

Get on the Balcony:

*How Grantmakers Can
Ignite Change*





Change management encompasses the broad approach an organization takes to anything new. It includes everything from understanding exactly why change is needed, to involving all stakeholders in the transition, to making a thoughtful plan for how to implement the change.”²

—*Making Meaningful Change*

Introduction

Driven by the desire to improve, the GEO community has worked together for 20 years to cut through the noise and find clarity on which improvements actually make a difference for nonprofits and the communities they serve. That’s why we are working together to identify what makes it possible for our organizations to change and adapt to the needs of the nonprofits we support. We know that if we are to facilitate successful organizational change, as leaders we need to understand how to assess problems and to identify our own role in crafting and implementing solutions.

At the center of our commitment to organizational change is the belief that paying attention to how change happens facilitates the adoption of smarter grantmaking practices. The GEO community has generated a vision for smarter grantmaking approaches¹ — but until we can fully wrap our heads around how to effect change in our organizations, a gap between our intentions for smarter grantmaking and the reality of our practices will persist. When we establish our willingness to change, we build trust with nonprofits and demonstrate humility. In a continually changing world with emerging challenges and opportunities, grantmakers must be prepared to tackle the most pressing issues that our communities face, in authentic partnership with nonprofits. To do this, we need to be open to working in new and different ways and committed to examining our organizations to figure out how we need to show up and operate differently to enable systemic change.

GEO’s publication *[Making Meaningful Change: Change Management Stories from the GEO Community](#)* focuses on the imperative to be intentional in managing the process of change, including lessons that members have learned about managing change from thinking about it as a process, to grounding change efforts in organizational values. That publication, which we encourage you to reference, is geared toward those who have clearly defined the change they want to make and are looking for advice on how to successfully navigate the change process.

¹Grantmakers for Effective Organizations. “Our Vision for Smarter Grantmaking.” Accessed May 23, 2018. <https://www.geofunders.org/about-us/our-vision-for-smarter-grantmaking>.

²Grantmakers for Effective Organizations, “Making Meaningful Change: Change Management Stories from the GEO Community,” 2017. Available at <https://www.geofunders.org/resources/making-meaningful-change-978>.

Defining Adaptive Leadership

When we talk about adaptive leadership, it's helpful to begin by discussing the types of problems that organizations face. Generally, challenges can be categorized as either technical challenges or adaptive challenges. Technical problems are ones where the problem and solution definition are clear. One can solve these kinds of problems by having the right information, expertise and authority. Adaptive problems, on the other hand, are not easy to define from the get-go, and the solutions are not immediately clear. Adaptive problems require us to challenge the status quo and to change our beliefs and habits.

Adaptive problems require adaptive leadership. As Ronald Heifetz, Alexander Grashow and Marty Linsky state, "Adaptive leadership is the practice of mobilizing people to tackle tough challenges and thrive."³ What it means to thrive is contextual for each organization. Adaptive leaders are able to rally those in their organizations to come to consensus about what they hope to achieve and guide them to realize those outcomes. Adaptive leaders also help their organizations understand which parts of their current way of operating (values, behaviors, norms, etc.) should be preserved and which parts should be left behind as the organization moves forward. This allows leaders to ground change in the values, strategies and practices that will continue to serve the organization through the change process.

Leading the charge to solve adaptive problems requires that we think about things from new and different perspectives. As Heifetz, Grashow and Linsky say, "Leadership on adaptive challenges generates loss. Learning is often painful. One person's innovation can cause another person to feel incompetent, betrayed, or irrelevant. Not many people like to be 'rearranged.' Leadership therefore requires the diagnostic ability to recognize those losses and the predictable defensive patterns of response that operate at the individual and systemic level. It also requires knowing how to counteract these patterns."⁴

As grantmakers, we constantly look to solve complex issues that require us to think about whole systems and fieldwide change. If we are not prepared to think about these problems as adaptive challenges, we will never get to solutions that actually solve them. Without adaptive leadership, we will not be able to make the necessary changes to implement the solutions we identify. To create better results for the nonprofits and communities we serve, we have to begin thinking about the skills required for adaptive leadership and start making these changes within our own organizations.

³Ronald Heifetz, Alexander Grashow and Marty Linsky, *The Theory Behind the Practice: A Brief Introduction to the Adaptive Leadership Framework* (Cambridge, MA: Harvard Business Press, 2009), 2.

⁴Ibid, 4.

But what if you have not yet embarked on a change process? This publication is for those who are not yet sure what change needs to be made to address the challenges they face. For some organizations, there may not be internal agreement that change is needed at all. *Get on the Balcony* seeks to offer some helpful approaches for jump-starting a change initiative, drawn from the reflections of GEO members who have been tasked with assessing challenges and cultivating the conditions for a productive change process. While it cannot be taken as a precise roadmap for how to make change in your organization, it is our hope that this publication and *Making Meaningful Change* will complement each other and begin to provide a picture of what transformational change can look like for grantmakers.

A few reminders about making change

Before delving into the specific practices of jump-starting a change process, it is helpful to ground ourselves in a big-picture perspective on organizational change. The following insights reflect what GEO members have shared about their own experiences with change efforts:

1. Any change process must be driven by the desire to better serve nonprofits and communities to which we are connected.

As grantmakers, if we are committed to supporting nonprofits with what they need to achieve more, we need to focus on what we can do to effect change in a way that serves that purpose and builds trust. Leading change is ultimately about improving your organization and its work to have the greatest impact in service of a mission, so any change effort should be firmly rooted in a shared vision, set of values and purpose. In some cases, defining or refining your organizational values and vision may turn out to be the objective of your change effort, which may then reshape the strategies for carrying out your work.⁵

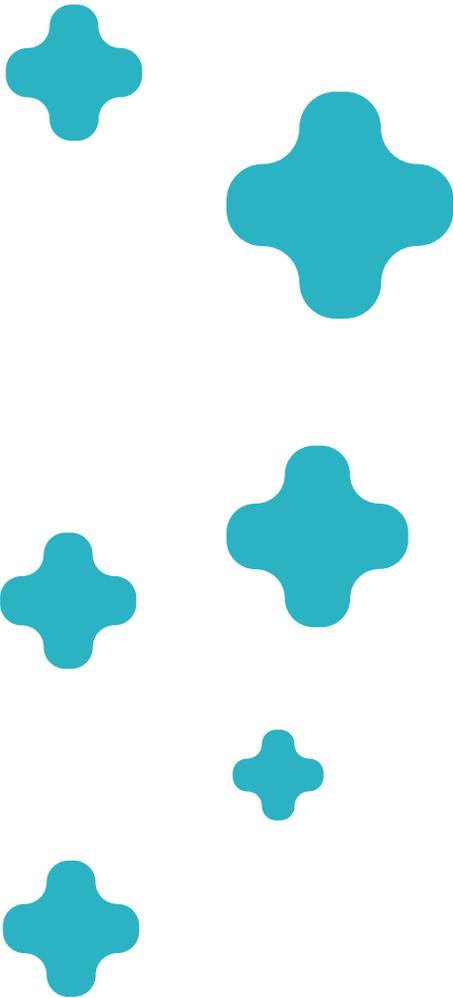
2. A focus on addressing adaptive challenges requires adaptive leadership.

