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Factors Driving Exceptional Fundraising Success: A Focus on Australian Leaders and Their Boards.

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Executive Summary

What does it take to deliver excellence in Australian fundraising? How can organizations substantively increase their income? Although the science of giving is one of the most researched topics in the social sciences, there has been comparatively little interest in the science of fundraising. Extant research has addressed factors that are necessary for organizations to be successful in raising money, but only a handful of studies have focused specifically on what might drive exceptional performance and none of these have been conducted in Australia.

In this report we sought to address that gap and examine a number of the truly great fundraising campaigns developed and implemented in Australia. We focus on identifying the factors that led to their success, looking at the characteristics of the leaders and what they choose to focus on to achieve that success. We also examine the role of the Board/Executive Leadership, their relationship with the fundraising function and the unique contribution that they too can play in facilitating success.

To help us frame the project we worked with an advisory panel of five senior Australian fundraisers, consultants and academics. This advisory panel also helped us identify organizations that in their view had been successful in achieving substantive fundraising growth. Participant organizations were selected on the basis of this success and a deliberate effort was made to focus on a variety of different 'models' of growth (e.g. through major gifts, direct response fundraising, grants/partnerships and through a social enterprise model) and categories of cause. Ten organizations were selected and interviews were then conducted with key players in each organization with 24 interviews being conducted in total.

We began our work by looking at the characteristics of the fundraising leaders who had achieved outstanding success. We found that many of our leaders possessed a distinctive combination of belief in their ability to succeed and a high level of personal humility. Both these behaviors are consistent with the notion of Level 5 leadership and

this seemed to us to be a characteristic that they shared. It is interesting to note that in our previous work we have found Level 5 leadership to be a significant factor in both the UK and Norway.

We also examined the leadership styles of the focal individuals, identifying evidence for both servant and transformational leadership. It could be that these styles are most conducive to managing transformational fundraising growth, or it might be that leaders of these kinds are drawn to organizations looking to achieve growth and ready to implement substantive change. Whichever is the case, we found evidence that servant leadership was the preferred leadership style of many of our leaders. This is a finding consistent with recent quantitative work conducted in the United States (Sargeant and Day, 2018).

The report also examines how senior leadership and boards can support the fundraising function. To achieve outstanding growth the board must be willing to invest in fundraising, give personal gifts and take an active role in facilitating the fundraising process. Boards also needed to step up to support their fundraisers, and "charge" the fundraising system to sustain the belief and energy necessary to succeed. Boards (and leaders) intuitively understand that they need to get the best from their team, but it was not intuitive that one route to doing that was to reflect on and steward the wellbeing of the individuals in that team. We offer suggestions for how this might best be achieved.

The report also identifies two aspects of culture that seemed to us to be of critical importance in allowing outstanding fundraising to flourish. The first was the development of a learning orientation or learning culture. This was seen as essential (in particular) to drive innovation. The second was a culture of philanthropy. In the view of our informants, to be successful, organizations needed to be genuinely welcoming of philanthropy, respect the special nature of that philanthropy and work collectively to celebrate and steward the relationships with supporters. In an organization with a high degree of philanthropic orientation, one would expect to see a high level of donor centricity, the embedding of fundraising at the very core of the organization (so it

becomes everyone's responsibility) and the celebration of fundraising success very much in the way that one might celebrate success in the achievement of the mission.

We were also struck by how many of our organizations were focusing on the 'why' question. This was not something that we had identified in previous studies, but we are aware that many influential fundraising thinkers, notably Alan Clayton, are now vocally articulating this perspective. Many of our study participants concurred with this view. They felt that focusing on the detail of the programs delivered by the nonprofit was a mistake. Rather they needed to focus on why those programs were so important and necessary. They felt this space could be deeply emotional and something the whole team could feel genuinely good about contributing to, greatly enhancing the motivation to succeed. The same was felt to be true for donors. No-one it seems cares what we do, but what happens when we do it opens up a whole other level of experience that is characterized by its simplicity and power. Collectively, our Australian leaders felt nonprofits could be raising significantly more money if they were able to do a better job of identifying and properly articulating the 'why'.

Introduction

This research is intended to examine a number of the truly great fundraising campaigns developed and implemented in Australia to identify the factors which led to their success. It focuses on the institutional environment in which these campaigns were developed, looking particularly at the role of the Board and the executive management team and how they inculcate, develop and support fundraising leadership.

Objectives

The specific objectives of the study were as follows:

1) To identify successful fundraising leadership styles and the factors that make these styles appropriate to a given scenario.
2) To identify how the senior management team and board create an environment in which successful fundraising may flourish.
3) To examine how the senior management team and boards support the development and potential of fundraising leadership.
4) To identify how a culture of philanthropy can become embedded in a nonprofit.

It is intended that the results of the study will be used to develop teaching and learning materials that will help nonprofit boards and senior management teams to reflect on the nature of fundraising leadership and their role in developing it, to assist in achieving substantial fundraising growth.

Methodology

We worked with an advisory panel of five senior Australian fundraisers, consultants and academics to help us frame the project. This advisory panel also helped us identify organizations that in their view had been successful in achieving substantive fundraising growth. Participant organizations were selected on the basis of this success and a deliberate effort was made to focus on a variety of different 'models' of growth (e.g. through major gifts, direct response fundraising, grants/partnerships and through a social enterprise model) and categories of cause. Ten organizations were selected and interviews were then conducted with key players in each organization with 24 interviews being conducted in total.

Interviews were semi-structured to allow for a common core of questioning, but also for the specific issues and challenges faced by each organization to be identified and addressed. Interviews varied in length from 40-75 minutes and were conducted with a mix of Heads of Fundraising/Directors of Development, CEOs and Board Members.

Interviews were recorded, transcribed and subsequently subjected to a content analysis. Throughout the report we will supply illustrative quotes from board members (BM), Chief Executive Officers (CEOs), and Directors of Fundraising/Development (DF). We will blend the findings of this analysis with current academic thinking and research. We also forge relevant links with our previous research on Great Fundraising (Sargeant and Shang, 2012; Sargeant and Kochanowicz, 2013) to highlight similarities with our earlier findings reported in the UK, USA and Norway. As will later become apparent, many of the same issues pertaining to leadership would appear to be in play.

What Do We Already Know?

Although the science of giving is one of the most researched topics in the social sciences, there has been comparatively little interest in the science of fundraising and in particular the factors that drive fundraising success. What little literature there is was neatly summarized by Australian researcher Margaret Scott in 2014. The author examined a wide range of factors with the potential to impact on fundraising categorizing them as environmental or intraorganizational. The latter set of factors are depicted in Figure 1.

Figure 1: Intraorganizational Factors Driving Fundraising Success

Source: Scott (2014)

A detailed discussion of all these factors is beyond the scope of this report but clearly effective fundraising leadership is critical in driving success. It is important as a factor in its own right, but it is also important because it can help shape the impact of many of the other factors in the model. Fundraising leaders must be capable of devising strategic responses to the environment that are also consistent with the mission and

available resources. They also (typically) need to be focused on managing change within the organization to foster greater understanding of what fundraising is (and how it works), and ultimately to facilitate the development of a strong fundraising culture, garnering the participation of all those within the organization with the potential to support the generation of voluntary income.

Scott also sees wider organizational leadership as having a major role to play in generating fundraising success and in this respect echoes many of the observations of other sector commentators. For Scaife et al (2013) for example, nonprofits achieving success in fundraising are seen as those who have enlightened CEOs willing to act as "champions" of the function, making the case for investment and driving innovation in strategy formation. Successful organizations also appear to be those who enjoy the CEO's involvement in the fundraising process and where genuine expertise in this domain is present on the Board. The authors argue that these characteristics are critical because they assist in the development of an appropriate strategic direction and meaningful oversight, avoiding the short-termism that writers such as Harris and Zilla (2017) worry, still pervades our sector.

In one of the earliest studies to explicitly address the topic of what might drive fundraising success, Duronio and Loessin (1990) identified two sets of factors in the context of higher education. The authors drew a distinction between institutional factors and program factors. In respect of the former, institutional factors included leadership and trustee engagement and a genuine institutional commitment to fundraising. In respect of the latter, the organization of the fundraising function, fundraising history, entrepreneurial fundraising, staff commitment and an emphasis on institutional relations were all considered relevant issues.

Similarly, in Australia the ACOSS study (2005) identified that strong organizational support and commitment of resources are necessary for fundraising to be successful (p. 45). The study also highlighted the need for excellence in organizational planning to support fundraising which is a theme echoed in the wider fundraising literature.

Mallabone and Balmer (2010), for example developed an audit tool to assist organizations to develop their fundraising strategy. In their view, during the auditing process organizations should be evaluated on dimensions including governance, their relationship or fit with their environment, their fundraising track record, program maturity, resource availability, fundraising culture and the extent to which they have adopted a donor perspective.

Focusing on the nature of fundraising approach itself, Warwick and Hitchcock (2002) identified five fundamental fundraising strategies that they believed should form the backbone of all resource development efforts. They identified growth, involvement, visibility, efficiency, and stability as the five strategies that organizations can apply to be more successful at fundraising (Warwick & Hitchcock, 2002).

More recently the literature has added a focus on the concept of donor centricity. An Australian study conducted by Scaife, Williamson, McDonald and Smyllie (2012), for example, referred to what they termed "donor-centric thinking" indicating that it was inappropriate for organizations to fix only on the dollar returns they were able to generate from their fundraising. Rather, they should be focused on the needs of the donor. Indeed many other sector commentators now hold this view with writers such as Tom Ahern and Jeff Brooks (Ahern, 2017; Ahern, 2013; Brooks, 2012) demonstrating, for example, how giving the donor credit for the work their donations made possible, can transform fundraising performance. MacQuillin et al (2016) also show how attending to their underlying human needs, rather than just their motives per se, can benefit both the individual donor and the organizations they choose to support.

So in sum there appear to be many necessary conditions for success in fundraising and for readers interested in learning more we particularly recommend Margaret Scott's work which summarizes and interprets this in the Australian context. Through her subsequent primary research she also offers many solid practical recommendations for how organizations can succeed in fundraising.

In this report, however, we build on the nascent literature focused specifically on organizations who have not only achieved success in fundraising, but who have truly excelled and massively increased the income for their organizations. Sargeant and Shang (2012) were (to our knowledge) the first to address this specific issue focusing on three dimensions; the characteristics of the leaders that have delivered substantive growth, the activities on which these leaders focused their attention and how these leaders thought about solving their fundraising problems. The findings indicated that all the leaders studied could be characterized as Level 5 leaders and thus exhibited a distinctive blend of determination and steely belief in their ability to achieve their stated goals, but also great personal humility, particularly around who was responsible for their eventual achievement. The study found that these leaders were deliberately focused on three key areas, namely; managing teams, structures and culture. In respect of culture these leaders worked particularly on the development of a learning culture to facilitate innovation. They also worked on the organizational belief that success in fundraising was possible and the dimension of culture that had previously defined failure. Failure was no longer seen as a failure to meet a given goal. Rather, it was defined as the failure to meet a given goal AND not generate learning from the experience that could be applied in future. Failure was thus a failure to learn.

