



Institute *for* Sustainable
Philanthropy

Towards a Philanthropic Orientation

By

Prof Adrian Sargeant and Emma Bryant

January 2020

Acknowledgements

The authors gratefully acknowledge the support of Brook Global in making this work possible.

www.brookglobal.com

[Donor Recognition Walls | Donor Engagement Systems | BrookGlobal](#)

Table of Contents

Introduction	4
Market Orientation	6
Market Orientation and Performance	12
Antecedents of a Market Orientation.....	13
Emerging Perspectives	15
Entrepreneurial Orientation	15
Learning Orientation.....	16
Technology Orientation	17
Cost Orientation.....	18
Market Orientation and Learning Orientation.....	18
Developing a Philanthropic Orientation	19
Donor Centricity.....	20
Philanthropy Embedded at the Core	23
Celebration of Philanthropic Success.....	24
Case Quality	26
Mission Directedness	26
Board Engagement and Involvement	27
Professional Engagement	28
Conclusions	29
References	30

Introduction

What might it mean for an organization to develop a culture of philanthropy or “philanthropic orientation?” Would obtaining such an orientation be the right thing to do in caring for our supporters? And might there be an added incentive of a link to performance. Put simply, do organizations that have a philanthropic orientation raise more money than those that do not?

An organization’s strategic orientation is important because it shapes the strategy it will implement to create the behaviours necessary to sustain or enhance its overall performance (Gatignon and Xuereb 1997; Slater et al. 2006). So unsurprisingly there has been considerable academic and professional interest in different strategic orientations and how these in turn might help develop differing levels of performance. Notable in the marketing literature has been the conceptual and empirical work on “market orientation,” which gives primacy to customer needs and ensuring satisfaction with the organization’s goods and services. As we shall shortly make clear, many studies have explored the relationship between the degree of market orientation attained and business performance and found statistically significant relationships. A few studies have even examined the impact of market orientation in the nonprofit sector, again identifying relationships with variables such as revenue growth or fundraising performance.

So the notion of a strategic orientation would appear to be important. Yet despite a plethora of different strategic orientations being highlighted there has to date been little effort to study orientations that might have *specific relevance* for nonprofit

organizations and specifically, for their ability to raise money to pursue their mission. In this paper we explore one possible orientation, namely a philanthropic orientation.

Of course, if one is going to orient towards something it is first necessary to be precise about what that something might be.

As a concept, philanthropy has been variously defined as:

“Love of mankind”

(Johnson’s Dictionary 1755)

“The love of mankind; benevolence towards the whole human family; universal goodwill. It differs from friendship, as the latter is an affection for individuals.”

(Websters Dictionary 1828)

“Voluntary action for the public good.”

(Payton 1988)

What the majority of the extant definitions have in common is a focus on love for others or love for mankind. So, if that is what philanthropy is, what would it mean for an organization to be oriented towards philanthropy and thus appreciate philanthropy as critical for its future survival and success?

We offer the following definition:

“An organization with a high degree of philanthropic orientation will be very receptive to, and welcoming of, a variety of philanthropic sources of income. It is also an organization that recognizes the unique nature of philanthropy and the central role that whole-organization stewardship can play in developing that philanthropy and the wellbeing of those who might offer it.”

To facilitate our discussions the balance of this paper is structured as follows:

First, we review the concept of market orientation in some detail. This is perhaps the closest orientation to the one that we will be working on and examining how others have approached a related task will therefore be instructive.

Second, we briefly review other (related) orientations that have been the subject of study and;

Third, we will look at what guidance existing thinking and research might be able to offer in respect of the sets of actions, attitudes or behaviours that should comprise the focal construct of philanthropic orientation.

Market Orientation

A market-oriented organization is in essence one that has embraced the marketing concept and successfully operationalized it. Kotler and Clarke (1987) define marketing orientation as follows:

“A marketing orientation holds that the main task of the organization is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing and delivery of appropriate and competitively viable products and services.” Kotler and Clarke (1987)

While this definition makes it clear what market orientation is, it offers little insight into how it might be achieved. Kohli and Jaworski (1990) thus prefer to define it as:

“The generation of appropriate market intelligence pertaining to current and future customer needs, and the relative abilities of competitive entities to satisfy these needs; the integration and dissemination of such intelligence across departments; and the coordinated design and execution of the organization’s strategic response to market opportunities.” (Kohli and Jaworski 1990)

From this very practical perspective a market-oriented enterprise is therefore seen as one where:

- 1) A system of gathering market information exists that facilitates knowledge of actual and future customer needs.
- 2) This market knowledge is diffused and made available to all departments.
- 3) The whole organization is receptive to this knowledge and its influence is discernible in the actions that are taken as a consequence.

