise that more diverse companies and institutions are achieving better performance."[6]

RESPECT AND HUMILITY. Mitigating the power dynamic inherent in relationships between foundations and nonprofits and communities requires grantmakers to build a culture based on the belief that we don't have all the answers and that we value the expertise and perspectives of those who are closest to the issues we are working on.

Among the grantmakers who are working to build a culture that tries to bridge the power divide between foundations and nonprofits is the Surdna Foundation. Surdna has a historical commitment to humility and even anonymity; its founder, John Emory Andrus, didn't want a lot of attention when he created the foundation, so he used his last name spelled backward for the organization's name. Today, with a new generation of trustees guiding the way, the New York-based grantmaker has set out to train staff and board members to build more trusting, transparent relationships with grantees.

"As a foundation that's interested in social justice, we know we can't operate in a heavy-handed way given the power dynamic between foundations and grantees and between foundations and communities of color. A huge part of this is paying deep attention to the community and identifying and embracing other viewpoints," said Surdna board member Kelly Nowlin.

At the same time that Surdna has embraced humility as core to its culture, it also recognizes that grantmakers cannot (or should not) always hide in the background. "To be effective, you can hold deeply the value of humility, but you also have to be leaders, and you also have to leverage the name of your foundation and the expertise of your staff so you can be a part of the conversation and bring in others," Nowlin said. This is a difficult but important balance for a growing number of grantmakers who want to build cultures in which they have a voice in the issues at the heart of their work, while also showing humility and respect for the voices of others.

> Embracing diversity, equity and inclusion is about building an organizational culture where all people have opportunities to contribute and to feel welcome and heard.

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[5]   Katherine W. Phillips, "How Diversity Makes Us Smarter," *Scientific American*, October 1, 2014. Available at http://www.scientificamerican.com/article/how-diversity-makes-us-smarter/.

[6]   Vivian Hunt, Dennis Layton and Sara Prince, "Why Diversity Matters," McKinsey & Company, January 2015. Available at http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters.

Another grantmaker that is working to make respect and humility a core facet of its culture is the Peery Foundation in Palo Alto, California. The family foundation has embraced what it calls a "grantee-centric" approach to philanthropy. In a 2016 GEO webinar, Executive Director Jessamyn Shams-Lau said the approach centers on always asking how the foundation's practices affect grantees' ability to produce results. "How do we make sure we are only being additive to their achieving outcomes in the fastest and the most efficient way possible?" she said.

Shams-Lau observed that the foundation has taken several key steps to build an internal culture that supports this approach. First, the foundation "hires experience," she said. This means having people on staff who have worked at nonprofits, have been on the receiving end of foundation grants and can offer been-there-done-that insights on how the foundation's processes might affect grantees.

Second, staff members of the Peery Foundation practice empathy. They have group discussions of how to ensure they aren't imposing unnecessarily on grantees' time. "If we are asking for paperwork, we discuss whether that additional work will add real value to the process, and if not, we don't ask for it," Shams-Lau said. She added that she and her staff generally will ask grantees for materials and due diligence that have already been prepared for internal use or for other funders. "This is really about treating grantees with respect and understanding that they are doing vital and important work, usually in more resource-constrained environments than we," she said.

RESPONSIVENESS. By making responsiveness a core facet of their culture, many grantmakers are putting a stake in the ground for the idea that philanthropy is essentially a service business. This means foundations are in service to nonprofits and communities and to the issues and priorities we work on.

The Evelyn & Walter Haas, Jr. Fund has established customer service guidelines for how long it should take staff to return a phone call or an email from a current or prospective grantee. The San Francisco-based grantmaker also tracks how long it takes to respond to proposals as part of its customer service goals, and the staff talk about what a "good response" looks like — whether or not they are approving a grant. "When a proposal isn't the right fit for us, we pay attention to how we communicate that," Sylvia Yee explained. "We want people to know that we read what they send to us and that we value their work. And we don't want people waiting around for weeks on end wondering whether or not we are going to give them a grant."

> By making responsiveness a core facet of their culture, many grantmakers are putting a stake in the ground for the idea that philanthropy is essentially a service business.

A 2013 report by the Center for Effective Philanthropy looked at some of the key factors in whether grantees have a positive or negative perception of their funders. Two of the most pronounced of these factors were the degree to which program staff are in touch with grantees and who initiates contact. "Program officers who initiate contact with grantees as frequently as grantees initiate contact with them, or reach out to grantees more than grantees reach out to them, tend to have stronger relationships," according to an article about the research.[7] This finding suggests that a culture that supports and incentivizes staff to be in more regular contact with nonprofits will lead to better grantmaker-grantee relationships.

To create a more responsive foundation culture, many grantmakers we interviewed commission regular (mostly anonymous) grantee surveys so they can know where they stand with grantees and where they need to improve. Many of these grantmakers also do staff surveys. An example is the Kalamazoo Community Foundation, which is using surveys and other means to create a "culture of feedback" across the organization (see page 37).

TRANSPARENCY AND TRUST. Grantmakers increasingly are coming to understand the importance of operating in a transparent manner. By communicating more openly about everything from their application guidelines and procedures to their assets and even the pay of senior staff, many foundations are finding they can build trust with nonprofits and other partners. Glasspockets, a Foundation Center initiative, has cataloged 25 grantmaker practices that show transparency and accountability, from having a searchable grants database to publishing audited financial statements.[8] The Barr Foundation, for example, recently made a shift from operating in a largely anonymous way to using its website and social media to keep grantees and others more informed about its priorities and its work (see page 29). Next up for Barr is moving from what President and trustee Jim Canales calls "Communications 1.0" — which is characterized primarily by one-way information transmission from the foundation — to "Communications 2.0," where there is more two-way exchange between the foundation and its stakeholders.

While working toward her doctorate in policy, planning and leadership studies, Stacy Van Gorp, executive director of the R.J. McElroy Trust, studied the components of organizational culture that accelerate innovation. Her key finding was that the most powerful predictor of an organization's ability to overcome resistance to change was trust.

> A culture that supports and incentivizes staff to be in more regular contact with nonprofits will lead to better grantmaker-grantee relationships.

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[7]   Ethan McCoy, "Four Steps to Building Strong Relationships with Grantees," Center for Effective Philanthropy, April 28, 2015.

[8]   For more information, see http://glasspockets.org.

"If you trust that you will be treated fairly in an organization, you are going to be more willing to share new ideas," she said. It is also likely, she added, that you will be more willing to share your frustrations and your failures so you can work with colleagues and grantees to overcome them.

