From Talk to Action
Embedding Equity and Inclusion Principles in Governance Design

By Jessyca Dudley and Jessica Robinson Love
Additional contributions from Kheira Issaoui-Mansouri and Allison Shean

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Across the social sector, more and more organizations are looking for ways to authentically embed the principles of diversity, equity, and inclusion into their work, and we have seen that one of the best ways to do so is by building governance structures that explicitly prioritize these values. Emphasizing this lens at the outset of an initiative is more effective and rewarding than trying to apply it after the fact. Of course, crafting truly equitable and inclusive governance systems can be difficult and time-consuming. With some experience doing this work now under our belt, we wanted to reflect on what we've learned and elevate several useful lessons and considerations that may help others currently at or approaching this stage of their work.

Arabella frequently partners with donor collaboratives, newly endowed foundations, funds, and philanthropic initiatives to design and implement governance structures that outline who makes which decisions, what processes they can use to align on goals and priorities, and how to move toward a shared purpose effectively and efficiently. Many of our clients are increasingly interested in adopting governance structures that promote equitable decision making and/or that are inclusive of the populations their giving programs seek to serve. Aware of the risk we take in designing solutions that may reinforce existing inequities, we have devoted significant time to examining how to develop governance structures that can reflect the trust, transparency, and accountability necessary for fostering equitable outcomes.

These ideas are not new. Many in the social sector have been thinking and discussing these principles and concepts for years. What does feel newer is the readiness of many of our partners to actually implement them. In recent months, we have seen more and more of our clients ready to move beyond the idea stage, and they've looked to us for guidance in doing so effectively. We, in turn, have also relied on partners to help us advance our own practice and test new ways of working.

This piece shares lessons from our work with several initiatives aiming to involve a broader and more representative group of stakeholders, particularly those who are most proximate to the challenges they hope to address. Through these partnerships, we have learned that in order to build more equitable approaches to organizational governance, organizations should 1) discuss their values and how they plan to put them into practice at the outset; 2) acknowledge power dynamics and implement practices to share power responsibly, 3) take their time during planning and accept that certain decisions will always take longer, and 4) meaningfully iterate on processes to reflect the priorities and perspectives of all stakeholders.

Yes, these steps take time. But we have seen that building trust, authentic relationships, and alignment from the outset are essential for setting the initiative on a path that all stakeholders believe will lead to successful outcomes. We are still honing our understanding of the best ways to build that kind of solid foundation, and we are committed to sharing our experiences and insights as we learn more. We hope you will find value in the lessons we share below and that you will join us as learners on this journey.

Lesson #1

At the outset of the process, talk about your values and how you plan to put them into practice.

At the beginning of the governance design process, funders should clearly align on their core values—such as accountability, equity, and inclusion—and articulate what precisely they mean by those terms. Doing so can help establish shared commitments that can guide the direction of their work. When funders—especially donor collaboratives—have a shared understanding and language to describe their collective values, they are better able to determine how to apply these principles to inform their governance structure and processes. In addition, taking the time to determine what these values will look like in practice, and how participants should operationalize them through the governance design, is essential. We recently worked with a donor collaborative to develop an inclusive governance structure that would engage non-funder stakeholder organizations, including groups that could become grantees, in all decision-making. Early in the design process, collaborative members defined the values and principles that were most essential to their collective work and clarified their commitments to equity and inclusion. They considered how to put these commitments into practice and discussed different models for engaging external organizations and grantees along a spectrum of engagement levels—from simply informing them of decisions to consulting them during the decision-making process to fully sharing power over decisions. Through this process, the collaborative landed on a governance structure that would create various governing committees, which would ensure these organizations had equal representation and voice in decisions related to administration, operations, finance, grant making, and the like. With these values in mind, the initial funders also decided to incorporate mechanisms to allow grantees to directly weigh in on the governance structure itself, before they formally codified and implemented it.

Collaborative members returned to these values as a touchstone while navigating the complexities of implementing their structure. For example, when the collaborative had to delay its first grant cycle because it took longer than anticipated to select and onboard grantees to governing committees, members revisited their values to provide justification for this difficult decision. They were willing to make tradeoffs with their timeline for grant making to ensure grantees felt included and had shared ownership over the collaborative's strategic direction. By grounding its work and practices in the values of equity and inclusion, the collaborative set clear commitments that served as a guide and kept it on track, even in challenging moments.

Lesson #2

Acknowledge power dynamics and share power responsibly.

Having an inclusive and equitable governance structure implies sharing power. While not all philanthropic initiatives (whether it is a fund, a donor collaborative, or another type of entity) share power in the same way or to the same extent, all should be discussing power explicitly. As discussed above and as we have shared in other conversations about identifying and managing power in social change work, having candid, upfront conversations about intentionally moving the locus of power in an initiative's operations is an essential component in the process of establishing a shared set of values and developing criteria and protocols for transparent, participatory processes. For example, our team recently worked with a donor interested in establishing a grant-making fund that would include some of its grantees as decision makers. While the funder wanted the grantees to be empowered to make several types of decisions, we discovered through honest conversations that the funder wished to retain ownership over certain decisions. We asked direct but

thoughtful questions that helped the funder articulate where it was comfortable ceding power entirely by deferring to the guidance of their grantees, where it wanted to share power, and where it was not comfortable with shared ownership. While having frank conversations about power might trigger feelings of guilt or discomfort—for instance if a funder is not yet comfortable transferring all the power to non-funders—working through those feelings allows participants to build trust through greater mutual understanding. Failing to do so, on the other hand, might lead participants down a precarious road of unmet expectations, hurt feelings, and confusion.