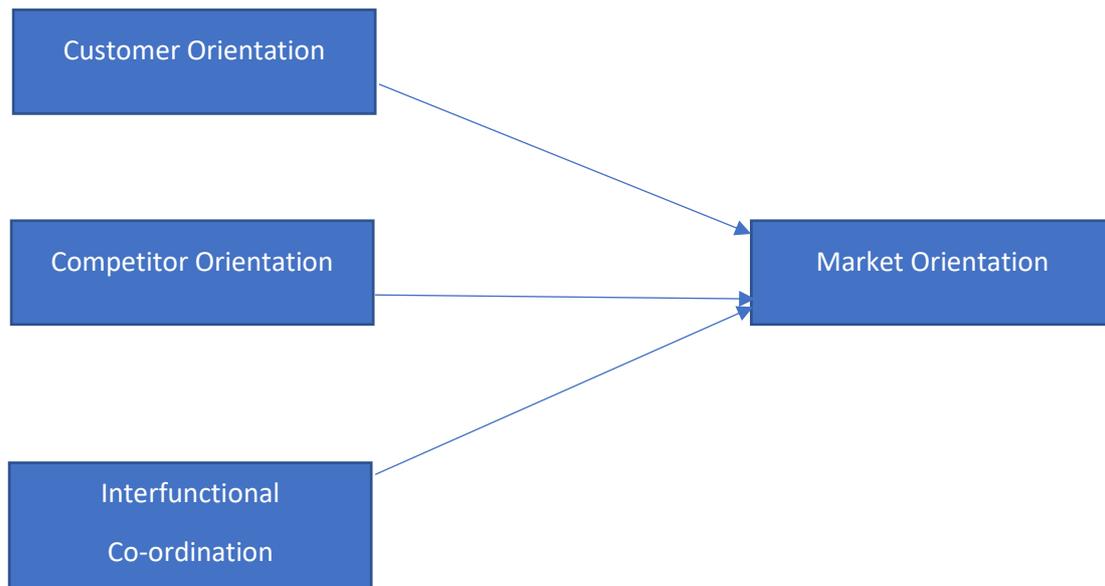
The authors developed a 20-item scale to capture behaviours that relate to each of these three dimensions.

The approach is interesting, but perhaps more difficult to apply to the nonprofit domain because of the narrow focus on information gathering and dissemination which many nonprofits may not find relevant or applicable, primarily because they can lack formal mechanisms of information gathering and dissemination (Oczkowski and Farrell 1998; Pelham and Wilson 1996). Moreover, the smaller size of a substantial proportion of nonprofits obviates the need for a systematic dissemination of intelligence (Seymour et al. 2006).

Narver and Slater (1990), take an alternative approach preferring to see market orientation as the culture that produces behaviours that create superior value for customers. Culture in organizations is defined as the deeply seated (and often subconscious) values and beliefs shared by employees at all levels, and it is manifested in the characteristics (traits) of the organization. It epitomizes the expressive character of employees and it is communicated and reinforced through symbolism, feelings, relationships, language, behaviours, physical settings, artefacts, and the like (Schein 1984). This in turn is supported by rational tools and processes (Dobni 2006; Dobni and Luffman 2003), and through the expressive practices of employees (Coffey et al. 1994).

Narver and Slater (1990) argue that market orientation consists of three cultural components as illustrated in Figure 1. We discuss each of these components below:

Figure 1: A Model of Market Orientation



Source: Developed from Narver and Slater (1990)

1) Customer orientation

Customer orientation involves the organization in achieving a sufficient understanding of its target markets to be able to create superior value for them. Since in a service environment the creation of value is often highly dependent on the quality of customer interactions with staff, the achievement of a market orientation involves the development of an appropriate set of cultural attitudes that should ultimately permeate the entire organization (Deshpande and Webster 1989).

A further key to sustainability and growth is good relationships with stakeholders (Freeman 1984; Freeman et al 2010). Frequently, the marketing team will adopt “customers” as its most important stakeholder group, but the linkage between stakeholder management and performance is critical and strategically managing relationships with multiple stakeholders is therefore important (Donaldson and Preston 1995). In the fundraising context, relationships with donors will be important, but so too will relationships with volunteers, Board members, members of the program team and the wider community in which the nonprofit is based (Panas 2006).

2) Competitor Orientation

In the market orientation literature developing an understanding of the short-term strengths/weaknesses and long-term capabilities/strategies of competitors is seen as important. This is regarded as essential if the organization is to avoid being overtaken by competitive innovation (Porter 1985). Donors give to a portfolio of six charities on average and organizations can potentially move in and out of that portfolio each year (Sargeant and Jay 2014). It is therefore important to understand how other organizations are courting new donors, communicating with existing supporters and generally adding value for them over time (Craver 2014).

Profiling competitor strengths and weaknesses can allow an organization to see where its performance lags behind the competition, but it can also highlight areas where it either outperforms the competition or *has the capacity to do so*. These areas

are key, because they could represent a major source of competitive advantage that an organization has over its rivals.

3) Interfunctional Co-ordination

Interfunctional coordination refers to how the organization utilizes its internal resources in the creation of superior value for its stakeholders. It is important, for example, for opportunities for synergy to be exploited across traditional departmental boundaries and for market intelligence to be shared constructively between all those who stand to benefit. Kohli and Jaworski (1990) suggest that organizations having a high degree of interfunctional co-ordination can be characterized as having:

- a close integration of the marketing function into the organizational structure and strategic planning process;
- a primary identification with the organization rather than individual departments;
- inter-departmental relations based on cooperation rather than rivalry.

