

Just Change

Strategies for Increasing Philanthropic Impact

*'You cannot live a good life
in an unjust society' (Aristotle)*

Acknowledgments

This work was a collaborative venture. I would like to thank the collaborating funders: Barrow Cadbury Foundation, Big Lottery Fund, City Bridge Trust, Carnegie UK Trust (CUKT funded initial thinking and the main study), Joseph Rowntree Charitable Trust, and Northern Rock Foundation; and the members of the advisory committee: Fiona Ellis, Sarah Mistry, Stephen Pittam, Paul Roberts, Lenka Setkova, and Clare Thomas, for their constructive guidance and support.

Without the generosity of the many people associated with the projects studied the report would have been impossible. They were always patient, welcoming and willing to share their wisdom, experience and reflections – thank you.

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Published in November 2007.

Foreword

The notable record of philanthropic achievement in Britain has often been undervalued, not least as a consequence of the modesty of many of the donors. But in consequence, too often funders remain unaware of the lessons of successful practice which they might have employed to good effect. So I therefore celebrate this demonstration of the ways in which foundations can contribute to widespread sustainable impact. Without the record of proven experience, it is hard to make progress.

I also welcome the collaboration between a group of funders that has made this record possible. Of course, sometimes change happens only because a determined foundation or individual sticks with a project consistently over a long period. More often greater change becomes possible through some form of collaboration between multiple funders who share resources, knowledge or connections. But having those resources to give at the outset is itself a privilege as well as a joy. It brings with it some responsibility to employ effectively the money, skills, experience, independence, knowledge, risk appetite, contacts, leverage, and more, that comprise the unique collection of assets of a charitable grantmaker. The text that follows admirably illustrates the variety of potential roles for foundations, and is a powerful demonstration of how those attributes may be properly harnessed to achieve longer term systemic change, with impact beyond immediate grantees.

Notably, amidst all you will learn of the many recurring themes in foundations' work; the suggestions for achieving wider and sustainable change; and the lesson that sometimes to achieve social justice, grantmaking really does mean manning the barricades; there is a further and simpler message at the heart of Just Change. This is that achieving impact is primarily an attitude of mind, and one that can be delivered through small

but well chosen significant change. Thus we all may have the potential to make a difference, and it doesn't need us to be large scale, or long in the philanthropic teeth to do so. At a critical time for society, when so many of us doubt whether we alone can have any impact upon the dominant climatic, economic and political trends, here is powerful evidence that yes, indeed, we certainly can make a difference. It's a practical, positive and ultimately uplifting message that I warmly embrace.

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November 2007

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Creating a Culture of Responsibility: Protecting Whistleblowers

Introduction

This case is an example of achieving cultural and legal change around a new issue in an initially hostile environment. The case is unlike others in this collection in at least two ways. First, the case tells the story through the eyes of the grantee organisation; second, the role of foundations was primarily that of funders – but, as discussed below, this conceals a more complex story. The case illustrates risk taking at a variety of levels. The issue was unpopular, the environment was actively hostile; the organisation funded was brand new, with no profile or track record and, on the surface at least, considerable uncertainty; and the issue was complex. This is a story of change initially led by a passionate small group of social issue ‘entrepreneurs’. It illustrates foundations’ roles as risk takers and longer term core funders. A number of foundations were involved although this was not a deliberate collaboration. As one funder remarked this is one of those rare stories where cause and effect are clearly linked: ‘The 2nd Nolan report adopted Public Concern at Work’s recommendations in their entirety and with full acknowledgement.’

The Issue

Public Concern at Work (PCaW) sought to demonstrate the link ‘between whistleblowing and accountability and to signal the need to break with a culture which fostered complacency and cover-ups.’ (www.pcaw.co.uk).