Adaptive leadership – a framework developed over the past three decades by Ronald Heifetz and Marty Linsky, Harvard University faculty and pioneers in the field of leadership – has been a useful frame for conceptualizing

⁵ For a discussion of grounding change efforts in organizational values, please refer to “Making Meaningful Change,” 10-13.

Leading change is ultimately about improving your organization and its work to have the greatest impact in service of a mission.





the kind of change that our organizations are seeking to catalyze and the leadership required to meet the challenges before us. GEO members have experimented with adaptive leadership tools through various programs and have found them meaningful and helpful. By definition, when facing adaptive challenges, leadership “must wrestle with normative questions of value, purpose, and process; ... thus adaptive success in an organizational sense requires leadership that can orchestrate multiple stakeholder priorities to define thriving and then realize it.”⁶

3. Change leadership is for everyone.

In adaptive leadership, as well as in the direct experience of GEO members, leadership is a behavior and an orientation to the work, rather than a position or title. GEO’s publication *Making Meaningful Change* states, “Throughout the change process, it is important to acknowledge that everyone across the organization has a valuable part to play, regardless of position, authority or level of involvement in managing change. Staff who are not formal change managers still have a stake in what happens and will likely be integral in executing those changes.”⁷ In *Get on the Balcony*, we explore ways to exercise leadership for change regardless of one’s role or level of authority in an organization.

4. There is no one-size-fits-all approach to making change.

Although one may draw many valuable insights from adaptive leadership as a frame, and common patterns and themes have emerged from GEO members’ experiences about change, leading change is all about tuning into specific context. Not only must we tune into our organizations’ unique traits – the individuals on our team, where we are rooted in community, our institution’s core values, our organizational history – but we must also be deeply aware of the conditions that shape the world around our organization. In many cases, change processes are sparked by events or shifts occurring in the community or the broader world, rather than new internal organizational conditions.

⁶Heifetz, Grashow and Linsky, *The Theory Behind the Practice*, 2-3.

⁷Grantmakers for Effective Organizations, *Making Meaningful Change*, 13.

5. You cannot embark on transformational change without also examining dynamics of power.

The goal of grantmaking is to help nonprofits make faster and deeper progress on complex issues within our communities. To achieve greater impact, grantmakers must work to address the historic, systemic and dynamic forces that disproportionately affect certain people with multiple and interacting social identities based on race, ethnicity, gender identity and expression, sexual orientation, class, religion, age, nationality and (dis)ability. While we as grantmakers inherently do our work from a position of privilege, actively working to responsibly use our privilege to address inequity is the bedrock of effective grantmaking.

Yet while many of us recognize the importance of diversity, equity and inclusion to our work, most of us still struggle with how to put equity into practice. If we are not examining the power dynamics inside and outside of our organizations, our change processes will inevitably fall short of realizing their full potential for transformation. For more resources on DEI and navigating power dynamics, see the Additional Readings section on page 24.

How can we ignite change?

Drawing on insights from GEO members engaged in leading change in their organizations, we uncovered some key practices for assessing organizational challenges and cultivating the conditions for a productive change process. These core insights include (1) stepping back to observe and listen deeply, (2) approaching change as a team endeavor, (3) cultivating a culture that embraces evolution, and (4) experimenting to identify the appropriate direction for change.

1. Get on the balcony, observe and listen.

“Getting on the balcony” means creating the space to take a step off the dance floor – the place where the work gets done, which may be constantly in motion, crowded or even chaotic – to gain a broader perspective. Listening for and observing patterns helps diagnose what is going on in your organization, both day to day and over time, in plain sight and hidden under the surface.



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– Dora Anim,
Greater Cincinnati Foundation

A practice that comes up repeatedly among change leaders is taking the time to talk with individuals throughout the organization. This is one way of gathering data and insight, and leaders may find it particularly helpful when undertaking a new role or stepping into a mandate of facilitating organizational change.

“It’s important to be a fly on the wall for some time, and really understand current practices, what is working, and how people are behaving,” said Dora Anim, chief operating officer of the Greater Cincinnati Foundation. “In my case, there was no chief operating officer before me, so there was no clear workplan coming in. I needed to understand where the gaps and opportunities were, what things were working so I could elevate and support those, and where there were opportunities for improvement, while connecting dots on an operational level. It’s important to take time to listen, observe, watch, and then assess the priorities for what to get started on first.”

As part of her observation phase, Anim embarked on a process of building trust. Because she was in a new role that had not previously existed at the foundation, she thought her colleagues might worry that she intended to turn everything on its head, or even that she would fire everyone to start the team anew. She chose to meet with every employee outside the office, providing an open space for them to ask her about anything that was on their minds and seeking to get to know them on a personal level. Before she changed anything, she sat in every meeting to be a part of the processes that already existed. During that observation phase over the course of several months, Anim looked for patterns in feedback, noting where she heard something from at least three people, and was able to discern themes. From this, she summarized what people were feeling protective or insecure about, as well as the foundation’s challenges and opportunities, into a report to the chief executive officer. This eventually turned into her list of priorities in the new chief operating officer position.

Similarly, when Jeff Kutash moved to Omaha five years ago to assume the role of executive director of the Peter Kiewit Foundation, he was new to Nebraska. “This was an existing organization with a great reputation, I

felt like my job in the first year was just not to mess it up, and to learn and listen,” he explained. For that first year, Kutash traveled around the state and met with about 500 people individually and in focus groups, not only with staff and board but also with community leaders, former and current grantees, public officials, and business leaders in the community. “It was a great opportunity to steep myself in who we were as an organization,” Kutash reflected.

