

# VISION AND VOICE

THE ROLE OF  
LEADERSHIP  
AND DIALOGUE  
IN ADVANCING  
DIVERSITY,  
EQUITY, AND  
INCLUSION



**A Report from Philanthropy Northwest**  
In partnership with the D5 Coalition and the  
Seattle University Nonprofit Leadership Program

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Philanthropy Northwest promotes, facilitates and drives collaborative action by philanthropic organizations. Through our network of 170+ member organizations, our consulting team at The Giving Practice and our partnership with Mission Investors Exchange, we envision vibrant, healthy communities—each with its own unique history, culture, and traditions—connected to the natural environment and facing the future with optimism.

## **ACKNOWLEDGEMENTS**

Thank you to the D5 Coalition for funding this project, and to the Seattle University Nonprofit Leadership Program for providing assistance with the research. Special thanks to the foundation staff and board members who agreed to be interviewed, and to the following philanthropic leaders who participated in the peer cohort: Susan Anderson, Denis Hayes, Kris Hermanns, Diane Kaplan, Norman Rice, Doug Stamm, Luz Vega-Marquis, Liz Vivian, Max Williams, and Richard Woo.



# INTRODUCTION

Philanthropy Northwest began this project by recognizing that many philanthropic leaders support greater diversity, equity and inclusiveness in the workplace.

Yet, despite a field replete with research, analysis, recommended policies and practices—not to mention an abundance of educational programs and frameworks for grantmaking to diverse communities—philanthropic leaders have been slow to advance these values in their foundations. We wondered: what is getting in the way? Why are good intentions, buttressed with theory and practical advice, not achieving better results on measures of diversity, equity, and inclusion? From our perspective, it was a topic worthy of serious attention.

With the support of the D5 Coalition, we began a year-long study to explore these questions. Our study was divided into two parts. We began with personal interviews of 23 philanthropic leaders in the Pacific Northwest. In order to better understand how these organizations incorporated diversity, equity, and inclusion into their work and workplaces, we collected baseline information about their staff composition, leadership styles, and organizational practices/policies.

Philanthropy Northwest also assembled and facilitated a peer cohort of 10 foundation CEOs who had a demonstrated commitment to diversity, equity, and inclusion. **We were particularly interested in learning from this group about strategies they believed could work.** The group met four times over a year, engaging in a dynamic exchange of ideas. Honestly and sometimes emotionally, they shared their questions and challenges. In the course of these conversations, the CEOs identified several critical junctures where they personally, or their staff and trustees, had an opportunity to act on their stated values of diversity, equity, and inclusion. However, because the CEOs worked within a broad organizational context and maintained an obligation to multiple organizational imperatives, it wasn't always clear to them what the best course of action would be. The peer group analyzed and debated a variety of real-life situations.

The critical role of leadership and culture in healthy, strong organizations is well researched and documented. What is less clear is how philanthropy can grow and support strong leaders and cultures, particularly when the values of diversity, equity, and inclusion are at stake. Our study

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**1. Definitions.** When the D5 Coalition uses the term **diversity**, it is focused particularly on racial and ethnic groups; LGBTQ populations; people with disabilities; and women. D5 defines **equity** as the impact of philanthropic investment and action wherein outcomes are not correlated with race, ethnicity, sexuality, gender or ability. It defines **inclusion** as the degree to which diverse individuals are able to participate fully in the decision-making processes within an organization or group. We noticed in our interviews that different organizations interpreted and embraced the terms “diversity,” “equity” and “inclusion” in different ways. Participants frequently described diversity in terms of race, gender, sexual orientation and disability, but many broadened it to include socio-economic status, age, and rural/urban. Fewer respondents addressed equity and inclusion, with equity difficult to define for many. Respondents also used terms like “multiculturalism” and “cultural competency” in place of diversity.

helped us answer that question: peer networks are uniquely suited to this job. Through our CEO cohort process, we observed foundation leaders serving as co-consultants to each other—sympathetic problem solvers, offering experience, knowledge and compassionate advice. We noted high levels of engagement when people abandoned theoretical perspectives to focus on managing real and pressing issues. Finally, we discovered that the very act of focusing on the everyday challenges of diversity, equity, and inclusion seemed to improve results.