What Changed

In 1999, six years after creation of PCaW, the Public Disclosure Act came into force. The Act provides protection for whistleblowers ‘helping to establish generally, and in the working places of this country, a sense of responsibility to ensure that dangers to health and safety are removed and that wrong-doing is not permitted to flourish’ (ibid). Equally important, perhaps, is the the level of cultural change achieved (illustrated by the difficulty in 2007 of remembering how whistleblowing used to be perceived).

Background

The idea of an independent resource centre on whistleblowing was first raised in 1990. At this time, prior to the creation of PCaW, whistleblowing was regarded as a somewhat dubious activity. The most widely known examples of whistleblowers were public officials who had leaked information to the media and been punished for so doing. Whistleblowing as a socially beneficial activity to be encouraged or supported was not on the wider public, corporate or government agenda. At the same time, inquiries into a variety of scandals, across a range of industries, had revealed that staff within the relevant organisations had been aware of the potential for harm but had not felt able to make their concerns known.

While public inquiries focused on the adequacy of laws and regulatory controls (and where necessary introducing new laws and controls), the founders of PCaW saw the problem as, at least in part, a matter of changing the prevailing culture to encourage people, organisations and government to see whistleblowing as a public and private responsibility worthy of protection and support.

The current director of PCaW describes the early environment: ‘The problem was that in the late 1980s and early 1990s the public debate was completely schizophrenic. On the one hand it was “whistleblowing is a terrible thing, a betrayal of your friends and colleagues, people only do it for bad motives, and if you do it, it will

rebound on you". On the other hand, people were saying "why, oh why does no-one speak up about things they know are happening before it's too late". We were trying to get people to see that the public were being given very confusing messages.'

In summary, the environment was not merely unsupportive but actively hostile, there was lack of cultural acceptance of the problem, combined with a more general culture of confidentiality and secrecy. As one interviewee remarked: 'From this point in time and given the change PCaW has achieved, it is hard to remember just how unacceptable whistleblowing was. I can't overstress that whistleblowing wasn't on anyone's agenda.'

In addition to a hostile environment, there was no organisation dedicated to raising issues of whistleblowing and little demand for such an organisation because the 'solution' was seen to lie in more regulation rather than prevention via cultural change and protection of whistleblowers. It seemed unlikely, given both hostility to the issue and the likelihood that any change could be achieved, that anyone would be willing to fund such an organisation. Furthermore, a new organisation would be starting from scratch, with no profile, no reputation and track record.

At the same time, however, there were opportunities. Evidence was emerging from high profile disasters of the need to get internal information out, and the costs of failing to do so. Although there was no one organisation concerned with whistleblowing, whistleblowing was indirectly tied into the agendas of other organisations concerned with freedom of information, corporate responsibility and accountability and consumer protection. And, there was a small closely knit group of knowledgeable and passionately committed people who were determined to take on the issue. Several interviewees stressed the importance of this group in creation of the new organisation and getting whistleblowing onto the public agenda.

The Organisation

As noted above, there was no organisation initially. This is the story of building an organisation as outlined below.

The Story

In 1989 the Nuffield Foundation gave an organisation called Social Audit a research grant of around £5,000 to investigate the role of whistleblowing in society. The research was conducted by Marlene Winfield, Charles Medawar and Maurice Frankel of Campaign for Freedom of Information (CFI).

The research report was published in 1990 and told the stories of individuals who had blown whistles and often suffered serious personal disadvantage as a result. The Nuffield Foundation persuaded Sir John Banham (then Director General of the Confederation of British Industries) to write a foreword and to facilitate a launch of the book at the Confederation of British Industries. One commentator noted: 'Getting John Banham to write the foreword and the launch at the CBI was counter intuitive and incredibly important. It made people stop and think: "This isn't just some kookie idea".'

