Viewpoint

Relational Philanthropy

By Kathleen Boyle Dalen & Tracy L. McFerrin
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Philanthropy needs a new framework for building connection and trust with the communities it seeks to serve.

BY KATHLEEN BOYLE DALEN & TRACY L. MCFERRIN

Philanthropy finds itself in an uneasy relationship with the communities it seeks to serve. Part of the reason lies in the unequal power dynamic of the relationship itself—patron to client, director to subordinate, wealthy to needy—and the distrust and poor behavior it can generate. The historical legacy of racial and gender inequality also plays an important role. So too do the field of practice and modes of operating that foundations adopt in working with communities, which tend to be one-sided and siloed off from the people they wish to work alongside.

For philanthropy to improve its practices, it needs to invest more time and effort in its relationships. Social connection and trust are the currency that enables growth and transformation. They build enduring and generative partnerships and open the door to innovation and cocreation. They afford space for truth-telling that sheds light on overlooked problems or new opportunities. When parties come together, their combined forces can envision new solutions to problems that they could not see apart.

We advocate a new framework and set of practices in philanthropy that prioritize relationships. Rather than leaving them to chance, foundations must bring intention to building relationships with communities that shift from a “you/me” dynamic to a more formidable “we” dynamic. Instead of leaving the most transformative kind of capital—social capital—to chance, the philanthropic sector will collectively benefit from bringing the same discipline to building and caring for relationships that it brings to dashboards and due diligence.

POWER IMBALANCE

Critics of philanthropy have questioned whether big philanthropy is an appropriate vehicle for taking on society’s toughest issues. Three factors play a central role in this critique.

First, a power imbalance exists between foundations and the communities they seek to serve. Asking someone for money immediately puts the two sides into an imbalanced power relationship. Sometimes the philanthropist can make the difference in whether a project goes forward or whether an organization survives. And unlike for-profit companies, philanthropists operate without any incentive to heed market signals. They can fail to support the most effective organizations without negative repercussions.

Second, those with power, including philanthropists and those who lead foundations, are susceptible to bad behavior. According to social psychology researchers such as Deborah Gruenfeld, people in power tend to be more uninhibited. They may be more likely to interrupt others, to use others as merely a means to accomplish goals, and to have reduced sensitivity to others’ experiences. Perhaps because of this reduced sensitivity, philanthropy has a woeful record on engaging broad and diverse participation in problem-solving and an abysmal track record on funding organizations led by individuals who are Black, Indigenous, or of color.

Third, philanthropy is caught in a shame spiral and is flailing in response to criticism instead of pursuing meaningful repair. For example, take due diligence. Critics argue that due diligence is too often a gatekeeping exercise meant to exclude. They demand that this power imbalance be corrected by removing those with philanthropy expertise who might favor or enforce due diligence. This proposal may be born from a laudable instinct to prevent future harm, but it may also miss critical opportunities for positive change. When due diligence is conducted through the lens of relationship building, it becomes an opportunity for sharing expertise and insight broadly to better understand the contours of particular challenges.

We recommend that philanthropy investigate where specific practices, like due diligence, have caused harm; acknowledge wrongs; apologize; and seek to repair the relationship. It may feel safer to eliminate...
a practice like due diligence altogether, but such a step is heavy-handed and ignores the potential for real learning. Moreover, it betrays a lack of commitment to the partner and abandons them to figure things out on their own. Improving philanthropy should not require the abandonment of best practices without first taking on the responsibility of repair.

**THREE RECOMMENDATIONS**

**To build a better way** of working, philanthropy must commit to new habits and practices. It must become less transactional and more relational. To achieve our vision of relational philanthropy, we offer three recommendations.

1. **Commit to fostering meaningful, messy, “us” relationships.** Let us adopt practices that invite and expect us to navigate the uncomfortable challenge of relationship building across differences. We will need to actively replace patterns of “power and control” with “ecological wisdom and humility,” according to therapist and author Terrence Real. “If this is about how we are going to operate together in a way that works for both of us, then a whole range of new skills and new ways of thinking open up to us.”

   Building competency and infrastructure around trust and repair is a critical first step in the process. Harvard Business School professor Frances Frei’s research finds that people tend to trust when they believe they are interacting with the real you (authenticity), when they have faith in your judgment and competence (logic), and when they feel you care about them (empathy). This approach opens up opportunities to improve understanding and innovate by rethinking job descriptions, staffing levels, mindsets, and approaches to work.

2. **Institute practices that promote shared learning and commitment to continuous improvement.** Relationship competencies are concrete and observable; they can be felt and tracked. We know that what we measure is what we accomplish, so let us track and learn from the practices associated with effectively creating the conditions for high-trust and high-performing partnerships. In a world where relationships and community are prioritized, measurement, assessment, and accountability are concrete ways to learn and improve together and to tell if we are truly making progress on the issues we care about.

3. **Develop a standard of conduct for philanthropy.** If better philanthropy is about building high-performing, trusting relationships, foundation officers and employees must take responsibility for creating the necessary conditions for quality relationships and hold themselves to high standards of conduct. Currently, there are no professional standards for grant makers—no code of ethics or behavior to govern any action or practice by a grant maker as long as it does not run afoul of the US tax code. Philanthropy should consider whether its work in the pursuit of improving philanthropy, works for both of us, then a whole range of new habits and practices will function.

**BUILDING TRUST**

Relational philanthropy, like all human relationships, is complex and cannot be reduced to a rule book. Both sides of a relationship need to find their way together in pursuing their work. But all meaningful relationships are based on trust, and we can generalize about what habits and practices help to build trust. Creating trust-rich relationships depends on prioritizing five things:

- **Agreements** (over expectations). Expectations live in our minds. We must shift to crafting with our partners an explicit, shared set of agreements for how a partnership will function.
- **Facts** (over assumptions). Don’t make assumptions about your partner’s capabilities or challenges. Discuss what each side can bring to the relationship and how each of you is defining the particular problem you are working on.
- **Role clarity.** Name the roles of each partner. Define boundaries and decision-making responsibilities. Such contracts for how we work can be revisited and revised once they are lived and should be negotiated by and visible to all.
- **Dependability.** Feeling that we can count on each other requires cultivation and experience. Describe and define what dependability looks like. Develop a practice for talking about strengths and shortfalls in dependability.
- **Psychological safety.** Researchers such as Harvard Business School professor Amy Edmondson have studied the importance of promoting psychological safety within and between organizations. Develop unfussy but consistent practices for learning together, with humility, curiosity, and pluralism. Start by creating a standing practice of openly discussing what everyone has learned—including naming what people got wrong or what didn’t succeed—with foundation staffers going first in identifying where their initial ideas proved inaccurate or incomplete.

Relationships are far too important to our field to simply hope they develop through goodwill or happenstance. Relationships are far too important to our field to simply hope they develop through goodwill or happenstance. In order to see this shift to power-sharing through, we must provide the expectation and support that nurtures relationship and trust-building skills and competencies. It’s time to bring rigor and commitment to fostering the very relationships that will enable and sustain a new approach to philanthropy that unlocks possibilities only available to a collective we.

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