

PUBLICATION SUMMARY

# Do Nothing About Me Without Me

## An Action Guide for Engaging Stakeholders

By J. Courtney Bourns

*A growing number of grantmakers believe they can be more effective to the extent that they meaningfully engage their grantees and other key stakeholders. Grantmakers doing this work have arrived at an understanding that much of the knowledge and experience they need to solve the problems they want to solve, and to help them do a better job as grantmakers, resides in the communities they serve. The values guiding this work are captured by the phrase that has been made visible by the disability rights movement in recent years: “Nothing about me without me.”*

## MASTER THE BASICS

### What is stakeholder engagement in philanthropy?

Stakeholder engagement is the art and science of becoming more connected as a grantmaker. It means reaching beyond the usual suspects for information and ideas; listening and applying new learning about how to strengthen your grantmaking; and involving a wider audience of individuals and organizations in philanthropic decision making. Of course, stakeholder engagement does not mean reaching out to anyone and everyone. Rather, the focus is on those audiences that are most affected by your organization’s grantmaking, can offer valuable insights and whose buy-in will be critical to successful implementation.

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### Who Are a Grantmaker’s Stakeholders?

- **Internal stakeholders** — To the extent that your board and staff are engaged and supportive of your work and mission, you will be more successful.
- **Grantees** — Grantees can help you learn how your philanthropy is or is not contributing to success at the organizational, movement or community level and how to become a smarter grantmaker.
- **Grantmaker peers** — Engaging with other grantmakers helps ensure that you are sharing lessons learned and not repeating others’ mistakes.
- **Local community members** — Engaging the people you intend to help or the representatives of the communities you serve is essential to learning how you’re doing as a grantmaker.
- **Thought leaders/experts** — Academics and policy and other experts can provide important information and insights, but their influence should not exceed that of the “real experts” whose lives and work are directly affected by grantmaker actions.

## To what extent do grantmakers value external input on their strategy and practices?

Although a growing number of grantmakers are involving stakeholders as a route to better results, research shows that taking active steps in this direction still is not common practice in the field. In GEO's 2008 survey of the attitudes and practices of staffed grantmaking foundations in the United States, only a slim majority of grantmakers (54 percent) indicated it is "very important" for effective grantmaking that their organizations solicit outside advice. Only 36 percent of respondents took even the most minimal step of soliciting feedback (anonymous or nonanonymous) from grantees through surveys, interviews or focus groups.<sup>1</sup>

The lack of genuine stakeholder engagement by grantmakers leads to frayed relationships with grantees and communities. During nonprofit focus groups convened for GEO's Change Agent Project, participants repeatedly noted that the "power differential" between foundations and grantees leads to counterproductive relationships and sometimes can stand in the way of grantee success.

It is not just foundation grantees that lack a sense that they are working toward a common cause with grantmakers. According to polling conducted by Harris Interactive for the Philanthropy Awareness Initiative, influential community leaders<sup>2</sup> show a limited understanding of the work of grantmakers. Only 15 percent of community leaders in the survey could give an example of a foundation benefiting their community, and just 11 percent could give an example of a foundation's impact on an issue they care about.<sup>3</sup>

## How is this topic related to concerns about diversity and equity in philanthropy?

Any serious conversation about how grantmakers can and should engage a broad range of stakeholders inevitably touches on issues of diversity, equity and power. It is not the intent of this publication to treat this aspect of stakeholder engagement in detail. However, grantmakers will benefit to the extent that they keep a few foundational concepts in mind. These concepts include the following:

- **Diversity provides capacity to engage and understand.** Many grantmakers are learning that embracing diversity and including varying viewpoints can be far more effective than operating behind closed doors. As one representative of the Jessie Smith Noyes Foundation said, "We need diversity not simply to reflect the movements we fund, but to understand them."
- **Diversity helps address the power differential.** Stakeholder engagement with a diversity lens offers an opportunity to address the imbalances of power created and perpetuated by deep-rooted social, political and economic issues. By including those who are most affected by the problems grantmakers are trying to solve, philanthropy can strengthen the ability of these key stakeholders to play an active role in how their communities develop and prosper.

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<sup>1</sup> Grantmakers for Effective Organizations, *Is Grantmaking Getting Smarter? A National Study of Philanthropic Practice*, 2008. Available at [www.geofunders.org](http://www.geofunders.org).

<sup>2</sup> Influential community leaders were defined as individuals who during the last year have held a staff leadership, committee or board-level role for an organization working on community or social issues. Harris Interactive estimates that these individuals constitute 12 percent of the U.S. adult population and are significantly more engaged than the general public.

