

How Foundations and Funders Listen: A Qualitative Review in Europe and Brazil

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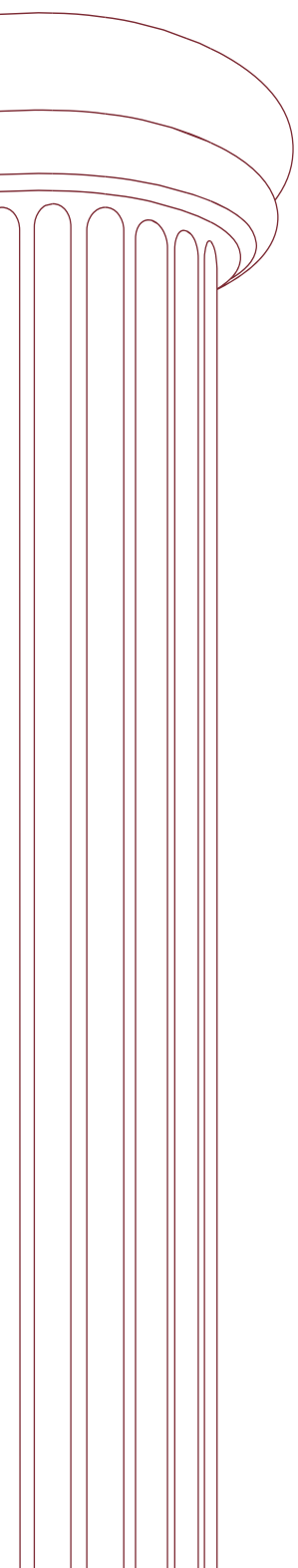
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MAECENATA



Luisa Bonin

How Foundations and Funders Listen

A Qualitative Review in Europe and Brazil

Opusculum No. 172
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The Author

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ABSTRACT

By understanding listening processes in philanthropy and social impact investments as a critical aspect of building a trustworthy philanthropic practice, this paper offers a qualitative review of how foundations and funders in Europe and Brazil listen. To comprehend and to be able to qualify and classify their listening practices, the interview script for this paper built upon the work of the “high-quality feedback loop” organisations that advocate for better listening practices in philanthropy and aid. Thirty interviews offered insights into why organisations listen, the biggest challenges in the process, different project phases where listening occurs, who is listened to, listening methods, space for feedback, reporting back processes, power imbalances and levels of participation.

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1. INTRODUCTION

How foundations and funders listen to those who matter the most for their work and take their voices into account when making decisions is a fundamental question in philanthropy and in social impact efforts made by foundations and corporate social responsibility or sustainability funders.

This question also relates to how society legitimises trust in philanthropy, according to the [Maecenata Foundation's Philanthropy.Insight framework and monitoring criteria](#).¹ The tool invites funders and foundations to assess their philanthropic actions through the trust lens using five monitoring criteria: 'Commitment,' 'Public Purpose,' 'Relevance,' 'Performance,' and 'Accountability.' Created by scholars and practitioners, the tool aims to support philanthropy to live up to its full potential, reaffirming its role as a valued component of civil society, in the face of criticism from academia and the public at large regarding private donations. Almost all criteria of the Philanthropy.Insight Assessment Tool reflect on how funders and foundations listen to those at the heart of their work and consider their voices to make decisions:

- In the 'Commitment' criteria, in the 'Understanding' section: **"How is the voice of beneficiaries considered?"**,
- In the 'Respect' quality, the question is: **"To what extent does a spirit of respect for each and every human being pertain to all activities of the organisation?"**
- In the 'Public Purpose' criteria, in the 'Responsiveness' section, there are two related questions: **"How are institutions, programmes, projects, and actions based on real needs?"** and **"In what ways are partners, beneficiaries, and experts involved in decision-making processes?"**
- In the 'Relevance' criteria, in the 'Impact' section, the question is: **"To what extent is a discussion process in place to ensure beneficiaries' participation in evaluating projects?"**
- In the 'Performance' criteria, in the 'Dialogue' section, the question is: **"To what extent does the organisation operate on a level playing field with partners and beneficiaries?"**

Given the relevance of listening practices in the making of relevant modern philanthropy, this paper offers a qualitative look into the listening practices of European foundations and Brazilian foundations and corporate social responsibility or sustainability funders. To understand and be able to qualify and classify their listening processes, the interview script was built upon the work of organisations that advocate for better listening practices in philanthropy and aid: [Keystone Accountability \(UK\)](#) and its Constituent Voice Methodology; [Feedback Labs \(US\)](#) and its Feedback Loop Methodology²; and the Ekouté Consulting (US) report called ['Bridging the Gap: A Review of Foundation Listening Practices,'](#) written by Threlfall and Klein³.

1.1 Europe and Brazil: an interesting analysis

The intention of this research in the beginning was to compare the best philanthropic practices of institutions in Germany and Brazil and, with that, to be able to draw a more obvious and determinate line of comparisons, using the author's experience in Brazil as the starting point of the research.

However, as listening practices within foundations and funders became a key aspect of the research,

¹ Alter R., Strachwitz R.G. and Unger T. (2022). Trust in Philanthropy - A Report on the Philanthropy.Insight Project 2018-2021, Opuscula 161, ISSN 1868-1840, pp 15-20, p.15. Available at:

<https://nbn-resolving.org/urn:nbn:de:0168-ssoar-77556-v2-4>

² Feedback Labs, no date. Homepage. Available at: <https://feedbacklabs.org/>

³ Threlfall V., Klein R. (2019) Bridging the Gap: A Review of Foundation Listening Practices. Available at: <https://www.ekoute.com/publications/2019/10/9/bridging-the-gap-a-review-of-foundation-listening-practices>

a qualitative comparison between countries was not decisive anymore. The focus became the listening practice itself and its heterogeneity in different contexts. Interview invitations were sent to different organisations in different European countries, but interviewees were only from Germany, the Netherlands, Switzerland and Austria. It was decided to focus the research on Brazil and not to analyse other Latin American countries, due to factors such as language, logistics and networks (see the complete set of profile data in the sections 2 and 3).

The decision about focus regions was not based on a specific pre-known characteristics of the listening practice in those places. Therefore, while analysing the data, it is suggested that the geographic reach of an organisation can be a factor that influences the different listening challenges and solutions.

In Brazil, the majority of interviewees have a regional and national approach, while in Europe, the majority of interviewees have a regional, national and international approach (see the complete results in section 3). Listening practices appear to heavily rely on the personal experiences, culture and skills of the individuals building the relationship. This means that individuals with different life experiences will have a different set of challenges to discuss, in comparison to individuals with similar experiences.

Consequently, relationships between organisations in the same state or country e.g. two Brazilian organisations, can be facilitated by: speaking the same mother language, having the same culture, and sharing the same social challenges. The opposite may also be true: relationships between organisations from different places e.g. Switzerland – Africa, have more layers of challenges.

In this report, results from Europe and Brazil are included, aiming to not only present the regions' results separately, but to also understand similar tendencies and different behaviours towards listening practices, the nuances between the two regions and what this involves. As part of this research effort, separate reports based on the same data and written by the same author that elaborate on the results for each region will be published in partnership with different organisations. In Europe, Philea (Philanthropy Europe Association) will publish the report in English. In Brazil, GIFE (Group of Institutes, Foundations and Companies and a key figure in private social investment in Brazil) is the major partner in the publication in Portuguese with the Brazilian results.