We also know from experience that even when funders are truly willing to share power, they may not fully consider the burdens on and implications for grantees of serving on structures such as advisory boards or weighing in on decisions in other ways. It's critical to acknowledge that this new way of working does create additional demands for participants, and to determine ways to compensate them for their time and effort so everyone can come to the table as equal partners. We like to think of this as responsible power sharing. We guide our clients to take care to balance burden with benefit, and to consider whether and how to provide logistical support such as compensation, travel reimbursements, and child care. We have also found that power dynamics between segments of the social sector (e.g., large versus small nonprofits, or grassroots versus grasstops organizations) can be exacerbated when these leaders come to the table to make funding decisions. Additionally, when grantees effectively step into the role of grant maker by virtue of being at the decision-making table, they may sometimes find themselves in tricky positions—for example, they may appear to support decisions made by the larger group that are not aligned with the aims of their community or organization. Here, the principle of "do no harm" is crucial. When bringing community members to the table, it's important to ask questions such as: How can we level the playing field and enable everyone to participate fully? What unintended consequences might emerge in the ecology of the movement or issue we are working in? How can we design structures to mitigate potential negative consequences? Answering these questions, either as a full group or before convening the full group, can go a long way toward ensuring harmonious cooperation down the line.

Lesson #3
Go slow to go fast.

Establishing an inclusive and equitable governance structure takes more time at the outset, and ongoing operations under such a structure also might take more time than under a structure that concentrates power in only a few hands. Even when processes are in place and expectations are set, having multiple people with different perspectives weigh in on a decision will take more time than having one or two people make that same decision. For funders committed to this work, accepting that these structures will require more time is essential. Accepting this upfront enables you to focus on appreciating the benefits that come from inclusive processes and democratic decision making, such as greater community buy-in and effective implementation. For example, during a recent engagement with a funder seeking to employ inclusive governance, our client had expected that a funding structure would be operational within two or three months of our contract so it could rapidly deploy capital to under-resourced groups on the ground. The donor's well-intentioned objective was to be responsive, in the sense of being speedy when moving resources. However, in order to gather, process, and align the perspectives and ideas of the various stakeholders involved in the governance structure, we needed several months to agree on an implementable grants process. That delay was due to basic logistical hurdles—it takes longer to coordinate schedules when hearing from a larger group—as well as the need to iterate several times to satisfy all stakeholders. We knew that rushing into grant making

without this careful alignment upfront could cause us to make missteps down the line, potentially even confusing or harming potential grantees. So, we opted to spend all the time we needed to build the right governance structure. While the delay in deploying capital to organizations felt like a setback at first, we all came to realize that taking our time to build the right process cultivated new relationships and trust that made our investment of time worthwhile. And, being deliberate allowed everyone to feel confident that the final structure would enable the most equitable outcomes.

Lesson #4
Create mechanisms for feedback and expect iteration.

Funders that have successfully implemented inclusive and equitable governance structures do not stop once the system is in place. They also prioritize opportunities to collectively learn, adapt, and iterate as they engage in their work. Governance structures often need to change over time, and it is especially important that funders seeking to share power set aside time to critically examine how their structure is working and who it is working for. For example, the donor collaborative mentioned in Lesson #1 seeks to share decision-making power with grantees through equal representation in the collaborative's governance structure. During the governance design process, the collaborative identified that it would need to proactively and periodically assess whether the structure was adequately addressing power dynamics and enabling grantees to participate meaningfully. To do this, the collaborative created space for grantee representatives to not only co-design how the structure should operate but also how it should be evaluated. This allows participating grantees to authentically share their experiences and to have an equal voice in deciding how the structure should evolve. Incorporating systems for collective learning and evaluation during the governance design process, and committing to opportunities for frequent and honest feedback, enables funders to meaningfully solicit input on their governance structure and to make changes that result in more equitable outcomes for all involved.

These experiences have taught us that funders are best able to achieve equitable outcomes when they think of equity not as an add-on but as a core component of initiative design and implementation. We also know that everyone in the social sector is at varying stages in their diversity, equity, and inclusion journeys—some of our clients and partners are more advanced in their understanding and operations, while others are just beginning to explore how to apply this lens. We recognize that designing and evaluating governance structures in this way may be a shift from the usual way of working, and that taking this leap may be scary. We are excited to continue working with funders to help them explore whether this approach is right for them, or if there are other ways to embed equity principles into their organizations.

Above all, this is a learning process for us, and we encourage you to hold us accountable as we continue on this journey toward greater understanding of how to achieve more equitable and inclusive outcomes for all.

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