Our own observations have been corroborated by first-hand accounts from cohort participants who ultimately credit the process with helping them advance their own foundation's work. Today, the learning cohort, initially supported by the D5 Coalition, continues even in the absence of national study dollars. Similarly, Philanthropy Northwest's energy for advancing the values of diversity, equity, and inclusion has been renewed through this project.

We sincerely hope that our experience will help other philanthropic organizations and leaders break through the fatigue currently defining many of the national conversations on diversity. We believe this is not only possible, but probable. Honest, facilitated discussions among a small group of peer leaders can "move the needle," helping leaders and their teams to attain greater awareness, to assume more personal responsibility, and to take action. We are optimistic that when engaged in these conversations, peer leaders will be better able to position their organizations for a future of discovery, excitement and productivity.

## KEY FINDINGS

The study surfaced two key findings, and corresponding practical lessons. The findings support the breadth of research in the field about the role of leaders and organizational culture in supporting (or hindering) diversity, equity, and inclusion, and adds depth to the knowledge about how to support leaders and how to shift organizational culture.<sup>2</sup> We believe that the findings and lessons learned have the potential to guide the efforts of and support for philanthropic leaders to advance diversity, equity, and inclusion in their foundations and in the field of philanthropy.

### KEY FINDING #1

## Organizational culture is central to advancing diversity, equity, and inclusion.

**More than any specific policy or practice, a foundation's operating culture seems to determine how successful it will be in advancing values of diversity, equity, and inclusion. The corollary: foundations interested in advancing these values might reasonably ask whether their own behavior or organizational culture is unintentionally creating barriers to their success.**

Throughout this study, we found conversations returning to the importance of organizational culture and norms.<sup>3</sup> While so much of the research in the field related to diversity, equity, and inclusion has been around practices and policies, it is often the unspoken assumptions, values, and beliefs that can accelerate, or inhibit, progress in this work. How can philanthropic leaders shift their organizations toward an orientation that promotes greater diversity, equity, and inclusion? The group identified the following six practical lessons:

**1. Leadership, from the CEO in particular, is critical to advance this work.** Moving an organization toward greater diversity, equity, and inclusion requires intentional, committed and often courageous leadership. While responsibility should be shared across the organization, the CEO must take the lead in creating the environment for change and introducing the policies and practices to support it. The CEO is positioned to articulate the vision and to model the changes that are needed. He or she is also uniquely able to promote and defend the value of a diverse staff and board.

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2. Findings in this report support other related work in the field. Selected articles include: Penick, George and Foundation for the Mid South. (2008). "More than Words: Leadership Challenges." <http://racialequitytools.org/resourcefiles/midsouth1.pdf>; Council of Michigan Foundations. (2008) "Learning Together: The Peer Action Learning Network for Diversity and Inclusion; and D5 Coalition (2013). "Analysis of Policies, Practices, and Programs for Advancing Diversity, Equity, and Inclusion."

3. We consider organizational culture as the social glue that holds together organizations, guides behavior in an organization, and organizes the way things are done. An organization's culture is shaped by formal policies and procedures, and by the assumptions, beliefs and behaviors of all participants. Helms-Mills, J, Dye, K. & Mills, A. (2008). *Understanding organizational change*. New York, NY: Routledge.

## **2. Changing organizational culture requires leaders to foster an environment that**

**encourages learning.** The stories we heard from foundation leaders made clear that changing an organization's culture requires a true spirit of inquiry. Leaders who are willing to reflect on their own assumptions, and simultaneously acknowledge the different perspectives of others within their organization, will be more effective than those who cannot. A process of inquiry takes time. Honest discussions may be stressful for the organization. Throughout it all, the leader must have the stamina to remain open to dialogue and disagreement. The leader's role is not simply to chart a course, but to help their organization deal with the stress and the ambiguity these conversations may create.