1.2 The Feedback Loop Methodology contribution

The feedback loop methodology on philanthropy is one of the conceptual bases of the interviews conducted for this paper. Such research aims to understand how foundations and funders of social impact projects listen to those at the heart of their work. In other words, how they listen to the grantees or the people directly affected by their efforts. The feedback loop methodology has the Constituent Voice Methodology by Keystone Accountability and the Feedback Loop Methodology by Feedback Labs as its source. As noted in 'Listening is not enough: An assessment of the Feedback Loop Methodology⁴', it "offers a guided process to collect feedback and course correct that is based on respect and is only considered complete when an action is taken after the voices of those who philanthropy serves have been heard, meaningfully engaged with, and the decisions taken are communicated back to people who participate in the process". Three concepts from the feedback loop methodology are key for navigating this paper:

⁴ Bonin, Luisa (2022). Listening is not enough: an assessment of the Feedback Loop Methodology. Berlin: Maecenata (Opusculum no. 165) Available at: <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-79958-9>

Primary constituents

Primary constituents are those at the heart of the work of grantees and foundations, often referred to as “final beneficiaries”. The Constituent Voice Methodology⁵ considers all stakeholders in a development project as constituents, and those who receive the service in the end are called the “primary constituents”, taking into account the importance of agency and voice that can be suppressed when we refer to those at the heart of philanthropic work as beneficiaries.

Feedback

Feedback Labs defines feedback as the “*thoughts, feelings, and perceptions from affected people about a product or service*”⁶. In this report, the feedback from the grantee to the foundation is also an essential piece of analysis, since, in the case of grant-makers, the relationship often happens between the foundation and the grantee, and not directly between the foundation or funder and primary constituent.

Report back

“Report back” is the process of communicating the decisions made after the listening process has occurred to those who gave their voices in the listening process (i.e., grantees, primary constituents or other stakeholders).

1.3 The “Bridging the Gap: A Review of Foundation Listening Practices” contribution

The second essential publication that constitutes the basis for the interviews in this research is the [Ekouté Consulting \(US\)](#) report entitled ‘Bridging the Gap: A Review of Foundation Listening Practices.’⁷ The report looks at the extent to which US-based funders listen. To understand this paper, three concepts from “Bridging the Gap: A Review of Foundation Listening Practices” are crucial:

Listening

Listening is “to consider the views, perspectives, and opinions of the communities and people that a foundation seeks to help – and to incorporate these perspectives into strategic considerations and deliberations”.

Direct and indirect listening

Direct listening means when the foundation listens directly to the primary constituent. Indirect listening is when the foundation listens to the primary constituent through the grantee.

Level of participation

In ‘Bridging the Gap: A Review of Foundation Listening Practices,’ foundations’ listening processes were classified according to an adapted version of the International Association of Public Participation framework. The author of this paper decided to use this framework, but instead of using the adapted version, it uses the same one as the [International Association for Public Participation](#),⁸ which has an increased level of participation in decision-making from left to right:

⁵ Keystone Accountability. Constituent Voice – Technical Note 1, Version 1.1(2014). Available at: <https://keystoneaccountability.org/wpcontent/uploads/2009/08/Technical-Note-1.pdf>

⁶ Feedback Labs, no date. The Core Principles of Constituent Feedback. Available at: <https://feedbacklabs.org/about-us/guidingprinciples/>

⁷ Threlfall V., Klein R. (2019) Bridging the Gap: A Review of Foundation Listening Practices. Available at: <https://www.ekoute.com/publications/2019/10/9/bridging-the-gap-a-review-of-foundation-listening-practices>

⁸ IAP2 Spectrum of Public Participation, no date. International Association for Public Participation. Available at: https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf

INCREASING IMPACT ON THE DECISION

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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(Source: International Association for Public Participation)

2. METHODOLOGY

This paper is based on a qualitative research effort focused on European foundations and Brazilian foundations, institutes and corporate social responsibility or sustainability funders of social impact projects. The concept behind the sample was to gather different listening practices and then analyse the different points of view on the learnings, challenges and benefits of each practice, taking into consideration how heterogeneous the philanthropic and the corporate social responsibility and sustainability sector is, and understanding that different listening practices relate to different goals and causes.

In Europe, 30 interview requests were made to foundation staff involved in programme and grants management. 13 staff at 13 different foundations accepted and participated in the research from June to September 2022, constituting 13 hours of qualitative interviews with 1 person interviewed from each foundation.

In Brazil, another 30 interview requests were made to foundation staff or corporate responsibility or sustainability staff involved in programme, investment, or grants management. From these organisations, 12 different foundations and funders accepted and participated in the research from August to October 2022, and 15 staff were interviewed, constituting 18 hours of qualitative interviews with 1 to 3 people interviewed per organisation. In cases where multiple staff members from one organisation were interviewed, these participants were interviewed at the same time.

All participants are anonymous, with only their demographic characteristics published in this paper. Besides the interviews with foundations and funders, the research process also involved collaborations with the “high-quality feedback loop field” in philanthropy during its exploratory phase, with four philanthropic experts, staff of a philanthropic consultancy, and one regrant/intermediary organisation being interviewed.

Qualitative responses regarding the essential issues of the listening practice were coded and grouped in larger groups and categories to make the analysis clear and to allow comparisons between practices. Although this report presents samples as percentages to facilitate the reader’s understanding of the content, the sample is not representative of the philanthropic or corporate social investment sector in Europe or in Brazil.

3. PROFILE OF PARTICIPANT FOUNDATIONS AND FUNDERS

The staff from foundations in Europe and Brazil that were interviewed had a similar profile: all of them manage grants at different levels: Executive Directors or CEOs; Programme and Grants Managers; Sustainability Managers, Social Responsibility Coordinators and Analysts, Learning, Monitoring and Evaluation, Foresight, Communication and Advocacy staff.

In Europe, the majority of foundations interviewed are from Germany (62%); followed by the Netherlands and Switzerland with 15% each; and Austria with 8%. 69% are private foundations and 69% of them also have regional, national and international reach. Almost half of the foundations interviewed (46%) have a combined approach to delivering their strategy, working with a mix of grant making and own programmes and projects.

The thematic focuses of the foundations were classified according to ICNPO (International Classification Non-Profit Organizations).⁹ In Europe, the most-represented thematic issues among the interviewees were Social Services (22%); Law, Advocacy and Politics (18%); Development and Housing (15%); Culture and Recreation (12%); and Education and Research (11%).

In Brazil, 41 % are private foundations, 42% are corporate foundations or institutes, and 17% are companies working in the sustainability and/or social responsibility fields. In Brazil, it is common to call philanthropic organisations ‘institutes’, although ‘institute’ is not a legal entity under Brazilian law. Organisations that use the word ‘institute’ in their name are legally associations. Non-profit organisations in Brazil can be a ‘foundation’, that is “established through an endowment dedicated to a public interest cause, with not-for-profit aims” or an ‘association’ that is “created by at least two individuals and/or legal entities seeking to achieve a particular goal with not-for-profit aims”¹⁰.

Regarding the delivery strategy, the interviewed organisations in Brazil are equally divided between those whose strategies solely consist of grant-making (50%) and a mix of grant-making and proprietary projects (50%). The majority (59%) have a regional reach in the country. The most-represented thematic issues were Development and Housing (28%); Education and Research (20%), Social Services (17%) and Law, Advocacy and Politics (10%).

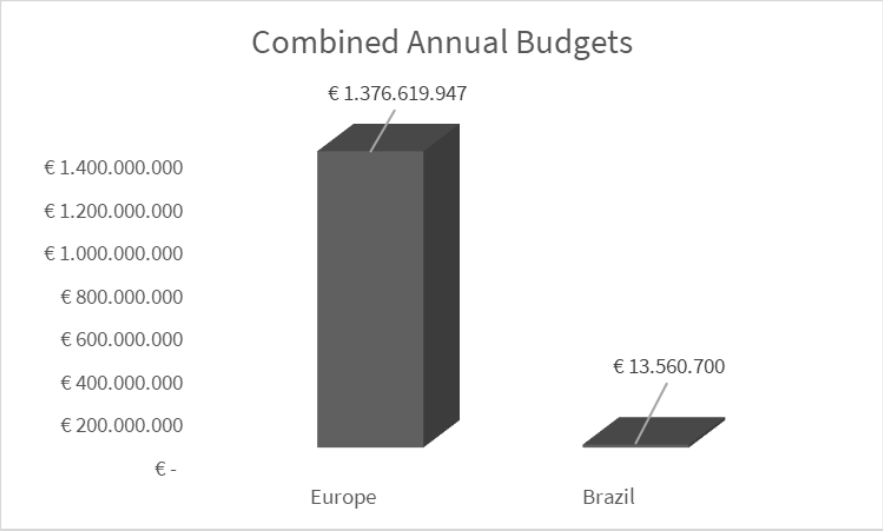
During and after the pandemic and socio-economic crisis in Brazil, 42% of interviewees have started to or resumed their support for organisations and communities through providing resources for buying groceries. This activity was not originally included within the scope of the foundation or funder, and it is planned to last during the food insecurity crisis in Brazil, but not to be a constant thematic or focus area for the foundations and funders.