Building trust among staff was a priority for Bush Foundation CEO Jennifer Ford Reedy from the start of her tenure in 2012. For example, instead of leaving the staff wondering what was happening behind closed doors in the management team's regular meetings, Reedy started sending all-staff emails to share what was discussed in the meetings. "That really opened things up so people didn't feel there were big decisions being made without their input," said Stephanie Andrews, the grantmaker's talent development director.

CURIOSITY AND LEARNING. The private sector has long embraced the importance of creating "learning organizations" that continuously refine and sharpen their strategies and products based on knowledge of their end markets and customers. Foundations, too, regularly talk about the importance of reflection and learning. But talking about it is one thing; actually adopting the day-to-day behaviors and processes that enable and facilitate learning for improvement takes time and effort.

Creating a culture of learning means creating systems that allow and support board members, staff and grantees to use data to assess their performance — and to consider how to always do better. It also means embracing failure as an opportunity to learn — and change course. Grantmakers interviewed for this publication regularly talked about how they are working to create a culture where grantees feel comfortable sharing their challenges and where staff talk to colleagues, board members and grantees not just about the foundation's successes but also about what they can learn from its failures.

GEO's *Smarter Grantmaking Playbook* includes case studies of several grantmakers that have embraced learning as a core practice. For example, program staff at The Colorado Health Foundation work with the grantmaker's evaluation team to create measurement and learning plans to help guide their thinking at major decision points for the programs. The plans identify what they want to know at those decision points and how they will generate that knowledge.[9]

> Creating a culture of learning means creating systems that allow and support board members, staff and grantees to use data to assess their performance — and to consider how to always do better.

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[9] Grantmakers for Effective Organizations, "Who is having success with learning? The Colorado Health Foundation Member Story," 2014. Available at http://docs.geofunders.org/?filename=colorado_health_learning.pdf.

CHOOSING THE KIND OF CULTURE WE WANT

Grantmakers with cultures that reflect and adhere to the beliefs, values and behaviors explored above will be more successful in adopting the practices that are most critical to supporting nonprofit success. Many of these cultural attributes reinforce each other. Collaborative cultures, for example, nurture more transparency and trust, just as cultures founded on respect and humility can create more fertile conditions for a responsive approach to grantmaking. However, every grantmaker will need to decide for itself what kind of organizational culture — or what cultural attributes — will best support it to get to the outcomes it wants to achieve. Next comes the critical task of translating our vision for the culture we want into actual behaviors and practices. In other words, it's not enough to develop a values statement or to identify three or four cultural attributes that we want to define us; we need to back that up with real action to create a culture that will make our organization and our grantees more successful.

THERE ARE MANY MOMENTS —
LARGE AND SMALL — IN THE LIVES
OF OUR FOUNDATIONS WHEN WE
HAVE OPPORTUNITIES TO PAY MORE
ATTENTION TO ORGANIZATIONAL
CULTURE.

SHAPING CULTURE

The following pages share the stories of five grantmakers GEO talked with about recent "cultural moments" for their organizations.

With a new leader, Boston's **BARR FOUNDATION** is shifting from a largely anonymous approach to leading on issues and catalyzing solutions.

The **BUSH FOUNDATION** in Minnesota embraces a new set of core values, with a focus on equity and diversity and a commitment to including new faces and perspectives on staff.

Moving to and redesigning a new office becomes an opportunity for deep reflection on the culture of the **KALAMAZOO COMMUNITY FOUNDATION**.

A new grantmaking initiative drives the **LEVI STRAUSS FOUNDATION** in San Francisco to reassess its core practices and culture, with an emphasis on community engagement, learning and storytelling.

Created in 2012, the **MOSES TAYLOR FOUNDATION** in northeastern Pennsylvania strives to set the culture and tone for its work through a deliberate focus on collaboration and community engagement.

BARR FOUNDATION

WITH A NEW LEADER, BOSTON'S BARR FOUNDATION IS SHIFTING FROM A LARGELY ANONYMOUS GRANTMAKER TO ONE THAT WANTS TO LEAD PUBLICLY ON ISSUES AND ACT AS A CATALYST FOR SOLUTIONS.

ABOUT THE GRANTMAKER

The Barr Foundation is one of the largest private foundations in New England. With programs centered on the arts, climate change and education, it focuses on local and regional investments, with selected national work.

TYPE OF FUNDER
Private foundation

FOUNDED
1999

TOTAL ASSETS
$1.6B

FOCUS AREAS
Arts and creativity, climate, education

ANNUAL GIVING
$70M

NUMBER OF STAFF
23

WEBSITE
barrfoundation.org

NUMBER OF TRUSTEES
3

When Jim Canales was considered for the top leadership position with the Barr Foundation in 2013, he did what any prospective leader would do: He went to the website of the organization to try to find out more. But what he found wasn't particularly helpful.

At the time, Canales said, the Barr Foundation's website listed the "bare minimum of information. There was even no mention of who the trustees were and just the basics about the foundation and its work," Canales recalled.

The information (or lack thereof) on the foundation's website was representative of the grantmaker's broader approach and organizational culture. Created in the 1990s, the foundation had been largely anonymous — and intentionally so. The founding trustees, Barbara and Amos Hostetter, placed a premium on humility and wanted the foundation's work to speak for itself. Canales, who ultimately was hired as the foundation's first president in 2014, said the grantmaker's operating philosophy was to be "quietly effective." A recent *Boston Magazine* article on the foundation began like this: "Although the Barr Foundation has given out more than $710 million since 1999, chances are you've never heard of it."

In 2010, however, the foundation made a highly visible departure from its typical behind-the-scenes approach, attracting headlines with a five-year, $50 million commitment to make Boston and Massachusetts leaders in responding to climate change. It was the most high-profile action the grantmaker had ever taken, and it started Barr on a path to exploring what it meant to step into a more public role on the issues at the heart of its work. That path ultimately led the trustees to hiring Canales, who, for a decade as president and CEO of The James Irvine Foundation, had helped build that grantmaker's reputation as a partner, leader and respected public voice on key issues facing California.

Today, the Barr Foundation has a dynamic website that captures its mission, values, program strategies and more, along with biographies of the trustees and staff. There is also a regularly updated blog where staff and guest authors comment on timely issues in the foundation's work. The foundation posts its Form 990 on the site, showing the salaries of its highest-paid staff members. It also is a participant in and funder of Glasspockets, the Foundation Center initiative that supports grantmakers to demonstrate their commitment to transparency in their work.