## **3. Talking with board and staff about race, sexual orientation, disability, class and other forms of inequality is difficult and complex, but essential.**

Many participants in the interviews and in the peer cohort setting referenced their board and/or staff's anxiety in talking about inequality, especially race. Several CEOs described their boards as resistant to specific frames, including references to affirmative action, civil rights, or immigration. They pointed to the often emotional nature of conversations about race, and the difficulty of finding skilled facilitators to ensure a productive dialogue. The peer cohort regularly acknowledged the value they found from the cohort environment, which provided a space for modeling candid dialogue, honesty and patience.

## **4. Experimenting is good, particularly when it comes to policies and practices to recruit and retain diverse candidates.**

Many of those interviewed during the study reported that they were struggling to make staff and board recruitment more inclusive. They cited the challenges of narrow networks, geography and limited pools of candidates, along with the condition of many family foundations that trustee duties be limited to family members. The counterpoint offered by the peer cohort is that the field needs to cultivate and develop relationships with new networks in order to find qualified candidates. Foundations may also want to expand their views of what it means to be "qualified." Finally, foundations benefit from retaining the diverse people they have, which can be bolstered by asking the diverse staff and board members already at the foundation to mentor new hires and appointments.

## **5. Sharing life experiences builds trust.**

Family history, religion, class, gender, sexual orientation, race/ethnicity and generation all combine to shape an individual's view of discrimination and inequity. Some in our peer cohort came from a background of civil rights and social justice. Others had experienced discrimination in their own lives. Grounding the diversity, equity, and inclusion discussions in these real experiences humanizes the process of change, builds relationships and creates deeper understanding, all of which lead to a culture of trust. Beginning with trust and authentic relationships helps to create the right environment for moving forward on diversity, equity, and inclusion efforts.

## **6. Place matters.**

The foundations in our study work in places with different histories and politics—and these differences shape their perspective. In Alaska, Native sovereignty/self-determination and the rural/urban divide are paramount issues. In Wyoming, Montana, and

Eastern Washington, legacies of ranching and mining influence attitudes toward gender, race and sexual identity. In urban centers like Seattle and Portland, shifting demographics—particularly recent immigration—introduce more opportunity to address equity and inclusion.

Each of these findings were identified, touched on or explored during the 33 interviews; 10 with the peer cohort members and 23 interviewees independent of the cohort. However, in their meetings, these peer cohort leaders were able to practice and explore what it means to embrace these actions.

## **KEY FINDING #2**

### **Leaders need support from peer networks to advance diversity, equity, and inclusion.**

**The cohort demonstrated that the field of philanthropy is more likely to move forward on diversity, equity, and inclusion if it creates opportunities for safe, regular, direct and honest in-person conversations, first among foundation leaders, and ultimately among their staff and boards.**

When Philanthropy Northwest initially proposed this research study, we invited 10 philanthropic leaders to be part of the peer cohort with the expectation that we might receive only a few positive responses. All 10 CEOs responded positively to our invitation almost immediately. We discovered quickly how valuable it would be for executive leaders to have a space for honest dialogue about diversity, equity, and inclusion, particularly with peers whom they respect.

We recruited from a large pool of foundation leaders in the Northwest, in this case, targeting leaders who have pursued measures of diversity, equity, and inclusion within their organizations. It is important to note that many other foundations throughout the Northwest are working to address and advance diversity, equity, and inclusion, and these 10 foundations represent a small sample of the breadth of work underway in our region. The group met four times in 2013. Given the impact of this experience, they decided to continue meeting throughout 2014 as well.

The Giving Practice, Philanthropy Northwest's consulting team, designed each half-day meeting in consultation with peer cohort members. We interviewed each leader prior to the first meeting to gather information on what types of experiences helped to shape their personal commitment to these issues, and to understand the journey of their organizations toward greater diversity, equity, and inclusion. We designed each session with respect for where each leader felt stuck, or where they had experienced some success. Our agendas included some pre-planned discussions on topics such as organizational learning, understanding cultural norms, and respecting difference. We asked one peer cohort member to bring a "dilemma" to the group each meeting, and we used a team consulting methodology to facilitate a discussion around this challenge. (Please see the methodology section for more on the case consultation format.)