In Europe, out of the 13 foundations interviewed, 11 disclosed their annual budget. They have a combined annual budget of **€ 1,376,619,947** with 30% between 1 and 15 million euros, 20% between 15 to 49 million euros, 30% between 50 and 100 million euros and 20% with more than 100 million euros.

There is a huge discrepancy in terms of combined annual budget between the interviewees in Europe and in Brazil. In Brazil, out of the 12 foundations and funders interviewed, only 7 disclosed their annual budget. They have a combined annual budget of **€ 13,560,700** and all of them are in the range of 1 and 4 million euros.

⁹ Salamon, Lester M. and Helmut K. Anheier (1996). "The International Classification of Nonprofit Organizations: ICNPO-Revision 1, 1996." Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project, no. 19. Baltimore: The Johns Hopkins Institute for Policy Studies.

¹⁰ Council on Foundations, 2021. Nonprofit Law in Brazil: Country Notes, Available at: <https://cof.org/content/nonprofit-law-brazil>

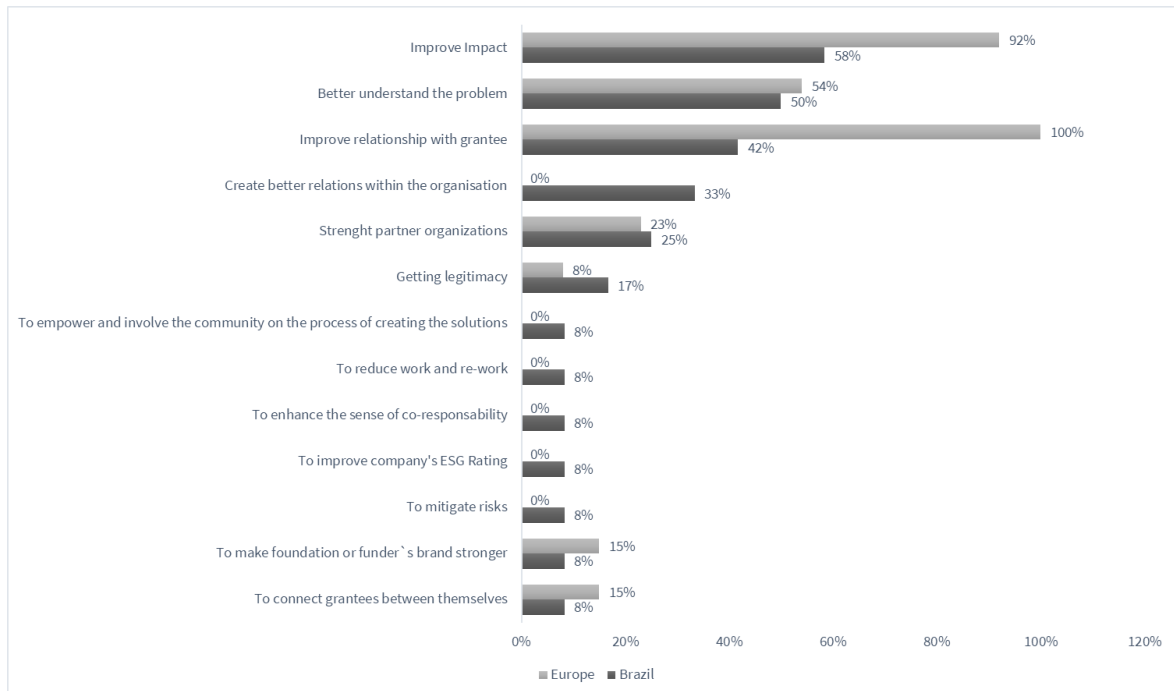


4. WHY FOUNDATIONS AND FUNDERS LISTEN

Each participant gave more than one answer when asked about the benefits of listening practices to their own work as foundations or funders. The answers were coded in groups and the graphic below represents the percentage of interviewed foundations and funders that mentioned that benefit.

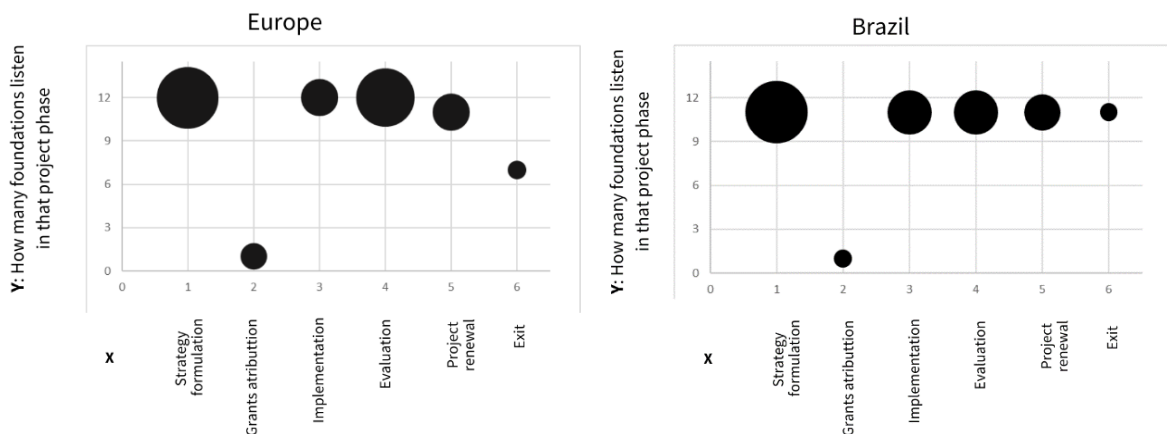
Two answers were popular in Europe and in Brazil: “Improve impact” was mentioned by 92% of interviewees in Europe and 58% in Brazil, and “Improve relationship with grantee” by 100% of interviewees in Europe and 42% in Brazil.

Some answers only appeared in Brazil: “Create better relations within the organisation”; “To empower and involve the community on the process of creating the solutions”; “To reduce work and the need to re-do work”; “To enhance the sense of co-responsibility”, and some of them are clearly related to company’s social impact strategy: “To improve company’s ESG rating” and “To mitigate risks”.



5. WHEN FOUNDATIONS AND FUNDERS LISTEN

The graphics below analyse three pieces of information. On the X axis, 6 phases of the project life cycle are identified. The Y axis indicates how many foundations or funders interviewed practice listening during that stage of the project life cycle. The size of the ball represents how many times that phase was cited as a priority regarding the listening practices (The foundations were asked to indicate the two priority phases of the project life cycle where listening occurs). In Brazil, 11 foundations out of 12 of the foundations interviewed responded to this question. In Europe, 12 out of the 13 foundations interviewed responded to this question.



The graphic for Brazil indicates that listening efforts in Brazil are concentrated in the **strategy formulation, implementation and evaluation** phases, followed by project renewal, which is the process where the funder and grantee usually exchange ideas and discuss renewing the partnership.