CULTURE CHALLENGE: CULTURE LINGERS

Jim Canales' experience in the top job at The James Irvine Foundation (prior to joining the Barr Foundation) provided a lot of food for thought about what works — and what doesn't — to help create a productive foundation culture. In the "what doesn't work" category, he said leaders need to be careful about the tone they set for an organization from day one in the job.

Case in point: As a young foundation president (he started at Irvine when he was 36), Canales entered the job with a determination to put his stamp on everything. "I felt a lot of pressure to be as effective as possible, and I was reading every document and line editing everything," he said. Over the years, Canales built more trust with his staff, but he learned the key lesson that his early efforts to be so engaged had the negative effect of disempowering his staff and cementing an image as a perfectionist.

"It takes time and hard work to change how people think of you," Canales said. He noted that the better approach for a leader is to think early and often about how his or her day-to-day practices and behaviors can help or hinder the work of building a productive culture.

"The whole idea is to recognize that we need to be open because doing so builds trust and credibility as well as fosters the kind of partnership we seek," Canales said.

CONNECTING THE DOTS

The redesign of the website is emblematic of a broader shift in the culture at Barr toward more transparency, more clarity vis-à-vis the foundation's mission and strategies, and a focus on strengthening internal and external communications in service of its broader goals. These shifts had been germinating for a few years, particularly with the announcement of the climate initiative, but it took the hiring of Canales to help them blossom. "I was hired here with the understanding that the trustees wanted me to help them take the next step and have the foundation embrace more of a leadership role in the community," Canales said.

Instead of jumping right into the work of culture change, however, Canales spent his first six to eight months on the job assessing its current culture and approach and engaging in deep discussions with the trustees and staff about the opportunities and possibilities for change. "We really spent a lot of time together so I could understand their hopes and aspirations for this organization and its role," Canales said.

Canales' conversations with trustees also helped shape a set of six core values that are listed on the website and that are now a touchstone for the board and staff in their work: strive for excellence, invest in leaders, act with humility and modesty, adopt a long-term perspective, embrace risk and demonstrate curiosity.

The result of these conversations was a newly framed mission and strategic focus for the grantmaker — "to invest in human, natural and creative potential, serving as thoughtful stewards and catalysts." This, in turn, led to a planning process to refine and focus the strategies for each of the foundation's three program strategies: arts and creativity, climate and education. To put its new outward-facing role into practice, the staff of

each program area assembled outside advisory groups of grantees and others to inform the planning process and to serve as sounding boards for the foundation's hypotheses and strategies.

PUTTING CHANGES INTO PRACTICE

Canales has been in his role for only two years, but already the foundation has taken some important steps toward putting these values into practice. One important change can be seen in how the grantmaker runs its board meetings. As at many other foundations, board meetings at Barr had traditionally revolved around what Canales calls "pageantry." "It was about the staff rehearsing their presentations seven or eight times and telling a glossy story about the work," he said.

Today, however, Barr's board meetings feature fewer presentations and more opportunities to engage the trustees in open, unscripted conversations about the work, often in smaller group discussions that foster more exchange. It's one seemingly small shift in what Canales calls an "ongoing process" of engaging in the hard work of culture change.

Perhaps the most visible manifestation of culture change at Barr is its expanded office space. The grantmaker had been outgrowing its longtime offices in Boston's historic Pilot House building for a number of years when the opportunity came to expand into an adjoining building. The design of the expanded space allowed Barr to create an environment that reflected its commitment to openness, transparency and community engagement. There are glass walls throughout, and the space includes ample conference facilities that are open for grantee meetings and events, as well as other convenings.

Canales said one of the key considerations in the design of the space was the "guest experience." He explained, "The focus was on making this a welcoming and inviting place and mitigating people's concerns about this organization being somehow mysterious or aloof."

LEARNING NOTES

PRIORITIZE DISCUSSIONS ABOUT VALUES:

Barr Foundation's new president spent the first several months on the job working with the trustees and staff to capture and articulate Barr's values and the culture it wanted to create.

>> *How can you initiate and sustain the deep conversations that will help your organization stay focused on the culture you want?*

LINK CULTURE AND STRATEGIC PLANNING:

Barr engaged in a strategic planning process that reflected its newly sharpened values, culture and overall approach. For example, its fresh commitment to transparency and engagement showed up in the grantmaker's convening of outside advisory groups to help shape its strategies.

>> *To what extent do your planning processes — and ultimately your core strategies — reflect your desired culture?*

USE COMMUNICATIONS TOOLS TO CONVEY CULTURE:

The Barr Foundation revamped its website as a critical step in conveying openness, transparency and leadership.

>> *What do the design and content of your website, social media streams, reports and other communications channels say about your culture and what you aspire to as an organization?*

>> CULTURAL MOMENT

BUSH FOUNDATION

REGIONAL GRANTMAKER EMBRACES A NEW SET OF CORE OPERATING VALUES, WITH A SHARPENED FOCUS ON DIVERSITY AND EQUITY AND A COMMITMENT TO CHANGING WHO DOES THE WORK AND HOW THEY DO IT.

ABOUT THE GRANTMAKER

Established by 3M executive Archibald Bush and his wife, Edyth, the Bush Foundation "invests in great ideas and the people who power them in Minnesota, North Dakota, South Dakota and the 23 Native nations that share the same geography."

TYPE OF FUNDER
Private foundation

FOCUS AREAS
Leadership, community problem-solving, network building, community creativity, education, Native nation building and social business ventures

WEBSITE
bushfoundation.org

FOUNDED
1953

TOTAL ASSETS
$904M

ANNUAL GIVING
$42M

NUMBER OF STAFF
40

NUMBER OF TRUSTEES
13

Everybody matters. This idea is one of five operating values adopted at the Bush Foundation following the arrival of a new president in 2012. The Minnesota-based grantmaker had operated since 1953 with a broad commitment to the instructions of its founders, Archibald and Edyth Bush: "Do the most possible good." But as the communities it served grew more racially and ethnically diverse and as problems related to discrimination and inequity became clearer and more pronounced, the grantmaker recognized it needed to shift its culture and approach.

"We weren't looking like the communities we want to serve — either how they are today or how they will be in the future. We realized we needed to change from the inside out," said Stephanie Andrews, talent development director with the foundation. With a staff that was 85 percent white, it was time not just to build a more diverse team but also to put the "Everybody Matters" value into practice by making an organizationwide commitment to diversity, equity and inclusion, and building new skills and practices.

Today, of the Bush Foundation's 40-plus-member staff, roughly half are white and half are people of color. Equally important, the grantmaker is supporting its increasingly diverse staff to work more effectively across lines of race and ethnicity. The Bush Foundation hired a consultant to provide training and coaching to the staff based on the Intercultural Development Inventory,[10] which supports organizations and teams to gauge and strengthen their intercultural competence.