<sup>3</sup> Philanthropy Awareness Initiative, "Philanthropy's Awareness Deficit: Results from Survey of Engaged Americans," 2008. Available at [www.philanthropyawareness.org](http://www.philanthropyawareness.org).

- **Not being inclusive is risky.** Decision makers who are not directly connected to the challenges facing disadvantaged communities likely will have gaps in worldview and experience that ultimately can lead to ineffective or failed programs, broken relationships and community disengagement.

In future efforts, GEO hopes to work with our partners to take a more in-depth look at issues of diversity, inclusion and equity and to explore how grantmakers can add the diversity lens to their efforts in stakeholder engagement.

## MAKE THE CASE

### Why is stakeholder engagement important for grantmakers? What are the key benefits?

The following are among the key benefits that grantmakers can realize by engaging more directly with external constituencies:

- **Deeper understanding of problems.** Grantmakers and their nonprofit partners are working to address complex problems. There are no easy answers when it comes to reducing poverty, improving health care and education, or addressing other social issues. “Involving multiple stakeholders isn’t a ‘nice-to-do’ but a ‘must-do’ if you really want to get a handle on what’s happening, what the toughest problems are, and how to be innovative in developing solutions,” said Interaction Institute for Social Change Executive Director Marianne Hughes.
- **Truer sense of grantee needs and challenges.** Grantmakers can learn a lot by listening more intently to their grantees, by creating opportunities for nonprofits to share their challenges and perspectives, and by ensuring that the grantee voice guides their philanthropic work. The bottom line: It’s hard to know what grantees and communities truly need, and how to meet those needs more effectively, if you don’t ask.
- **Improved strategy.** A 2009 study by the Center for Effective Philanthropy identified a clear link between foundation leaders being more strategic and higher levels of stakeholder engagement. According to the authors, “More strategic leaders are more externally oriented in their decision-making, looking outside of their foundations. ... [They] seek input from grantees, stakeholders, beneficiaries, and consultants when developing their strategies.”<sup>4</sup>
- **Greater effectiveness.** GEO’s 2008 national survey found that foundations that have staff with nonprofit experience were significantly more likely to have “grantee-friendly” practices in place in areas ranging from soliciting grantee feedback to providing the types of support (e.g., for capacity building and leadership development) that will most contribute to grantee success.
- **More accountability and transparency.** One of the main criticisms of organized philanthropy — from nonprofits, government and public activists — is that it remains a mysterious process. Grantmakers make key decisions behind closed doors, they don’t communicate well about those decisions, and it’s hard for outsiders to judge whether they are doing their work effectively. Stakeholder engagement can make grantmakers more accountable and transparent to grantees, community members and other audiences.

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<sup>4</sup> Ellie Buteau, Phil Buchanan and Andrea Brock, “Essentials of Foundation Strategy,” Center for Effective Philanthropy, 2009.

- **Increased buy-in.** Just as a corporation seeks input from customers on new products in development, grantmakers need stakeholder input to find solutions most likely to take hold in the community. In the same way that a new product needs a loyal base of customers, the success or failure of any change agenda depends on a wide assortment of people and organizations, especially those who are engaged in this work on the front lines of their communities every day.

## MAKE IT WORK

### How can we determine the right way to engage stakeholders?

Grantmakers considering any grantmaking activity should start out by clarifying their goals and then charting a “pathway to action” that will get them to where they want to be. The following circle–arrow–circle diagram provides a general framework for planning and problem solving.



Source: Interaction Institute for Social Change

### How can we determine who should be involved?

The key to successful stakeholder engagement, according to Hughes, is to seek the “maximum involvement appropriate to the situation.” Involvement therefore begins with defining which decision or decisions need to be made and then who should participate in making them. Stakeholder analysis allows an understanding of key issues at the outset and sets up the foundation to deal with people’s concerns and tap their expertise in a proactive way that builds agreement around problems and solutions.

### How can we determine how to involve our stakeholders?

A host of specific practices and activities can help grantmakers make the community and grantee voice an important influence in their decisions and planning.

**Getting started.** Grantmakers just beginning this work can start with “low-touch” activities. For example, surveys of grantees are an especially valuable way to begin tapping the power of engagement for better grantmaking results. To date, more than 200 grantmakers have commissioned Grantee Perception Reports

and other stakeholder surveys from the Center for Effective Philanthropy.<sup>5</sup> Surveying grantees and others in these ways helps grantmakers develop a more fine-tuned understanding of how their work is (or is not) helping nonprofits address challenges and meet their goals.

