

## Nurturing a Culture of Philanthropy

Notable differences exist between organizations that achieve success in fundraising and those that do not.

But, the primary and most obvious difference is the presence of, or lack of, a Philanthropic Culture.

—*Karla A. Williams, philanthropy consultant*

ORGANIZATIONAL CULTURE IS like the wind; it is invisible, but its effects can be seen and felt. Culture permeates all activities in a healthcare organization. It is the sum of the attitudes, beliefs, actions, motivations, and values of the people who make up the organization and is a reflection of the way the organization deploys its mission. It is the unspoken element that often unconsciously drives decision making and is manifested individually and collectively in the way staff members relate to each other and respond to the circumstances they face. Simply, culture is the way things get done.

It is important to position the philanthropy endeavor in the minds of executives, boards, physicians, and frontline staff as an important, strategic lever the organization can use to advance its highest objectives and ideals. Otherwise, the foundation may be perceived as a decorative, social function run by glad-handers rather than as a high-level, strategic function staffed by leaders who facilitate high-value community partnerships.

Culture is especially powerful and important in philanthropy because giving is fundamentally about relationships between those who make up the organization and the community. The more individuals an organization engages in enunciating the value of philanthropy and fostering meaningful relationships with patients and members of the community, the more connections the organization will have. The aim is not to create a swarm of solicitors but rather a chorus of believers.

If philanthropy is to become a cornerstone of organizational advancement, all staff need to be deployed to the task. Management guru Tom Peters (2007) said:

The most important asset in every company is the esprit de corps: the motivation and passion of each employee . . . and . . . their willingness to collaborate together on whatever strategic projects are critical for growth. . . . A beautifully crafted strategy can fail when the employees in various divisions within an organization clash. Logically, we think that strategy should drive behavior, but, in reality, it's the culture—underlying norms, values, belief systems—that dictates how effectively people work together. . . . If strategy and culture are not aligned, the culture may support behaviors that conflict with what has to get done—and actually block execution of the strategy.

In short, if the organization as a whole has not bought into a culture that supports and extends philanthropy, its capacity for success is limited and a valuable opportunity for optimization is lost.

## **WHAT DOES A CULTURE OF PHILANTHROPY LOOK LIKE?**

In a culture of philanthropy, the power and importance of giving are infused into daily organizational life at all levels and in all areas. It positions the act of inviting donors to support the healing mission as a noble endeavor to be embraced from the front line to the boardroom. A culture of philanthropy creates a common

understanding of how community giving strengthens and sustains the organization. Everyone—regardless of role—is a champion for the organization and knows where to direct someone who expresses a willingness or desire to help. Members of the culture also recognize that their organization has the heart, soul, and legal status of any nonprofit organization that merits community support. They understand that **anyone** can make a difference by giving at whatever level he or she is able to, and they have a responsibility to be role models and give at whatever level is appropriate for their circumstances and inclination. In short, a culture of philanthropy has many facets. These common understandings are explored in the sections ahead.

### **Giving Is Accessible**

*Philanthropy* is a big, inaccessible-sounding word. For some people, it smacks of “high society” or wealth. However, philanthropy is not about wealth or privilege; it is the heart—even the lifeblood—of the charitable healthcare organization. It is essential to boil down the word to make it a concept everyone can understand, embrace, and support. All can give, share, and care, whether they are able to share a lot or a “widow’s mite”: a meaningful gift that, while small, is commensurate with their means.

A healthcare organization should define philanthropy in words that resonate with its staff and honor its unique stories and history. That definition should be communicated consistently so everyone understands what giving is and what it does.

### **Giving Is Essential**

The healthcare organization’s ability to achieve its highest aspirations is directly related to the engagement and investment of the community. Everyone, regardless of job title, needs to understand that gifts are not “nice to have” but essential to have and should be able to articulate the role of and need for philanthropy. When

grateful patients or members of the community express a desire to say thank-you or help, their interest never should be met with “thanks, but no thanks” or “the staff would love to have pizza.” As stated earlier, everyone should be able to direct potential donors to the foundation and share the role giving plays in the organization’s advancement.