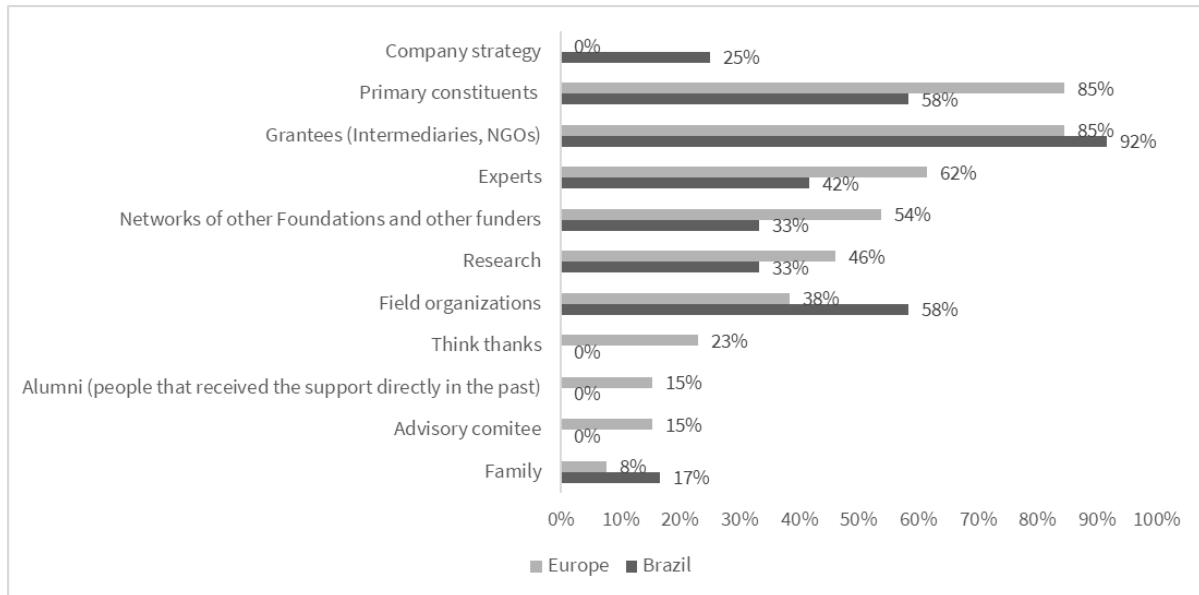
Organisations in Brazil give the same priority to **implementation and evaluation**, and during the interview, 25% gave examples where, by having frequent exchanges during the implementation stage, they could support grantees to overcome challenges by activating their networks and being flexible when responding to what the organisation needed. One practical example given by an interviewee was about a grant the organisation gave to a non-profit that was meant to be used in the refurbishment of the grantee's infrastructure. Due to the rise of food insecurity in Brazil, the non-profit director immediately called the foundation or funder to say they would use the resources to buy basic-needs grocery packages for distribution in the community, since the primary constituents could not take part in NGO activities, due to the region's food crisis. The foundation or funder was flexible and agreed with the NGO's decision without the need for further negotiation.

In Europe, most listening efforts concentrate on the **strategy formulation and evaluation** phases, followed by **project renewal**. In these interviews, some foundations realised that they say that have a relationship-based approach but do not prioritise listening in implementation and revealed a wish to change that.

6. WHOM TO LISTEN TO AND HOW

Grantees and primary constituents are the most listened-to stakeholders in Europe and in Brazil. Grantees are listened to by 85% of foundations in Europe and by 92% of foundations and funders in Brazil. Primary constituents were cited by 85% of foundations interviewed in Europe and 58% in Brazil.

An interesting insight in both regions is how private foundations that have family members who started the foundation in their governance structure merely mention the family as one of the stakeholders that are listened to, even when the family plays a major role in decision-making.



The most common technique for listening to grantees both in Europe and in Brazil is **“Regular meetings during implementation”**.

In Europe, the most common technique for listening to primary constituents is through site visits, which usually happen with the grantee's logistical support and mediation. This was used by 92% of foundations interviewed. Site visits were cited by 67% of foundations and funders in Brazil, and with the same approach, events with primary constituents were cited by 25% of interviewees in Brazil.

In both Europe and Brazil, it was reported that online forms of interaction with grantees intensified while site visits were less frequent, due to the Covid-19 pandemic. This is positive for foundation-grantee relations. However, this could weaken the primary constituents-foundation/funder relationship.

This decrease demands special attention if other forms of listening from primary constituents do not take place. Investment in other forms of understanding primary constituents can be implemented, as well as efforts to improve and fortify the relationship quality with grantees.

Support for grantee listening, which is both a direct and indirect method, was cited by 8% of foundations in Europe and was not mentioned by those in Brazil. It can be a strategic way to be closer to primary constituents while investing in the relationship with the grantee. That can be done by supporting the grantee with resources and knowledge about new and innovative ways for grantees to listen to primary constituents, which is considered as a good practice by organisations in the feedback loop field and is actually an item on Fund for Shared Insight's Funder Action Menu on Listening and Feedback¹¹: ‘Make capacity-building grants to improve non-profit feedback practice’.

¹¹ Fund For Shared Insight. Listening & Feedback: A Funder Action Menu. Available at: <https://fundforsharedinsight.org/wp-content/uploads/2022/09/Funder-Action-Menu-092322.pdf>

6.1. Variety of listening practices

In Europe, foundations collectively cited 29 different forms of listening, and on average, each foundation uses 5 methods to listen. This indicates that there is plenty of space to explore new ways of listening.

In Brazil, foundations and funders cited 10 different forms of listening, including two different techniques not cited in Europe: reports as a form of listening to grantees, as well as having staff inside the organisation that are responsible for the relationship with a supported community. On average, each foundation or funder uses 3 methods to listen.

This significant difference in the variety of listening methods in Europe and in Brazil suggests that Brazilian foundations and funders have plenty of space to explore new forms of listening. However, this requires different levels of analysis. The lower number of techniques is not necessarily a sign of a lower quality listening practice.

Together, geographic reach and culture are probably the first levels to be analysed: The regional and national focus of most Brazilian funders, and how funders understand the reality of the organisations – by living in the same city, region, or even country - can be a factor that supports the foundation and funder to better understand the primary constituent, and therefore does not require a more sophisticated method of analysis for understanding a place or culture from an outsider's perspective.

The project phase where listening is prioritised can also be taken into consideration, as more Brazilian foundations and funders prioritise listening in the project's implementation, being able to share challenges and successes in real time with grantees.

Finally, budget is also something to consider. The budget of the European organisations interviewed is 101 times the budget of Brazilian organisations interviewed, and surveys or more sophisticated forms of listening are expensive.

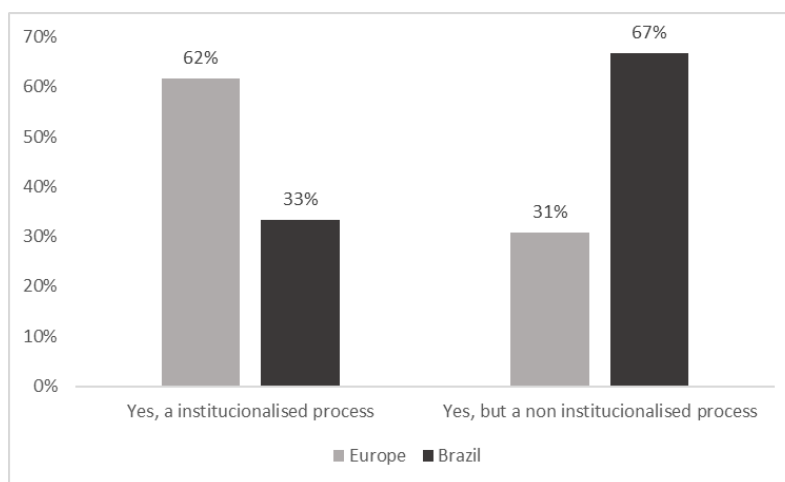
Method	Percentage of foundations interviewed that use this method to listen		Approach to listening: Direct, indirect or both
	Brazil	Europe	
Staff inside the organisation responsible for relationship with supported community	17%	0%	Direct
Report	25%	0%	Indirect
Site visits	67%	92%	Direct
Regular meetings during the implementation phase	75%	77%	Indirect
Grantee perception	0%	46%	Direct and indirect
Third-party evaluation	0%	31%	Direct and indirect
Ad-hoc focus groups, interviews, surveys, etc.	25%	23%	Direct
Advisory committees	0%	23%	Direct
Relationship-building with stakeholders in the	17%	23%	Indirect