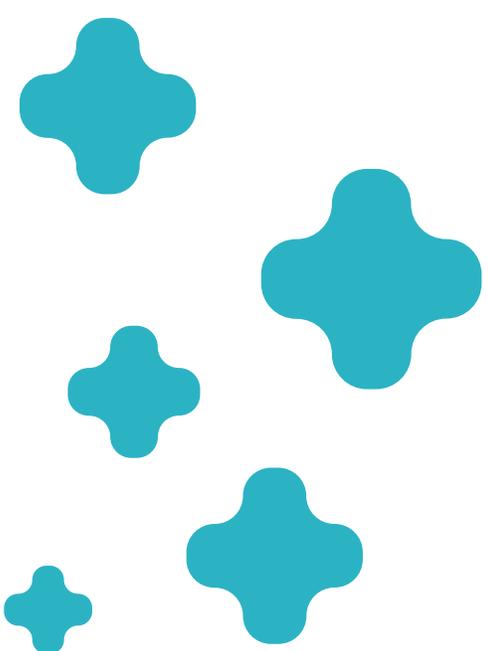
The foundation’s staff also systematically collected input from partners around the state by asking people three straightforward but potent questions:

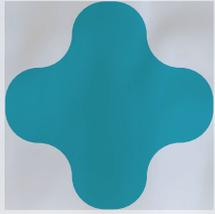
- What are the things that make you proud of the community you live in and the organization you work for?
- What are the things that keep you up at night?
- How can we be most helpful to you, and to the state more broadly?

They also used the Center for Effective Philanthropy’s Grantee Perception Report tool⁸ to gain additional perspective on the foundation’s strengths and challenges. Taken together, this process provided deep insight into how the community perceived the Peter Kiewit Foundation and how it could have a greater impact.

However, getting on the balcony does not have to be so formal or structured. Celeste Arista Glover joined the Communities Foundation of Texas as community philanthropy officer knowing that the organization was interested in both maintaining what it was doing with high efficiency and making changes to improve its work. The foundation had developed a practice of informal reflection sessions, where Glover and her coworkers would check in about how their work was unfolding and answer the prompt, “I’d love it if ...” Glover kept a running log, organized by program, of her observations about what she and her colleagues thought were opportunities for improvement. “At the time, I didn’t know it would be as helpful as it actually ended up being. Ultimately, it helped us get to the

⁸Center for Effective Philanthropy, “Grantee and Applicant Perception Reports.” Accessed May 23, 2018. <http://cep.org/assessments/grantee-and-applicant-perception-reports/>.





point of changing one of the foundation’s grantmaking strategies. While it was an informal tool, the process of consistently capturing reflections and ideas ended up informing the larger team’s conversations on strategy.”

These types of practices help change leaders discern a baseline and a direction for change. However, several GEO members caution that, while capturing data that we can use as a basis for pointing us in the right direction is always helpful, it is also important not to spend too much time solely collecting information. This not only can create “assessment fatigue” but also might give the impression that the change effort is all about measuring organizational gaps and shortcomings. Glover noted that in the Communities Foundation of Texas, conversations about potential changes are “never deficit-based; it is always about where we can grow and do better.”

Most important, while assessing the need for change, it is critical not only to listen and observe but also to spend time reflecting on the feedback to make sense of what it all points to in terms of evolving into a more effective grantmaker.

Brittany Imwalle, chief operating officer of Blue Shield of California Foundation, explained how her team has used an exercise that The Giving Practice at Philanthropy Northwest calls “From what, to what?” Imwalle shared, “It’s a tool that we’ve used over and over again that feels incredibly simple on the surface, but it’s been really illuminating in each of the different facets of change we’re looking at. We realized our separate programs were often serving the same individuals, so we wanted to move to programs serving the needs of an individual through a united channel.

So that opened up all kinds of different ways we could think about our work. For example, from a staffing perspective, we wanted to move from an organization that worked as siloed departments to an organization that worked in a more integrated, connected fashion.”

Adaptive leadership reminds us that part of our job as a leader is to listen between the lines for cues about what underlying adaptive work is calling for our attention. In some cases, adaptive challenges may be covered up or distorted by conscious or unconscious patterns that are evading our collective attention or responsibility. In many cases, these patterns are developed over time and solidify into a status quo that precludes the possibility of achieving the organization’s mission in a more impactful way. As Dora Anim of the Greater Cincinnati Foundation listened for patterns in her organization, she noted that one of the key issues was that the institution had been doing good work in a certain way for a long time, but it was not deeply rooted in a vision and strategy. The adaptive challenge that the team had been avoiding was developing a robust vision and building shared ownership of a strategy to carry it out.

Moreover, being mindful of how you are interpreting what people are saying and doing – or not saying and not doing – through the lenses of your own experience and perspective can make all the difference in what course of action you choose to pursue.⁹

Finally, getting on the balcony does not mean becoming disconnected from the dance floor. Amarilis Pullen, program officer at the Perrin Family Foundation, reflected, “When we sit on the balcony, we have the privilege of seeing what is happening on the dance floor without being directly affected. We have the luxury to move between the balcony and the dance floor at our leisure and without an invitation. We have the advantage of seeing the bigger picture and connecting patterns, but we miss essential details like the uniqueness of communities, cultures, and norms that we

⁹ For an in-depth exploration of making sense of what you’re observing, see The Giving Practice at Philanthropy Northwest, “Philanthropy’s Reflective Practices,” 2018. Available at <http://www.reflectivepractices.org/posts/four-practices-to-help-you-work-better-and-sleep-better/>.

may not be privy to from the balcony.”¹⁰ As a change leader, diagnosing the need for change requires deep listening and observation from multiple vantage points so as to see both the big picture and what is being called for by specific individuals, nonprofits and communities.

2. Approach change leadership as a team endeavor.

In addition to involving everyone across the organization regardless of position or authority, to maximize the impact of a change process we must pay particular attention to crafting a strong team to steward the effort. It is one of the most reliable ways to ensure that we are incorporating all the necessary information and perspectives into our diagnosis of organizational needs and opportunities. It also helps create broader buy-in for change efforts.

Start with yourself.

Be aware of your own strengths and weaknesses, core values, biases, concerns or uncertainties, and aspirations as a leader. It may be useful to reflect on how you will apply lessons from past experiences in the context of your role and on the threshold of making organizational change. Amy Latham, vice president of philanthropy at The Colorado Health Foundation, shared, “As a foundation, we are talking much more about equity as it relates to our work, and in order to do that we really needed to start with internal conversations about diversity, equity and inclusion within the foundation. I’ve really been thinking about what my role is in driving some of those conversations, and how I show up in those conversations has evolved. We have to be able to have honest conversations with each other, we have to be able to trust each other, so I think that’s been a big part of the role that I have tried to play.”