Again, to relate this to the nonprofit domain, it seems clear that success in fundraising may be determined at least in part by the willingness of individuals working in other functional departments to engage with the fundraising process. Individuals directly involved in service provision and passionate about their work can be immensely inspiring to potential donors and can often make a genuine difference in securing a gift (Joyaux 2011). Success in all forms of fundraising, but particularly

major gifts, is therefore only likely to occur where it is an expectation that fundraising is everyone's responsibility and that all have a role to play in building relationships.

Narver and Slater (1990) helpfully developed a measurement scale to capture their conceptualization of market orientation.

Market Orientation and Performance

It is important to recognize that the preceding discussion is of more than simply theoretical interest. A succession of studies have now demonstrated links between the extent to which an organization has successfully operationalized the marketing concept (i.e. its degree of market orientation) and its performance relative to others operating in the same sector.

Extant research has shown that higher levels of market orientation lead to higher perceptions among stakeholders of delivered service quality, higher customer satisfaction and higher customer loyalty (Becker and Homburg 1999; Homburg and Pflesser 2000, Kirca et al 2005). It also has a positive influence on job satisfaction, trust in organizational leadership and organization commitment (Kirca et al 2005). It appears that market orientation can also make employees feel they are proud members of an organization, enhance their identification with its collective goals, and reduce exit behaviours (Hirschman, 1970).

It is important to note that while the majority of these studies have been conducted in the for-profit context, there is now an emerging body of literature that suggests it is

equally well related to many facets of the performance of nonprofit organizations. Shoham et al. (2006), for example, found that market orientation affects performance positively and the market orientation-performance link is actually stronger in nonprofits than in for-profits. In a study of nonprofits in Spain by Vazquez et al. (2002), for example, demonstrated that market orientation results in meeting the needs of beneficiaries, the expectations of donors and success in fulfilling the mission. Furthermore, evidence suggests that market orientation enhances fundraising performance (Kara et al., 2004), stakeholder satisfaction (Chan and Chau, 1998), increased volunteerism (Voss and Voss, 2000), growth in resources (Macedo and Pinho, 2006), and positive reputation (Padanyi and Gainer, 2004).

Antecedents of a Market Orientation

Given its utility, many authors have examined what drives the degree of market orientation attained by an organization. Ruekert (1992), for example saw success as determined by recruiting and selecting customer focused individuals, training those individuals on market orientation (and its significance) and orienting reward and compensation systems to encourage its development.

In their now classic article, Jaworski and Kohli (1993) posit 8 further antecedents:

- 1) A top management emphasis on achieving a market orientation. Kennedy et al (2003) talk of the need to ensure an unbroken circuit of passionate, sincere, unified, and committed leadership 'walking the walk' of customer orientation.*

- 2) Top management risk aversion, in the sense that management would become more accepting of new approaches.
- 3) The reduction of interdepartmental conflict.
- 4) An increase of feelings of inter-departmental connectedness.*
- 5) The degree of formalization. Market oriented organizations need greater flexibility to orient themselves around stakeholder needs and wants.
- 6) The degree of centralization. Market oriented organizations empower staff to manage relationships with stakeholders without the need for being “second-guessed” by management.
- 7) The degree of departmentalization. Organizations who insist on working in departmental silos will find it impossible to achieve a high degree of market orientation.
- 8) Reliance on market-based factors for evaluations and rewards (see also Becker and Homburg 1992). Additional interventions include revising job descriptions and revising educational and communication programs to reflect the new approach.*

A recent meta-analysis (a statistical analysis of all previous findings on the issue) conducted by Kirca et al (2005) confirms the top three factors as those indicated with asterisks in the list above.

In aggregate we can conclude that senior managers must communicate their commitment to a market orientation to others through behaviours and resource allocations that reflect that commitment. Next, inter-departmental dynamics need to be managed, connectedness needs to be improved and interdepartmental conflict

reduced. The third category of interventions is aimed at organization wide systems. Changing structures (less formalization and centralization) and developing more market-based reward systems should facilitate the implementation of a market orientation. (Kohli and Jaworski 1990).

Emerging Perspectives

As we noted earlier strategic orientations are “principles that direct and influence the activities of a firm and generate the behaviours intended to ensure its viability and performance” (Hakala 2011, p. 199). We elaborated in some detail on market orientation above, but there are two other key orientations that have been the focus of recent attention, including entrepreneurial orientation and learning orientation.

Entrepreneurial Orientation

Entrepreneurial orientation reflects a firm's degree of risk-taking, proactiveness, and innovativeness (Covin and Slevin 1989). In terms of the firm's posture, innovativeness is an organizational characteristic reflected in a tendency to experiment, generate novel ideas, and participate in activities to create new products, processes, and services, as well as the openness of an organization's culture to consider the latest ideas (Hurley and Hult 1998; Lumpkin and Dess 1996).

Risk taking concerns the willingness to commit significant resources to uncertain projects where outcomes are unknown and there is a potential for meaningful loss (Lumpkin and Dess 1996; Miller and Friesen 1978; Wiklund and Shepherd 2003).

Proactiveness is the tendency of an organization to anticipate future wants and needs and to pursue change ahead of the competition (Lumpkin and Dess 1996).

While each dimension alone captures a facet of entrepreneurship, being truly entrepreneurial means that a firm's top managers strongly emphasize all three dimensions in defining their firm's posture (Covin and Slevin; Miller 1983).