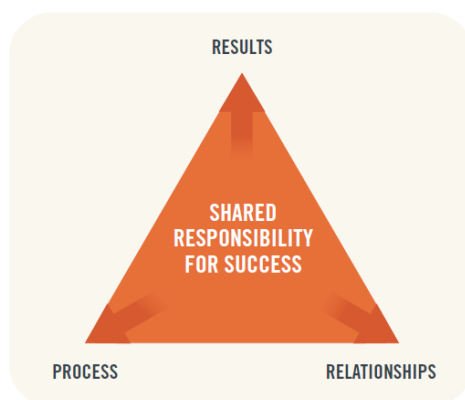
**Gathering input.** Once the staff and board begin to see the benefits of getting feedback from grantees and other stakeholders via surveys and other low-touch methods, then it might be time to explore doing more. Among the possibilities for soliciting input and ideas in more active ways is inviting grantees and community members to participate in focus groups, listening sessions, community convenings and other events.

**Sharing decision making.** Two key strategies that a grantmaker can pursue to create a culture of shared decision making in its organization are to: (1) involve grantee and community members in the staff and board of the organization; and (2) delegate decision-making authority to an external committee of stakeholders.

1. *Transforming your staff and board.* Building a more diverse and representative staff and board can provide grantmakers with a more fine-tuned, in-house understanding of what's happening in the communities you serve, and how your grantmaking can make a difference.
2. *Delegating decision-making authority to others.* Some grantmakers are taking stakeholder engagement all the way to its logical conclusion by opening up control over grantmaking decisions to nonprofit and community representatives through resident involvement in grantmaking committees and other steps.

## How will we know that we did it well?

When grantmakers assess a program or strategy, the focus is typically on *results*. However, looking at *process* and *relationships* as equally important dimensions of success can yield helpful insights, particularly in considering how effectively the grantmaker engaged stakeholders.



Source: Interaction Institute for Social Change

### Dimensions of Success

#### RESULTS

- ▷ Are the results of high quality?
- ▷ Are the results timely?
- ▷ Do the results meet stakeholder requirements (internal and external)?

#### PROCESS

- ▷ Is the process clear and logical?
- ▷ Is the process efficient?
- ▷ Is the process appropriate for the task?
- ▷ Does the process involve the appropriate stakeholders?

#### RELATIONSHIPS

- ▷ Do internal and external stakeholders feel supported?
- ▷ Do stakeholders trust each other?
- ▷ Do stakeholders feel valued?

<sup>5</sup> For a list of CEP assessment tool users, see [www.effectivephilanthropy.org/index.php?page=assessment-tool-subscribers](http://www.effectivephilanthropy.org/index.php?page=assessment-tool-subscribers). For a list of CEP assessment tools, see [www.effectivephilanthropy.org/index.php?page=assessment-tools](http://www.effectivephilanthropy.org/index.php?page=assessment-tools).

Also, as grantmakers begin asking questions about success, it is important to remember that evaluation itself must be a collaborative process. Grantmakers can engage with grantees and community members to develop strategies for evaluating the results of key investments and community partnerships and for figuring out how to apply new learning (from evaluation and other activities) to the task of strengthening the work.

## CONCLUSION

Engaging stakeholders in philanthropy will prove a different process for different grantmakers; there is no one-size-fits-all solution. However, for every grantmaker, it means asking a series of questions about four key facets of your work:

1. **Your grantmaking practices** — Do you have a strong enough sense from grantees and other nonprofits of how your grantmaking practices and procedures contribute (or don't) to their success, and what you can improve?
2. **Your strategies** — Are you doing enough as a grantmaker to engage grantees and members of the communities who are affected by your work in the design of strategies for change?
3. **Your people** — Do your foundation's board and staff members reflect the diversity, the experience and the skills that are needed to understand what is truly happening in the communities you serve, and how best to support nonprofit success?
4. **Your relationships** — What can you do to build stronger, more open and more honest relationships with your foundation's grantees and other stakeholders so that the foundation isn't perceived as an all-powerful, unapproachable institution?

All of these questions need to be considered in light of your core values as a grantmaking institution and what you fundamentally believe it will take to make long-lasting change.

GEO hopes this action guide has been useful for those who are contemplating a more active role for themselves and their grantmaking organizations in reaching beyond foundation walls for answers. We look forward to engaging with you and others as we continue to explore this important topic in the months and years ahead.

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*Author's Note: We are grateful to our colleagues at the Interaction Institute for Social Change for contributing their expertise to GEO during the Change Agent Project that laid the foundation for this work. We appreciate their ongoing partnership and the invaluable contribution of IISC's collaborative toolkit, which supports GEO's efforts to expand this area of practice for grantmakers.*

***A full copy of this publication can be downloaded at [www.geofunders.org](http://www.geofunders.org).***