Prior to publication, Joseph Rowntree Charitable Trust (JRCT) has asked to see the draft report and then asked Social Audit what could be done to take forward the findings. JRCT had a long standing interest in corporate social responsibility, and the then Director of the Trust had attended some of the Freedom of Information Awards ceremonies where people who had contributed to freedom of information were honoured. 'They were about making awards to very courageous people - seeing these heroic individuals were what made me interested'. These experiences led to a report from the Director to trustees of the Trust suggesting that some funding be put into pursuing the issue of whistleblowing. In subsequently deciding to give a grant to take forward the Nuffield Foundation funded research 'it was important that I (the Director)

already knew the people involved in the research, and that the Trust were already, independently of the research, concerned that there was no support for whistleblowers.

JRCT initially funded a small feasibility study by a 'midwife' group composed of individuals interested in taking forward the research. From 1990 on this group met once a month for about a year to discuss how to take the issue forward. As a result of the feasibility study, and data on how whistleblowing was handled in the US, it was decided that the best model was a legal one focusing on enabling people to whistleblow safely rather than a campaigning approach which might encourage whistleblowing but would not necessarily help people feel safe to do so.

Having decided on a model, the group went back to JRCT with a proposal. JRCT came back with a challenge/tapering grant of £250,000 over 5 years. The fact that the grant had to be matched over a 5 year period protected JRCT from an on-going commitment but also provided the new organisation with some early security. Later on PCaW began drawing in a range of other funders.

One of the original group of individuals said: 'The next big step was to find a chair. We wanted someone who would, in effect, say: this is a serious organisation concerned with serious issues. We approached Gordon Borrie, and he agreed. We immediately knew that with him as a public face we could go ahead.'

Guy Dehn – then at the National Consumer Council and the only lawyer on the group – was offered the job of setting up the new organisation. 'Some people thought I was crazy to be even considering it. Remember this was the end of the Thatcher period when whistleblowing was only talked about by the "usual suspects" on the Left.'

Dehn was clear from the outset that the organisation could only work if it involved a range of people with strong reputations across the political and professional spectrum to give it credibility and

legitimacy. Dehn set about building a very powerful board and Advisory Council. Strong governance was seen as crucial to the credibility of the new organisation. 'We involved a Law Lord, someone from business, an academic and so on. These were very much NOT the "usual suspects". It was a very considered perspective'. At this stage the emergent organisation was also circumspect in its strategy; 'at that stage we were still trying to understand why people didn't whistleblow and what needed to be done'.

The emergent organisation's first and major obstacle was the general attitude to whistleblowing, but this then contributed to a more tangible obstacle in the form of refusal of charitable status. The Charity Commission agreed to research as a charitable activity but saw no public benefit in giving advice on whistleblowing. Arguably this was merely a reflection of the wider attitude to whistleblowing and an obstacle that might be faced by any organisation attempting to address a significantly unpopular or under-recognised issue. Really 'working at the margins' means working at the margins of Charity Commission interpretation of public benefit. PCaW brought its legal expertise to bear, threatened judicial review, and got the Charity Commission decision reversed within a few months (interestingly the Charity Commission later cited PCaW as an example of its flexible interpretation of charity law in a changing environment).

In 1993 PCaW was formally established. However, prior to its official launch the emergent organisation had already been asked by the European Commission and Parliament to report on the role of whistleblowers in controlling financial malpractice in Europe. In 1993 four leading employers offered support to the organisation and in the same year the Audit Commission in effect endorsed the need to consider issues of whistleblowing in the context of probity in local government.

Two years later in 1995 the issue was raised again by the Nolan Committee on Standards in Public Life. In the same year Dr Tony

Wright MP asked PCaW and the Campaign for Freedom of Information to draft a whistleblowers' protection law to raise the issue in Parliament. By 1996 it became clear from consultations that there was wide support for the Bill, and the Nolan Committee endorsed the Bill's proposals. In 1996 a Ten Minute Rule Bill was introduced.

A year later in 1997 Don Touhig MP reintroduced the Bill as a Private Member's bill. It gained unanimous endorsement at second reading but lacked Government support. Tony Blair pledged that, if elected, his Government would legislate. Later the New Labour Government offered to support Richard Shepherd MP's Public Interest Disclosure Bill, and in 1998 the Public Interest Disclosure Act received Royal Assent and came into force in 1999.