## **Giving Is Noble**

Philanthropy is a noble task. It is not about shaking a cup or twisting people’s arms to persuade them to give. Some may consider asking for money an uncomfortable or undesirable obligation, so this work needs to be reframed as an opportunity and a responsibility to invite people to become a partner in important work that will have a positive impact on others and create a better organization.

## **Giving Puts Donors First**

Philanthropy respects and honors the role of the donor. The use of funds, activities undertaken toward the completion of projects funded by giving, and the impact of those initiatives must be truthfully and consistently communicated to donors. This level of transparency breeds trust, an essential element of any genuine partnership. Anyone interacting with a donor should be forthright. Honest stewardship is effective stewardship.

Donors should be recognized appropriately for their gifts. Recognition should be dispensed in a fair and equitable manner and at a level consistent with good financial and organizational stewardship. Many organizations choose to formulate policies on recognition to ensure a “standard operating procedure” exists before a gift is made. One of the ramifications of such policy is that organizational insiders should not make commitments to name areas (e.g., a room or a unit) after people simply out of respect, as a sentimental gesture,

or when, for example, someone retires. Those who “give away” a valuable naming opportunity break a social contract with donors who achieve such recognition only after giving at a significant level of investment.

Donors should know their gifts will make the greatest possible impact on the healthcare organization. They trust the healthcare organization to use gifts for their highest purpose and to manage charitable resources well. Philanthropy needs to be funneled through a united front—generally the foundation or development office—so that this covenant is kept. Rogue efforts to advance the interests of individual people or programs are not to be tolerated because they are not in the best interest of the organization or donors. All gifts—of any size and from any source—should go through a single, agreed-upon channel for consistent recording, recognition, stewardship, and management. Hospital staff should **never** initiate a solicitation without working hand-in-hand with the foundation. In healthcare organizations that do not enforce a strict standard of solicitation through coordination with the foundation, a single donor—particularly corporate donors—may receive requests from multiple hospital departments for money or in-kind gifts of their products. As a result, the hospital receives small, reactive gifts, and the donor is likely to think the organization is unclear about its priorities and has poor internal communication. Foundations have lost out on many major gifts because donors they had identified to participate in larger projects receive a request first from a rogue staff member. In such situations, the donor’s goodwill is often directed to a lesser purpose, and while one department may benefit, the organization as a whole sustains a loss.

It is ethical to put donors first, too. The solicitor is responsible for ensuring the donor’s best interest is safeguarded before the needs of the healthcare organization, and especially before the needs of the fundraiser, are met. It is always in an organization’s best interest to place a donor’s financial security, well-being, and values first, even if doing so delays a gift or causes the organization to lose out on the gift entirely.

## **Giving Is Partnership**

Donors are more than dollars. They should be valued not only for their financial contributions but also for their advocacy in the community, connections to others who may care about the organization's work, and ideas for the organization's advancement. Donors who have made significant gifts to advance the organization's future should be invited to participate in ways beyond financial support. In short, donors need to be respected as vital partners; they are not substitutable means to an end. The organization must be willing to interact with donors meaningfully beyond the charitable exchange. For example, it might invite donors to join the design team for an area they wish to fund, include them in focus groups or meetings about the organization's future plans, or call them personally before significant news about the organization hits the front page of the newspaper. Inclusion of donors in activities and forums may test the mettle of organizations not accustomed to having "outside" people participate, but the long-term benefits of such inclusion outweigh any trials the organization may encounter as it acclimates to donor involvement on the inside.

## **Giving Is Personal**

A culture of giving encourages all inside stakeholders, from staff to board members, to make an annual charitable gift commensurate with their means to secure and strengthen their shared future. However, compulsory giving by employees is strongly discouraged because it may breed resentment. While widespread support is a goal better fostered than prescribed at the employee level, it is a base expectation of executives and board members. This expectation should be clearly articulated at recruitment so they may make an informed decision to accept a leadership position in the organization.

