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“What they think is a friendly request can come across as a mandate.”

“There’s some tone-deafness on questions of power.”

INSIGHT

Power dynamics, if not acknowledged, can affect the strength and quality of funder-grantee relationships.

There are inherent power dynamics at play in funding relationships, with funders holding a lot of power and influence over grantees. Funders that acknowledge and, as far as possible, work to address these dynamics, create stronger and more successful relationships with their grantees.

“It’s a very Silicon Valley VC-style culture. Macho.”

“I can’t think of anybody doing a better job [at addressing power imbalances]. It’s a problem with the whole space.”

Insights

As with all funding relationships, GCE held the power in the funder-grantee relationship. But being aware and conscious of the effects of that power dynamic is an area where GCE could have done better, according to grantees: “in theory the money is open, but [GCE is] the least aware of the power and influence they have over their partners,” said one participant. The problems we heard stemming from this lack of awareness about power dynamics mainly fell into two categories.

First, participants mentioned to us that, when people who represented GCE made a request, they did not always feel able to respond with anything other than “yes,” fearing that seeming uncooperative might have a negative effect on their funding. This held true even when the request was presented as friendly or optional, or as personal rather than coming from GCE. Even people who feel confident about pushing back on topics directly related to their funding, like metrics, weren’t always willing to take the risk of pushing back on requests that seemed to be more personal or casual.

Second, we also heard from participants who felt that GCE had sometimes overstepped by contacting their networks. Speaking to people related to a particular organization is often a standard part of a funder’s due diligence process. When participants became aware of this due diligence after the fact, they often expressed feeling embarrassed and ashamed that their networks were contacted without their knowledge. These situations caused participants to worry that GCE had harmed their social capital by potentially presenting their organization in an unflattering or what they considered inaccurate light.

“[Contacting other people in my network on an issue like this without involving me] was outrageous overstepping.”

We heard from grantees that they often do not feel comfortable being honest about their areas of weakness in conversation with their ILs. When grantees conceal their weaknesses, it is sometimes motivated by the power differential at play. But it can also be motivated by respect and admiration. An individual who wants to be seen as successful and a strong asset to an organization they admire (e.g., Luminate) is not as likely to speak openly about problems.

THEMES

- > Trust & Power
- > Funder Identity & Culture

Recommendations

To begin addressing funder-grantee power dynamics, and to create stronger and more successful relationships with grantees, funders should:

- Honestly and frankly acknowledge the power you hold in relation to your grantees, as a prerequisite for building trust in relationships.
- Offer genuine space for organizations to challenge and engage in dialogue around requests, processes, funding requirements, and even strategy.
- Explore opportunities for training and professional development to help staff build awareness of power dynamics and skills for how to communicate and navigate them more effectively.
- Consider finding ways to diversify your network and the organizations you fund, by, for example, intentionally

POWER DYNAMICS

engaging with organizations beyond the types of entities and approaches that you are most familiar and comfortable with, and questioning your frame of reference for what is 'a fit.'

- Build in more opportunities for iterative feedback and learning with grantees.
- Look for opportunities to model transparency and honesty in communications with grantees. Greater transparency from funders around their own challenges and failures will help grantees by reinforcing that their experiences are normal, expected, and worthy of support, and will facilitate a more productive and beneficial funding relationship for both parties.
- Develop processes that are used consistently with all organizations, providing a clear and collaborative route for creating tailored outputs – for everyone, not just for organizations who proactively initiate this process.