It is also about understanding how your formal and informal roles may be distinct or might intersect. What do your colleagues depend on you for in difficult times? Which of your work-style or leadership traits may present challenges when collaborating with your colleagues? To get a full picture of your organization as a living system, you must first see yourself in relation to that system.

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– Amy Latham,
The Colorado Health Foundation

¹⁰ Amarilis Pullen, “Dancing with Philanthro-friends: Reflections on GEO’s 2018 National Conference,” Grantmakers for Effective Organizations blog post, April 23, 2018. Accessed May 23, 2018. <https://www.geofunders.org/about-us/perspectives/84>.

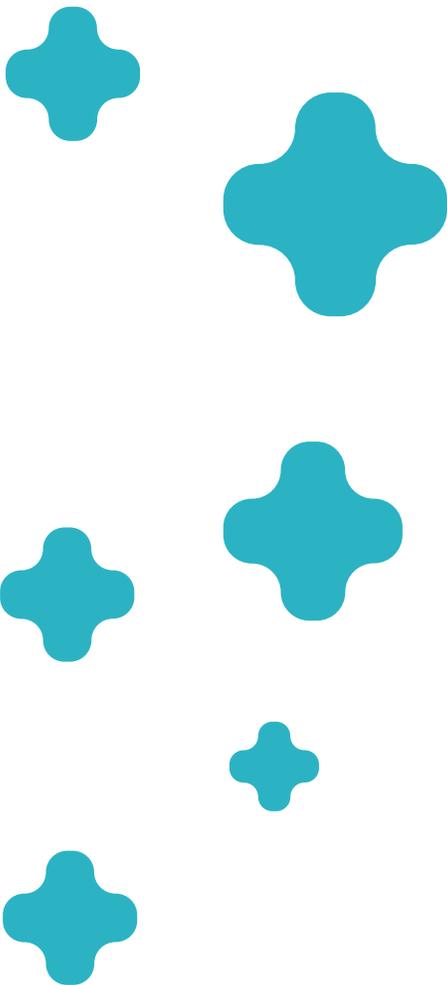
At the same time, remember to see yourself as a change leader, regardless of your areas of growth, constraints or position in an organization. When embarking on a change effort, you do not have to wait for someone to grant you positional authority to be able to make the choice to play a significant leadership role in the change effort.

Convene a core group focused on leading the change effort.

While in some cases you may have been given a specific mandate to oversee the change assessment, planning and implementation process, you should not be solely responsible for those efforts. Engage other team members and allies to help you undertake a change process. Building a team – whether you call it a design team, leadership committee, coordination team or something else – enables different approaches to complement your leadership traits, increases collective ownership over the change and leverages the full potential of diverse perspectives that will ultimately improve the results of your change efforts. Although this approach may not be feasible for smaller organizations, it is always worth considering how to create allies and champions for a change.

Glover especially valued the collaboration she experienced with her coworkers as they met over the course of a few months to evaluate and redesign their foundation’s letter of inquiry process. Their working relationship was rooted in mutual admiration and trust, so they were able to keep themselves accountable and help each other grow through the process. Moreover, as a team they could take turns carrying greater responsibility based on the flow of their workloads, so the process never came to a halt when one of them got especially busy. The team also saw it as their role to make space for other voices, especially those who would not necessarily share their opinions as readily in a group setting. They tailored their communication strategies to be able to meet everyone’s engagement styles, including one-on-one conversations and emails, so that they benefited from each person’s thoughtful feedback.

At The Kresge Foundation, it was the tragic summer of 2016 that catalyzed the foundation’s change process and organically brought together representatives from across the foundation to lead the foundation’s DEI



efforts. Those five representatives, now called the Change Team, included the learning and evaluation department, program department, and talent and human resources department. The Change Team was responsible for DEI strategy and project management. The first phase focused on working with the executive team to align on the work ahead, which centered on racial equity explicitly but not exclusively.

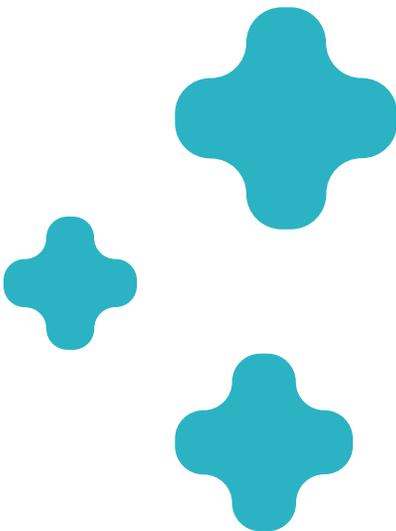
The next phase expanded to all staff in partnership with Race Forward, starting with a Racial Equity 101 training and a staff survey to capture baseline perspectives on racial equity. To build critical mass, the Change Team created an application process to constitute a team of 22 people from across the organization to serve as the KORE Team, also known as the Kresge Operationalizing Racial Equity team. The KORE Team represents every function and about 20 percent of the organization. The role of the KORE Team is to participate in deep learning on racial equity and to pilot projects on operationalizing racial equity in their internal and external practices. “The Change Team and the KORE Team have been instrumental in normalizing, organizing and operationalizing racial equity in a scalable and sustainable way at The Kresge Foundation,” said the foundation’s chief talent officer Jennifer Jaramillo.

Engage external stakeholders.

When considering the team for our change efforts, we must not forget to incorporate the participation and leadership of external stakeholders, especially nonprofit partners and communities.¹¹ Engaging external stakeholders effectively also underscores the need to work across functions within your organization.

In the early stages of a big strategic shift at the Blue Shield of California Foundation, Imwalle noted that the program team was in close contact with grantee partners to solicit their feedback about how the foundation was showing up and to gather grantee perspectives on what opportunities were emerging in the field. Simultaneously, the public affairs and communications teams were thinking through how the foundation needed to be signaling the changes that were under way. The key for Imwalle was not to underestimate

¹¹For more discussion about keeping external stakeholders at the center of change processes, see “Making Meaningful Change,” 7-10.



When we take the time to find the right outside support for the right responsibilities within a change process, we can be more effective at focusing our own change leadership where it is needed most.

the ripple of impact of the changes that the foundation was seeking to implement. “The impact will be much wider than it may initially seem, so the broader the circle of folks we’re actively communicating with and engaging in where we’re heading and why, the better.”

Reach outside your organization for support as needed.

Many grantmakers feel it is crucial to bring in external trainers, facilitators or advisers when undertaking a new change effort – especially if your organization is redefining its mission and strategy, examining DEI or seeking to shift organizational culture. These conversations can feel particularly challenging, and bringing in outside support may help mitigate existing dynamics and allow all staff to fully participate in discussions or activities.