What surprised the authors in their analysis was that the drivers of outstanding success were not just having a specific set of beliefs, attitudes or behaviours, fundraising success was also driven by how these leaders thought about solving their fundraising problems. While none of the interviewees would have used the specific terminology, the authors found that they were all to some degree systems thinkers. Not only did they know *what* to think about fundraising they also knew *how* to think about fundraising. In particular they were able to think clearly about the broad contexts from their own experience which might help them identify potential solutions to a given fundraising problem. They were then able to make smart choices about the specific elements of those broad contexts that might offer the most value. It is obviously possible that a workable solution emerges immediately, but typically each reflection would result in a change being made to the original definition of the problem (e.g. we thought we had a

problem with our fundraising, but perhaps on reflection it's a problem with the Board). Systems thinkers continue their analysis by iterating back through the process with the newly revised problem definition, selecting perhaps other broad contexts and making other choices about the dimensions in those contexts that might be most helpful to generate the optimal solution.

The report also demonstrated how these leaders were able to think about problems at multiple levels of complexity, again iterating through these levels until an optimal solution could be found. Critically they were also developing these systems thinking skills and capabilities in their teams exponentially improving the power of their decision making as a consequence.

A more recent report detailing the findings of an identical study in Norway concluded that a range of broadly similar factors were in play (Sargeant and Kochanowicz, 2013). This is intuitive since these studies are deliberately focused on intra-organizational factors, rather than looking to the external environment for explanations of enhanced performance. One would therefore not expect there to be many differences between countries. However, some insights were added, notably that one highly successful organization had developed an explicit focus on the value chain. In other words, they were explicitly auditing each of their fundraising activities to see where the donor might derive the most value. These activities (or perhaps components of the delivered service) were then brought in-house to ensure greater control over the quality of delivery. The activities in one case included copywriting and the creation of an in-house call centre team.

In the next section we build on this nascent body of knowledge and outline the results from our new study of Australian organizations and the factors that drive success in that context. As we noted in our introduction, this report will also add to knowledge by specifically addressing the interaction that fundraising has with the Board and how Boards can contribute to success.

Fundraising Leadership

Leader Characteristics

Fundamentally our Australian fundraising leaders exhibited many of the same characteristics we identified in our earlier report on outstanding fundraising (Sargeant and Shang, 2012). They were typically Level 5 leaders (see Table 1) who combined a steely determination to achieve their new targets with a high level of humility around who was ultimately responsible for that achievement.

Table 1: The Level 5 Hierarchy

Level 5	Executive	Builds enduring greatness through a powerful combination of personal humility and professional will
Level 4	Effective Leader	Catalyzes commitment to, and vigorous pursuit of, a clear and compelling vision; stimulates the group to high performance standards
Level 3	Competent Manager	Organizes people and resources around the effective and efficient pursuit of predetermined objectives
Level 2	Contributing Team Member	Contributes to the achievement of group objectives, works effectively with others in a group setting
Level 1	Highly Capable Individual	Makes productive contributions through talent, knowledge, skills and good work habits

Our leaders made this Level 5 identity clear from the outset of their appointment and began actively managing the organization to achieve fundraising success from day one.

"I was clear from the outset that if they wanted radical change I was the right choice to see that happen. But if they weren't prepared to make the investment necessary and really commit to it, then they needed to appoint someone else." (DF)

The leaders that we interviewed saw their primary skill as being able to recruit and retain the talent that they needed to achieve their organization's success and many of these subordinate relationships had now extended over multiple years.

"Yes, as I look back on what has been achieved I was able to assemble a really remarkable team of great people, passionate about the work. They built the success. I was just along for the ride." (DF)

"I'm quite convinced that the key to great fundraising is keeping the right people around for long enough to achieve it. Too many (nonprofits) lose their talent just as they begin to get really good at doing what they do. If I was good at doing anything I was good at keeping my team." (DF)

We were also struck by the level of personal passion that each of our leaders had for their cause. Joining the focal organization had been a highly significant career decision and they had committed to it into the longer term. For some, this allowed them to live out their childhood dreams, for others, this enthusiasm was drawn from relevant life experiences that deepened the meaning they were able to draw from their role. For everyone we interviewed, this was "more than just a job."

*"I love dance, I was completely passionate about dance and music. I took two things that were my childhood loves and made it my life… When I took on philanthropy, after about a month, I sat back and said to myself, "If I treat this as a 9:00 to 5:00 job, I'll never succeed. I needed to see it as though it **were** my life and if I did that and adopted that mindset, it would be successful." And that's what I did." (DF)*

"I moved to the sector and I was really passionate about working with refugees in an overseas context, and my values alignment with the charitable sector was much stronger than it was in the private sector. That was a big draw card for me. I'm also a Christian, and so working with an agency that has a similar foundation, I suppose, for the values that I share with our agency is really attractive." (CEO)

It was interesting to note that same level of passion seemed to be present among members of the team.

"It's infectious. We all get it. We can see the impact every day and feel like we personally are making a difference." (DF)

"I am extremely motivated by the research, extremely, and because all of our major donor engagements are done, in the context of showing their impact on human health, we involve our scientific community in everything that we do. In any given day I'm with the scientists, running tours, running meetings, facilitating their progress, their informal progress reports and I love it." (CEO)

So, the success of these leaders is defined not only their personal success, but the success they have been able to share in, from and through, all parts of the organization. They begin to see their success as the success of the nonprofit. As a consequence, the tenure of our leaders was well above industry averages.

Our fundraising leaders were also highly focused on the longer term. For some, this longer term literally meant actively planning strategy that would span multiple years.

"I knew when I took over that we were going to have to change the mindset. It was all about the here and now and no-one was looking out to how things could be in say five years' time." (DF)

For others, this longer term entailed a different way of thinking that encompassed a much richer set of meaning than simply stretching the time horizon over which they thought about the key issues.

"It's important not to get distracted from what needs to happen. Sure we can't manage in a bubble, but you do need to be determined not to compromise for the sake of longer term gain." (DF)

"Leadership. I think (our fundraising leadership) has always been very focused on longer term, bigger picture, strategy view of the world and trying to move the organization to a new point, as opposed to, being a guy who is down in the weeds." (BM)

Either way, fundraising leaders change the mindsets of those around them and re-assign long-term or vision related meaning for any given experience that they, their senior leaders, peers or team members might have at any given moment. In doing so, they make the mundane and the necessary feel more meaningful for themselves and those around them.

"I think one of the downsides or one of the challenges of managing a really collaborative structure is that it can be seen to be more time-consuming in the short-term. So, if you're going to draw up a consultation mechanism for a piece of work… 'You know what, I could actually make all the decisions here and just tell people what they now need to do,' and that would be easier for me, and some other people might think it's easier, because then they don't have to stop and think about why or even how- they just have to do something. But that disables people. It might be fast in the short-term, but it means I haven't necessarily got buy-in and people certainly don't feel valued. They need to be able to see the bigger picture and where it all fits" (DF)

In the academic literature, the process through which people assign meaning for a given experience they have at a moment in time is termed "sense-making" (Weick et al,

2005). When people share this process together, it is called "collective sense-making" (Stiglianu and Ravasi, 2012). Our Level-5 leaders were generally able to shape this collective sense-making process and hence the mind-set of those around them.

For example, a leader can either consider a failure in achieving a short-term goal as a lack of progress, or they can consider the lack of progress now as an opportunity to grow personal patience and the patience of those around them so that they might later achieve longer term goals that are much more worthwhile. By identifying the growth potential of those around them, our leaders are able to help those receptive to this way of thinking to shift their mindset from focusing on the wins and losses in the here and now to the growth of ability over time. By doing so they cultivate a culture that allows bigger, more sustainable, and much more meaningful impact to be developed.

"Patience I think this is really a critical piece in my observation because if we continue to struggle with the organizational impatience about wanting quick results, then our story flies in the face of that completely. It's the total antithesis of all those expectations. It's a story of patience and building something and bringing people with us, and you've got to have the time for that. Otherwise the Board could have said this is not feasible or get rid of him and move someone else in. But if they were to do that, they would have continued to repeat the same mistakes." (DF)

"Patience is an interesting pet for me. I have served three chairs in my time at (the organization). All have been different, but all have taken a long view and been prepared to back a rationale encouraging a solid proposition rather than just looking for desperate responses to short term issues and constraints." (DF)

"Look if you want to achieve growth you need to innovate, in products but also in processes. And you can't innovate without occasionally getting things wrong. But that's acceptable right? So long as we grow and continue to learn." (DF)

In building the resilience to adopt this level of patience the literature highlights the need to switch the collective sense making process from an exclusive focus on what we think about our actions to *how* we feel about them. If a case for a substantive investment is being made, for example, one can focus collectively on the numbers or one can additionally address any feelings of intimidation and anxiety that might also be created. As a collective, the team can then build the resilience and strength necessary to explicitly overcome these barriers.

"(As a Board) most of knew that (fundraising leader) was on point, but it was a large sum of money and even though the figures (lifetime value) made sense, it still wasn't easy to get everyone on side." (BM)

"I think people were genuinely concerned about such a radical change. It (the discussion) wasn't always logical." (BM)

In a way, the leader's role is not necessarily to become a source of strength for others through difficulty, but to simply switch the focus of others such that their own inner strength can be awoken to function better during challenges.

"I recognized that to get the buy-in I needed to help them to take exactly the same kind of decisions they were used to taking elsewhere. I almost needed to anchor them in that space, because they were comfortable there. It wasn't a nonprofit Board decision it was just a Board decision." (DF)

Many of the leaders recognized that in getting the investment and/or change they needed, it was necessary to reflect not only the information the Board might need, but how they might feel when presented with that information and asked to take action as a consequence. Bringing those feelings to conscious awareness and reflecting collectively the academic literature tells us is massively important to the quality of decision making (Pratt and Rafaeli, 2006).

Instilling Belief and Understanding the Why

Our Australian fundraising leaders all spoke of the need to use their leadership to instill belief on the part of the organization that fundraising could succeed and could achieve great things for the charity as a consequence of that success. What is important here is that fundraising leaders do not only instill beliefs about the achievement of fundraising success, as measured by the dollars raised. They also make it their priority to instill belief that the money raised can eventually deliver the impact that everybody in the organization is committed to delivering.

They instilled clear answers to the "why" questions at every level. Why does the organization need the money? Why does it need it now? Why has the organization existed in the past? Why is the organization's mission still important today? Why will the organization's existence be equally important in 20 years' time? It is never only about how much more money the organization is able to raise, but also "why" they need to be successful in raising that money.