Previous research has shown that firms which have an entrepreneurial orientation (EO) tend to be more successful (Lee and Peterson, 2000). Since it was pioneered by Miller in the early 1980s (Miller 1983; Miller and Friesen 1982), scholars have extensively tested a system of relationships between EO, various antecedents and outcomes, and moderators of these relationships. In a meta-analysis examining data from 53 samples, Rauch et al (2009) provide systematic and robust evidence of a positive, moderately large relationship between EO and firm performance.

Learning Orientation

Learning orientation (LO) refers to a firm's ability to generate and use market information by displaying a strong commitment to learning, open-mindedness, and a shared vision (Sinkula et al 1997). Learning orientation is the extent to which an organisation obtains and shares information about customer needs, market changes,

and competitor actions, as well as the development of new technologies to create new products or services that are superior to those of competitors (Calantone et al. 2002, p. 516). Bennett (1998) notes that commitment to learning necessitates top management support, training initiatives, and the payment of rewards to people or departments that translate their learning into superior performance. In essence, employees must be encouraged to challenge the status quo, to develop new ideas, innovate, and continuously evaluate their activities with a view to improving performance.

To achieve these behaviours a LO makes it clear that the organization should offer support, opportunities, and “space” for learning to take place (Marsick and Watkins 2003; Rtenblad 2002). Researchers have also stressed the importance of appreciation and stimulation (Kyndt et al 2009; Tracey and Tews 2005).

A LO offers a number of benefits. Firms with a higher degree of LO are better prepared for major environmental jolts (Day 1994) are closer to their customers (Webster 1992) and are better placed to identify significant business opportunities (Lumpkin and Lichtenstein 2005). Research also indicates that LO is an important predictor of innovative behaviour and performance (Sung and Choi 2014) and finally a LO has been found to counteract negative employee outcomes, such as turnover intentions and work stress, and increase positive outcomes such as job satisfaction (Egan et al. 2004; Govaerts et al. 2011; Mikkelsen et al 1998).

Technology Orientation

Studies identify a technological orientation as one where firms have a research and development focus and emphasize acquiring and incorporating new technologies in product development (e.g. Gao et al., 2007; Gatignon and Xuereb, 1997).

Technology orientation is also often linked to entrepreneurial firms. A technology orientation encourages risk taking, openness to new ideas and innovative thinking, and is proactive (Gatignon and Xuereb, 1997). As we established earlier similar dimensions have been identified as being central to entrepreneurship and thus EO (Busenitz 1999; Covin and Slevin 1989; Davis et al. 1991)

Cost Orientation

Other researchers have advocated studying cost orientation, where the firm emphasizes cost minimization and production efficiencies to deliver quality goods at attractive prices (e.g. Fritz 1996; Noble et al. 2002). Some authors have suggested that cost minimization can be particularly appropriate for nonprofits because of their limited resources (Busenitz 1999; Zahra and George 1999). And the wider strategic management literature suggests that such a focus can yield real business benefits such as higher margins and profitability (Porter 1980).

Market Orientation and Learning Orientation

To date in this review we have been treating each strategic orientation as though it were a separate construct or idea. The reader will already appreciate why this is problematic as there is considerable conceptual overlap between many of the ideas

we articulate above. It is important to recognize that researchers are aware of this difficulty and some have sought explicitly to address the links.

Notably learning orientation is believed to have a synergistic benefit with market orientation. Many researchers (see e.g. Slater and Narver 1995; Baker and Sinkula 1999; Farrell 2000) feel that market orientation only enhances performance when it is combined with a learning orientation. The reason for this is that a learning orientation is required to leverage the adaptive behaviours provided by market orientation to generate higher-order learning that in turn leads to the development of breakthrough products or services, technologies, and the exploration of new markets (Farrell 2000; Slater and Narver 1995; Keskin 2006). Market-oriented organisations should also be able to produce knowledge, and this knowledge production capability should, in turn, lead to knowledge-questioning values (Farrell, 2000). This makes it possible to consider market orientation as a driver of organisational learning (Baker and Sinkula 1999).

Developing a Philanthropic Orientation

It should by now be apparent that many of the existing orientations (market, entrepreneurial and learning) could well be factors that contribute to success in fundraising. Indeed “learning” was specifically highlighted in our Great Fundraising Report (See Sargeant and Shang 2012) as were conceptualizations of risk that have resonance with the notion of entrepreneurial orientation.

But our focus here is on the development of a philanthropic orientation and thus a strategic orientation that would be highly receptive to, and welcoming of, a variety of philanthropic sources of income. Importantly it would also be respectful of the nature of philanthropy and the role that all might play in developing it.

In a recent qualitative study (Sargeant and Day 2018) we identified three key factors associated with a philanthropic orientation that emerged from our interviews with senior fundraising practitioners in Australia. These were found to be donor orientation (or centrality), the embedding of philanthropy at the heart of an organization and the celebration of shared philanthropic successes. We briefly review these factors below and then move on to other possible dimensions of the construct highlighted by the wider literature.