For roughly a year and a half, staff held regular half-day sessions about identity, conflict styles and other topics, and everyone received individualized coaching based on their IDI assessments. Next, groups of staff members embarked on "action projects" to embed core principles of diversity, equity and inclusion into the foundation's work. One group developed a revised bereavement policy for the grantmaker to reflect different cultural practices and beliefs, while another took a closer look at the foundation's holiday schedule. Now, staff are working on a foundationwide framework on diversity, equity and inclusion that will guide their work and provide a process for building an equity lens into all that they do.

CULTURE CHALLENGE: COMMUNICATING ABOUT CHANGE

As the Bush Foundation started down the path to clarifying its values and shifting its culture, they also made changes in their grantmaking strategy. Grantees and other partners expressed uncertainty and concern about how these changes might impact them. People weren't sure what the changes meant vis-à-vis the foundation's support for current grantees and priorities. But over time, the foundation began to explain what it was doing more clearly — emphasizing, for example, that it remained committed to many of its long-standing priorities but was exploring new ways to achieve them.

"Communicating with grantees is something we could always do better," said Stephanie Andrews, talent development director with the foundation. "Sometimes culture change looks like a change in direction, and that can be confusing and disrupting for people."

A GRANTEE'S PERSPECTIVE

Jamie Millard is the executive director of Pollen, which was founded to strengthen connections among people and organizations working for change in Minnesota, North Dakota and South Dakota. She said the Bush Foundation saw potential in her organization at a time when others did not.

"They offered us a three-year, unrestricted startup investment to operationalize everything we needed to do," she said, noting that she and her business partner had never written a grant proposal. "Not a lot of foundations do that kind of philanthropy around here."

To Millard, the Bush Foundation's support was emblematic of the grantmaker's broader culture of trust and risk taking. "They are very possibility focused," she commented. "They are intentional about seeing the potential in people and organizations and helping others be their absolute best." She said she views her lead contact at the foundation, Communications Director Dominick Washington, as a "close mentor and ally."

Millard also said she appreciates the Bush Foundation's attention to the "bigger-picture issues" facing the nonprofit sector and the communities where it invests. She said the foundation's bushCONNECT convening has become a signature networking event for nonprofits in the area.

Last but not least, the Bush Foundation's emphasis on diversity is "an important statement," Millard said. "It is easy for a foundation to say it is committed to diversity, but the Bush Foundation has been incredibly intentional about having its staff reflect that value," she said.

"It's really been a process of trying to give everyone a foundation of understanding and awareness, and then driving to real action," Andrews said.

The focus on diversity was sparked by the arrival at the foundation of Jennifer Ford Reedy. A former McKinsey & Company consultant and chief of staff at Minnesota Philanthropy Partners, Reedy believes deeply in the connection between diversity and effectiveness for foundations and other organizations. "It's pretty basic, but it's something that too many organizations forget: Having a diversity of views to feed into your perspective and to make sure you are getting the best and most complete picture of what's happening in the community is critically important," she said.

The Bush Foundation didn't stop at diversifying its own staff and strengthening its cultural competence; it also has invested in creating new pathways to careers in philanthropy for people of color. In partnership with the Minnesota Council on Foundations, it created a new fellowship to prepare people from communities that are underrepresented in the field. Launched in 2013, the Ron McKinley Philanthropy Fellowship places participants in three-year, full-time staff positions with private, corporate, community and family foundations, while providing a range of professional development and networking opportunities. The 2016 cohort of fellows at the Bush Foundation includes six individuals and the program has spread to seven other grantmaking organizations in Minnesota.

BRINGING VALUES TO LIFE

Although operationalizing the "Everybody Matters" value has been a major focus for the Bush Foundation, there has also been dedicated work on the other four values (see sidebar on page 36). In once-a-year retreats, staff members role-play what it means to live and work by the different values. Job descriptions list the values, and in their yearly evaluations, employees reflect on how they are (or are not) living up to those values. There is even a reserved parking space for a staff member who best exemplifies one or more of the values.

"It would be weird to focus so much on the values if they weren't aligned with how we want to show up in our communities every day," Andrews said. "This is who we want to be as an organization, and we want to inspire everyone to live by them."

LEARNING NOTES

EMBRACE DIVERSITY:

Building a more diverse staff team and supporting them to work well together has been a core focus for culture change at the Bush Foundation.

>> *Think about the staff at your organization. How does it reflect the culture you want to create, and do you need to make any changes?*

SUPPORT STAFF DEVELOPMENT:

Every foundation may not need a director of talent development, but the Bush Foundation's work is a reminder of the importance of prioritizing staff development to advance the culture you want.

>> *How do you support staff to learn and grow in their jobs and careers and to develop skills and behaviors that reflect and advance a productive culture?*

LIVE YOUR VALUES:

The staff and trustees of the Bush Foundation spent more than a year refining and clarifying the foundation's five operating values. Those values are the basis of the foundation's culture and are part and parcel of everything from job descriptions to staff reward systems.

>> *Does your foundation have a clearly articulated set of values? If so, how can you make sure they are values that guide your people in their day-to-day work?*

A GRANTMAKER'S OPERATING VALUES

In 2013, the Bush Foundation adopted the following five operating values to guide its work.

SPREAD OPTIMISM. We encourage individuals and organizations to think bigger and think differently about what is possible. We are positive and supportive in our internal and external interactions.

WORK BEYOND OURSELVES. We actively seek opportunities to work in true collaboration with others to have more impact. We are willing to both lead and follow. We candidly share what we learn with others.

EVERYBODY MATTERS. We are a champion for both excellence and equity inside and out of the foundation. We have fair, open and inclusive processes. We work to raise overall quality of life, while also closing opportunity and achievement gaps.

STEWARD WELL. We demonstrate appreciation for the foundation's history and thoughtfully build on its legacy. We hold ourselves to high standards of integrity and accountability and conduct ourselves in a way we hope would make our founders proud.

MORE GOOD EVERY YEAR. We are a true learning organization and work to be smarter and more effective every year. We never lose sight of the reason we exist: to do the most possible good with the resources left to the community by Archibald G. Bush.

KALAMAZOO COMMUNITY FOUNDATION

A NEW OFFICE SPACE PAYS DIVIDENDS BY FACILITATING COLLABORATION AND SUPPORTING A CULTURE OF OPEN COMMUNICATION AND FEEDBACK.