"The why question. I think people have just watched (our) story and been amazed by the growth and the stories as well. On social media, often friends will say to me, 'Oh my goodness, I read that story on your Facebook page today.' I think people can imagine how awful it would be if you didn't have a cot for your baby to sleep in. It's a very easy concept to get your head around and understand how difficult it would be. I think people can really relate to what we're doing." (DF)

"And in essence even taking the suicide prevention bit out of it, we are about saving, if you look holistically, we are about saving young people's lives. Not necessarily just through preventing suicide but by stopping their lives from being wasted because they haven't been properly and adequately given support and treatment to have the life they want. That's why we exist and we know it." (CEO)

It is also not only a matter of what they personally know or how they would personally answer the why questions. It is also about building a shared understanding about the answers to these questions. To achieve success in fundraising, everyone in the organization needed to have a sense of why the organization existed and why its work was important. Most described the process of instilling that belief as a journey and one that many of our Australian leaders were still working on.

"One thing I've been completely focused on in all the time is continuing a consistent narrative around the 'why' question. I've been quite relentless, not just with board, but with all the stakeholders to tell our story, position the underlying rationale for why we do what we do. It's important because it builds real and genuine passion." (CEO)

"Why we do what we do is a massively more significant idea than what we actually do. And that's true for internal and external stakeholders." (CEO)

"So I've been on a bit of a journey. I've learned that the old way we would communicate wasn't effective. We were too focused on trumpeting our programs and not thinking about why we provide them." (BM)

Our Australian leaders also needed to instill a belief on the part of boards that fundraising could deliver the income to support the "why." Many boards were seen as unduly conservative, not drawing the comparisons that perhaps should be drawn with the returns available to them through other mechanisms such as investments. Fundraising routinely achieves success far above what could be attained through an investment on the stock market, yet many individuals were reticent to "risk" the resources of the organization.

Overcoming this lack of understanding and developing a shared vision of what might be possible through fundraising was a key priority for leadership. Often, they very deliberately built a series of "smaller" successes to build a track record of delivery and garner trust. The real key to success, however, appeared to be the ability to associate

each of these successes with the longer-term significance for the "why" or the collective vision of how the world ought to be. In the view of many of our interviewees, organizations needed to get to the point where they could equate the money with the mission.

"It can't be siloed and boards need to understand that. We can't address (our cause) without the money to deliver real impact. And if we want substantively more impact we must have substantively more money. So the money IS the mission." (DF)

Just as boards take risks and innovate to achieve their impact on society, so too must they take risks and innovate to acquire the means necessary to deliver that impact.

Leadership in Context

Another factor that struck us about our Australian fundraising leaders was their desire to help shape the environment in which their fundraising was conducted. In plain English they expressed a desire to be an active player in that environment not simply being subject to it. Their sense-making process was therefore quite broad. They considered the meaning they were able to ascribe to their experiences not only within the context of their organization, but also in the context of the sector as a whole. That in turn created enhanced opportunities to learn from others in the sector, but also to help shape some of the factors that might make the sector function better, perhaps through regulatory changes, tax changes, or changes in the system of education for fundraisers. So our Australian leaders were not only managing fundraising or even managing the organization to allow fundraising to be successful, they were managing the environment to allow fundraising to be successful.

"So actually keeping on top of the major trends that are influencing global fundraising, and working to harness those trends is important." (DF)

"I look across the sector and relatively few fundraisers take a real interest in helping shape the profession. Most seem content to be 'done-to' and yet the opportunity is to get active and explain to government (and others) how this stuff works." (DF)

Taking these characteristics of Australian fundraising leaders together, we can see that they are individuals who are willing to think well and think outside of the organization into the sector or the profession of fundraising. They instill beliefs built on these broad contexts into how their organization views and practices fundraising, shaping the articulation of the "why" questions. In doing so, the steely determination associated with their Level-5 leadership builds organization confidence and trust in the fundraising function and its performance. The humility associated with it allows others to participate in and take credit for, the success created by fundraising and in particular the success delivered for the organizational mission/vision. In the next section, we will move on to discuss the detail of their specific management styles we detected and the links if any between those styles and key aspects of performance.

Leadership Styles

Extant research in the nonprofit context has focused on four primary leadership styles. We examine each of these below and illustrate how they were manifest (or not) in our interviews with Australian practitioners.

Servant Leadership

Greenleaf (1977), considered to be the founder of the modern servant leadership movement, sees servant leaders as individuals who achieve superior organizational performance by focusing on the needs of their followers. Rather than leading for

personal gain or power, servant leaders exercise their authority only as a means to help others achieve their fullest potential. This potential may be in terms of task effectiveness, but it can also be in terms of the development of the individual, e.g. developing skills and attributes associated with future leadership potential (Greenleaf, 1977).

When servant leadership is adopted as a perspective, academic research has generally indicated that followers become more committed to the organization, perform at higher levels, and are more active in serving the community in which their organization is located (see for example Sendiaya and Sarros, 2002). Since servant leadership has been linked with higher commitment, staff turnover is also reduced (Ebener and O'Connell, 2010). This is confirmed by our interviews. When people were served by these leaders they felt empowered:

"(Fundraising leader) works hard to ensure that everyone in the team feels valued. She looks at how best to facilitate the growth of the person, not their growth in that role per se." (BM)

"I've been impressed with (fundraising leader). It's clear that she's focused on the needs of her team. You can tell she's very proud of them and she's every right to be." (CEO)

Servant leadership has also been linked with performance because it encourages followers to be proactive in sharing their views during the collective sense-making process. The more this happens, the more effective the organization as whole can be in adapting to changing circumstances (Zhang, Wang and Shi, 2012). The likelihood of group-think occurring where individuals are unwilling to express dissent or fail to conform to a group norm is also greatly diminished (Senge, 1990). The benefit delivered by followers can also build the bond (and duty) that servant leaders feel towards their followers (Frick and Spears, 1996). This mutually reinforcing dynamic can be highly motivational to all parties and therefore increases organizational creativity and productivity while reducing staff turnover.

It is interesting to note that servant leadership has been suggested by reflective practitioners such as Harris (2001) as being a particularly appropriate form of leadership for the fundraising context. The author makes the case because fundraising incorporates a high relationship focus and fundraising leaders must lead both staff and volunteers in such a way as their loyalty and retention is optimized. High turnover in the fundraising team impacts greatly on the quality of the donor experience.

Transformational Leadership

Sullivan and Decker (2001) define **transformational leadership** as "a leadership style focused on effecting revolutionary change in organizations through a commitment to the organization's vision." A transformational leader optimizes their ability to influence by articulating a clear vision for the future (in a manner that is appealing to others), acting confidently and optimistically, sharing risks with their followers, emphasizing important values and ensuring that these are embodied in their words and actions.

Transformational leaders also have a high level of concern for ethical and moral conduct and are seen by their followers as intensely moral individuals (Burns, 2003).

Bass (1985) tells us that there are four primary components of transformational leadership, namely; inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration. These four styles are commonly referred to as the 'Four I's' of transformational leadership.

Idealized influence encompasses behaviors that instill pride in followers for being associated with the leader—often driven by charisma. It indicates that a leader will go beyond their individual self-interest for the greater good of the group and make personal sacrifices for others' benefit. A transformational leader with a high level of idealized attributes displays a sense of power and confidence, and is able to reassure others that

they can overcome obstacles. They tend to talk about their most important values/beliefs and the importance of trusting one another. We see clear evidence of this in our interviews:

"One of (fundraising leader's) greatest achievements in coming here has been the way that he's been able to build up the confidence in the team. Failure was never an option for him and now the team believe that too." (BM)

"It isn't always plain sailing. There are always glitches that need to be overcome, but rather than panic every time something happens (fundraising leader) is able to be the calm voice that reminds us we need to look at the longer term. Not judge everything by the here and now." (CEO)

Inspirational motivation refers to the ability to talk optimistically about the future and articulate a compelling vision for that future. They talk about what needs to be accomplished, but they express it in a way that exudes enthusiasm and confidence that the goals can be achieved. The articulation is genuinely inspirational for the team.

"One of the things that I really believe is that everyone here has belief in what we're doing. It really makes sense to us and the way that we run this organization and the service that we're delivering makes absolute sense to us and we can see the benefit. I think we all feel really passionate about what we're doing. That's a great place to start from." (DF)

Intellectual stimulation refers to the ability of transformational leaders to seek different perspectives when solving problems and to encourage members of their team to do likewise. They actively encourage non-traditional thinking and reward innovative new approaches as they emerge. To drive this innovation, they often re-examine critical assumptions to question if they are still valid and appropriate.

"And the other thing I think I'm pleased with is that we tend to have a pretty well integrated team of people who think in the same way but in the good sense. I don't say they're all clones, but they're all fairly clear that we need to think critically and that its expected that everyone will contribute to how we pull apart ideas and challenge the way things work." (DF)

Individualized consideration describes the ability of a transformational leader to demonstrate a high degree of concern for the wellbeing of their team. They spend time getting to know the needs and aspirations of each individual reporting to them, and focus attention on what might be done to help them achieve their longer-term goals. Thus transformational leaders retain their team in part by deliberately preparing them for their next position. The notion of 'individualized consideration' therefore has much in common with the perspective of servant leadership we alluded to above.

"I'm conscious that people will only be with us for a finite amount of time. So why dress that up or not talk about it at all. Put your cards on the table and ask 'so what do you need from me to get you where you're going?'" (CEO)

"One of the more satisfying parts of the role for me is seeing my team develop. I know that I can draw on my experience to help them grow. And when that manifests…" (DF)

Many of these descriptions of transformational leadership have some overlap with servant leadership. The combination of the two can be powerful since transformational leaders are capable of redefining individual perceptions of the organizational mission/vision, unifying this view and then stimulating high levels of motivation directed toward its fulfilment. Combining this with servant leaders' primary focus on serving the needs of each subordinate can inspire additional individual creativity and productivity directed towards the fulfilment of that mission/vision.

Transformational leadership has been linked in many studies with enhanced performance (see for example, Grant, 2012) and a study by Thomas (2016) identifies five major reasons why this might be the case.

1. Followers are happier in their jobs and experience higher levels of wellbeing and positive mood and are therefore more committed to the organization (Bono and Ilies, 2006).
2. Followers are genuinely inspired by their leaders who provide them with greater meaning in the completion of work-related tasks. They understand what to do, but crucially they understand *why* they must complete these tasks and thus the relationship with the attainment of the mission. Therefore, both individual and team productivity is enhanced (Searle and Barbuto, 2013).
3. Followers want to perform better because of a sense of being able to identify personally with the leader. As transformational leaders are regarded as symbolic of the organization (Eisenberger et al, 2002), followers can also experience enhanced identification with the nonprofit (Boehm et al, 2014). As that level of identification builds followers come to define their own sense of success or failure in terms of the success or failure of the organization.
4. Followers value the "relationship" with the transformational leader because of the efforts he/she puts into their development. There is therefore less need for an emphasis on immediate rewards for task performance. Transformational leaders create a more generalized social exchange that causes higher levels of motivation and commitment (Liden et al, 1997).
5. Transformational leaders also build a momentum behind an inspiring vision. Followers come to see others who are also drawn to that vision as members of their 'in-group'. The more compelling the vision, the greater the pride they take in in-group membership and the greater the time and effort they will devote to serving the interests of that group (Restubog et al, 2008).