Donor Centrality

The first key element of philanthropic culture that emerged from our interviews was found to be donor centrality. Indeed, it was regarded by many as the “backbone” of philanthropic culture. Donor centrality was seen as a high-level focus on donor (or supporter) needs. Rather than regard donors as a “piggy-bank” they are regarded as individuals with a discrete set of needs that the organization should respond to and nourish. The following quotes are illustrative of our conversations.

“If you’re truly serious about growth it isn’t optional. Fundamentally you have to understand the needs of your supporters and build all that you do around delivering

that. But more than just the fundraisers doing that – its everyone’s responsibility. Just takes a while for them to get it.”

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

In a philanthropic culture the organization as a whole cares quite genuinely about the needs of its donors and the satisfaction of those needs is considered of equal importance to the satisfaction of the needs of the beneficiary. Some of those needs might be explicit and reflect a particular individual’s motivation, while others may be intrinsic and reflect a much deeper (or higher order) human need. The emerging science of wellbeing tells us that these higher order needs might include:

- 1) A need for connectedness with others that they care about. This could be beneficiaries, other donors, a charismatic leader, the organization, the brand or (in the context of faith giving) a God figure.
- 2) A need to feel competent in expressing their love for others. This is a core need in the context of philanthropy.
- 3) A need to feel that they have exercised some autonomy in achieving the desired outcomes or the nature of their own experience. The more autonomy people experience, the greater the degree of wellbeing obtained.

- 4) A need to experience growth as an individual. In the context of giving this may be a need to grow as a moral person through the articulation of personal philanthropy.
- 5) A need to experience clarity in respect of one's purpose in life. The more clarity we experience the higher the level of personal wellbeing we experience.
- 6) A need to be accepting of the person that one is today and has been in the past. The more accepting we are of our former selves the greater the level of wellbeing we experience.

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

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

Philanthropy Embedded at the Core

When an organization adopts a philanthropic orientation, it is also more likely that philanthropy and fundraising will be firmly embedded in the organization's core. There are echoes here of "interfunctional co-ordination" where traditional silos are broken down through the adoption of a market orientation. But although the ideas are similar, they do differ. For a philanthropic orientation to be adopted the organization has to consciously reflect on the nature of philanthropy and how the organization as a whole will respond to and nurture it. The development of philanthropy cannot be something that is the sole responsibility of the fundraising team, everyone (including members of the Board or governing body) must see it as their responsibility. Everyone should be offered training in the basics and everyone should have fundraising and stewardship (or at least supporting these functions) in their job descriptions. Again, the following quotations are illustrative of our discussions.

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

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

Fundraising consultant Alan Clayton (2018) recommends that organizations develop a series of memes to assist with the embedding of philanthropy. They include:

“We are a charity and rely on donations”

“Fundraising has a sign-off on all communications and a lead role in brand guidelines”

“All staff have a powerful fundraising story and elevator pitch.”

“Could we increase the impact and reach of this project by requesting more private supporter money, either from existing resources or by asking fundraising to create a special appeal for this project?”

Celebration of Philanthropic Success

A further component of philanthropic orientation that emerged from our Australian interviews was the level of pride that the organization develops in respect of its income generation and those who facilitate that to happen. As fundraising leaders succeed in gaining wins and gradually shifting the tone and baseline acceptance of

fundraising, they also begin to see fundraising and philanthropy recognized by more and more people within the organizational community.

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

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

The celebration of philanthropic success could be either the organization's success in raising money or stewarding relationships with its supporters, or it could be a celebration of the success of particular donors. In some organizations donors and their stories are now routinely acknowledged in staff and public spaces. Where once the work itself might have been trumpeted, some organizations are celebrating and giving voice to their donors.

Case Quality

Putting our Australian interviews aside, the wider literature suggests that a philanthropic orientation should allow organizations to develop a strong and compelling case for support (Sargeant and Shang 2017; Sprinkel Grace 2005; Ahern and Joyaux 2008;). Although this might suggest that “case quality” should be seen as a consequence of adopting of philanthropic orientation, one could also argue that it is an essential part of the construct itself. In our review of practitioner reflections, we were struck by how many of our peers now refer to the primacy of the “why” question. It is argued that too many nonprofits reflect on the needs of their beneficiaries and then convert these needs into program objectives which in turn drives the creation of their case for support. The difficult with such an approach, however, is that it removes the donor from direct contact with the beneficiary and the organization’s needs then have primacy. Inevitably that leads to a discussion of programs. There is now an emerging consensus that to stimulate greater and more meaningful philanthropy organizations need to reflect on why they exist and why they do what they do. The answer to these why questions typically result in a much more meaningful and emotionally compelling case for support, that all in the organization can feel proud to participate in.

Mission Directedness

Organizational mission values and beliefs are of particular significance to nonprofit organizations since they are typically bound to conduct only those activities that are specifically permitted by their “objects” and they are morally bound only to pursue

those activities in a manner that is consistent with their stated values and beliefs. These latter dimensions are important because as Lenkowsky (1996) argues, nonprofits differ from for-profits because they offer both functional and expressive utility to the parties involved. He therefore suggests that a nonprofit mission should fully embrace the values and beliefs of the organization alongside the functional goal. Only then can relevant stakeholders be attracted. We would push this argument further and suggest that for an organization to be properly oriented towards philanthropy that the organizational leadership must be capable of stewarding and directing the whole organization towards the fulfilment of a singular philanthropic purpose. The tighter the pursuit of that aim, the greater the degree of philanthropic orientation exhibited.