ABOUT THE GRANTMAKER

The vision of Kalamazoo Community Foundation in Michigan is "a community where every person can reach full potential." As one of the nation's oldest community foundations, it focuses its grantmaking on equity and education.

TYPE OF FUNDER
Community foundation

FOUNDED
1925

TOTAL ASSETS
$426M

FOCUS AREAS
Equity, education

ANNUAL GIVING
$15.4M

NUMBER OF STAFF
33

WEBSITE
kalfound.org

NUMBER OF TRUSTEES
7

For more than 40 years, the Kalamazoo Community Foundation had its offices in a local bank building. The foundation's president, Carrie Pickett-Erway, called it a "nine-floor black box." There was no exterior signage to indicate that this was the home of the foundation. "People couldn't find us if they didn't know," Pickett-Erway said. She added that the third-floor offices were not very accessible, and the layout was traditional and "bank-like."

Shortly after Pickett-Erway took the foundation's top job in 2012, it was gifted a building that had been the home of another local grantmaker. The former Arcus Foundation offices were located in a downtown train depot. Pickett-Erway said she and the trustees and staff of the foundation saw the move to the new space as "a crystallizing moment" for the grantmaker. It was an opportunity to create a space that truly reflected the aspirations and culture of the foundation.

Approach the foundation's offices today and you are greeted by signage and a row of large banners announcing the organization's tagline, "Love where you live." A ground-level, glass-enclosed conservatory space allows an outside-in view of the foundation staff at work. Inside, the offices are designed in an airy, open workspace environment where the grantmaker's 30-plus staff members are grouped in "neighborhoods" that mix people from different functional areas.

Individual offices and workstations are smaller than they were in the former bank building — this was intentionally done so that the foundation could create more space for public areas and meeting rooms. To reinforce the point that this is a welcoming organization that is part of the local community, the foundation makes its 12 meeting rooms available to local nonprofits and others.

CULTURE CHALLENGE: KEEPING CULTURE IN FOCUS

As the Kalamazoo Community Foundation was preparing to move to its new office space, it employed the ADKAR change management model[11] in an effort to ensure that all employees could be successful in the new working environment. Carrie Pickett-Erway, the foundation's president, personally met with every staff member to explain the reasons behind the office design and to try to address any concerns people had. "We did a lot of work up front so that resistance to the change was really nonexistent," she said.

Recently, however, the foundation has had to reshuffle the office layout to make room for more workstations for its growing staff. Pickett-Erway said she did not approach these changes with the same level of forethought and engagement as she had the original move and office design — and it showed. As some of the cross-functional "neighborhoods" throughout the office became more crowded, people started to complain that it was affecting their work. "The truth is, we cut corners when it came to explaining what was happening and allowing people to air their concerns," Pickett-Erway said.

The staff has now settled into its newly reshuffled space, but the lesson from this experience was clear. Living up to the values you express as an organization is difficult, nonstop work. Change requires constant communication and checking in with staff, grantees and others about how it's going, whether the shifts that are happening are meeting people's expectations, and how to refine and improve. "Culture is a constant dance," Pickett-Erway said.

11 ADKAR focuses on five milestones an individual must achieve for change to be successful: awareness, desire, knowledge, ability and reinforcement. For more information, see https://www.prosci.com/adkar/adkar-model.

A GRANTEE'S PERSPECTIVE

In the early 2000s, Sam Lealofi was a program officer with the Kalamazoo Community Foundation. Now, as executive director of the Kalamazoo Center for Youth and Community, she is a grantee.

From her unique vantage point as a grantee and former staffer, Lealofi said she has seen a marked shift in the culture of the community foundation in recent years. "First, the staff today is much more representative of the community," she said. "It used to be a largely white, baby boomer culture, but now it is much more diverse."

Lealofi also said the grantmaker is significantly more transparent in its communications and outreach to grantees and the community. "There is a very high level of two-way communication," she said. Lealofi added that she appreciates that the foundation has adopted a clearer voice on urgent issues. "When I was there, there was never a stance. It was a much more conservative and reserved organization. But now it is on record wanting to change systems and outcomes in the community."

One of the recent changes that Lealofi appreciates most about the foundation's work is the Results and Learning forums it convenes for grantees every six months. Instead of asking nonprofits to submit written reports, the foundation brings different groups together with a cross-section of the foundation staff to discuss what's working, what isn't, and what challenges and opportunities they are seeing in their work. With up to 10 grantees at a table, the sessions are a great opportunity for shared learning and for networking with others in the community who are doing similar work.

Overall, Lealofi said the Kalamazoo Community Foundation has evolved to become a "true partner" in the work she does. "I feel like I have an ally standing shoulder to shoulder with me and working with me to change outcomes for people in this community," she said.

CONNECTING SPACE AND CULTURE

The Kalamazoo Community Foundation invested $1.2 million in the design and build-out of its new office space. Pickett-Erway said she was surprised at the degree to which the foundation's conversations with architects, interior designers and office equipment vendors compelled her and her colleagues to weigh the kind of organizational culture they wanted to nurture. "You get in these conversations, and you really begin to wrestle with how you want people to think about the foundation, how you want staff to work together and how you want to open yourself up to others as a partner," she said.

The foundation moved into its new office space in 2014. Pickett-Erway said one of the key changes she has seen resulting from the move is a much stronger sense of engagement and partnership with the local community. "On any day now, you can see five to seven nonprofit agencies or donors or other community partners working in our building," Pickett-Erway said. "This new office increases the perception and the reality that this is an accessible organization," she added.

Pickett-Erway also said that the open design has helped break down siloes among staff members. "Collaborative conversations are so much easier now," she said. "This space creates a shared sense of mission and an understanding that we are all in this together, whether we are in donor relations, community investment, finance or HR."

CREATING A "CULTURE OF FEEDBACK"

The Kalamazoo Community Foundation's commitment to transparency and accessibility is not just evident in the design of its physical space. It also shows up in the day-to-day behaviors and practices of its people.

Since the start of her tenure as president, Pickett-Erway has been intentional about trying to create a "culture of feedback." As a longtime member of the staff (Pickett-Erway began working with the foundation as an intern in the late 1990s and rose through the grantmaking ranks to vice president), she also set out to move from a hierarchical organization to one driven by shared decision-making, accessibility and transparency. She said her office door is always open.

"Everyone on the staff knew me because I had worked here for 15 years, so I think people feel comfortable poking their head in my office when they have ideas or when something's up," Pickett-Erway said. In the past, to make it crystal clear that she wants this kind of feedback and openness, Pickett-Erway kept a jar of marbles on her desk; staff took a marble whenever they gave her feedback. When the jar was empty, the staff member with the most marbles got a prize.