External parties who are carefully selected for your specific needs can provide useful vocabulary, frames or tools for assessing and designing change and serve as additional support to guide your organization through the difficulties of change. They can provide insight into opposing sides in times of division, a fresh perspective at key junctures, and an extra layer of accountability to group agreements, values and processes.

Thoughtful process design and facilitation can be especially important for change processes that are taking on DEI, as consultants may be especially well-versed in the power dynamics that exist in organizations and communities. When we take the time to find the right outside support for the right responsibilities within a change process, we can be more effective at focusing our own change leadership where it is needed most.

At the same time, it is important to recognize the limits of outside support. Grantmakers need to think carefully about which roles and responsibilities to outsource. For example, facilitation might be a natural place to seek support, but the final decisions about the direction for change must come from inside the organization. Outside support is not a silver bullet for mitigating power dynamics or other tensions, so setting the right expectations for the engagement is critical. Change



leaders should have a clear goal for reaching beyond the organization for support and gain consensus from others within the organization that this type of support would be helpful.

Approaching change as a team endeavor means considering as your team – and to the extent possible, including as collaborators in the change process – all those who can offer useful perspectives from their vantage points and those whom the changes will directly affect.

3. Cultivate a culture that embraces evolution.

At the heart of adaptive leadership is the art of discerning which elements of an organization's current ways of working to retain and which to jettison. By definition, evolution is a process of making small adaptations over time in a way that creates space for new forms and possibilities to emerge. In the case of grantmaking institutions, evolution means continually strengthening the parts of institutional identity, strategies and systems that best serve the mission in the current environment while shedding those that no longer serve to maximize organizational impact.

To set the stage for change through this adaptive process, grantmakers must cultivate an organizational culture that not only simply tolerates change but actively embraces evolution. This also can be referred to as an “adaptive culture” or having an “adaptive organization.” GEO also refers to this as “adopting a learning culture.” In such a culture, individuals and groups lean into adaptation in spite of the discomfort that is inherent in transformational change. Adaptive cultures exhibit some key practices:

They courageously address the elephants in the room, develop a shared responsibility for the organization's future, intentionally develop leadership capacity and institutionalize continuous learning.

As a first step toward an adaptive culture, we can expose how culture operates within our organizations. GEO's publication *Shaping Culture Through Key Moments* expands on this idea:

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? ¹²

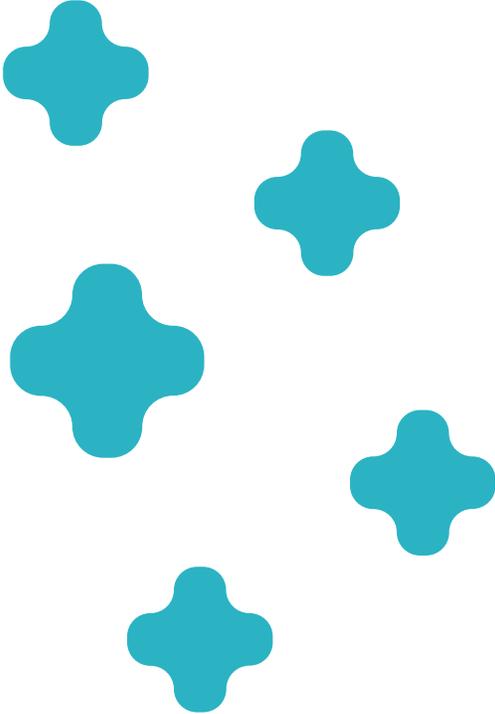
Create space for courageous conversations.

Being resilient as leaders and participants ready for change requires a strong foundation of authentic communication. Engaging in open, honest dialogue about the current culture and what needs to change enables us to move more effectively into a stance that welcomes adaptation.

Imwalle shared that she and her colleagues at Blue Shield of California Foundation have had to make a concerted effort to build new skills for elevating difficult conversations, particularly for weighing organizational priorities. They have chosen to invest in a couple of tools to facilitate learning and growth across the organization, including the Thomas-Kilmann Instrument,¹³ which holds up a mirror to how people within the foundation relate to conflict. "I don't think we're alone in this among foundations, but we were guilty of the 'culture of nice.' Everyone is very respectful and does their work really well, but we tended to skirt the hard conversations, and people avoided conflict," Imwalle explained.

¹² Grantmakers for Effective Organizations, "Shaping Culture Through Key Moments," 2016. Available at <https://www.geofunders.org/resources/shaping-culture-through-key-moments-708>.

¹³ Kilmann Diagnostics, "Thomas-Kilmann Conflict Mode Instrument." Accessed May 23, 2018. <http://www.kilmandiagnostics.com>.





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– Brittany Imwalle,
*Blue Shield of California
Foundation*

“Now we’ve been learning to shift the frame of conflict from being something that means you’re in interpersonal conflict, which feels bad, to realizing that whenever there’s conflict that means there are more ideas, so that’s a great thing. We’re asking, ‘How can we see our jobs as getting all the ideas on the table, and working together to shape the work that grows from those ideas?’ ” These efforts to learn, reflect and then shift the culture around conflict have helped the foundation get more comfortable with having courageous conversations, both internally among staff and externally with the foundation’s partners.

Develop shared responsibility for the organization’s future.

Building trust and connection within an organization, as well as embarking on change in a way that anticipates and incorporates individual responses to the prospect of change, can promote shared responsibility for ensuring positive outcomes from the change effort. When change leaders can find ways to create connections between staff so that everyone feels valued and supported, staff may be more willing to try new ways of operating.

For Kutash, as a new executive director of the Peter Kiewit Foundation, it was important to reaffirm explicitly the strong history and work that had been taking place before he arrived. He sought to create a culture of appreciation that recognizes quality work and the people reaching those accomplishments, as he believes this keeps people motivated and connects people to each other in a way that can build trust as a foundation for a change process. Kutash reflected, “We were starting from a place of strength. I would reaffirm that we have a great history and a set of practices that had served us well before, and it was just time for us to evolve. So it’s about not just celebrating changes that are happening, but also honoring what happened before. When people can feel good about where they’ve been, while you’re getting them excited and inspired about where they’re going, that starts you off on the right foot.”

Expect – and work with – resistance.

In practice, individuals may have widely differing responses to the prospect of embarking on a change process, depending on a number of factors such as work style, tenure at the organization, personal and professional values,



or cultural factors. The task of a change leader is to figure out who will be executing different parts of the change process so as to both support them and to anticipate any potential resistance that could derail the change effort.