Board Engagement and Involvement

The wider literature on fundraising and philanthropy suggests that nonprofits with a higher degree of philanthropic orientation are those where philanthropy is routinely discussed by the governing body or Board and where all members of these bodies play a role in its development. It is hard to encourage others to offer philanthropic support if members of the Board aren't giving to support the mission personally. And it isn't the contribution to the mission that is important per se, rather it is the way in which Board giving charges the fundraising function. Fundraisers can then encourage others to give because "all our Board are giving" or because particularly inspiring (named) individuals on that Board are giving. It also provides encouragement to fundraisers who see these key individuals giving and are encouraged by the buy-in to the mission. As they give, Board members are also

seen to value both the giving of money and those who facilitate it, and a personal gift can be a powerful statement of personal support.

Of course Boards can assist in many other ways, adding greater meaning for other supporters of the organization by engaging with them through events, meetings, and personal conversations. Board members can also facilitate the fundraising process by serving as advocates, ambassadors and (occasionally) by asking for money. A philanthropic orientation requires that all these activities take place and take place joyfully.

In our previous work on outstanding fundraising, we found that for organizations to be successful in achieving rapid funding growth they needed to have at least one, but ideally two fundraising champions on the Board. This was felt particularly necessary when a Board needed help to adjust to more of a philanthropic orientation. If this cultural shift could be led by or championed by a respected individual it was perceived as being much more likely to succeed.

Professional Engagement

The final factor that we moot as worthy of discussion is the notion of professional engagement. By this we mean that organizations with a philanthropic orientation would properly recognize the profession responsible for stewarding relationships with philanthropic supporters. Hank Rosso famously regarded fundraising as the “servant of philanthropy,” and it would therefore follow that those who provide that service should be properly recognized as the professionals that they are. That requires

organizations to treat fundraisers or development officers the same as they would other categories of professional and it requires too that they would adequately invest in their education, training, and support. The absence of such an investment inevitably leads to a decline in the quality of the donor experience and ultimately drives turnover.

We also believe that organizations with a philanthropic orientation would engage fully with the development of the philanthropy of the society in which they are based. Joining professional associations, lobbying for change, and taking an active part in shaping best practice. They would also be organizations that would be actively trying to shape the environment in which they were operating, again with the intention of bolstering philanthropic giving and the quality of the donor experience.

Conclusions

In this short paper we have introduced the notion of a strategic orientation and highlighted a number of orientations that have been the subject of academic review and research. In particular, we have elaborated in some depth on the notion of a market orientation and the elements of behaviour (or culture) that might comprise it. We also examined the antecedents and consequences of this form of strategic orientation. The paper then moved on to briefly summarize other related orientations before returning to the central notion of a philanthropic orientation.

The paper then concluded by suggesting discrete sets of attitudes and behaviours that might be associated with a philanthropic orientation. Some are backed solidly by

research evidence; others are based on assertions drawn from practical experience and some we've drawn in simply because we believe them to be important.

We are currently developing and testing a method of measuring philanthropic orientation and exploring its relationship with many different aspects of fundraising performance. So watch this space. We will be publishing that shortly.

References

Ahern T and Joyaux S (2008) *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, New York: Wiley.

Baker, W. E. and Sinkula, J. M. (1999). Learning orientation, market orientation, and innovation: Integrating and extending models of organisational performance. *Journal of Market Focused Management*, 4(4), pp.295–308.

Bennett, R. (1998). Market orientation among small to medium sized UK charitable organisations: Implications for fund-raising performance. *Journal of Nonprofit and Public Sector Marketing*, 6(1), pp.31-45.

Busenitz, L.W. (1999), "Entrepreneurial risk and strategic decision making: it's a matter of perspective", *The Journal of Applied Behavioral Science*, Vol. 35 No. 3, pp. 325-340.

Calantone, R.J., Cavusgil, S.T. and Zhao, Y. (2002) Learning orientation, firm innovation capability, and firm performance, *Industrial Marketing Management*, 31(6), pp. 515-24.

Chan, R.Y. and Chau, A. (1998) Do marketing-oriented children and youth centres (CYCs) perform better: an exploratory study in Hong Kong, *Journal of Professional Services Marketing*, 16(1), pp. 15-28.

Clayton A (2016) Great Fundraising Masterclass, The Inchnacardoch Hotel, Inverness-shire, February.

Coffey, R.E., Cook, C.W. and Hunsaker, P.L. (1994), *Management and Organization Behavior*, Burr Ridge, IL: Irwin.

Covin, J.G. and Slevin, D.P. (1989) Strategic management of small firms in hostile and benign environments", *Strategic Management Journal*, 10(1), pp. 75-87.

Craver R (2014) *Retention Fundraising: The New Art and Science of Keeping Your Donors for Life*. New York: Emerson and Church.

Davis, D., Morris, M. and Allen, J. (1991) Perceived environmental turbulence and its effect on selected entrepreneurship, marketing, and organizational characteristics in industrial firms, *Journal of the Academy of Marketing Science*, 19(1), pp. 43-51.

Day, G.S. (1994) Continuous learning about markets, *California Management Review*, 36(3), pp. 9-31.