## CREATING CULTURE

Leaders may gauge their organization's stage of development toward a culture of philanthropy by reflecting on questions such as:

- Does everyone in the organization know what *giving* means?
- Do staff understand the rationale for philanthropy and the role it plays?
- Have people inside the organization seen the impact of giving firsthand?
- Do people know where to direct someone who wishes to give?
- Do employees engage others in philanthropy even if this responsibility is not included in their job description?
- Can everyone from frontline staff to board members explain how gifts are used?
- Is giving seen as an imposition or a noble way to engage others?

By determining their organization's stage of cultural development, leaders can define what still needs to be done to achieve a successful culture of philanthropy and have a starting point from which to work.

The CEO and other senior executives shape organizational culture daily whether they intend to or not. They are primary role models and expectation setters whose direction moves the organization to action. The behavior they exhibit and the values they espouse set the standard for normative behavior in the organization. Their verbal support and physical presence are essential to any culture-building effort. They must move philanthropy up the list of organizational priorities and set the expectation that philanthropy is an imperative endeavor in which everyone participates. This task is not easy. According to Edgar Schein (2010), professor in the Sloan School of Management at the Massachusetts Institute of Technology, culture is the most difficult organizational attribute to change.

### **Culture-Building Tools**

- Presentations at employee meetings at all levels
- Standing agenda item or “mission minutes” in board meetings
- Signage throughout the facility about the opportunity to give
- Signage where people stop (e.g., elevators and bathroom stalls)
- Advertisements, news releases, and publications
- Employee newsletters, check stuffers, and time clock signs
- Physician newsletters and signage in parking garages and lounges
- Postings on the intranet and on screensavers
- Commercials on the in-house television channel
- Inclusion on internal evaluation scoreboards and in staff goals
- Inclusion in orientation for new hires and mandated annual staff training
- Annual employee giving campaigns or celebrations
- Talking points on the role of giving and on specific case statements to share in conversations with grateful patients and members of the community
- Inclusion in Twitter tweets and social networking site posts
- Inclusion in community benefit reports
- Mentions in op-eds or letters to the editor in local newspapers
- Donor recognition and project information displays in the facility
- QR (quick response) codes that can be updated with timely information
- Lanyards, badge pulls, or pins on clinical staff uniforms



The following steps are a structured, systematic approach to developing a culture of philanthropy:

1. **Evaluate** the existing organizational culture to see where positive strides have already been made and to identify large gaps between the desired state and the current environment. Important questions include:
  - Do staff know the organization has a charitable foundation?
  - Do they know what past giving has enabled?
  - Do they know the organization’s current funding priorities?
  - Do they know where to refer someone who wants to help?
2. **Define** the attributes and characteristics that a successful culture of philanthropy would have in the organization. Ask thought leaders at all levels of the organization to define *culture* and *philanthropy*. From their input, create a definition of each that is accessible and understandable to all. For example, *philanthropy* is “sharing what you have to help and give hope to others.” Also describe specific, observable indicators of a successful culture of philanthropy by answering such questions as:
  - What words would people use?
  - What behaviors would people exhibit?
  - How would people treat each other?
  - What roles would staff members play?
3. **Link** the desired behaviors and attitudes to the organization’s mission and values to show how living the culture is an extension or a manifestation of the organization’s vision and has a direct impact on patients and families:
  - Include philanthropy in the organization’s strategic plan.
  - Ask everyone to commit to advancing this vision of excellence.
  - Have individual areas/service lines/leaders work with their teams to identify specific ways to demonstrate cultural values.

4. **Model** the behaviors desired at all levels so people can see these expectations in action. Have champions engender these behaviors in others. Leaders and board members influence staff, who in turn influence physicians, volunteers, and other allies.
5. **Communicate** that culture is integral to achieving the organization's highest aspirations. Decide how cultural behaviors, norms, and ideas will be translated to new employees. Use a range of communication channels, from employee newsletters to signage to the intranet to screensavers, even signs on the inner side of restroom stall doors, to reinforce the cultural message. Sustain and nurture the culture by implementing ongoing training, just as fire safety or Joint Commission requirements are repeatedly instilled.
6. **Embed** cultural expectations in job descriptions, individual performance goals, and institutional scorecards. Many top-performing organizations have found this step to be an interim effort until the culture has taken hold and philanthropy is "just part of what everyone does."
7. **Evaluate** outcomes to affirm that philanthropy has become a lasting cultural institution, not a flash-in-the-pan or flavor-of-the-month phenomenon. Culture is hard to measure, so define measurable outcomes that should naturally flow from the creation of a successful culture. Also define how people who are not exhibiting the expected behaviors and attitudes will be held accountable for their unwillingness to be part of the vision. While recruiting is difficult (especially for clinical positions), if a current staff member does not want to participate in the culture, it may be time for that person to seek another career opportunity.
8. **Celebrate** individual and collective successes to reinforce ideal behaviors and attitudes and to honor those driving the