As a leader delving into the complexities of change, you may encounter some difficult people and situations along the road. We all realize that change is difficult, but we often fail to understand precisely why and what makes change so difficult for so many people and groups. There are several triggers that regularly send people and groups into “emotional bunkers,”¹⁴ creating environments that make it difficult to foster the kind of collaboration necessary to bring about impactful change.

To take collective action toward the change we seek, change leaders need to be aware of the forces that can drive people to these emotional bunkers. According to Symphonic Strategies, these forces include identity, history, purpose, risk, incentives, institutions and culture. For example, our identities can be attached to different roles and hierarchies, creating divided loyalties and making it difficult to form a collective identity. Similarly, current perceptions of which changes are called for are often shaped by historical events such as past debates, points of tension or seminal moments in the organization’s trajectory. Understanding how each person involved in the change process individually relates to the organization’s vision, values and purpose can help navigate initial resistance to change, as this provides insight into people’s motivations and interests and where they may feel a sense of loyalty or loss with impending changes.

It also can be strategic to focus on moving forward with the people who are most open to adaptation. For example, when facilitating a set of significant organizational shifts at the Greater Cincinnati Foundation, Anim noticed

¹⁴ For more information about emotional bunkers, see Symphonic Strategies at <http://www.symphonicstrategies.com/>.

varying levels of readiness for change. Some folks were ready to jump in, others showed more reluctance or hesitation, and a small handful of her colleagues were directly opposed to the changes that were needed. “The third group had made up their minds to oppose the changes,” Anim explained, “so I focused primarily on those who were still unsure and on those who were ready to go. Of course, you have to listen and not ignore the feedback, but I also had to balance not spending too much time with those who were really struggling with the change, because it would bring down our collective morale.” Celebrating wins along the way can help everyone see how much progress is being made and encourage staff members to keep rowing.

“

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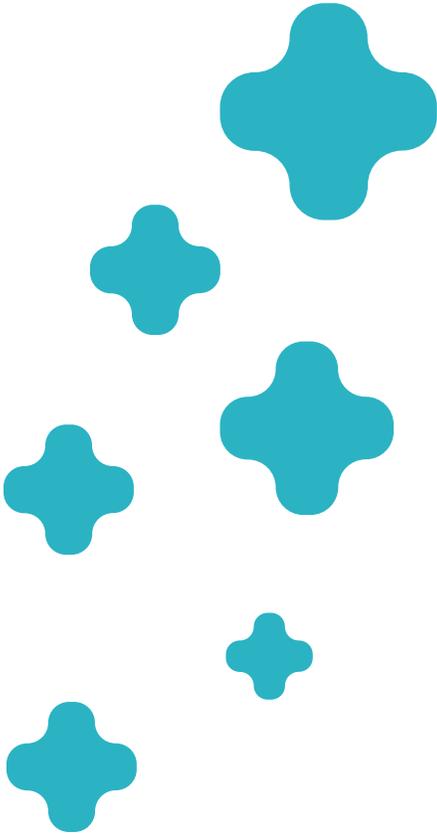
– Wendy Liscow,
*The Geraldine R. Dodge
Foundation*

Develop leadership capacity.

In many cases, developing leadership capacity in an adaptive culture means drawing on existing strengths and contributions of the people who make up the organization. The Geraldine R. Dodge Foundation has designed training opportunities on DEI that include all staff rather than just program staff and board. As part of this leadership-development effort, they utilized the Intercultural Development Inventory to assess staff’s intercultural competence.¹⁵ Wendy Liscow, program director of education, explained, “Sometimes there’s a gap between where you think you are and where you actually are. Part of developing leadership capacity is helping people perceive that gap and continually deepen their self-awareness and skills. In this case, that meant having a lot of conversations around power in our internal and external practices – power *over* and power *with* – and we call each other to account.”

To bolster these conversations, staff have literally created a “brave space” in a room where people can engage with the tools they are learning. One of the visuals posted on the wall is a big wheel that shows the stages of change. Staff are encouraged to stick an anonymous symbol on the wheel to indicate where they are in the process of change, indicating what the group feels as a whole in relationship to the change. They also are fortunate to have many creative people on staff, so they use other practices that strengthen connection and the culture of trust, such as starting every meeting with poetry or posting their New Year’s resolutions as inspiration around the office.

¹⁵ IDI, “Intercultural Development Inventory.” Accessed July 18, 2018. <http://idiinventory.com>.



Anil Hurkadli, learning and strategy officer at the Thrivent Foundation, suggests observing and taking advantage of the roles people are already playing. As Thrivent did work to change its culture, Hurkadli observed, “There were people on my team who were clearly passionate about being cheerleaders, and others look to them as culture ‘keepers.’ I would go to them specifically to ask for input and to get them invested in anything that required rallying amongst the team.”

Institutionalize learning and reflection.

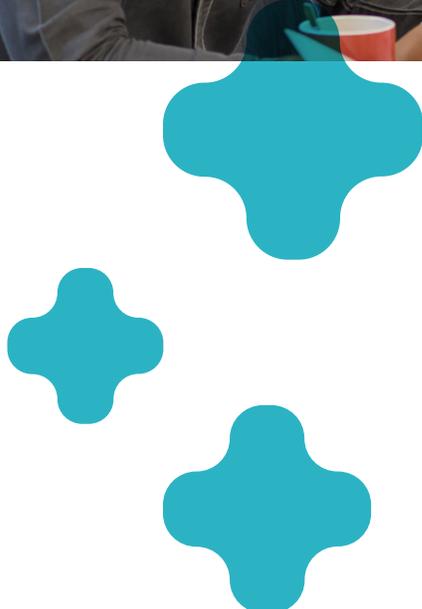
When an organization has intentionally created space for courageous conversations and developed independent judgment and leadership capacity, there is greater potential for learning to emerge.

“I wish we were able to spend more time for reflection,” said Kutash of the Peter Kiewit Foundation. “We had so much change going on that we had no time to pause and reflect. I wish we had created a small amount of time along the way to really learn and reflect – we did it at major board meetings or annual retreats, but it’s not the kind of thing you want to do a couple times a year, it’s something you want to build into your practice. We’re doing that much more now that we’ve gotten things more securely in place.”

Hurkadli started quarterly reflection sessions for his small foundation team after the foundation shifted its strategic direction. While they use different models each time, this gives the team the chance to step back and process what has been happening over the past few months. “It’s easy to just get in execution mode for our new strategic direction, but this gives us time to ask ourselves big, tricky questions as a way to recalibrate to our overall direction. It also helps us ensure that we’re not just clear on what we’re doing, but why and how we’re doing it as well,” he shared.