Deshpande, R., and Webster, F. E., (1989) Organization Culture and Marketing: Defining the Research Agenda, *Journal Of Marketing*, 53(1), pp.3-15.

Dobni, C.B. (2006), "The innovation blueprint", *Business Horizons*, 49(4), pp. 329-39.

Dobni, C.B. and Luffman, G. (2003), "Determining the scope and impact of market orientation profiles on strategy implementation and performance", *Strategic Management Journal*, 24(6), pp. 577-85.

Donaldson T, Preston LE. 1995. The stakeholder theory of the corporation: concepts, evidence, and implications. *Academy of Management Review*. 20(1), pp.65–91

Egan, T.M., Yang, B. and Bartlett, K. R. (2004). The effects of organizational learning culture and job satisfaction on motivation to transfer learning and turnover intention. *Human Resource Development Quarterly*, 15, pp.279–301.

Farrell, M. (2000) Developing a market-oriented learning organisation, *Australian Journal of Management*, 25(2), pp. 201-22.

Freeman R. E. 1984. *Strategic Management- A Stakeholder Approach*. Marshfield, MA: Pitman.

Fritz, W. (1996) Market orientation and corporate success: findings from Germany, *European Journal of Marketing*, 30(8), pp. 59-74.

Gao, G.Y., Zhou, K.Z. and Yim, C.K. (2007) On what should firms focus in transitional economies? A study of the contingent value of strategic orientations in China, *International Journal of Research in Marketing*, 24(1), pp. 3-15.

Gatignon, H. and Xuereb, J.M. (1997) Strategic orientation of the firm and new product performance", *Journal of Marketing Research*, 34(1), pp. 77-90.

Govaerts, N., Kyndt, E., Dochy, F. and Baert, H. (2011). Influence of learning and working climate on the retention of talented employees. *Journal of Workplace Learning*, 23, pp.35–55.

Hakala, H. (2011). Strategic orientations in management literature: Three approaches to understanding the interaction between market, technology, entrepreneurial, and learning orientations. *International Journal of Management Reviews*, 13(2), pp.199–217.

Hirschman, A. O. (1970). *Exit, Voice and Loyalty*. Cambridge, MA: Harvard University Press.

Homburg, C. and Pflesser, C. (2000), "A multiple-layer model of market-oriented organizational culture: measurement issues and performance outcomes", *Journal of Marketing Research*, 37(4), pp. 440-462.

Hurley, F.B. and Hult, G.T.M. (1998) Innovation, market orientation, and organisational learning: an integration and empirical examination, *Journal of Marketing*, 62(3), pp. 42-54.

Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: antecedents and consequences. *Journal of Marketing*, October, pp.53-70.

Joyaux S (2011) *Strategic Fund Development: Building Profitable Relationships That Last*, New York: Wiley.

Kara, A., Spillan, J.E. and DeShields, O.W. Jr (2005) The effect of a market orientation on business performance: a study of small-sized service retailers using markor scale, *Journal of Small Business Management*, 42(2), pp. 105-18.

Kennedy, K., Goolsby, J and Arnould, E. (2003). Implementing a customer orientation: Extension of theory and application. *Journal of Marketing*, 67(4), pp. 67–81.

Keskin, H. (2006) Market orientation, learning orientation, and innovation capabilities in SMEs: an extended model, *European Journal of Innovation Management*, 9(4), pp. 396-417.

Kirca, A. H., Jayachandran, S. and Bearden, W. O. (2005) Market orientation: a metanalytic review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2), pp.24–41.

Kohli, A. A., & Jaworski, B. J. (1990). Market orientation: The construct, research propositions, and managerial implications. *Journal of Marketing*, 54(2), pp1-18.

Kotler, P., & Clarke, R. N. (1987). *Marketing for Health Care Organizations*. Englewood Cliffs, NJ: Prentice-Hall.

Kyndt, E., Dochy, F. and Nijs, H. (2009). Learning conditions for non-formal and informal workplace learning. *Journal of Workplace Learning*, 21, pp.369–383.

Lee, S.M. and Peterson, S.J. (2000) Culture, entrepreneurial orientation, and global competitiveness”, *Journal of World Business*, 35(4), pp. 401-16.

Lenkowsky L (1996) *Philanthropy and the Welfare State: Rethinking the ‘Partnership’ To Empower People*, Michael Novak, R.J. Neuhaus, and Peter L. Berger, eds, American Enterprise Institute for Public Policy Research.

Lumpkin, G.T. and Dess, G.G. (1996) Clarifying the entrepreneurial construct and linking it to performance, *Academy of Management Review*, 21(1), pp. 135-72.

Lumpkin, G.T. and Lichtenstein, B.B. (2005), "The role of organizational learning in the opportunity-recognition process", *Entrepreneurship Theory and Practice*, 29(4), pp. 451-72.

Macedo, I. M. and Carlos Pinho, J. (2006). The relationship between resource dependence and market orientation: the specific case of non-profit organisations. *European Journal of Marketing*, 40(5/6), pp.533–553.

Marsick, V. J., and Watkins, K. E., (2003). Demonstrating the value of an organization's learning culture: the dimensions of the learning organization questionnaire. *Advances in Developing Human Resources*. 5(2), pp. 132-151.