Transactional Leadership

Transactional leadership has been defined as "an exchange process based on the fulfilment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes" (Aga, 2016). Transactional leadership is said to build on the concept of contingent reinforcement, in which followers are motivated by their leaders' promises, rewards and praises (Ibid). Transactional leadership is often regarded as the poor relation of transformational leadership as it is assumed that the less considerate and inspiring forms of behavior associated with transactional leadership do not foster the same levels of satisfaction and commitment (Afshari and Gibson, 2016). As effective as transactional leadership can be in getting concrete tasks done highly efficiently it may not be as motivational for staff. That said, setting performance targets was frequently noted by our interviewees as being important, particularly where those targets were associated with longer term measures of success.

"So we spend a lot of time trying to engineer value for our donors. I always want us to think in terms of the lifetime value we can generate. I'd like to say that we were measuring all the long terms drivers of that value, but we're still on a journey. We know what we have to do, but it takes a while to shift the system and the Board (laughs)." (CEO)

Charismatic Leadership

Charismatic leadership is the process of encouraging certain behaviors in others through force of personality, persuasion and eloquent communication. It shares with transformational leadership a focus on building up enthusiasm in others for a stated vision or goal. But Conger (1999) asserts that what distinguishes charismatic leaders from others is the way they articulate that vision to both their followers and to the organization's hierarchy. Their presentation demonstrates their own convictions, self-confidence, and dedication to materialize what they advocate while showing a similar

high degree of confidence in the abilities of their team. The self-confidence exuded by these leaders can also enable them (or their teams) to take more risk than their peers.

It was interesting to note that we found little evidence of charismatic leadership in our study. We found considerably more evidence of servant and transformational leadership in our interview data. We regard this as a positive since charismatic leadership accrues as many disadvantages as advantages. Charismatic leaders focus heavily on projecting a collective vision for followers but this can sometimes be tied to their own personality or value characteristics, so there is a danger that they may become authoritarian and narcissistic (Conger, 1989). Charismatic leaders can also have a high need for power and the vision and mission they articulate can therefore become self-serving. They can also be prone to exaggerate their own abilities and self-descriptions (Gardner and Avolio, 1998) which can lead teams and/or individual team members to the taking of inappropriate risks and over-confidence in decision-making.

Rather than thinking about how to project themselves onto others, our Australian leaders were instead thinking about how to make themselves relevant to them:

"To bring it down to one word I'd say the key driver in all of this has been me personally making sure that I've continued to make myself relevant in my role and what I bring to that role. Challenging others to be relevant as well in reflecting on what they do, but making relevant manifest. Relevant within the organization, relevant with stakeholders, relevant with the community." (CEO)

Instead of thinking about increasing their own visibility, the focus of our Australian leaders was on how to increase the visibility of their unit within the context of the organization or in the sector as a whole:

"Obviously the financial performance is huge, and very impressive, but the way that (the leader) increased the visibility of the foundation within the institute, the way that he

increased the board's understanding of the work that's undertaken within the institute. That was all massively important too." (CEO)

"Our agencies tell us that we're one of the 'go-to' places to work. One the places people want to have on their CVs because we are seen to be one of the best at what we do. We're known for that." (DF)

So in summary we saw more evidence of servant and transformational leadership in our Australian fundraising leaders than charismatic and transactional leadership. Although our Australian research used qualitative research methods, this finding is consistent with what we found in our North American nonprofit leadership study where a large sample of over 1000 nonprofit leaders were included in the analysis (Sargeant and Day 2018). In total 53.7% of that sample claimed to exhibit the servant leadership style to a great extent. In total 34.8% of that sample also claimed to exhibit transformational leadership style to a great extent.

By contrast, only 29.4% of the sample claimed to exhibit a charismatic leadership style to a great extent and only 5.1% of that sample claimed to exhibit transactional leadership style to a great extent. The total sums to more than 100% because some people were found to possess more than one leadership style.

We could find no evidence in our admittedly qualitative study that one form of leadership would perform any better than others in creating outstanding fundraising success although as we explain below there did appear to be a link with creativity. The failure to find any link between leadership style and fundraising success could partially be explained by the fact that we opted to look at organizations that had gone through transformational growth rather than a broader set of organizations per se. It could be that the leaders who are suited to lead organizations during these periods may very well be servant and transformational leaders. This is an idea consistent with the findings on person-organization fit developed by Chatman (1989) where he indicates that it is the fit

between organizational norms/values and leaders' characteristics/values that determines the style of leadership adopted and the outcomes of it. The leaders we interviewed all worked in an organizational environment that was conducive to organizational change and change that could lead to a more powerful fulfilment of their mission.

It is important to note that the fit here is not necessarily how much congruency there is between the leader and the job that they do in fundraising alone. It is the fit between the leaders' deeper characteristics and values and the organization's broader norms and values. Research has indicated that this fit also determines the turnover rate of leaders beyond the first 24 month period (O'Reilly, Chatman and Caldwell, 1991).

As time passes, leaders and the organizations share the collective sense-making process, and so they mutually shape the stories they tell about their experiences over time and they extend and reinterpret their changed circumstances. It is the success of this shared narrative that will then determine the outcome of any given leadership style in the context of each organization (Shipp and Jansen, 2011).

We were though able to identify an association between leadership style and creativity that reflects the extant literature. Creativity has been extensively studied at the individual level, with personality-related factors such as self-confidence, tolerance of ambiguity (Feist, 1999) and self-efficacy (Tierney and Farmer, 2002) shown to be associated with creativity. More recently, a number of scholars have focused on the organizational context as a factor that promotes or stifles employee creativity (Zhou and George, 2003). The supervisor's leadership style and organizational culture are both crucial contextual factors influencing employees' intrinsic motivation. This, in turn, affects their creativity process (Zhang and Bartol, 2010).

Transactional or controlling leadership impedes employees' intrinsic motivation, whereas democratic, participative leadership enhances intrinsic motivation and drives creativity (Ryan and Deci, 2001). A non-controlling supervisory style enables employees

to feel safe in risk-taking to pursue new insights, by granting autonomy and encouraging learning and change. Similarly a transformational leadership style has been shown in many studies to build psychological empowerment which in turn increases employee creativity (Sun et al., 2012).

Given what we learned about the management styles of our Australian leaders, one would expect them to create a culture that is particularly encouraging of creativity. We found that to be the case.

Leadership Focus

Having now discussed the characteristics of our fundraising leaders and the leadership styles they appear to adopt, we turn next to the topic of the actions that our Australian leaders took in the development of great fundraising. In our Australian sample we found evidence of a significant focus on culture, managing board relationships and the appointment and retention of a world class fundraising team. We will discuss each of these three major themes below.

Developing a Learning Culture

Schein (2004:17) defines corporate culture as "a pattern of basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and that, therefore, can be taught to new members as the correct way to perceive, think, and feel in relation to those problems." One of the defining characteristics of the culture in all the organizations we looked at was a willingness to learn and to play an active part in the fostering of organizational learning.

"We always have to be curious. There are new ideas being developed all the time and you have to keep up with best practice. That means looking at organizations here in Sydney, but across Australia and beyond. And not just organizations in (our sector)." (DF)

"Perhaps it's the research culture here, but it is certainly noticeable that I would say all parts of the organization place a high degree of focus on investing in the development and learning of their team. I've been impressed by that." (BM)

Like organizational culture, organizational learning is also a very elusive concept due to the variety of perspectives that come under scrutiny in the academic literature. Senge (1990) defined organizational learning as ''a continuous testing of experience and its transformation into knowledge available to the whole organization'' (p. 6). Jones (2000) emphasizes the importance of organizational learning for organizational performance. He defines it as ''a process through which managers try to increase organizational members' capabilities in order to better understand and manage the organization and its environment'' (Jones, 2000, 14 p. 472). In the for-profit sector, learning culture is defined as a culture conducive to the generation of new knowledge that would allow organizations to achieve their organization's objectives and beat the competition (Surijah, 2016). Indeed, the literature is clear that in the business world a learning culture delivers four key benefits.

1. Improved employee engagement. This happens as a natural consequence of feeling valued and feeling that one's personal development and growth is valued. Employees working in a learning culture also feel a greater degree of empowerment and responsibility for their own goals (Swanson and Holton, 2001).
2. Higher staff retention. As individuals continue to experience growth in their current organization there is less need for them to move on to satisfy that dimension of their personal motivation. Employees also feel stronger ties to those

around them that are supporting their learning and that too can stimulate enhanced loyalty (Song et al 2013).

3. Business processes become more efficient and streamlined. A critical component of a learning culture is the empowerment of employees to "close the loop." It isn't enough to learn, that learning must be fed into genuine change. When this happens the learning can deliver practical benefits for the way that the organization interacts with its various stakeholders and the value it creates. (Amabile, 1988).

4. Higher ROI and long term success. A lot of academic interest has understandably focused on the performance of various organizational cultures. In aggregate this evidence suggests that learning cultures, all else being equal, deliver greater long-term success in profitability, ROI and revenue growth. This is delivered as a consequence of points 1-3 above. Satisfied employees and improvements to processes have a direct and tangible impact on (in the business world) customers (Marsick and Watkins, 2003; McLean, 2005)

In the nonprofit sector, especially in Australia, our interviewees saw organizational learning culture as something that involves additional layers of meaning. For example, as reflected below organizational learning culture is not just about generating new knowledge that would allow organizations to meet income targets or achieve growth. It was also about perspective taking.

"I said to my boss, this last year, while we're sitting smiling about the amount of money that's coming in. I said, 'I think it's time I went on another little trip to America and the UK.' She said, 'You don't need to go to the UK.' I said, 'I do. Because they're doing it very well there.' I think there are great examples in the UK of organizations that do philanthropy well. And I do need to look at all organizations, not just those in our sector. To experience big fundraisers in cultural institutions, not just arts and performing arts." (DF)

This participant felt that it wasn't enough to simply "know" what others might be doing. He saw value in being there and "experiencing" what successful organizations "feel like." He saw value in relating to those "big fundraisers" at an interpersonal level and experiencing who they are not just learning know what they know. We were struck by this holistic style of this experiential learning. It can be highly effective, because it combines individual and collective perspectives and it marshals together physical as well as intellectual and emotional elements. Heightened levels of successful innovation result.