field			
Ecosystem listening	17%	15%	Indirect
Events where primary constituents are invited to share positive and negative anecdotes and give feedback	0%	15%	Direct
Expert interviews	8%	15%	Indirect
Funding for grantees deemed "representative"	8%	15%	Indirect
Events promoted by the organisation to support network exchange between grantees	0%	15%	Indirect
Alumni (primary constituents) own shares and participate in decisions	0%	8%	Direct
Employment of staff and leadership who represent the community	0%	8%	Indirect
Events promoted by the organisation to support network exchange between primary constituents	0%	8%	Direct
Events where grantees are invited to share positive and negative anecdotes and give feedback	0%	8%	Indirect
Events with primary constituents	25%	8%	Direct
Field organisations participating in the board	0%	8%	Direct
Oral reporting that turns into a learning session	0%	8%	Indirect
Participatory evaluation	0%	8%	Direct
Participatory grant-making	0%	8%	Direct
Participatory involvement of primary constituents on proprietary projects	0%	8%	Direct
Participatory Rural Appraisal (PRA)	0%	8%	Direct
Primary constituents participating in advisory boards	0%	8%	Direct
Representative organisations participating in advisory committees	0%	8%	Direct
Scraping data online around keywords	0%	8%	Direct
Social media surveys	0%	8%	Indirect
Support for grantee listening	0%	8%	Direct and indirect
Systematic survey during implementation	0%	8%	Direct

7. FEEDBACK IN THE LISTENING PROCESS

Organisations were asked how they make space for grantees and primary constituents to give feedback about their services and relationship. No foundation or funder said it does not have space for that. The main difference is understanding whether space for feedback is institutionalised or not. Institutionalised means they have a formal process that asks for feedback in a way that is free of harm for those giving their voices, for example through anonymous surveys. Having an institutionalised space means the foundation does not have to rely on grantees' and primary constituents' free will and initiative to speak up.

In Europe, 67% of interviewed have an institutionalised space for feedback, while in Brazil 33% have an institutionalised process.



The most common institutionalised form of feedback cited by 38% of interviewees in Europe is the grantee perception, while in Brazil, frequent surveys were cited as the most common institutionalised form of feedback, by 25% of interviewees.

Most popular institutionalised processes for collecting feedback		Most popular non-institutionalised processes	
Europe	Brazil	Europe	Brazil
Grantee perception (used by 38%)	Frequent surveys (used by 25%)	Meetings with grantees (used by 23%)	Meetings with grantees (used by 58%)
Whistle-blower/ombudsman line – Safeguarding measures (used by 23%)	Evaluation workshops (used by 8%)		Non-recurrent third-party evaluation (used by 8%)
Events where primary constituents are invited to share positive and negative feedback (used by 15%)			During the reporting process (used by 8%)
			Having a feedback culture with grantees (used by 8%)

As a non-institutionalised form, meetings with grantees was cited by 23% of foundations in Europe and by 58% of foundations and funders in Brazil. Feedback during the reporting process (8%) and having a culture of feedback (8%) was also cited by Brazilian foundations as non-institutionalised forms.

In Brazil, the fact that 58% of organisations cited feedback during meetings, and also cited feedback during reporting (8%) and a culture of feedback (8%), may suggest that non-institutionalised feedback takes place in these conversations, and that grantees have some space and voice there.

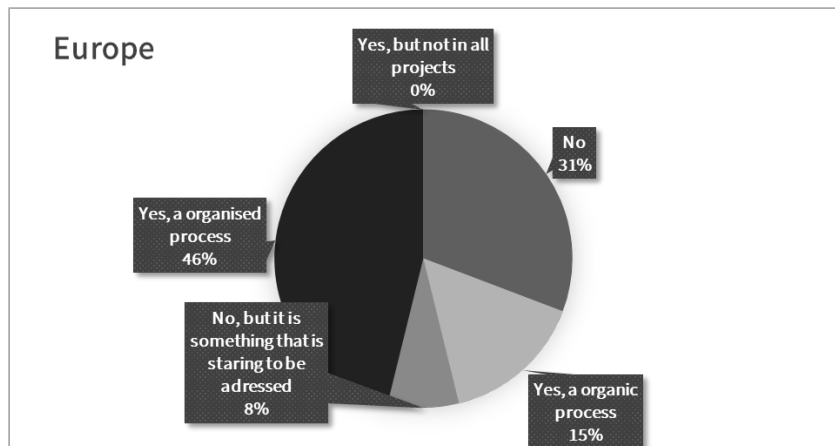
However, by not institutionalising this space, the quality and honesty of the feedback about the relationship or service heavily rely on the quality of the relationship developed and how power imbalance operates in the relationship. By not having an institutionalised process of listening and documenting feedback, foundations and funders risk not having an accurate perception of the relationship and having biased documentation of the feedback: Individuals can choose to record and report only positive feedback, for example.

8. REPORTING BACK IN THE LISTENING PROCESS

Feedback Methodology¹² states that the reporting back phase is an essential part of the listening process, also known as the “closing the loop” phase. To report back to those who gave their voices does not necessarily mean that foundations and funders only need to report the positive aspects of steps taken after listening. The organisation should still close the loop by communicating limitations and sharing what they are or are not able to tackle. This way, grantees and primary constituents that offered feedback know that their voices were heard.

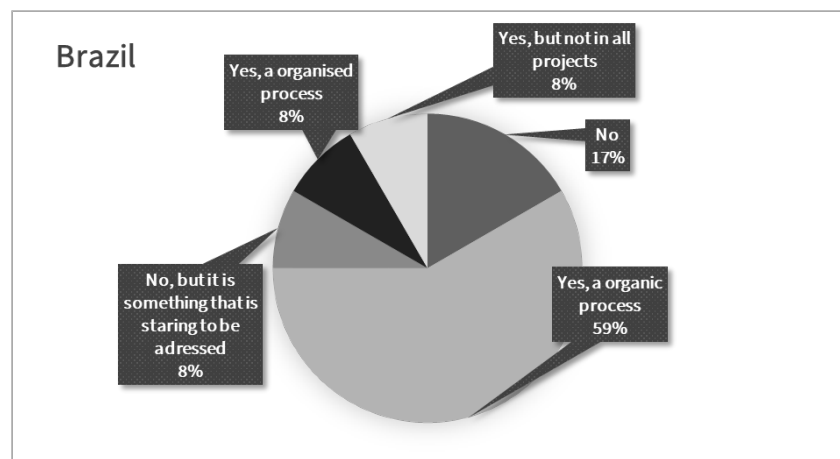
8.1 Do organisations interviewed report back to grantees and primary constituents?

In Europe, 46% of the organisations interviewed said that they have an institutionalised form of reporting back, 15% said that they have a non-institutionalised form, 31% said that they do not have one and 8% said that this is something they are starting to address.



Transparent decision-making is directly linked to this phase of listening as well. For example, out of the 6 foundations that use grantee perception as a form of collecting feedback, 5 report back the results and course corrections made after listening to the grantee. But there is one that does not. By not sharing and addressing the issues on the grantee’s perception, they can possibly undermine grantees' trust in their own feedback process.

In Brazil, only 8% of interviewees reported having an institutionalised form of reporting back, the majority (59%) said that the reporting back process happens organically, 8% said that it is something that has started to be addressed, and 8% said that it happens but not in all projects.



Foundations and funders have mentioned different practices used to report back to those who gave their voices in the listening process. In the table below, we separated the process mentioned by their target public – grantees or primary constituents – and then divided them between organised processes to report back and organic processes to report back.