culture. Celebrations can easily be infused in the organization as inspirational mission moments that celebrate employees and allies for upholding the culture and recognize donors for giving. For example, it can be powerful and affirming to invite a donor to an organizational forum to share why he or she chose to give. Also take time to celebrate

- allies who have taken significant action to educate, solicit, or steward potential donors;
- gifts to the organization that are particularly impactful or inspiring; and
- completion of projects funded in part or in whole by giving.

Recognition and celebration validate the organization's culture of philanthropy and the outcomes this culture enables.

***Affirm the Healthcare Organization's Charitable Purpose***

Nonprofit healthcare organizations need to act like charitable organizations. While healthcare organizations have budgets and streams of revenue that are disproportionate to the scale of many nonprofits, they are cautioned not to fall into the trap of behaving like big business. When healthcare organizations financially support and sponsor other nonprofit organizations as good corporate citizens and for marketing purposes, their participation needs to be strategic and appropriate. Many a donor has been dismayed after giving to a hospital and then seeing the hospital make a large gift elsewhere. Organizations are advised to thoughtfully articulate the reasons for their gifts to others and ensure recognition positions the organization as a partner, not a major benefactor.

## IN SUMMARY

A culture of philanthropy that engages the entire organization and its allies establishes giving as a goal worthy of broad participation. It ensures the rationale for fund development is widely understood and shows that everyone has a role in advancing philanthropy regardless of title or position.

## FOUR STEPS TO CREATING A PLATFORM FOR PERFORMANCE

1. **Communicate.** Educate employees and other key allies across the organization about philanthropy's vital role and about their opportunity and responsibility to be engaged in its advancement.
2. **Provide tools.** Give executives the information and training they need to be confident and successful. Ensure they are well versed in the rationale for philanthropy because they most often will be the ones to explain the role philanthropy plays in advancing solutions that will improve the health of the community. Also teach them the basics of solicitation and how to use storytelling to make the case for support.
3. **Give well.** Have executives and board members set an example through personal giving. Show employees why their gifts matter, and let them choose to step up rather than swallow the bitter pill of compulsory or pressured giving. Facilitate giving commensurate with financial ability by asking people to consider contributing the monetary equivalent of time increments rather than a set figure; for example, employees can donate 30 or 60 minutes of hourly pay per pay period. This system enables everyone to make a comparable commitment regardless of pay grade.
4. **Give wisely.** Create a policy about outbound giving. Gifts to other nonprofit organizations should be clearly aligned with

the healthcare organization's mission and values so donors see that the gifts are a natural extension of the organization's vision and community role rather than a confusing contradiction.

***Interview with Doug Picha, President, Seattle Children's Hospital Foundation***

*Seattle Children's Hospital is the pediatric and adolescent referral center for Washington, Alaska, Montana, and Idaho. It is also the primary teaching, clinical, and research site for the Department of Pediatrics at the University of Washington School of Medicine. Seattle Children's has 250 beds and physicians in nearly 60 pediatric subspecialties.*

**QUESTION: Tell us about the rebranding of Seattle Children's. What were the primary objectives you wished to accomplish?**

**ANSWER:** The primary objective was to evolve the brand to better represent what Seattle Children's had become and the aspirations for the future. For example, we had evolved to a top-five pediatric research organization and our foundation was a core asset to our brand, with advocates saying, "I think of Children's as a charity with a hospital attached." We wanted to elevate these two components to the same level as our hospital as the three pillars of our brand.