The desire for feedback also shows up in the grantmaker's ongoing commitment to surveying staff, grantees and donors. "We survey the heck out of people," Pickett-Erway said, adding that the surveys provide a steady source of data about how things are going and where the foundation can improve. "We know we are better when we get feedback from as many people as possible," she said.

LEARNING NOTES

EXPLORE HOW PHYSICAL SPACE REFLECTS CULTURE:

It's not necessary to move offices or do a wholesale redesign like the Kalamazoo Community Foundation did. But it is important to think about changes you can make that drive a productive culture.

>> *What does your office look like to visitors and the community, and how do the space and the design affect how staff work together?*

BE THOUGHTFUL ABOUT MANAGING CHANGE:

The Kalamazoo Community Foundation did a lot of hard work preparing people for its office move and getting everyone on the same page when it came to culture change.

>> *What more can you do to engage staff, board and grantees — both individually and collectively — so they are part of the process and so you know their concerns vis-à-vis any changes you are making?*

MAKE A COMMITMENT TO SEEKING FEEDBACK:

The Kalamazoo Community Foundation regularly asks for feedback from staff, grantees and the community about how it's doing and whether it's living up to its values.

>> *What more can you do to make sure you have your ear to the ground and are making progress toward the culture you want to create?*

LEVI STRAUSS FOUNDATION

A NEW GRANTMAKING INITIATIVE DRIVES A CORPORATE FOUNDATION TO REASSESS ITS CORE PRACTICES AND CULTURE, WITH AN EMPHASIS ON COMMUNITY ENGAGEMENT, LEARNING AND STORYTELLING.

ABOUT THE GRANTMAKER

The Levi Strauss Foundation, based in San Francisco, is the corporate foundation of Levi Strauss & Co. The foundation's mission is to advance the human rights and well-being of underserved people touched by the company's business.

TYPE OF FUNDER	FOUNDED	TOTAL ASSETS
Corporate foundation	1952	$62M

FOCUS AREAS	ANNUAL GIVING	NUMBER OF STAFF
Human rights, social justice	$7.5M	6

WEBSITE	NUMBER OF TRUSTEES
levistrauss.com/levi-strauss-foundation	11

When Daniel Lee was promoted to executive director of the Levi Strauss Foundation in 2008, board chair and former Levi Strauss & Co. CEO Robert Haas shared his views of the grantmaker's unique mission and culture. Haas suggested to Lee that the foundation was similar to its corporate sponsor in that it had a defining product. But instead of blue jeans, Haas said, the foundation's product is change. "He also told me change comes from the margins, so I shouldn't get too comfortable in the mainstream," Lee recalled.

Haas and the other trustees also encouraged Lee to take a fresh look at how the grantmaker could make a difference as a driver of positive social change, particularly in its hometown of San Francisco. After a year of reaching out to the community and working with staff to explore opportunities, the foundation launched what Lee now calls its "signature initiative." It is called Pioneers in Justice, and the effort has opened up a new chapter in the foundation's history and the evolution of its culture.

BLAZING A NEW TRAIL

The Levi Strauss Foundation focuses on identifying emerging social justice issues and supporting promising solutions. Over the past three decades, the grantmaker established a reputation as a leading funder of human rights, HIV/AIDS, worker rights and other progressive causes.

The Pioneers in Justice initiative marks a continuation of the foundation's approach to philanthropy — but it also marks an important shift in strategy and tactics. Through the initiative, the foundation is supporting social justice leaders in the Bay Area to build their leadership skills, grow their networks and alliances, and initiate projects to make their organizations and movements more effective. The first class of Pioneers, launched in 2010, worked with five leaders of bedrock civil rights organizations, broadly focused on legal and policy advocacy. The newest class, Pioneers 2020, started last year and supports seven grassroots and movement leaders working directly with their constituents to create systemic change on the important issues of the day.

"We want to fund the rabble rousers," Lee said. This has meant shifting from a more traditional approach of supporting organizations and initiatives that reflect the foundation's priorities to investing in a cadre of people so they can develop their capacity — both individually and collectively — to work for change.

CULTURE CHALLENGE: "DEMOCRATIZING INNOVATION"

Executive Director Daniel Lee acknowledges that he has been the primary driver of culture change at the Levi Strauss Foundation, with strong encouragement from the board. Yet this role can create challenges for the simple reason that Lee has an array of competing responsibilities and cannot always make culture a priority.

"How to democratize innovation is something I still haven't figured out," he acknowledged. As the go-between from the board to the staff and back again, he feels he continually has to navigate expectations on both sides. "Like any other organization, there are still guardrails around our strategies and how we can do things, and so I am in constant conversations with the staff about how far we can go and how fast."

REACHING OUT TO THE COMMUNITY

Along with this shift in approach has come a parallel shift in culture. The process the foundation used to shape Pioneers in Justice was the first manifestation of this cultural evolution. After the board charged them with exploring new opportunities for hometown work in San Francisco, the staff reached out to grantees and others in the community to get a better sense of the opportunities and challenges facing local social justice organizations. Lee said this was the first time in decades that the foundation had actively and systematically reached out for grantee input on its strategic priorities and programs.

One common refrain in these community conversations was that the social justice field is facing a generational shift as baby boomers begin to retire and the next generation takes their place. Through its outreach in the community, the foundation discovered that young executive directors needed to develop their leadership voice and skills at a time when many funders continue to focus on programs rather than on capacity building or leadership development. These leaders also needed to find camaraderie, fellowship and support with colleagues in what can be a very lonely job.

Responding to these challenges and opportunities required the Levi Strauss Foundation to think differently about its role as a grantmaker. As Lee put it, the foundation needed to "expand the toolkit." He said it had to begin acting as a "convener, relationship broker, constituency builder, listener and knowledge disseminator" while it also continued its more traditional grantmaking work.

To help create and institutionalize a culture that supports these "more-than-grantmaking" roles, Lee said he has worked to build a staff that reflects the diversity of the organizations and movements the foundation supports. Instead of making hiring decisions based exclusively on whether someone has worked in philanthropy, he wants people with deep experience in social justice work. At the same time, he doesn't necessarily want "experts"; rather, he looks for people with an appetite for experimentation and learning. "We are all generalists here," Lee said.

PRIORITIZING LEARNING AND FRAMING

"Cross learning" has been a priority as the Levi Strauss Foundation sets out to create a staff culture that supports the success of the Pioneers in Justice and of

its other grantees. "We really try to encourage staff to get their nose out of the grindstone and look beyond their specific portfolios at what we are doing as an organization and to learn from each other," Lee said.