¹² Bonin, Luisa (2022). Listening is not enough: an assessment of the Feedback Loop Methodology, Opuscula 165, ISSN 1868-1840. Available at: <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-79958-9>

8.2 Reporting back practices mentioned by foundations and funders

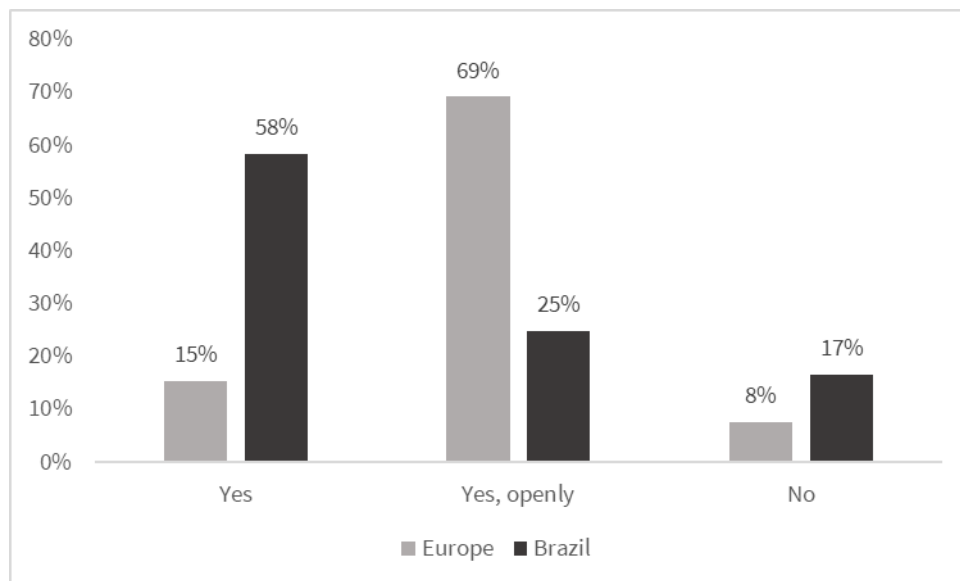
EUROPE			
TO GRANTEES		TO PRIMARY CONSTITUENTS	
Organised process	Organic process	Organised process	Organic process
Implementing a phase within every programme cycle, where the team and grantees reflect on the results of monitoring and evaluation	Having one-on-one conversations with grantees	Sharing internal strategy and decisions in events with primary constituents	Relying on grantees to give feedback for the primary constituents
Hosting events with grantees: participants receive reports of what was discussed after		Communicating all decisions to all staff, shareholders and participants of the programmes via formal email communication	
Making programme evaluation reports publically available		Formally communicating after a complaints to the whistle-blower/ombudsman line	
Transparently communicating grantee perception on the website and to the grantee community			
Writing a paper on what was learned with the grantee's perception and what will change and what will not change			
Internal feedback culture: giving feedback on the decisions that were made after a collective process			
Communicating formally after complaints to the whistle-blower/ombudsman line			
BRAZIL			
TO GRANTEES		TO PRIMARY CONSTITUENTS	
Organised process	Organic process	Organised process	Organic process
Held during the project renewal phase, when negotiations on budget and scope need to take place	Having one-on-one conversations with grantees	Hosting events with primary constituents in the community: participants are informed about project results and there is space for feedback	Relying on grantees to give feedback for the primary constituents
		Making reporting back part of the feedback culture with grantees	

9. POWER IMBALANCES IN RELATIONS WITH GRANTEES AND PRIMARY CONSTITUENTS

Most participants in Europe (75%) affirmed having open conversations among foundation staff about the power imbalance in relations between foundation and grantee, and foundation and primary constituent. In Brazil, 58% affirmed having these conversations, but only 25% affirmed having them openly. One organisation in Brazil mentioned that conversations about power imbalances only happen when a problem arises and needs to be solved and is not a frequent practice.

In both Europe and in Brazil, some interviewees also discussed how difficult it is to level up and discuss power imbalances with the board, even when there is an open conversation among the staff. One foundation in Europe mentioned that when it comes up at board level, it is operationally fixed and quickly becomes a “job” for the staff to solve. And two organisations in Brazil have mentioned that the board usually does not have time for deep reflection to take place.

Question: Do you talk about power imbalances in relations with grantees and primary constituents among the foundation’s staff?



9.1 Actions to mitigate power imbalances

All organisations in Europe, even those that do not talk about power imbalances among the staff, affirmed taking action to intentionally mitigate such issues. Regarding the relationship with the grantee, the most cited practices were “Developing long-term relationships with grantees”, “Offering non-financial support” and “Simplifying reporting process and or/ design reporting process with grantees”: all of these actions were cited by 31% of interviewees. “Having internal discussions about power imbalance” and “Offering flexible and/or core funding” were both cited by 23%. The only step mentioned for mitigating power imbalances that targets primary constituents and grantees was “Offering whistle-blower/ombudsman lines as safeguarding measures”, which is offered by 23% of foundations in Europe.

In Brazil, 58% of organisations affirmed taking action to mitigate power imbalances. Some interviewees in Brazil (17%) have identified and cited cases of power imbalances mitigation only after some examples were given to them.

In that regard, it is relevant to point out that 58% of foundations and funders in Brazil have a service-like relationship with the grantees, where grantees are usually chosen for their expertise to develop a project tailored by the foundation or funder, or even to execute a foundation project. The funding rarely comes as a support to the organisation to develop the actions or projects with complete autonomy.

In Europe, 100% of foundations interviewed in this research focus on what the organisation is already developing and do not ask the grantee organisation for a tailored project.

Actions	Percentage of foundations and funders mentioning the action	
	Europe	Brazil
Developing long-term relationships with grantees	31%	25%
Offering non-financial support	31%	17%
Simplifying reporting processes and/or designing reports and evaluation processes with grantees	31%	42%
Having internal discussions about power imbalances	23%	8%
Offering flexible and/or core funding	23%	33%
Offering whistle-blower/ombudsman lines as safeguarding measures	23%	0%
Being transparent about the renewal and ending of relationships from the beginning	15%	0%
Having codes of conduct that mitigate power imbalances practices	15%	0%
Not using grantees as consultants for advocacy	15%	0%
Simplifying and improving application processes	15%	8%
Valuing grantee's time, especially thinking about foundation's internal bureaucracies that can be simplified	15%	8%
Having an eligibility assessment that takes into consideration how the funding is going to impact the grantee	8%	0%
Admitting and sharing failures with grantees	8%	8%
Advocating flexible and core funding with other funders	8%	0%
Being a flexible and agile organisation	8%	0%
Being aware of how power imbalances operate in daily activities	8%	0%
Being aware of the agency of the grantee	8%	8%
Respect grantees decisions by not trying to change them	0%	8%
Allowing grantees to decide how frequent meetings should be	8%	8%
Having discussions about power imbalances with other foundations	8%	0%
Institutionalising internal feedback practices to mitigate power imbalances in foundation-grantee meetings	8%	0%
Having a feedback culture with grantees in meetings	0%	0%

Always communicating the rejection of a funding application in a meeting and not via email after significant negotiation or at the end of the project	0%	8%
Not seeing grantees as service providers; not having a contract with deliverables with grantees	8%	0%
Prioritising constant dialogue with grantees	0%	8%
Being transparent about budget from the beginning of a negotiation	0%	8%
Sharing the report template in advance in a timely manner; giving the grantee sufficient time to adapt their work and to ask questions	0%	8%
Refraining from using condescending or rude language with grantees	0%	17%
Sharing budget decisions with advisory committees	0%	8%
Participatory grant-making	8%	0%
Suggesting fewer deliverables to the grantees	0%	8%
Making payment schedules flexible (when corporate foundations, institutes or companies use the same internal process for the whole company and have delayed payment dates with for-profit providers)	0%	8%

10. RELEVANT SKILLS TO THE LISTENING PROCESS

After asking about the leadership skills required for the staff and leadership team to maintain listening practices inside the foundation, to facilitate the process of analysis and comparison, the skills mentioned by each foundation were coded by the author to fit the [Human Skills Matrix from MIT JWEL Lab](#)¹³ below. The Matrix encompasses 24 skills and divides the skills into 4 categories.