**QUESTION: Has rebranding been a reflection of the organization's overall commitment to/culture of philanthropy?**

**ANSWER:** Absolutely. Research confirmed the foundation was a vital part of who we are and what we wanted to become. This started with our CEO, Dr. Tom Hansen, who often states, "Philanthropy is everybody's business." I think

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the results are evident in our fundraising efforts and the engagement of our staff and leadership. Here is a good example: A system-wide leadership conference retreat was initiated at Seattle Children's about the same time as the rebranding process was put in place. With our new brand as a backdrop [to the] conference, the CEO appropriately began the conference with a talk centering on how our strategic planning process was successfully helping us achieve our overall vision . . . Each of the presidents of the three entities (hospital, research institute, and foundation) followed him with our own state-of-the-state address. What this communicated to this audience of over 500 leaders in our organization was that philanthropy [is] an equally critical partner in the fulfillment of that strategic plan and vision. It sent a strong message and has made a deep impression.

**QUESTION: What impact has the rebranding had on telling your story to the community?**

**ANSWER:** It has provided a platform which now includes philanthropy in every message we convey. In short, it says, "The critical work of the hospital and research institute would not be possible without the generous support of the community (i.e., foundation)." It also reinforces a culture of philanthropy (i.e., private gift giving is critical to sustaining our mission).

**QUESTION: If you had advice for healthcare CEOs on the integration of philanthropy into the overall brand, what would it be?**

**ANSWER:** I think there is a long laundry list of ways CEOs can support the philanthropic activity within their organization, and branding is just one. My overall advice would be if you have a strong foundation or aspirations →

to invest in this function, you should strongly consider integrating philanthropy. It is very important particularly now as private funding is becoming more important.

My further advice for CEOs and their relationship to their philanthropic enterprise would be to start with a commitment to either create or further enhance [their] culture of philanthropy with[in] their institution. It all starts there. If the sitting CEO is not committed to the current and long-term culture of philanthropy within their own shop, there is little hope philanthropy will be considered being incorporated into the brand.

There are many ways to measure a commitment to establish such a culture. Perhaps the two biggest commitments are to spend at least one-third of their time in the work of philanthropy and by their own personal philanthropic support. Both of these indicators are critical toward establishing a culture of philanthropy.

Incorporating philanthropy into the branding of the institution reinforces a message that their mission can only be accomplished and sustained with the continued generous support of the community.

**QUESTION: What else do we need to know?**

**ANSWER:** This project was successful because the foundation and marketing/communication department worked together from the start to develop strong synergy. For example, the foundation worked with marketing to incorporate the brand launch into the campaign celebration. But the real synergy comes from our structure: Marketing has two team members sitting in the foundation fully focused on marketing the foundation. This is key.

***Why Everyone Needs to Be Engaged: A Story from Foundation Executive Carlton Long***

*Carlton Long (2011) is vice president of development and community services at East Tennessee Children's Hospital in Knoxville. This story recollects her experience at the former Mercy Health Partners (now the for-profit Tennova Healthcare), also in Knoxville.*

“We received a very generous check in the mail from a donor I had never had contact with. The only thing that accompanied the check was a thank-you note from a lady who wanted to let me know how much she appreciated the kindness, compassion, and great care our hospital showed toward her adult nephew during the last week of his life. Her nephew had been initially treated for cancer at another institution but came to our hospital for his final days of care—therefore her reason [for] sending the generous check. Immediately I picked up the phone [and] called her to thank her and invite her to lunch. She then told me the story about her desire to send the hospital the \$40,000 check.

Her nephew was not covered by any insurance. She was taking care of his bills and received the final bill from the hospital after his death. Noticing the hospital charges were in the \$80,000 range and the reimbursement from Medicaid was only \$1,500, she was shocked the hospital was not going to receive much for the excellent care they provided. The billing office at the hospital received a call from her stating she wanted to pay for her nephew's charges. On the other end, the billing clerk explained the hospital was not allowed to accept any more for the services, but

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directed her that if she wanted to make a donation to the hospital foundation she could do that. The clerk explained the donation would then go toward helping others. Without the help of this billing clerk, this gift would have never been made to our foundation. Education on philanthropy and ways to give are necessary for all levels of employees. It starts on the front line.”