4. Experiment to identify the appropriate direction for change.

Adaptive leadership teaches us that diversity is part of the recipe for evolution. While this implies ensuring that diverse perspectives are represented in our change efforts, it also can mean systematically trying out variations on what we are already doing. In other words, because adaptive challenges involve many unknowns, and in territory not previously explored, experimentation enables you to test a range of hypotheses and possible solutions.



“We did a lot of ‘experiments.’ These were things I knew we needed to change, but approaching them as ‘experiments’ helped people feel like there was less risk. We could do something differently one quarter, and if it didn’t work out, we could change it the next quarter - or go back to the old way we did it,” said Jeff Kutash. “And the team working together on ‘experiments’ helped build greater cohesion, capacity and commitment. It was way more effective to learn together through taking action than by sitting in a room together talking about change in the theoretical.”

While the changes may be complex, probably touch many organizational functions and might even cut to the core of the organization’s identity, the steps toward change can be broken down into smaller increments. The ability to creatively experiment, then carefully reflect on the results of those experiments, enables you to iterate immediately based on the insights you gain from taking action rather than attempt to determine the path forward based on imagined possible outcomes. Putting incremental change into action also enables you to gauge appetite for the disequilibrium that comes with change, test the ripeness of new relationships or ways of working, and sense the degree of individual and collective resilience in the face of disequilibrium. In turn, this shapes the future direction of your experiments.

During the process of experimentation, it is important to consider how nonprofits and other partners may experience this change. *Making Meaningful Change* provides several tips on how to keep external stakeholders at the



We try to be very transparent so that our partners give us grace as we seek to be the best funder partners we can be."

– Anil Hurkadli,
Thrivent Foundation

center of change processes and how to communicate about change. As Hurkadli shares, “We try to be very transparent so that our partners give us grace as we seek to be the best funder partners we can be.”

While in many cases experiments can unfold relatively rapidly and therefore lead to a high rate of learning, the full arc of change will take time. In fact, persistence is a prerequisite to adaptive leadership, and any “significant change is the product of incremental experiments that build up over time.”¹⁶ Along the way, your organization will generate new norms and develop the muscle for evolution, ultimately enabling it to more effectively meet new challenges that will continue to emerge in a changing environment.

Conclusion

As noted in *Making Meaningful Change*, “Change initiatives are not often neatly wrapped up at the end of a prescribed period of time. They take patience and perseverance to see to completion, and in many ways, the work is never done. Specific change efforts may wrap up when particular milestones or goals are met, but grantmakers may need to continue to nurture new behaviors for the change to become the new normal in the long term.”¹⁷

For grantmakers, the fundamental aim of embarking on a change process is to ensure that it translates all the way from internal culture and organizational practices, to the direct results of grantmaking, to the broader impacts and change in the communities with which we partner. It is critical to remember that “progress is radical over time yet incremental in time,”¹⁸ and “the pathway for getting to an adaptive resolution will look a bit like the flight of a bumblebee, so that at times you will feel as if you are not even heading in the right direction.”¹⁹

The practices discussed in this publication are not linear but can be considered a cycle of learning, reflection and action. To embark on a new change process, we can get on the balcony to observe, build a team, cultivate a culture that embraces change, experiment and reflect to point us in the right direction. We also can reintroduce these same practices again and again: when in moments of confusion, get on the balcony; when your sense of connection weakens, strengthen your team; when

¹⁶ Heifetz, Grashow and Linsky, *The Theory Behind the Practice*, 5.

¹⁷ Grantmakers for Effective Organizations, “Making Meaningful Change,” 13.

¹⁸ Heifetz, Grashow and Linsky, *The Theory Behind the Practice*, 4.

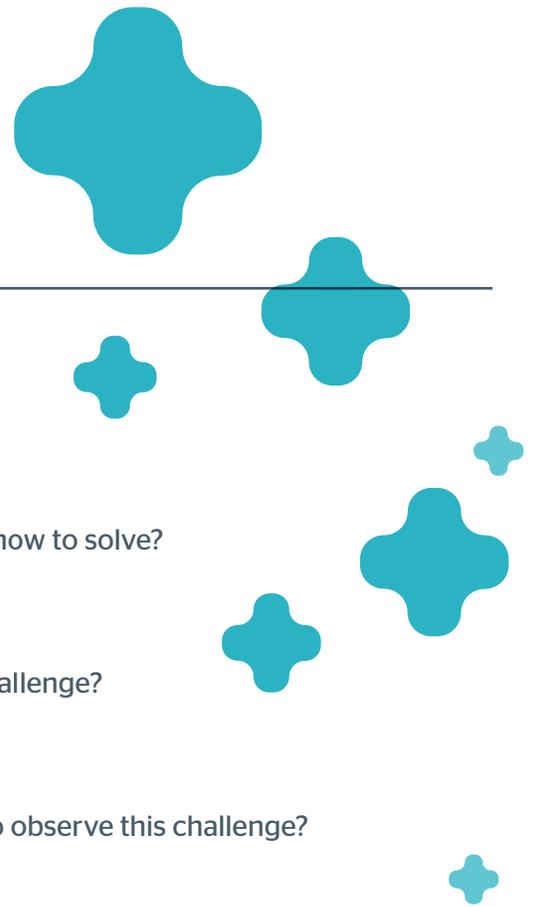
¹⁹ *Ibid.*, 19.



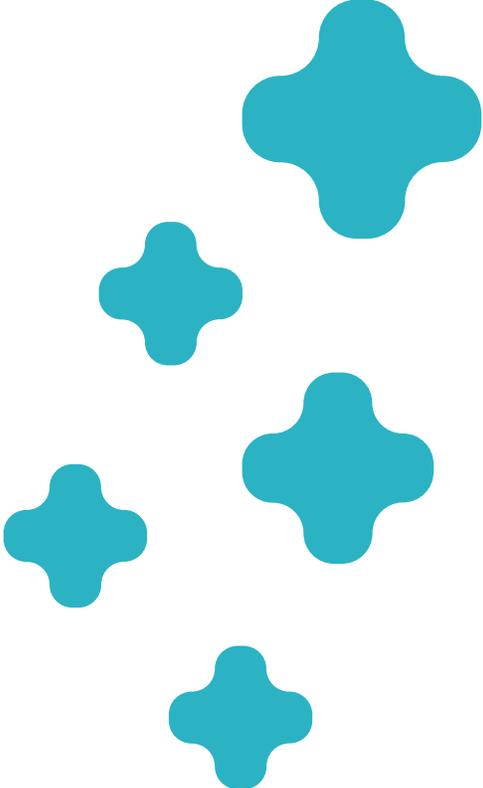
there is resistance to change, pay attention to the practices that provide a supportive culture for change; and when the next course of action is not entirely evident, try something new and reflect on how the results of that experiment might shift the trajectory of transformation.