For the purposes of this case study the PCaW story ends there even though in reality this was far from the end. As Dehn notes: 'You can put something on the agenda but it's just as challenging to work out how it works in practice.'

After the legislation PCaW evolved into a different organisation. Once the issue of whistleblowing was firmly on the agenda PCaW began to question why foundations should be asked to pay for making organisations work more effectively. At this stage it began to charge legal rates for work with organisations. For the last 3 years PCaW has been self-funding, using its charges for services to subsidise the free help-line, policy and educational work.

Methods

≈ Reframing the issue

The first step was reframing the issue from one that was about privacy, confidentiality, and no one's responsibility to being a matter of morality, accountability, practicality, self protection. Dehn explains: 'Even where the victims of these disasters were compensated, the general view was that nobody was accountable for what had happened. This in turn damaged public confidence,

not only in particular organisations but also in whole sectors and in the law. In addition, the responses to these disasters of introducing new laws and regulations – however necessary and desirable – meant that well run organisations found themselves bearing the burden of changes necessitated by their irresponsible competitors.'

PCaW drew attention to the effects on victims and corporations, the costs of a culture in which employees mind their own business, and encouraged employers to start to support PCaW. In this way they re-cast the argument for protection of whistleblowing in terms that employers and politicians could relate to – in terms of self-interest. This re-framing of the argument was later important in gaining further foundation support from trustees previously disposed to see the issue as an infringement of privacy.

PCaW also linked lack of support for whistleblowing as part of the cause of perceptions of 'sleaze', the perception of possible misconduct attracting as much attention as proven malpractice. Protection of whistleblowers, PCaW argued, would help to protect both potential victims of malpractice and, indirectly, those wrongly accused, or under suspicion, of malpractice. Protection of whistleblowing could increase public trust and confidence in key institutions.

≈ Being consistent

'We always said the same thing 360 degrees – to all people and all interests. I think this helped reassure people there was not a hidden agenda. This was also evident in the fact that when the Conservatives were in government the Bill was run by Labour MP's and when Labour was in power it was run by a Tory.'

≈ Building credibility via 'counter-intuitive' links

In order to ensure that the issue of whistleblowing did not continue to be perceived as a 'radical' issue, PCaW deliberately set about recruiting support and champions from beyond 'the usual suspects.'

≈ Use of existing case law on confidentiality and the public interest

Rather than starting from scratch and adding new principles, PCaW sought to use existing case law to achieve its aims. 'Our tasks were to broadcast these principles beyond the confines of the Royal Courts of Justice, to extend the law so that it protected people whom it found had acted in the public interest, and to provide practical help'. Building on common law was an important practical and legitimating strategy. The message was that this was nothing radically new.

≈ Practical help as end and means

Provision of a legal helpline was central in PCaW's strategy. On the one hand it provided a safe haven for people with whistleblowing dilemmas and, on the other, it enabled PCaW to learn what was stopping people from speaking up, as well as providing further stories illustrating the need for change. In addition, providing free legal advice later gave PCaW legitimacy as a charity. 'If you took away any other part of what PCaW does it would limp but carry on. Without the help-line we would be fatally wounded'.

≈ Role of the media

PCaW used the media to draw attention to the issue and gain support for protection. The media were 'invaluable in promoting our message and publicising our work'. Editorial endorsements 'ensured that the issue received the attention of opinion formers'.

≈ Consultation at regular stages

PCaW used regular consultations with key stakeholders to build widespread support and awareness.

≈ Maintaining momentum

PCaW kept up the momentum of building awareness by issuing regular reports on defence procurement, abuse in care, standards in public life, Matrix Churchill, the police and local government. This illustrates the importance of keeping on the case even when you have gained a measure of acceptance. There are always plenty of other issues to push yours off the agenda.