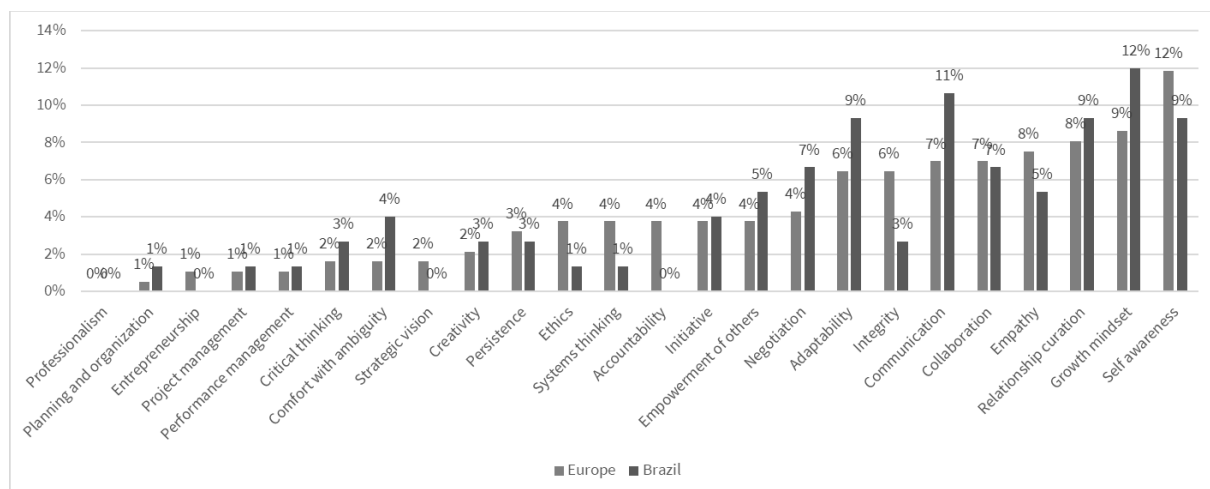


(Source: Human Skills Matrix from MIT JWEL Lab)

Out of the skills mentioned by foundations in Europe as essential to the listening process, the most popular were “Self-awareness” with 12%, “Growth mindset” with 9%, followed by “Relationship curation” and “Empathy” with 8% each.

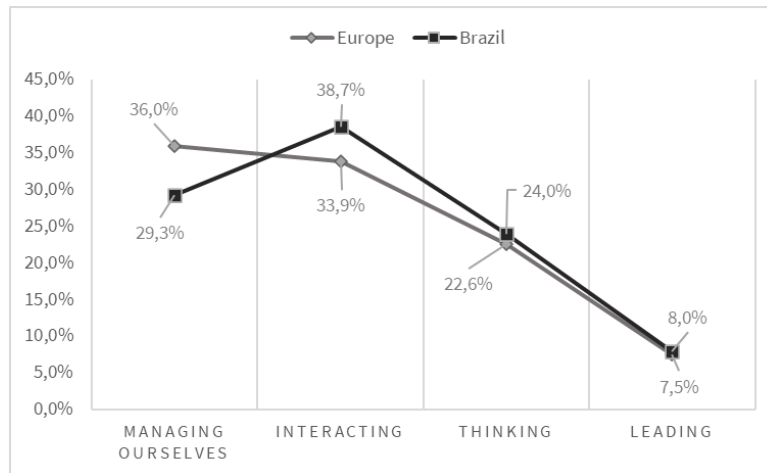
In Brazil, the most popular skills were “Growth-mindset” with 12%, “Communication” with 11%, then “Adaptability”, “Self-awareness” and “Relationship curation” with 9% each.

The values provided in the graphic below are a percentage of the total number of skills listed in each country.



The most pressing listening skills mentioned rely on 2 main categories: “Interacting” and “Managing Ourselves”, and responses given by organisations in Europe and Brazil follow the same tendency regarding the categories.

¹³ Human Skills Matrix from MIT JWEL Lab, no data. Available at: <https://jwel.mit.edu/human-skills-matrix>



There is a slight difference in the “Managing Ourselves” category, where Brazil has 29.3% and Europe 36%, and in “Interacting”, where Brazil has 38.7% and Europe 33.9%. This can be understood as a consequence of the difference in the geographic reach and the work approach detailed in sections 3 ‘Profile of participant foundations and funders’ and 5 ‘When foundations and funders listen’, where more organisations in Brazil have a regional and national reach and prioritise listening at the implementation phase of the project life cycle, which can increase the need to use more “Interacting” skills.

11. CHALLENGES TO THE LISTENING PROCESS

Foundations and funders were asked about the biggest challenges for maintaining listening practices in their daily activities and strategic processes. The responses given by the interviewees were analysed, coded and separated into 3 levels of challenges, using Edward T. Hall's Cultural Iceberg Model¹⁴ as a model. Responses range from external or conscious behaviours that can be easily seen and more easily changed to internal and subconscious beliefs and values that are harder to see and difficult to change.

11.1 Level 1 – External

Visible challenges to the listening practice are related to tactical problems.

Europe

- Time restrictions;
- Staff recruitment (difficulties in hiring very sensitive Programme Officers);
- Geographic reach;
- Survey methods.

Brazil

- Time restrictions;
- Lack of staff;
- Access to the communities controlled by drug traffickers (there are communities where foundations and funders have no free access, and authorisation need to be granted so site visits can take place);
- Survey methods.

11.2 Level 2 challenges - Just under the surface

The challenges to the listening practice at this level lie under the surface and are only sometimes visible. They are harder to change in comparison to level one. In level two, challenges relate to how core values and beliefs are reflected in specific situations and in behaviours, interpretations and processes related to listening.

Europe

- The lack of transparency about foundations' limitations and decisions;
- To listen without overburdening relationship points of contact or reporting processes with grantees;
- To create and maintain relationships with more organisations in the field, besides grantees;
- To listen and engage with grantees while maintaining professional distance;
- To deal with negative feedback from grantees;
- To have a coherent listening practice among staff;
- To adapt to cross-cultural differences;
- To transform listening in collective learning.

¹⁴ Hall, E.T (1976), Book, Beyond Culture, Knopf Doubleday Publishing Group.

Brazil

- To increase the time dedicated to reporting on quantitative goals;
- To find the balance between maintaining the sensitivity needed for the listening process and the objectivity needed to collect and report hard data to the board;
- To adapt to cultural differences among staff members;
- To maintain the foundation's or funder's culture while organisations are inside a for-profit institution, and frequently use their assets, such as staff and financial services, or even sharing the office;
- To identify the right people to listen to, in an effort to avoid biased interpretations of reality;
- To develop critical thinking to make sense of what grantees are voicing;
- To be always in contact with external actors.

11.3 Level 3 challenges - Deep into the water

In the third level of the cultural iceberg are the basic assumptions and beliefs, deeply tied to unconscious patterns, that we repeat automatically and that form the basis of culture. These are the most difficult challenges to identify, speak about, and change.

Europe


- Patriarchal and top-down approaches of philanthropy;
- Lack of a more transparent and participatory culture;
- Appropriation urges: the desire to take ownership of the grantee's accomplishments;
- The need for control and the belief in control;
- Competition within the sector;
- Centralised power within the organisation at the board and leadership level;
- Lack of internal listening practices where people feel free and are willing to talk.

Brazil

- Pressure from the board or company to deliver quantitative results, leaving less room for deep and qualitative conversations with grantees;
- Organisation's board does not dedicate time to qualitative reflections and consequently does not encourage deep conversations and reflections among staff;
- Clientelism from the grantee's side;
- Power-imbalanced relations and how they operate in relationships;
- Lack of professionalisation at the grantee organisations;
- Advisory committees' succession, for example: how to engage youth participation in committees;
- Lack of foundations and funds that understand the complex nature of the priorities and challenges faced by grantees and that such aspects may be different to their own priorities and challenges. Consequently, some funders expect more rapid results and for grantees to dedicate more time to relationship-building.

12. LEVEL OF PARTICIPATION

Based on the [International Association of Public Participation](#) ¹⁵ framework (see table below), the levels of participation of interviewed organisations were classified. The framework has the following levels: **Inform** < **Consult** < **Involve** < **Collaborate** < **Empower**, depending on the foundations’ or funders’ goal of public participation and the promise they give to the public in the process. To adapt to our context, we consider grantees and primary constituents as the “public”.