Mikkelsen, A., Saksvik, P. and Ursin, H. (1998). Job stress and organizational learning climate. *International Journal of Stress Management*, 5, pp.197–209.

Miller, D. (1983) The correlates of entrepreneurship in three types of firms", *Management Science*, 29(7), pp. 770-91.

Miller, D. & Friesen, P.H. (1978). Archetypes of strategy formulation. *Management Science*, 24, pp.921–933.

Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability, *Journal of Marketing*, October, pp20–35.

Noble, C.H., Sinha, R.K. and Kumar, A. (2002) Market orientation and strategic orientations: a longitudinal assessment of performance implications, *Journal of Marketing*, 66(4), pp. 25-39.

Oczkowski, E., & Farrell, M. (1998). Discriminating between measurement scales using nonnested tests and two-stage least squares: The case of market orientation. *International Journal of Research in Marketing*, 15(4), pp349-366.

Padanyi, P. and Gainer, B. (2003). Peer reputation in the non-profit sector: Its role in non-profit sector management. *Corporate Reputation Review*, 6(3), pp.252-265.

Panas, J. (2006) *Mega Gifts: Who Gives Them, Who Gets Them*, New York: Emerson and Church Publishers.

Pelham, A.M. and Wilson, D.T. (1996), "A longitudinal study of the impact of market structure, firm structure, strategy, and market orientation culture on dimensions of small-firm performance", *Journal of the Academy of Marketing Science*, 24(1), pp. 27-43.

Porter, M. E. (1986). *Competition in Global Industries*. Boston: Harvard Business Press.

Rauch, A., Wiklund, J., Lumpkin, G.T. and Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and

suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), pp.761–787.

Rtenblad, A. (2002). A typology of the idea of learning organization. *Management Learning*, 33, pp. 213–230.

Ruekert, R. W. (1992). Developing a market orientation: An organizational strategy perspective. *International Journal of Research in Marketing*, 9, pp.225–245.

Ryan, R. M., and Deci, E. L., (2001) On happiness and human potentials: A review of research on hedonic and eudaimonic well-being. *Annual Review of Psychology*. 52(1). pp. 141-166.

Ryff, C. D. (1989) Happiness is everything, or is it? Explorations on the meaning of psychological well-being. *Journal of Personality and Social Psychology*. 57(6), pp. 1069-1076.

Sargeant A and Day H (2018) *Outstanding Fundraising Practice: What Makes Australian Organizations Truly Great?* Report to Fundraising Institute Australia, Hartsook Centre for Sustainable Philanthropy, Plymouth University, May.

Sargeant A and Jay E (2014) *Fundraising Management: Analysis, Planning and Practice*, 3rd edition, London: Routledge.

Sargeant, A., and Shang, J. (2012) Outstanding Campaigns: What Makes Fundraising Truly Great. A Report to Clayton Burnett. University of Plymouth Business School.

Sargeant A and Shang J (2017) Fundraising Principles and Practice, 2nd edition, New York: Wiley.

Schein, E.H. (1984) Coming to a new awareness of organizational culture, Sloan Management Review, 25: Winter, pp. 3-16.

Seymour T, Gilbert D, Kolsaker A. 2006. Aspects of market orientation of English and Welsh charities. Journal of Nonprofit & Public Sector Marketing 16(1/2), pp151–169.

Shoham A; Ruvio A; Vigoda-Gadot E and Schwabsky N (2006) Market orientations in the nonprofit and voluntary sector: A meta-analysis of their relationships with organizational performance, Nonprofit and Voluntary Sector Quarterly, 35(3), pp.453-476

Sinkula, J.M., Baker, W.E. and Noordewier, T. (1997) A framework for market-based organizational learning: linking values, knowledge, and behavior, Academy of Marketing Science Journal, 25(4), pp. 305-18.

Slater, F.S., Olson, E.M. and Hult, G.T.M. (2006) The moderating influence of strategic orientation on the strategy formation capability-performance relationship, *Strategic Management Journal*, 27(12), pp. 1221-1231.

Sprinkel Grace K (2005) *New Strategies for Nonprofit Innovation and Investment*, New York: Wiley.

Sung, S. and Choi, J. (2014). Do organizations spend wisely on employees? Effects of training and development investments on learning and innovation in organizations. *Journal of Organizational Behavior*, 35, pp.393–412.

Tracey, J. B. and Tews, M. J. (2005). Construct validity of a general training climate scale. *Organizational Research Methods*, 8, pp.353–374.

Vazquez, R., Alvarez, L. I., & Santos, M. L. (2002). Market orientation and social services in private non-profit organizations. *European Journal of Marketing*, 36(9/10), pp.1022-1046.

Voss, G. B., and Voss, Z. G. (2000). Strategic orientation and firm performance in an artistic environment. *Journal of Marketing*, 64(1), pp.67-83.

Wiklund, J. and Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and performance of small and medium-sized firms. *Strategic Management Journal*, 24, pp.1307–1314.

Zahra, S. and George, G. (1999) Manufacturing strategy and new venture performance: a comparison of independent and corporate ventures in the biotechnology industry, *The Journal of High Technology Management Research*,10(2), pp. 313-345.