The Levi Strauss Foundation also has prioritized supporting staff to develop storytelling and "framing" skills so they can communicate in a compelling, coherent way about their work — whether to colleagues, trustees, nonprofits or others.

"Look at how journalists do it; it's all about shaping powerful narratives and piquing people's curiosity by using good stories, good social analysis and good data and weaving them together in an interesting way. That is a key skill for program officers at the Levi Strauss Foundation," Lee said.

In addition to creating what Lee called a "culture of framing" among the staff, the Levi Strauss Foundation recently embraced a more intentional focus on external storytelling and communications in an effort to share what it is learning with the field and to encourage others to take on similar work. Lee said the foundation traditionally had let its work speak for itself, but now it wants to be smarter about communicating in a way that advances the work.

This is the thinking behind the 2012 book *Pioneers in Justice: Building Networks and Movements for Social Change*. The book, published by the foundation, tells the story of the people and organizations that are the focus of the Pioneers in Justice program. It also lays out a vision for "Social Justice 2.0," which is presented as a model of organizing and grassroots action based on such precepts as collaboration, dialogue and shared leadership. Since the book's publication, the foundation has used it as the basis for presentations and dialogue with philanthropic and movement leaders.

FOCUSING ON THE LONG TERM

Lee said the culture of the Levi Strauss Foundation reflects both tradition and change. As the corporate foundation of a legendary 163-year-old company, the grantmaker is committed to the long term; it has been investing in the same core issues for multiple decades. When Lee is hiring, he looks for people who have stayed in jobs for more than three years. "I really value stick-to-itiveness in the people who work here," he said.

At the same time, Lee said that the Levi Strauss Foundation is trying to build a culture that reflects the innovation and experimentation of the startup tech companies that populate its hometown of San Francisco and the surrounding area. "We seek to pay homage to the past and the traditions of social justice and, at the same time, have our shoulders squarely forward," Lee said.

LEARNING NOTES

HONOR HISTORICAL VALUES EVEN AS CULTURE EVOLVES:

The Levi Strauss Foundation, like its corporate sponsor, has a proud tradition of pioneering work. The Pioneers in Justice initiative may have marked a shift in strategy for the foundation, but it still holds true to those values.

>> *What is the throughline between your foundation's historical values and culture and what are you doing now, and how can you articulate that connection?*

USE HIRING TO BUILD AND REINFORCE CULTURE:

The Levi Strauss Foundation looks for staff who are generalists but who have experience in the social justice arena; since long-term change is the organization's goal, it also wants people who show a commitment to longevity in their jobs.

>> *How do your hiring policies affect and reflect your culture? Do you need to be more specific about the kinds of people who will help build and sustain the culture you want?*

BE FLEXIBLE:

When the Levi Strauss Foundation engaged the community, it received feedback that caused the grantmaker to think differently about its role. The foundation worked to create a culture that would support this expanded role.

>> *To what extent does your organization's culture foster flexibility and adaptability? What are some potential areas that could be improved or changed?*

MOSES TAYLOR FOUNDATION

A NEW FOUNDATION STRIVES TO SET THE CULTURE AND TONE FOR ITS WORK THROUGH A DELIBERATE FOCUS ON COLLABORATION AND COMMUNITY ENGAGEMENT.

ABOUT THE GRANTMAKER

The Moses Taylor Foundation is dedicated to building healthy communities and providing opportunities for people in northeastern Pennsylvania, especially the most vulnerable, to lead healthy lives.

TYPE OF FUNDER
Health conversion foundation

FOUNDED
2012

TOTAL ASSETS
$69.2M

FOCUS AREAS
Health and wellness in northeastern Pennsylvania

ANNUAL GIVING
$3.8M

NUMBER OF STAFF
4

WEBSITE
mosestaylorfoundation.org

NUMBER OF TRUSTEES
9

It is a standard feature in newspapers in small and midsize communities across the country: the captioned photo of a happy nonprofit leader receiving an oversized (if often underwhelming) check from a funder. When LaTida Smith joined the Moses Taylor Foundation in Scranton, Pennsylvania, as its first CEO in 2015, she told the trustees that she was not interested in those types of photo opportunities.

"I wanted to be clear that the focus wasn't going to be on ourselves and our checks but on the work we are supporting in the community," Smith said. "If we can help a newspaper write a good story about a grantee doing extraordinary work, then that's a much better use of our time."

Smith arrived in Scranton from Cleveland, Ohio, where she was a senior leader at the St. Luke's Foundation as it set out to develop stronger community partnerships and embrace a focus on outcomes and learning. At the Moses Taylor Foundation, which made its first grants shortly after she arrived, she is using that experience to build a culture of collaboration and learning from the ground up. "I feel a responsibility to be very intentional about how we position ourselves and our work in this community," she said.

With its creation from the sale of the Moses Taylor Health Care System in 2012, the Moses Taylor Foundation instantly became one of the largest private foundations in northeastern Pennsylvania. As a result, Smith said it was important from the start to ensure that the grantmaker isn't seen as an all-controlling colossus in the surrounding area. She said her key focus in the months after she started was to build the foundation's reputation as a partner. "We needed to signal that we recognize that the problems in the community are larger and more complex than what any foundation can tackle on its own," she said.

Despite the eagerness of her board to start getting grants out the door, Smith used her initial months on the job to hold meetings in the community. She "stacked her calendar," Smith said, with visits to local nonprofits, to other funders in the area and to key stakeholders like the office of the Catholic diocese and local government officials. "That was really an

CULTURE CHALLENGE: BRINGING THE BOARD ALONG

In her first year at the Moses Taylor Foundation, CEO LaTida Smith worked with trustees to create an effective culture on the board. With its members drawn mostly from the board of the hospital that was sold to create the foundation, the trustees and Smith decided together that it was important to provide the board with training in philanthropy. Smith brought in a consultant to work with the board, and she arranged for board members to attend philanthropy conferences. A particular challenge, she said, has been helping the board embrace a "beyond-the-grant" approach to philanthropy.

"Everyone wants to get checks out the door, but we are working to expand the board's understanding that we can do as much or more for the community if we are spreading the message of collaboration and the importance of capacity building," Smith said.

A GRANTEE'S PERSPECTIVE

The Moses Taylor Foundation provides support to The Institute for Public Policy and Economic Development at Wilkes University to produce an annual Lackawanna Luzerne County Regional Indicators report highlighting key issues facing the local area. Originally, the institute was slated to do a presentation on its findings for the trustees of the Moses Taylor Foundation. But in conversations with the institute's executive director, Teri Ooms, foundation CEO LaTida Smith decided it would be important to bring several foundations together to hear about the research.