The development of an organizational learning culture was deemed critical to the development of exceptional fundraising. This is because transformational growth involves an unusually high volume of new experiences that the organization needs to make sense of and respond to. In all cases, the leaders we interviewed made it clear that the organizational culture when they took up their appointment was far removed from the ideal we articulate above. In most cases a fundamental cultural shift needed to occur at the level of the organization (not just at the level of the fundraising team).

"They needed to get out more. That's how I felt when I took over. The organization was very insular. It was set in its way of looking at the world and there was no drive to learn to do it better. So my appointment must have been a gamble for them, because I was appointed to shake things up." (DF)

"You simply can't achieve transformational growth without being the best in class. And you can only be best in class by being receptive to new ideas and taking the time to look around at who's really setting the pace now and who you have to beat – not in a commercial sense though – in terms of that challenge to be better, which benefits everyone." (BM)

"We invest quite deliberately in the development of our staff. Innovation just isn't possible if we're always looking inwards. Perhaps as a board encouraging that external

perspective is something that we can bring. I don't see so much of it in (nonprofits)."
(BM)

It was interesting to note that in the case of one of the larger organizations we interviewed, they made a conscious effort to travel as a team so they could share the learning from the event and use the opportunity to develop more inter-personal bonds. These efforts at learning were not necessarily focused on major new approaches or ways of thinking, team members were encouraged to identify more "micro" facets of learning too – e.g. improvements to the landing page for a digital campaign. Whatever the focus it was clear that action had to be taken as a consequence of the learning, so that the learning "loop" was closed.

Developing a Philanthropic Culture

Just because an organization is effective in inculcating learning, it may not mean that that learning is conducive to the growth of philanthropy and can ferment a culture that is conducive to the stewardship of that philanthropy. Here the concept of a philanthropic culture or philanthropic orientation was felt to hold value. Although interviewees used varying terminology what we are referring to here is a culture that is receptive to, and welcoming of, a variety of philanthropic sources of income. It is also a culture that recognizes the unique nature of philanthropy and the central role that whole-organization stewardship can play in developing that philanthropy and the wellbeing of those who might offer it. A philanthropic culture was certainly seen as of paramount importance in many of our Australian interviews:

"I suppose, as an organization, one of the things we've done well in the last five to ten years is have the whole organization embrace the notion of philanthropy. Everyone who works with the organization participates in some way. So if I've got a group or a person I'm walking through the organization with, they all know there's a reason I've been doing

that or my team would be doing that. So there's a respect and understanding. A nod and hello. All that sort of thing." (CEO)

"For me it's really about two things. I guess it's about engaging people's desire to give, to contribute and to be useful. It's also about fundamentally connecting with your community, which is important to us because we have our roots in the community. And that philanthropic engagement is actually a good thing rather than something to be uncomfortable about or feel awkward about or brush aside, which seems to be evident in a number of organizations. So at (our organization) we embrace fundraising as an action serving philanthropy and so it feels much more comfortable, far more acceptable, welcomed." (CEO)

But what exactly did our interviewees mean by a culture of philanthropy? In a very practical sense, what behaviors might (or should) an organization with a strong philanthropic culture exhibit? In the discussion that follows we look in greater detail at the elements of a philanthropic culture that emerged from our interviews – donor centricity, the embedding of fundraising at the heart of an organization and the celebration of shared successes. We don't claim that this is an exhaustive list of dimensions (ours is a qualitative study), only that these seemed to us to be the key factors that emerged from our discussions.

Donor Centricity

The first of these elements of philanthropic culture we found to be donor centricity. Indeed, it was regarded by many as the "backbone" of philanthropic culture. Donor centricity was seen as a high level focus on donor (or supporter) needs. Rather than regard donors as a "piggy-bank" they are regarded as individuals with a discrete set of needs that the organization as a whole should respond to and nourish.

"If you're truly serious about growth it isn't optional. Fundamentally you have to understand the needs of your supporters and build all that you do around delivering that. But more than just the fundraisers doing that – its everyone's responsibility. Just takes a while for them to get it." (DF)

"I would like to say that we genuinely do try to be the very best in this area. When I say the very best, that's not necessarily the very best as in any kind of league table or anything, but what I mean is our very best. That we truly are putting our donors at the center of what we do. Our strategy map actually specifies that that's what we do and donors are at the center of what we do." (DF)

When an organization is truly donor centric it is less likely that silos develop around the notion of "ownership" (i.e. who owns which group of donors) since whatever combination of service that is optimal is the service that should be provided.

"We don't tolerate people talking about "my donors." Of course that vernacular comes in occasionally, but the whole structure is in place that the donor is connected to (the organization) and the cause. Then we're the primary relationship managers and they're the vehicle to meeting the donors' expectations. Wherever the donor sits best within the foundation to maximize net returns, I think everybody understands that, and, as a result, I don't think they're too precious. They're appropriately, I think, competitive for their programs, but not to the detriment of the greater good." (CEO)

In a philanthropic culture the organization as a whole cares quite genuinely about the needs of its donors and the satisfaction of those needs is considered of equal importance to the satisfaction of the needs of the beneficiary. The science of wellbeing tells us that donor needs might include:

1. A need for connectedness with others that they care about. This could be beneficiaries, other donors, a charismatic leader, the organization, the brand or (in the context of faith giving) a God figure.

2. A need to feel competent in expressing their love for others. This is a core need in the context of philanthropy.

3. A need to feel that they have exercised some autonomy in achieving the desired outcomes or the nature of their own experience. The more autonomy people experience, the greater the degree of wellbeing obtained.

4. A need to experience growth as an individual. In the context of giving this may be a need to grow as a moral person through the articulation of personal philanthropy.

5. A need to experience clarity in respect of one's purpose in life. The more clarity we experience the higher the level of personal wellbeing we experience.

6. A need to be accepting of the person that one is today and has been in the past. The more accepting we are of our former selves the greater the level of wellbeing we experience.

The extent to which each of these needs has been met can easily be measured using published scales.

Psychologists now refer to these needs as fundamental human needs (Ryff 1989; Deci and Ryan, 2000) and by giving active consideration to these elements organizations can greatly enhance the wellbeing that donors experience when they give to the organization. While a "good" in its own right, individuals who experience a greater sense of wellbeing can also be more generous in their support. Fundraisers should thus review their interactions with supporters to see if greater value might be generated on each of these six dimensions. Critically – it is not enough to simply make people feel connected, for example, fundraisers must also help individuals to form judgements about how well they are doing on each dimension. While we are very good, as human beings at judging when our lower order needs have been met (i.e. we know when we are no longer cold, hungry or thirsty) individuals experience much higher degrees of ambiguity around the extent to which their higher order needs have been met.

It is important to note that this is of much more than passing or academic interest. In our recent experimental testing we have successfully doubled giving for clients by focusing on (and priming) dimensions of these needs. So while the notion of donor centricity has always been regarded as important, the science of wellbeing is now opening a massively significant opportunity to deliver greater donor value.

For an example of how this might work practically in the context of fundraising events please see Sargeant and Day (2017).

Fundraising Embedded at the Core

When an organization adopts a philanthropic orientation, it is also more likely that fundraising will be firmly embedded in the organization's core. Fundraising will no longer be regarded as a narrow functional discipline. Everyone (including the board) will see it as their responsibility, everyone will be offered training in the basics and everyone will have fundraising (or at least supporting fundraising) in their job descriptions.

"I personally found it very useful. It had been a bit of a black box previously. It was easy to see where I might be able to help but it wasn't previously intuitive." (BM)

"Fundraising is routinely a part of induction for new members of staff. It isn't that we expect everyone to 'do' the fundraising, its more that we want them to appreciate how it works and to be able to articulate and be proud of the case for support." (CEO)

"They need to appreciate how important fundraising is from day one. So we work on it from day one – developing their understanding and encouraging them to think of the role they might play." (DF)

"The receptionist will have something to say (too). They can look up how many calls were not answered all that sort of stuff so they give stats too. In the last fortnight, we've

had 2000 emails. They log what sort of complaints there are. If a big mailing is going out the receptionist can just about calculate what the complaint rate might be. I think they're quite sophisticated for their roles sometimes by comparison to others in the industry, but it's not force fed. It's just they learn it." (CEO)

"Leadership is appraised in part for how they support fundraising. So they have to report on what they did over the previous year to support income generation." (BM)

It was interesting to note that many of our Australian leaders took such trouble to integrate fundraising into the organization that they found themselves with more relationships or "bridges" between functions than other members of the organizational leadership team. This created in itself an opportunity to add value for peers because they could often forge connections that no-one else could. This was seen as important because it reinforced the non-monetary value that fundraising could offer.

"Absolutely, yeah, we're very well-educated on what's going on. In fact one of the key attributes of the foundation is that we probably know more about what's happening holistically than the executive director does over these various things. Very often we'll be in a meeting and somebody will reference a particular project or program or collaboration and we'll be the ones that say, "Oh, you should go and speak to (a lead researcher) about that, because he's running, he's doing exactly what you're wanting to do, and he's right here in the building." We pay a unique role in that sense." (DF)

It is interesting to note the historic parallels with the concept of "market orientation" where in the 1990s it was argued that in the business context, to be successful, organizations needed to develop a set of very specific behaviors and attitudes. One of those attitudes was that marketing should be seen as everyone's responsibility. All employees had the capacity to add to, or detract from, the nature of the customer experience (Sargeant, 1999). Our Australian interviewees were making the same connections.

"We want everyone to have the same experience of us, whether that's walking into the office, calling us on the phone, interacting with us online. That has to be everyone's responsibility but we have to educate and train people on how that experience should be. It won't happen by default." (DF)

"It took me a while to forge the link, but in a way its obvious that an organization should orient around its customers and of course we have multiple of those." (BM)

Celebration of Fundraising Success

A further component of philanthropic orientation was the level of pride that the organization develops in respect of its income generation and those who facilitate that to happen. As fundraising leaders succeed in gaining wins and gradually shifting the tone and baseline acceptance of fundraising, they also begin to see fundraising recognized by more and more people within the organizational community.

Many of those we interviewed noted the pride that their organization had in its service provision and the leaders and frontline service staff who were delivering their outcomes. What appeared to mark out a higher degree of philanthropic orientation was the extent to which the organization was similarly proud of its ability to attract philanthropy and meet the needs of and steward relationships with, its supporters. There are obviously echoes here with the perspective of many of our Australian leaders that money and mission should be seen as the same thing.

"We're very proud of the fundraising team. They're doing a difficult job, building relationships and they do it immensely well. Of course we get involved and help where we can, but we know who's doing the heavy lifting." (BM)

"My Board member remarked last year and again this morning that when we were finally able to buy a new piece of (robotic surgery equipment) the thing that really impressed

him was that every staff member, and I'm talking here of theater staff, nurses, doctors, etc. were singly consistent in their recognition of the role of the Foundation in making it happen." (CEO)

But clearly this level of understanding doesn't happen by accident. Our fundraising leaders were at pains to ensure that they continued to have the right conversations within the organization to continue to develop understanding oriented towards the growth of philanthropy.