Funding

The story of PCaW is without doubt a story of foundations backing an, at the time, unpopular cause. Without independent foundations it seems unlikely that PCaW would have developed when it did – if at all. One person involved suggests: 'JRCT was very, very important. It was about a long standing relationship and not something we applied for. It would have been much harder without them. We would have had to spend a year fundraising and who knows... There weren't many funders willing to back this. I doubt we could have moved on in such an effective way'.

At the outset, and for some years afterwards, there were very few foundations PCaW felt it worthwhile to approach. 'We always had to worry about money'. 'We were always constrained in what we could do by how much money we had but there was also a belief that if we do the work and show its working then the money will follow'. Nevertheless, in 1996 constraints of funding meant that PCaW had to make two research staff redundant.

Despite the general lack of support for the issue of whistleblowing, and PCaW, Nuffield, Gulbenkian, JRCT, Esmée Fairbairn, Barings, Leigh Trust, Paul Getty, Allen Lane, Tudor and Savoy all played a part in keeping PCaW going. The story of Esmée Fairbairn Foundation funding highlights the difficulty for PCaW and the way in which an unpopular issue gained support. When PCaW initially approached Esmée Fairbairn for funding in 1993 its application was rejected. Eighteen months later PCaW re-applied and the then newly appointed Foundation director put the application to the trustees again. Knowing that the previous application had failed

because support for whistleblowing was seen as an interference in a free market economy, the new foundation director recommended funding on the grounds that support for whistleblowing was a means of enabling a free market economy to operate as it should – ‘whistleblowers helped to heal and prevent running sores’ – and, in addition, appealed to the Trustees’ principle of supporting issues that do not fit anyone’s priorities. A three year core grant was agreed (and was later extended at least twice).

PCaW regards itself as very lucky in having been given some core funding which it suggests made it easier to get other funding for particular projects. It attributes its success in obtaining funding to three main factors: (i) ‘The foundations who were interested knew that very few were going to fund us so if it was going to work they’d have to put in core funding for a time’; (ii) ‘We answered the questions they asked – we tailored applications to each foundation’s questions and interests’; (iii) ‘Possibly because it was a fast moving issue and because of our experience in a new area there was a bit of an idea that we would know best how to spend the money’.

Given the prevailing assumption that whistleblowing was about ‘knocking’ business PCaW also considered it particularly important to get small sums of money from companies to provide legitimacy early on.

Success Factors

Success Factors in Brief

- | | |
|---------------------------------------|---|
| ≈ Passion and confidence | ≈ Learning |
| ≈ Luck and opportunism | ≈ Focusing on the message |
| ≈ Relating to other agendas | ≈ Telling stories |
| ≈ Positioning | ≈ A constructive approach |
| ≈ Beyond politics | ≈ Seed money for planning |
| ≈ Building credibility and legitimacy | ≈ Flexibility of funders (core funding) |
| ≈ Joining up the dots | ≈ The people |

What were the factors in PCaW’s success?

≈ Passion and confidence

Marlene Winfield (author of the original research and later a Board member) attributes a part of the Board’s persistence to ‘the personal stories in the research. They were so upsetting, that was a real drive in getting something up and running’. Dehn remembers: ‘Despite the warnings of friends and colleagues I was totally confident that this was a very important issue that was going to have to be addressed in the next decade because of the way all sorts of things were going – trust in government, accountability and so on’.

≈ Luck and opportunism

Dehn notes: ‘We were amazingly lucky. The constellations shone very benignly on us’. However, he also adds: ‘we were lucky but you make your luck’. Part of making your luck is about positioning.

≈ Relating to other agendas

Partly because of the people involved PCaW was able to highlight and capitalise on the relationship between whistleblowing and other agendas. Corporate social responsibility tied into ethical investment which tied into access to information which tied into whistleblowing.

≈ Positioning

‘We saw a wave and we worked to position ourselves on the board to catch that wave and surf it’. Creating a ‘counter-intuitive’ Board and Council, borrowing credibility from established, trusted figures, were important aspects of PCaW’s positioning.