While change processes can be difficult and time consuming, along the way you will gain invaluable lessons from successes and mistakes, deepen your connections to your team and the community, and make strides toward deepening your impact in service of your mission. As a field, philanthropy must continue to be willing to change to better support nonprofits and communities.

Personal Reflection Worksheet



1. What challenge are you trying to solve?
2. What are some technical problems about this challenge that you know how to solve?
3. What are your current hypotheses about the adaptive aspects of this challenge?
4. What are some upcoming opportunities for you to get on the balcony to observe this challenge?
5. What losses or gains do you think the following people will experience if this change happens?
 - a. You
 - b. The Team Leading the Change
 - c. Other Internal Stakeholders
 - d. External Stakeholders
6. What aspects of your current culture embrace evolution? What aspects might need to change to support more adaptive approaches to challenges?
7. What small experiments could you try to address this challenge?



Resources

Additional Readings

Grantmakers for Effective Organizations, “Making Meaningful Change: Change Management Stories from the GEO Community,” 2017. Available at <https://www.geofunders.org/resources/978>.

Grantmakers for Effective Organizations, “Shaping Culture Through Key Moments,” 2016. Available at <https://www.geofunders.org/resources/shaping-culture-through-key-moments-708>.

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CompassPoint, “Follow Up Resources: Change, Transition, and the Practice of Adaptive Leadership.” Available at <https://www.compasspoint.org/follow-up-resource/change-transition>.

Resources Continued

The Giving Practice at Philanthropy Northwest, “Philanthropy’s Reflective Practices.” 2018. Available at <http://www.reflectivepractices.org/download-our-free-pdf/>.

Racial Equity Tools, “Change Process.” Available at <https://www.racialequitytools.org/plan/change-process>

John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 2012).

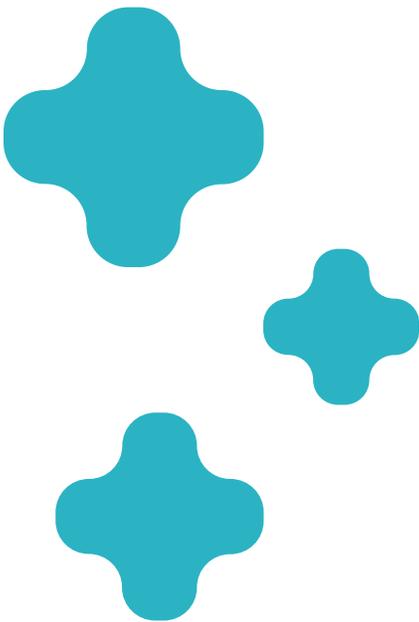
Cyndi Suarez, *The Power Manual: How to Master Complex Power Dynamics* (Gabriola Island, British Columbia, Canada: New Society Publishers, 2018).

Related Frameworks

[The McKinsey 7-S Framework](#): The basic premise of the 7-S model is that seven internal aspects of an organization need to be aligned if it is to be successful. The 7-S model can be used in a variety of situations where an alignment perspective is useful.

[Center for Creative Leadership: Dependent, Independent and Interdependent Leadership Cultures](#): The Center for Creative Leadership defines leadership culture in three basic ways: “Dependent leadership cultures operate with the belief that people in authority are responsible for leadership. Independent leadership cultures operate with the belief that leadership emerges out of individual expertise and heroic action. Interdependent leadership cultures operate with the belief that leadership is a collective activity to the benefit of the organization as a whole.”

[Social Transformation Project: Courageous Conversations Toolkit](#): Holding challenging conversations is a critical skill for any leader, yet many of us avoid these situations. Learning best practices for courageous conversations can minimize the discomfort and lead to better outcomes.



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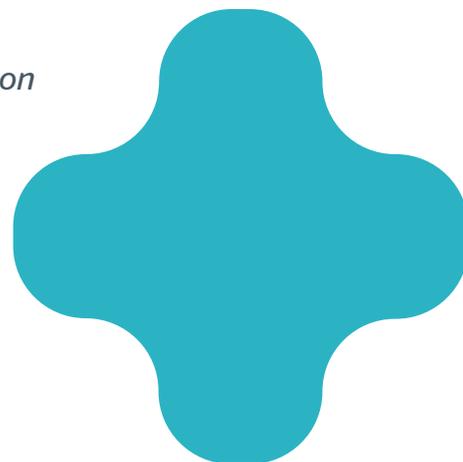
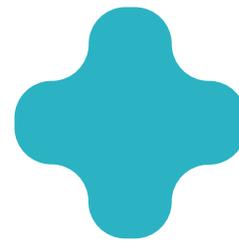
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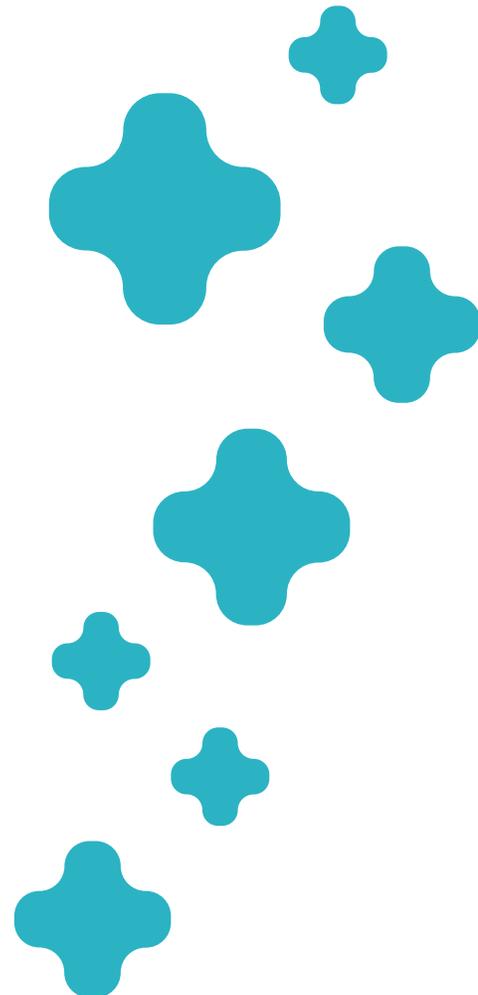
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