"So for me the constant default is always helping people understand why we are doing what we're doing. For us that's actually firstly, serving donor aspirations, so that's philanthropy. That understanding enables us to match the projects that are really important within (our organization), with those that are important to particular donors. And ultimately that matching delivers improved health care. That's how we talk about that." (CEO)

Working with the Board

Our Australian leaders shared with their British and Norwegian counterparts a significant focus on managing the organization to allow fundraising to succeed. In our initial study we found that successful leaders spend 50% of their time or more engaged in activity of this nature (Sargeant and Shang, 2012). That might manifest in a desire to "manage sideways" working closely with peers to reduce internal conflicts, influence culture and achieve the resources necessary to invest in fundraising growth. But there was a similar and concomitant focus on the development and management of board relationships.

It became clear to us in our interviews that the process of building stronger relationships with the Board required both a top down and a bottom-up approach. It was often boards themselves who had recognized the need for a transformation in fundraising and the

wider culture of philanthropy. That recognition had led to a senior fundraising appointment and a willingness to engage with that individual and their team to make the fundraising a success. In other interviews it appeared as though the impetus for change had come from the fundraising function itself which then capitalized on a series of (initially) small wins to begin to win the hearts and minds of a previously unsupportive (although not necessarily hostile) board.

"We knew there had to be a transformation. We needed to get in someone with the skills to pull it off. We just got very lucky when (fundraising leader) walked through the door. We knew immediately they were exactly what we needed. Just don't tell them that I said that (laughs)." (BM)

"Last year we conducted a skill survey with the board, where they mapped out where they felt their strengths were, and also where they felt gaps were. There was a recognition that there were gaps in the sophistication of both fundraising and communication. They could see that. So, we're now in the process of seeking at least one board member who can bring those skills." (CEO)

"Initially the Board were hard to work with – even a bit scary – as I was quite young at the time. But looking back they weren't being hard on me, the just needed to be convinced by the evidence and I think they saw something in me and just pushed me hard to make the case." (DF)

"The strategy has been one of winning them over. I identified pretty quickly who the allies might be and worked with them, using their help to win over the others. We got lucky with some early results and that certainly made the process easier." (CEO)

As the second quote above makes clear, some organizations had conducted an assessment of the health of their board and any gaps that might exist in skill areas that would be important to the organization moving forward. Indeed, a regular assessment of this kind is now widely regarded as best practice. To achieve success in fundraising

however, our work suggests that board selection for domain specific knowledge may not be enough. The following factors should all be considered and actively managed.

1. Individuals should certainly possess the requisite **domain specific knowledge**. The wider literature on nonprofit boards talks in terms of acquiring individuals who have backgrounds in helpful fields such as finance, accounting, law, marketing and education. It was interesting to note that fundraising or giving experience is not typically seen as essential in this literature. By contrast, our interviewees saw it as essential that individuals had some understanding of fundraising or were at least willing to learn.

2. Individuals should also possess **board knowledge and experience**. Research to date suggests that the more board experiences and current board positions that an individual holds, the more effective they can become in serving the right board functions (including fundraising). This is because they are able to quickly and efficiently transfer expertise from one domain to another, all else being equal.

3. Individuals should also possess **high social capital**. This allows them not only to help fundraisers reach potential donors, but to help build trust and enthusiasm for the organization. A related literature concludes that social capital is also important within the board itself. Better performing boards take the time to build and celebrate the social capital that exists between their members. This form of social capital greatly facilitates information sharing and builds team functionality.

4. Individuals should have **sufficient time to dedicate**. They need to take responsibility for getting to know the details of what help is required and then to act on this knowledge. Research has indicated that it is easier to train enthusiastic board members in fundraising than to find knowledgeable fundraisers who do not share that enthusiasm for their involvement.

5. Boards should exhibit a **degree of diversity** along the dimensions of ethnicity, gender and work experience. Higher diversity has been associated with better organizational performance. But it is only the case if the diversity mirrors the profile or needs of key stakeholder groups or the needs of the organization (e.g. growing giving from particular communities). Greater diversity is also associated with higher quality decision making on the part of boards because of the wider range of world views and life experiences that can be brought to the table.

6. Individuals should be able to **meaningfully contribute to a sustainable fundraising system**. As we noted earlier board members are typically selected for their functional expertise. Rarely are they selected for how they might make other board members or fundraisers feel. This is different from recruiting team-players. Because the purpose is not to build a high performing team per se, but to make sure the psychological well-being of each individual within the fundraising system is met.

In the sections below we focus on how boards were seen as impacting fundraising and the forms of board engagement that seemed to us to be associated with success.

Willingness to Invest in Fundraising

In order to achieve outstanding fundraising growth, it was felt that an investment and sometimes a substantial investment in fundraising would be required. There was some frustration on the part of our fundraising leaders that the case for investment had sometimes been harder to make than they perceived was strictly necessary.

"I drew the comparison of what could be achieved by investing in the stock market. Fundraising just isn't in the same league. The returns there are massively more substantive and I needed to show that." (DF)

Indeed, many of our interviewees talked about how they had deliberately focused on data to make the case for investment. Rather than relying on the trust that the Board might have in them as an individual they had provided as much concrete evidence as possible as to why a particular approach would be optimal or why a particular investment would be necessary.

There was also a sense that boards had been focused primarily on short term measures of fundraising success. It had been necessary to work to shift the mindset (and later the metrics) away from one of short term return to one of donor lifetime value or the factors that might shape that future value.

"I've learned that a longer-term perspective is necessary. Of course we were all hoping for immediate success – at least if we were being honest we were. It's expensive – right? But (fundraising leader) told us it would take three years and they were right. Of course relationships can't be built over night. Of course." (BM)

"I think a lot of NGOs think that when they hire someone like me, they will get a lot of money, like, 'We've got that person there now, and it will all work out.' Yeah, but it's an investment. You have to invest in, sometimes, an expensive person that will spend a lot of money in trying to build relationships, but also trying a lot of different approaches, sending in a lot of proposals. That also takes a lot of time, to actually develop those proposals, and then you might not be lucky in the first few years. But we see now is that it is getting us somewhere." (DF)

Board Giving

There is widespread agreement in the fundraising literature that boards need to give to support the work of their organization. Simply volunteering time or expertise is not enough. If they are to meaningfully support others on their philanthropic journey, they need to have experienced that journey for themselves.

"(Board members need to give) was a bit of a surprise to them. Even internally, our CEO asked. We had someone come forward that was an executive in one of the big banks here. Great fit for our organization, and our CEO and head of research said, 'Can you be on a fundraising committee and not donate' I said, 'Well, of course you can't. Why would he be helping us fundraise if he's not giving himself?" (DF)

The majority of our interviewees noted that is important to create a 100% giving board if one is to substantially grow fundraising success. It is important, not necessarily because of the total sum of money raised, but because it charges the fundraising system. It shows those who are doing frontline fundraising that governing board members are not simply providing oversight, they are committed to the cause. It also allows the director of development to point to the board's support (or that of specific individuals on the Board) when talking to other prospective supporters.

"It isn't so much that [this individual] gives. It's that I get to go out and say that he gives. It speaks to the quality of our mission and the impact we are having on the world." (DF)

The easiest route to creating a 100% giving board is to include giving in the role description, yet this is currently not a widespread practice. Research indicates that when a pattern of supportive behavior is established, it is harder to convert individuals thereafter (Sargeant and Jay, 2004). So if board members do not give immediately upon recruitment, they should be offered the opportunity again during their orientation. This again, is not common practice and as a consequence many fundraisers report difficulty in achieving 100% board giving.

Our interviewees had largely been successful in this regard. It was clear that the nature of many boards dictated that it is not always possible for all individuals to make a large donation. They could be specialist experts (researchers, social workers, environmental specialists) who do not have a high giving capacity. So the key here was to ask them to make a gift of an amount that was "personally significant" for them.

"I struggle to get across the notion that we don't necessarily need large gifts, it just needs to be a meaningful gift for them. That may be only $100 or $1000. It isn't the amount that is significant." (DF)

"And right there is some power for a fundraiser, because it's not how much they give, it's the fact that you can say, 'These really excellent people here really value the work to the extent that they're willing to make a personally significant gift.'" (DF)

As we noted above a key purpose of having a 100% giving board is to demonstrate to those who are doing frontline fundraising that they are committed to that work. It serves the purpose of charging the fundraising system more so that it fulfils the fundraising ambitions. So in addition to treating board members as donors and showing them a clear case for support, highlighting the effect that their gift will have on other internal stakeholders can also be important.

Supporting Fundraising Activity

It is one thing to convince a board member to give themselves, it is quite another to ask them to help with fundraising. Here, we need to differentiate two levels of help. At the strategic planning level, only board members who are recruited with fundraising knowledge and expertise can really help because they have a detailed understanding of the nature of the process and what is involved. However a second level of help is quite attainable through board development activity. That is to ask board members to assist with fundraising activities. For some the ability to help might arise quite naturally, while for others a degree of training or support might be necessary

"One of the things I found about boards is that many members of boards often feel awkward or they don't want to impose on their friends and they fear rejection, when they're asking for money or you know, that fundraising element. Therefore, it's

incumbent upon the fundraiser and the institution to make sure that the board members are trained, that they're inspired, and that they're supported… because we can't expect them to perform unless we give them the training and the support that they need." (CEO)

"If I'm honest I didn't know what to expect. I hadn't realized there was quite so much involved, but I hope they find what I do helpful. It really isn't a hardship to talk to others about what we do. I'm proud of what we do here and proud that I can be a small part of it." (BM)

Kay Sprinkel Grace (2009) reminds us that not all board members have to be engaged to ask for money. As they learn how to become a fundraiser, they can transition first into becoming an organizational ambassador (e.g. hosting a dinner or interacting with donors at an event) or advocate (e.g. making presentations to potential supporter groups). For some, it is only after they experience success in these other domains that they can begin to transition into the role of an asker. For Sprinkel Grace, the key lies in not merely asking individuals to undertake these roles, it lies in obtaining annual signup to a range of specific activities particular to each role.

So for example an ambassador would agree to become an ambassador but they would also agree to hosting two dinners and three donor tours of the facility. The detail enhances compliance and the sense of accomplishment that members of the board derive. Reflecting on our earlier discussion, the approach also enhances their personal sense of autonomy because they get to select both the role and the specifics of how they will fulfill it. If they have a good experience in connecting with others during these activities, that they could not have experienced anywhere else, then helping with fundraising also enhances their sense of genuine connectedness and growth.