≈ Beyond party politics

PCaW was very careful to avoid presenting the issue as in any way party political.

≈ Building credibility and legitimacy

PCaW consistently and painstakingly worked to position itself as an informed, enlightened contributor.

≈ Joining up the dots

'We didn't see things in compartments. Everything fed off everything else. It was all about learning. The education work fed into the policy work and vice versa and the help-line fed into both.'

≈ Learning, learning, learning

'We were constantly in learning mode. We didn't stop learning and kept using that learning to inform, illustrate, adapt and to learn more about the intricate relationship between the public and private interests.'

'We were very candid about things that had not gone well and why.'

≈ Avoiding 'tub-thumping' and focusing on the message

PCaW constantly focused on the message not the messenger. One consequence of this is that the organisation has a low profile with the general public but a high profile in certain targeted circles.

'PCaW worked on very targeted communications with emphasis on the message not the messenger – it's much much more powerful if you work with others but the price is that the credit doesn't attach. As one observer remarked "you can have as much influence as you want as long as you don't ask for the credit".'

≈ Telling stories

'We were constantly building on small examples to show people the problem and what could be achieved.'

≈ A constructive approach

'People liked that we didn't have an agenda other than to raise the matter in a constructive way. We wanted to learn and to help and to prevent.'

≈ Seed money for planning at the outset

'Getting us to work out the model before we started out paid big dividends – by the time we had gone through that process we had thought of every question and had an answer to all objections.'

≈ Flexibility of funders

One commentator notes: 'To start with we had a wise enabling funder who put things in place we needed. But there were lean times. You have to find your USP and Dehn did that through developing training packs for employers. Those deter people having to blow the whistle outside and really change the culture. Often funders seem more interested in how many people rang your helpline than in what you have prevented or changed.'

≈ The people

One issue that came up time and again in interviews for this case study was the importance of the individuals involved, and foundations' willingness to back these people. One funder said: 'We don't talk about these issues but they are the real stories. Why don't we talk about them? Perhaps it's because you can't bottle it and then there are issues of political correctness and issues about the scale of grantmaking.'

While these are clearly important considerations it could be argued first, that foundations need to reflect on the significance of individuals in successful change projects and second, to consider whether there are ways in which, even if passion, networks, charisma and drive, cannot be bottled they can at least be enabled.

In Retrospect

In retrospect there is little that PCaW would have done differently.

'The only thing that didn't really work was where we developed a strand of work primarily because that was how we thought we could best secure grant money – for us, chasing and being led by grant money caused more problems than it solved.'

So what was the role of foundations?

Dehn answers:

'The foundations gave money and backed an unpopular and risky cause when no-one else probably would have done'. But were the foundations more than a cash machine?

Foundations' main role in this case was to provide money, support and legitimacy. 'Without independent foundations we wouldn't have existed. Nuffield funded the research and JRCT were proactive in saying "let's do something" after the research'. Apart from the money itself 'there is a very real thing that someone is backing you. Often with small grants that was more important than the money'. 'JRCT was seen by some as a "usual suspect" funder but that wasn't true of some of the others. Those others gave us money and external legitimacy and kudos'. They also provided networks and introductions – 'when one funder had supported us we asked for other introductions'. In addition, although 'I'm very glad we don't have to do applications now. It can be very forlorn', Dehn notes that 'Doing larger applications can be a very useful process and discipline. It wasn't all bad.'

Dehn notes that seed money and core funding go against the current vogue for fully worked out proposals. He notes that PCaW applied four times to the Lottery and were successful only once. The lesson, he argues, is that the more process and outcome driven funders become the less they are likely to fund new ideas. 'It's important for foundations to retain flexibility because the voluntary sector won't be the third sector if it behaves like the second sector. Foundations need to be light footed and accept there will be weeds'. 'Foundations have a more important role in guaranteeing the independence of the voluntary sector than does the Charity Commission'. 'Foundations key role is to look at things differently – things not coming out of the mainstream.'