"That's the approach she has brought to our community," Ooms said. "She really has come in with the perspective that all the players need to come together and learn together and work together more collaboratively for the betterment of the community."

Ooms added that the Moses Taylor Foundation provides a "great model" for startup foundations everywhere in terms of how to create a reputation and a culture as a partner in a local community. "The trustees planned well on the front end about what kind of organization they wanted, and that led them to LaTida," Ooms said. "And then instead of jumping right into the work of making grants, LaTida took time to get to know people and to learn about the issues."

opportunity to get in front of people and tell them about our mission and to ask them what they see as the primary needs and challenges in the community," she said.

In her conversations, Smith heard a number of messages that helped shape the work and culture of the Moses Taylor Foundation. For example, nonprofits expressed frustration with the twice-a-year grant cycles that were prevalent among grantmakers in the area (and others across the country). "People wanted more flexibility in applying for funding," she said. As a result, the Moses Taylor Foundation ultimately set up a system of quarterly grant cycles. Smith also heard a plea from nonprofits for more support for capacity building in areas from board development to strategic planning. As a result, Smith and her team developed grant guidelines explicitly stating that the foundation supported capacity building.

BRINGING FUNDERS TOGETHER

Smith's initial conversations with other grantmakers in the region provided the spark for a continuing effort to collaborate and align their grantmaking. She estimates that the 11-county area served by the Moses Taylor Foundation is home to seven community foundations and a roughly equal number of family foundations. While these foundations all have been part of the region's NEPA Grantmakers Forum, Smith's arrival and outreach precipitated discussions about new ways to collaborate and align their grantmaking. She said she now regularly shares grant proposals with other funders to see if there are co-funding opportunities.

Smith also worked with the forum to create more convening and learning opportunities for funders. Now, foundation trustees and CEOs from across the region gather biannually for an event in which they engage with each other and an invited speaker about key issues facing their region or the nonprofit sector. Although the Moses Taylor Foundation funds the event, Smith said she didn't want the foundation's name on it. "This is a collaborative event, and I don't want people thinking we are driving an agenda or anything," she said.

Hiring was another focus as Smith set out to establish a collaborative, grantee-focused culture at the foundation. In hiring an office manager and a grants manager as the only additional staff members at the foundation, she looked for individuals with experience working in nonprofits. "The empathy that comes from an intimate understanding of life in a nonprofit is critical for doing this work effectively," Smith said. She added that she strives to actively engage the other staff members in the full scope of the foundation's work, including site visits and proposal review. "I wanted all of us learning together from the very start," she said.

As Smith set out to establish a productive working culture in her first year at the Moses Taylor Foundation, she said she tried to stay focused on a short "hit list" of priorities. These included creating a culture and a reputation founded on collaboration and emphasizing "beyond-the-grant" support for nonprofits. "It's important to have a clear vision of what you want to achieve, and it's important to focus," she said.

LEARNING NOTES

KEEP THE FOCUS ON THE COMMUNITY:

The Moses Taylor Foundation balances taking the lead on issues in the community with giving other partners and grantees the chance to shine in the public spotlight.

>> *How can you balance a desire for leadership and action with a culture that values collaboration and reinforces the sense that it is not just about you and your organization?*

TAKE YOUR TIME:

Leaders of the Moses Taylor Foundation recognized that they needed to take time to clarify the values and goals of the organization, to introduce it to the community, and to explore community priorities and perspectives.

>> *Despite constant pressure to get checks out the door and "do something," when do you and your colleagues have opportunities to slow down a bit, think about culture and engage with others?*

PAY ATTENTION TO THE BOARD:

Boards can be important catalysts for or barriers to productive culture for foundations.

>> *What can you do to help your board see its role more clearly as stewards of the foundation and ambassadors of its culture?*

CONCLUSION

The grantmakers featured in this publication have taken advantage of a variety of opportunities to try to shape the cultures they want. Similarly, they have taken a wide range of steps to clarify and articulate their desired cultures and to start to make those cultures come to life in the day-to-day work of their organizations. If there is one overarching lesson in their work, it is that culture change starts with the simple act of naming culture as a priority. It is something that matters, and it has real impact on the ability of our organizations and our grantees to get better results.

For grantmakers who are new to culture work or who recognize that their cultures aren't all they need to be but aren't sure what to do about it, this act of naming and prioritizing culture is key. It provides the spark for collective work involving staff, trustees, grantees and others to assess the current culture of our organizations, to explore the degree to which that culture is aligned with our values and strategies, and to think about what the "best" culture might be for us and how we can get there together. GEO resources — including this publication as well as *The Source Codes of Foundation Culture* and its accompanying discussion guide — can be helpful for these conversations.[12]

Taking on all aspects of culture at once will likely be counterproductive. Most of us simply do not have the time or the bandwidth to make culture a 24/7 priority. Instead, the best place to start is by engaging in conversations with colleagues around core questions, such as the following:

>> How would we describe our current organizational culture, and how does that culture show up in everything from the layout of our offices to our website to the way we work with nonprofits?

>> How do others — including nonprofits, other grantmakers and members of the local community — perceive our culture?

> Culture change starts with the simple act of naming culture as a priority. It is something that matters, and it has real impact on the ability of our organizations and our grantees to get better results.

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12 Both resources are available at http://culture.geofunders.org/.

>> To what extent are we as an organization being attentive to diversity, equity and inclusion? What do our staff and trustees look like in relation to the communities we serve? To what extent are we tapping into diverse voices and perspectives to help guide our work, particularly the voices of people and communities that are often overlooked and ignored?

>> How well does our current culture align with our strategy and values? In other words, to what degree do our underlying assumptions and behaviors support or pose an obstacle to our ability to live our values and carry out core strategies?

>> What aspects of our culture matter most to staff, the board and external stakeholders in terms of each group's ability to do its work effectively and efficiently and to have a positive impact?

>> What does the "best" culture look like for our organization? For example, how do we want to be perceived by staff, trustees, grantees and so forth?

>> What opportunities do we have — large or small — to pay more attention to culture in the months ahead?

By engaging staff, board, grantees and others in conversations about questions like these, we can develop a better understanding of where we are doing well and where we aren't — and we can make culture work an opportunity to build a stronger, more inclusive, more effective organization.

ADDITIONAL RESOURCES

The Source Codes of Foundation Culture
By Tom David and Kathleen Enright
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