"Yes. I think one of the things that's missing in fundraising, or the thing that gets lost in fundraising, is that we're just facilitators of somebody else's extreme generosity. I don't think that human connection is properly enough understood. One of the things that I

really dislike about fundraising conferences (is) where you go along and you hear a fundraising voice talking about this gift that THEY secured, that they sit and they tell you how THEY did it. At the end of the day, I see myself as a facilitator, not a fundraiser and that understanding can be helpful for Boards." (DF)

Reducing the pressure on board members to become a fundraising expert and focusing their involvement on stewarding relationships was felt to be massively helpful. It helped with raising money, but it also helped unblock some of the common misconceptions about the relationship between fundraising and philanthropy and therefore assisted in the development of a philanthropic culture.

"It's the stuff I find intellectually difficult to accept. It's shallow thinking, or where really smart people think really dumb things…It's the shallow assumption around fundraising practice and the way in which we feel uncomfortable and apologetic about recognizing fundraising and why (instead) we celebrate philanthropy. If only they can see ways to unlock their thinking more than they're doing, then they could be wonderful. More wonderful than they are." (CEO)

Another way to help facilitate the process could be to help some board members to transition from a for-profit to a nonprofit board. Many board members will have more experience with for-profit boards than with nonprofit boards. In many instances, the focal board that they serve on is their first nonprofit board. One way that fundraisers can help these members to maximise the value that their for-profit experience can bring to their nonprofit, is to help them reflect on the differences between the natures of the two boards. This reflection will also be used to heighten their awareness about why fundraising (a management function only existing in the nonprofit world) is different from the marketing, public relations and communications functions that they might be familiar with already. This includes offering board members evidence that they do not previously have and specific to fundraising. The level of detail supplied might thus be much greater than for other board functions with which they have greater levels of experience.

"The second thing is consistently assisting the board to make decisions based on documented evidence rather than gut instinct, which I'm a bit of a fan of, particularly when you're talking about innovation, but you know, to look at the evidence and to base their decision-making on what we've proven has happened, and to explain to them how I'm modeling for what we predict could happen is based on that evidence. Because I think if you don't remain evidence-based, you run the risk of working with a board that then makes decisions based on their personal risk profile or the personalities that are involved or, you know, a number of other indicators that just aren't right." (CEO)

"I don't want to suggest that our board is unprofessional by any means, but I think when you're taking them into new territory and you're asking them to consider something that they haven't had an experience in before, you have to go that extra mile." (CEO)

"So if you can put forward evidence that contradicts what they think they might know, they might just think, "Why would we do that?" But if you can put forward evidence for how other products have worked internationally, how this model would work, the business case behind it, the soft stuff behind it about how do we introduce this when we're fundraising amongst other… bodies…Actually put that concrete evidence on the table, and back it up by, where possible, with independent research." (DF)

"So, you bring in a body of evidence that is not just what we've worked out for ourselves, and actually really build a significant picture for them. It's much easier for them to engage, to feel that they really understand, to have a better understanding about what we're doing. And I think risk navigation is important as well. I've been very clear about what we see the risks as being, but also what strategies we have in place for them. And the risks might be related specifically to that product, but I think the risks also need to be, when we're considering asking them to branch out and take on something new, how that new thing relates to everything that we're doing." (DF)

Charging

Most of our interviewees were quite experienced in applying business controls and metrics to help them achieve their fundraising success. They were less familiar with metrics that could measure how good members of their team might feel about delivering that success. This common omission in their conscious thinking could significantly limit their potential to facilitate sustainable fundraising growth and to nurture or charge a mature fundraising system. We will devote this section to exploring how people feel about delivering fundraising and the role that boards might potentially play in enhancing that.

Theoretically, the structure of psychological well-being (Ryff, 1989; Ryff and Keyes, 1995; Ryan and Deci, 2001) offers us a useful framework to describe how good people feel about fundraising. We introduced these elements earlier, but in the domain of donor centricity. As we will demonstrate below the same learning can be applied to the context of boards and/or the fundraising team. The six components are as follows:

A need for competence: People strive for a sense that they can manage their environment and have effective control over their affairs. In the context of fundraising, individuals need to feel that they are competent in taking each of the steps necessary for the cultivation and stewardship of donor relationships. They also need to feel that they are competent in achieving their fundraising goals.

A need for autonomy: People aim to be independent and determinant of their own actions. They like to see their behavior driven by factors from within themselves. In the context of fundraising, individuals need to feel that they have exercised some control or choice over the actions that have been taken. They also derive meaning from being respected for the expertise they have to offer and thus their degree of influence over a given situation. Individuals scoring highly on autonomy are less affected by social pressure in terms of their thoughts and behavior.

A need for connectedness: People have a fundamental need for close positive relationships with others they care about. Those involved with the fundraising process might care deeply for their beneficiaries, members of their team, etc. These relationships should rate highly on trust, warmth and satisfaction. People who have good connectedness are generally empathetic, intimate and concerned about, and affectionate towards others.

A sense of growth: People with high psychological wellbeing have a sense that they are continually developing and improving their self and experiences as reflected in their self-knowledge. Their aim is to realize their full potential.

A sense of fulfilment of one's life purpose: Psychological wellbeing requires that people have life goals to work towards and can see meaning in their achievement. People have a need to believe that their life has purpose. The more mature an individual becomes, the more complex and enlightened their purpose is.

A sense of self-acceptance: Individuals experiencing a high level of wellbeing on this dimension hold favorable perceptions of their self. They are comfortable with both who they are and who they have been and realize that the self is multi-faceted with both positive and negative aspects. The wellbeing here arises from not wishing to be different from what the individual feels they are.

Our research shows that fundraising activities that allow people to enhance their psychological well-being are typically described by them as "charging" or "energizing", while fundraising activities that do not enhance their psychological well-being are typically described by them as "draining". A mature fundraising system needs to take account of these feelings and support fundraisers on their journey to enhanced success. One might have the requisite systems and processes in place to achieve success, but unless the team can sustain their enthusiasm and motivation, often over an extended period of time, that success may not be achieved.

The reason that we elaborate on charging in such detail here is that we found in our highly successful organizations that boards were intuitively taking care of their fundraisers. It wasn't explicitly mentioned as something they consciously managed, but it was evident that this was one of the key purposes they were serving for the fundraising function.

We also elaborate on it here because it seems to us that boards too are individuals with fundamental human needs. Boards too want to derive wellbeing from their experiences. So to get the best from a Board and their engagement with fundraising, fundraisers could also be using the framework to reflect on how they could contribute to heightening the degree of wellbeing experienced by board members as they engage with the work.

What charges?

All fundraisers need to know what fundraising activities charge and drain their energy so that they can optimize the way in which they balance these activities. Our research indicates that achieving a fundraising target is charging since it fulfils a need for competence. Interestingly, it does not have to be fundraisers who feel good about this. Board members and senior managers can all be charged by the same outcome and should therefore take time out to celebrate their successes. The same sense of high competence can also be experienced when people feel like they have made a real difference in the world (e.g. seeing a change in the life of a beneficiary as a consequence of bringing in the funding). Either way, the more autonomy people experience in the kind of difference that they make (i.e. setting their own fundraising objectives or defining the kind of difference they want to make), the more charged people feel about working on achieving these goals.

What this suggests is that although senior leaders should provide strategic direction, it is more beneficial for the team if such directions are designed in consultation with the others, because it allows those individuals to exercise greater autonomy in the selection

of what they should achieve. Telling others about the difference they make or the fundraising target they achieved also charges people. We think this is because this sharing deepens people's sense of connectedness with others. Again, it does not have to be fundraisers who share their successes with others. It can also be board members and senior managers who share organizational success stories. In fact, if we have in mind the objective of nurturing the entire fundraising system and we consider boards as part of that system, we should actively create opportunities where they can experience a sense of connectedness through sharing.

Similarly, since psychological well-being includes an element of having a clear purpose in life, sharing personally meaningful successes related to the beneficiary group could be a very charging experience. Our research also reveals that the sharing of successes with those who expect those successes is not the most charging experience. Our interviewees shared that winning trust from key stakeholders who used to be suspicious of the fundraising process is what charges them most. Why is this the case? Because these are situations where the perceived connectedness with an individual was negative in the past and then through one's competence and sometimes autonomy, the genuine connectedness becomes positive. It is in those situations that people feel like they are charged most because in part these experiences allow them to experience the highest degree of personal growth.

"She thought of me coming in as a fundraiser was like the devil joining the staff. I had horns and a tail. She was pretty skeptical. But gradually she accepted me. Little by little over the years we sort of gotten to know each other better. She would certainly tell me when I'd done something wrong, but I've also witnessed over the years how she would tell anyone off when they are critical of me. She became my fearless defender." (CEO)

In the most part, anything that is the opposite of what is charging us, drains us. But in addition, our research indicates that completing routine tasks drains people. This includes applying for a budget on a regular basis, requesting an increase in staffing, or applying for approval of fundraising communication material. It is especially draining

when the process stays the same regardless of whether or not one exceeds one's fundraising target. Sometimes, fundraisers found themselves subject to an even greater level of bureaucratic scrutiny if they greatly outperformed their targets. This experience drains people because they experience no recognition for their competence and they cannot exercise autonomy in their approach even after creating successes. The irony here is that the better a fundraiser is, the worse that routine tasks make them feel.

A second reason why such tasks may be draining is that people think it distracts them from accomplishing the goals that they need to accomplish, i.e. raising money or changing lives. The irony here again, is that the better they can raise money and change lives, the more they will be drained when they think they are distracted from so doing. Similarly, converting unbelievers in fundraising to advocates charges people, and the converse drains them. Our research also shows that the more moral people feel they are, the worse they feel about others not buying into what they do. In other words, if we love what we do best and if it happens to be raising money for a charity, then not being understood by others or even sometimes being misunderstood by others about why we do what we do, or why we love what we do, can drain us deeply. The better fundraisers are at what they do, the worse they feel about it when others do not recognize their value.

So we learn that Boards can play a critical role in fundraising, not only by giving, being willing to invest and assisting with stewardship, etc. They can also assist fundraising by reflecting on how to charge the fundraising team so they have the energy and enthusiasm to continue to deliver success. In our previous research we found that a large proportion of fundraisers found a lack of understanding by their senior leaders or Board a real drain on their energy. What is important to highlight here is that no-interest or no-action from senior leaders does not feel neutral for fundraisers. Fundraisers find it to be the most draining characteristics that their senior leaders can exhibit.

Finally, in seeking to work with a Board it is important for senior leaders and fundraisers to understand what fundraising activities might charge and drain the energy of the

Board. This knowledge allows them to optimize the way they can mix-and-match fundraising activities to maximize the energy for as many crucial players as necessary. Even though our research shows that in general people are charged and drained by similar categories of activities, it is rare that the exact same combination of activities charge or drain all individuals to the same degree. For example, some people are charged if they meet their fundraising goal, while others need to share the good news with others in order to feel charged. So aligning fundraising tasks with what charges and drains different individuals has the potential to optimize the potential of the entire fundraising system.