INCREASING IMPACT ON THE DECISION 					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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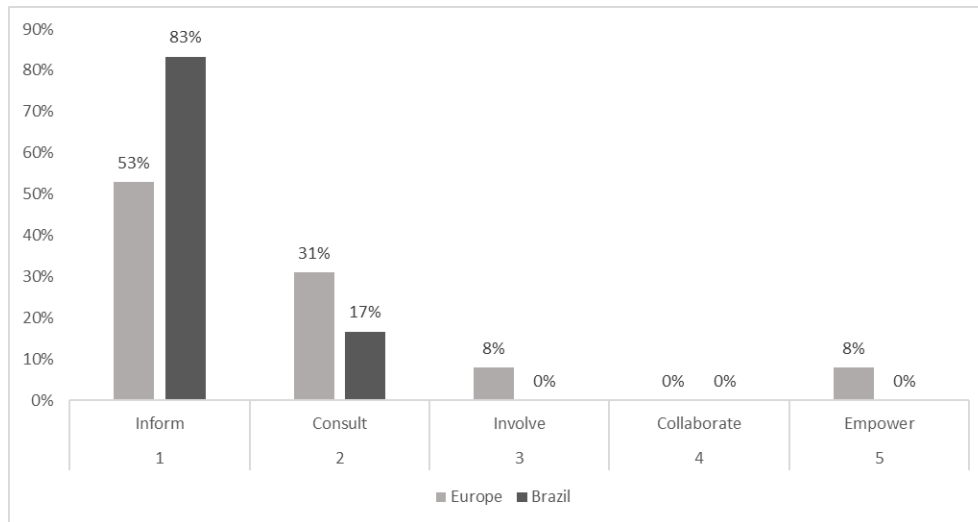
(Source: International Association for Public Participation)

Please note that this paper merely indicates where the participants’ practices fall on the participation spectrum, without judgement and with the understanding that philanthropy is a highly heterogeneous field where foundations and funders have different goals and strategies and therefore choose the participation methods and approaches that fit best. Also, it is important to note that different projects and different phases inside foundations can also have different forms of participation.

In Europe, 53% of the foundations interviewed have practices that correspond to the “**Inform**” level, 31% of foundations are at the “**Consult**” level, one foundation (8%) is at the “**Involve**” level, and one (8%) is at the “**Empower**” level.

In Brazil, 83% of foundations and funders are at the “**Inform**” level and 17% are at the “**Consult**” level.

¹⁵IAP2 Spectrum of Public Participation, no date. International Association for Public Participation. Available at: https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf



Foundations' and funders' listening practices are complex, highly heterogeneous and different in Europe and in Brazil. A simple classification according to this framework does not embody all the nuances presented by organisations, so further details and analyses of the classification made are required.

12.1 Inform level

53% of the foundations in Europe and 87% of foundations and funders in Brazil are at the **“Inform”** level due to the fact that, besides having listening methods, there is no institutionalised form to report back on the decisions made after listening.

Although they did not have an institutionalised and documented form to report back on, 50% of the organisations in Brazil classified at the **“Inform”** level have affirmed that reporting back happens naturally in the conversations during the implementation, evaluation and reporting or project renewal stages. Each of them provided at least one practical example of the reporting back happening, even if it was not documented: flexibility and adaptation of the project in real time as a result of constant conversations; maintaining constant dialogue during implementation; and having feedback as part of their culture. Those examples, combined with actions to mitigate power imbalances (core funding; flexibility in the reporting process; having staff from the organisation responsible for maintaining the relationship with the supported community; and non-financial support) could place Brazilian funders and foundations at the **“Consult”** level, in case the analyses were made alone and not in comparison with organisations in Europe.

10% of Brazilian organisations at the **“Inform”** level have institutionalised reporting back procedures in the community, but not for all projects, so we cannot place them at the **“Consult”** level as a whole. However, there is experience and willingness in making the reporting back process a standard process in all the organisation's projects.

12.2 Consult level

31% of foundations in Europe are at the **“Consult”** level, due to having institutionalised forms of reporting back, such as one or more of the following practices: sharing grantee perception reports, learnings and course corrections with respondents; having a fixed place inside the monitoring, evaluation and learning process where the foundation and grantee discuss the results of monitoring and evaluation together, and this effort automatically informs new strategy; sharing internal strategy and decisions in events with primary constituents; sharing evaluation reports. This level

also includes organisations that, while not having an institutionalised and documented mechanism for reporting back, do include grantees and primary constituents in the decision-making body (board of the foundation), in addition to publicising their strategic choices annually.

In Brazil, 17% of the organisations are at the “**Consult**” level, which is due to two possibilities: having an institutionalised form of reporting back in advisory committees where grantees and primary constituents take part, or not having an institutionalised mechanism to report back and doing so in one-on-one with grantees in meetings. By being aware of the agency of the grantee and respecting their decisions by not trying to change them, they mitigate power imbalances.

12.3 Involve level

In Europe, one foundation (8%) is in the “**Involve**” level. Beyond having one or more of the practices of the “**Consult**” level, this foundation reported sharing and admitting their own failures with grantees and learning from them; supporting grantees to listen to primary constituents; and applying all the following practices to mitigate power imbalance: Offering whistleblower/ombudsman lines as safeguarding measures; simplifying reporting processes and or designing report and evaluation process with the grantee; being an agile, horizontal and flexible organisation; having a code of conduct that mitigates power imbalance practices; and creating long-term relationships with grantees.

12.4 Empower level

One foundation in Europe (8%) is at the “**Empower**” level. In this case, the foundation practices participatory grant-making, and it includes alumni in its governance (former primary constituents, people that already benefited from the services of the foundation in the past) as shareholders of the foundation which legally operates as a non-profit shareholder company. Shares are divided between alumni and the founder, with the founder decision also representing the staff: The founder only has one share, and as such has the same voice in decision-making as each alumnus. Besides having the strategy of placing people that represent primary constituents in the decision-making body, the foundation also shares internal strategy and decisions in the events with actual primary constituents, and all the decisions are communicated to all staff, shareholders, and participants of the programmes via formal email communication.

13. CONCLUSION

Creating better listening practices should be understood as a complex issue within the philanthropic and social impact field. The variety of factors that influence it require persistence, adaptability and not only a growth-mindset, but also “the ability of philanthropic leaders to be led instead of only [having] the ability to lead”, as stated by one interviewee.

This paper goes beyond classifying organisations. It aims to provoke deeper reflection on listening practices, encouraging foundations and funders to make internal reflections about their listening processes if they want to improve and be more than informative.

The feedback loop methodology, the existent publications and practices, and the examples detailed in this paper give organisations a myriad of good practices to start, to reflect, and to test:

1. Prioritise listening in the implementation phase, especially with actions, behaviours and methods that allow staff to dedicate more time to listening over other bureaucratic tasks in that cycle.
2. Having an internal listening culture is the first step towards improving an external listening culture: offer internal staff training as a group towards the listening process, in addition to coaching individuals to develop the skills needed to support the process. This can be a starting point, but agile, flexible and less hierarchical organisations that give more agency for staff to make decisions within a bigger strategy and shared vision are the ones thriving on listening internally and externally.
3. Invest in supporting grantee listening techniques to hear from primary constituents (and acknowledge that sporadic site visits are insufficient).
4. Create institutionalised feedback spaces that are free of harm for those raising their voices.
5. Share organisations’ mistakes and learnings with grantees too, not only the successes.
6. Talk openly with the staff about how power imbalances operate in their daily activities, especially how these learnings turn into new processes and practices to tackle this challenge.

Better realities for the people that foundations and funders seek to support with their investments are created by better and healthier relationships between foundations and civil society organisations, and between foundations and the primary constituents they seek to help. Relationships where voices are heard, valued and addressed are crucial, and foundations and funders can start to build better relationships by paying attention and improving their listening practices.

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15. FURTHER READING

Bridging the Gap: A Review of Foundation Listening Practices:

<https://www.ekoute.com/publications/2019/10/9/bridging-the-gap-a-review-of-foundation-listening-practices>

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