Managing Teams

Aside from managing up and across the organization (to the Board and other functions), our leaders were also allocating a significant percentage of their effort to facilitating and in particular retaining, members of their team. As we established earlier, such behaviors would flow naturally from the notion of servant leadership, but it is also a pattern that we have observed in other countries/contexts. Great fundraising organizations have teams that stay in place for extended periods of time. They do not experience the same turnover in fundraising positions as the sector as a whole. From our research that isn't typically because they pay more, it is because the leaders focus genuine attention on the needs of each individual.

"A good manager should know what skillsets are necessary for each stage of the career and should provide the right training and opportunities to develop those skills." (DF)

It was interesting to note that the focus seemed to us to be wider than just on what an individual might require for a particular role. Many of our Australian leaders were taking a longer-term perspective focusing on where that individual might need to be for the next stage in their career. There was widespread recognition and acknowledgement that that next step might involve moving out of the focal organization.

"I don't know why we don't routinely talk about moving on. It's almost a taboo. But of course people will move on. But they'll move on much later if they can see a trajectory. So we might talk about leaving (eventually), but it's really about retention." (CEO)

"I get really irritated (with my peers in fundraising). We have to stop thinking of them as our team members and start thinking of them as resources for the sector. We should be stewarding that resource in the same way as we steward other resources – not milking them for short-term gain. We have a wider responsibility, just as we have a wider responsibility with donors. It's the same fundamental principle." (DF)

It was also clear to us that the status of our Australian leaders made that stewardship more meaningful. We noted earlier how our leaders were focused externally, playing an active role in the professional community and the wider nonprofit sector. As a consequence many were able to deliver value to their followers by virtue of their networks and the contacts that could be offered. As a concrete example, some had utilized their networks to find appropriate mentors for members of their team and these mentors may well be based in other nonprofits or consultancies. They were matched because they were the right individual for a specific individual.

It was similarly interesting to note that our leaders were committed to helping members of their team build their own professional networks, through attendance at sector conferences and events. Such networks appeared to provide the functions of confidence building, personal/technical support and the building of a professional identity. Leadership were able to help members of their team define or re-define what it meant to be a fundraiser.

In general, it has been suggested in the academic literature that third sector work attracts especially ideologically oriented employees who experience (in general) a higher level of engagement in their work (Selander. 2014). The employees of a nonprofit can be driven by a stronger need for self-fulfillment and a need to feel as though they are making a meaningful contribution to society, connected to like-minded people. Light

(2002), for example, presents survey evidence of a high level of commitment to their organization's cause. Sixty percent of his sample indicated that they joined their organizations "for the chance to make a difference rather than for salary and benefits", substantially higher than comparative figures for public and private sector workers.

Some of our Australian leaders had explicitly addressed the issue of passion for the cause, planning experiences for the employee that went beyond mere fundraising, often finding intensely personal ways to give them a deeper connection with the cause.

"I'm trying to find those sort of things that they can do, and I encourage them to ... If there's a disease or there's an area of interest in their lives that they would like to have impact in, I've suggested that they go for it. Work on the fundraising for that problem or issue and really get involved. They should share in joy in the accolades that we get…" (CEO)

Of course this is not a degree of freedom that every organization might be able to offer, but many of our interviewees talked about how they deliberately tried to connect fundraisers with the cause so that they could understand the nature of their impact.

"One of the researchers, Professor (name supplied) came in. Every month we get a researcher in to talk about their research, and I said, "Can you just make sure that you nod to our role," and he actually went a step further by saying that the work of the foundation was just as important as any of the leading research labs in the building because it was the Foundation that enabled the work. And they all went, 'That's really special that he would say that' and 'that's nice.'" (CEO)

Lloyd (1993) uses the term "ethos discount" to represent the sacrifice that workers in this sector are prepared to make to be a part of it. While this is undoubtedly a positive it can also lead employees to be more concerned with how the organization

operates and they may have a higher expectation to be involved in decision making (Cunningham, 2001; Mann, 2006).

Equally, having a high level of engagement does not mean that other obstacles do not exist to keeping talented fundraisers. Obstacles that have been shown to limit work engagement in the fundraising sector include having inadequate support, high intensity/unpredictability of work and of course pay (Cunningham, 2001). Individuals will often earn substantively less as a fundraiser than they would in a for-profit marketing post of the same seniority. Since pay is often not competitive in an inter-sector sense others routes to retention must be found. If our sector does appeal to those who have a strong set of values and beliefs, it is vital that leadership ensures that all of their employees are supported as much as possible on their individual journey's so they can get the most out of their role. This would include personal growth, the opportunity to make a personal difference, and opportunities to learn something new about themselves and the wider world (Schepers et al, 2005).

As they reflected on their own roles, our interviewees felt that there were four other facets of their management style that had been particularly helpful in motivating and retaining members of their team.

Approachability: Our leaders were all willing to meet regularly with the team and with specific individuals to discuss problems, concerns and expectations. This allowed the leader to focus on positive aspects of performance, but also to appraise themselves of any ongoing issues and what they might be able to do to help.

Active listening: Although many did not explicitly use the term there was clearly evidence of active listening take place. The time for discussion was selected thoughtfully and communication from the employee was summarized and reflected back to give the individual the opportunity to add anything that might have been missed. Not only did this facilitate higher quality communication it also served to make the employee feel appropriately valued.

Openness to persuasion: Our leaders were careful to be open to subordinates' opinions and not to impose their own frame of reference. They were at pains to encourage active participation in discussions and events. Indeed, there was a clear focus in many organizations on creating what might be termed "task conflict". Task conflict is defined as a perception of disagreement among group members about the content of their decisions and involving differences in viewpoints, ideas and opinions. Task conflict is a constructive form of conflict that improves decision making because many different views are deliberately aired (Farh et al, 2010). Our leaders thus emphasized the value of original thinking and provided an environment where it was expected that ideas would be routinely and critically debated with no reflection on the originator, per se. Such supportive environments can be particularly important at the initiation stage of a campaign, the launching of new fundraising products or the creation of new fundraising initiatives. The introduction of task conflict is particularly helpful where teams are highly cohesive, conscientious and 'open to experience' (O'Neill and Allen, 2011).

Clarity over expectations: Our Australian leaders all felt that they had been clear to members of the team about the nature of the goals for the organization and the strategy (once decided) that would be used to address them. Most felt that they had been successful at generating buy-in, often by emphasizing the difference that the new goal would make to the cause. They had also been clear in respect of what would constitute failure. All had recognized that to achieve growth some element of risk would be necessary and that it would be expected that some risks would result in failure. Team members would nonetheless be supported in taking such risks, so long as procedures were in place to learn from the experience and if failure were to be encountered, that learning would result. Failure was therefore defined as the failure to learn rather the success or failure of a particular tactic per se. It is interesting to note that we have found the same perspective adopted by successful organizations in Norway, the UK and USA. Risk taking does appear correlated with success.

Conclusions

In this report we have extended our work on the factors that drive excellence in fundraising to the Australian context. As one might expect many of the same factors we identified in other jurisdictions were also evident here. We also extended our previous focus to look specifically at the role of boards in achieving success and how boards might best be able to support and develop the fundraising function.

We began our work by looking at our fundraising leaders and the style and the manner of their leadership. We found that what these leaders shared was a steely belief in their ability to succeed, but also the humility to realize the contribution that others had made to that process. These leaders were thus able to "look out the window" to apportion responsibility for success and to "look in the mirror" to accept responsibility for any failures. All these behaviors are consistent with the notion of Level 5 leadership and this seemed to us to be a characteristic that they shared with their counter-parts in other countries.

In respect of leadership styles, the extant literature has tended to focus on four that could frequently be identified in the nonprofit context. In our preceding report we discussed the nature of servant leadership, transformational leadership, transactional leadership and charismatic leadership. As ours is a qualitative study we cannot claim that our sample was in any way representative of Australian fundraising leadership, but we did find evidence of servant and transformational leadership styles being applied. It could be that these styles are most conducive to managing transformational fundraising growth, or it might be that leaders of these kinds are drawn to organizations looking to achieve growth and ready to implement substantive change. A quantitative methodology capable of determining causation would be necessary before any firm conclusions could be drawn on that front.

We also examined how senior leadership and boards can support the fundraising function. Our findings here reflect what practitioners have known for a while in that to achieve outstanding growth the board must be willing to invest in fundraising, give personal gifts and take an active role in facilitating the fundraising process. We provide evidence that supports these assertions and evidence that might therefore be included for discussion in board development retreats or activities.

What was less intuitive was the role that Boards can play in charging the fundraising function and sustaining staff through the inevitable highs and lows of their journey to growth. Many of those we interviewed were already engaged in charging activities, but the consideration was never explicit and we believe that there would be merit in making it so. How can boards connect fundraisers with individuals who would charge them? How might greater autonomy be built in to planning and oversight activities? How can boards celebrate the competence of the team and reward the team for that competence? It was intuitive to Boards (and Leaders) that they needed to get the best from their team, but it was not intuitive that one route to doing that was to steward the wellbeing of the individuals. There is increasing recognition across the sector that we need to be cognizant of the wellbeing of our donors, but rather less recognition that we also need to be cognizant of the welfare of the team.

We also identified two aspects of culture that seemed to us to be of critical importance in allowing outstanding fundraising to flourish. The first was the development of a learning orientation or learning culture. All our outstanding organizations set out to be best in class of whatever funding model they had chosen to pursue. All had been hungry to learn and then innovate to lead best practice in their particular domain. We would therefore recommend to Boards and senior leaders that they actively manage or move towards a culture of this type. It is important to recognize that as they do so and they increase learning, that they must close the loop and ensure that changes are taken as a consequence of that learning. They also need to actively reward those taking responsibility for their own learning and celebrate the difference (and enhanced ROI) that these individuals are able to deliver.

The second element of culture was a culture of philanthropy. To achieve success, organizations need to be genuinely welcoming of philanthropy, respect the special nature of that philanthropy and work collectively to celebrate and then steward the relationships with supporters. In an organization with a high degree of philanthropic orientation one would expect to see a high level of donor centricity, the embedding of fundraising at the very core of the organization (so it becomes everyone's responsibility), and the celebration of fundraising success very much in the way that one might celebrate success in the achievement of the mission. Indeed, in organizations that embrace a philanthropic culture, the money and the mission become one in the same thing and are celebrated accordingly.

We were also struck by the focus on the 'why' question. This was not something that we had previously identified, yet for our Australian leaders this was considered critical to success. They felt that too many organizations focused on the work of the organization and all the great outcomes that were being achieved. Many of our Australian leaders saw this as disempowering in that it was much more powerful for teams to get behind one single unifying idea, than it was the detail of the programs. The same was true for donors. No-one it seems cares what we do, but what happens when we do it opens up a whole other level of experience that is characterized by its simplicity and power. Collectively, our Australian leaders felt nonprofits could be raising significantly more money if they were able to do a better job of nailing and articulating the 'why'.

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