Peer cohort members spoke positively about their experiences:

**“The structure of the peer cohort has prompted me to think more about diversity and equity, and to think more creatively about what I am doing. You have helped me uncover issues that I may not have seen as relevant or considered as part of this overarching process. We have discussed it here honestly. Having conversations, especially about race and equity in this country is hard, but we did it here and it gives me hope. We all came with a particular commitment to grow and learn, and I have done that with the wisdom and support from all of you. This group has reaffirmed and revitalized my commitment to this work.”** —*Denis Hayes, President and CEO, Bullitt Foundation*

**“Equity work is so important, yet can be challenging for foundation leaders. It is at times isolating, very personal (to all concerned) and presents challenges that are distinct from more traditional aspects of leadership. Building a cohort of peer-to-peer leaders on a similar journey has served as an incredibly valuable compass for me as we chart our course and navigate the work at the Meyer Trust.”** —*Doug Stamm, CEO, Meyer Memorial Trust*

**“It was very powerful to see the earnest commitment around the table in these meetings. Together we surfaced some really important issues. This kind of support for one another is pivotal. As a veteran in this work, I am more optimistic about what we can do for the field.”** —*Luz Vega-Marquis, President and CEO, Marguerite Casey Foundation*

**“When we started the project, I wanted a practical outline or template of how to infuse diversity, equity, and inclusion into the foundation and its culture. Through this work my eyes have been opened. I guess if it were that simple- and didn’t rely on personal leadership, nuance, timing, relationships, key-moments, and a host of other “soft-skills” and variables—the work would have been done a long time ago. I have learned that there is no clear, obvious path- this work requires resilience.”**—*Max Williams, President and CEO, Oregon Community Foundation*

As we observed first-hand, philanthropic leaders find wisdom, moral support and inspiration in each other. At a minimum, our peer cohort mitigated individual feelings of isolation and occasional discouragement. More significantly, it allowed participants to access trusted peers for “just-in-time” advice, counsel and support which, they reported, helped them advance their goals through concrete actions. We believe that holding space for peer-to-peer mentoring is essential for advancing diversity, equity, and inclusion.

## PRACTICAL LESSONS FOR ADDRESSING ORGANIZATIONAL CULTURE

The foundations represented in this study reflected a variety of views on matters of diversity, equity, and inclusion. All of the foundation leaders described themselves as supporting the work of diversity, equity, and inclusion, but not all would describe themselves as fully embracing it. The interviews both supported and served as contrast to the 10 CEOs in the peer cohort, all of whom self-identified as committed to these principles, even if they too understood they were on a continuum of comfort and understanding.

The interviews revealed a variety of ways that foundations seek to address diversity, equity, and inclusion: some foundations have explicit policies and practices to promote them, and others explained that they have no formal policies, stating simply that one or two key people within the organization maintained a commitment to those values. We also noticed that some foundations got started by examining their mission and their grantmaking, which led them to an internal focus on diversity, while a few started with an internal analysis, and the programmatic work followed. Due to the sensitivity of these interviews, some respondents have preferred to remain anonymous.

There are differences in the way that foundations embrace the terms “diversity,” “equity,” and “inclusion.” During the interviews, we asked respondents to share their definitions and approaches. The majority of respondents view diversity in broad and positive terms, defining it as the plurality of perspectives, backgrounds and life experiences that are part of the “condition of being human.” Many described diversity as a strength that brings a “richness of perspective,” and allows a group or organization to “solve problems more equitably.”

While most respondents spoke easily about diversity, fewer spoke of equity and inclusion. When they did, they spoke of the disparities within systems and institutions (e.g., education, health, and employment) and the need to take specific actions to “level the playing field.” Many respondents indicated that they are still working to understand what equity means, both for themselves and for their organizations. Only a few respondents articulated a clear definition of inclusion. When they did, they often described it as an extension or outcome of diversity, when people are “heard and acknowledged,” “feel a part of” and are “woven into” the work that their foundation is doing.

Peer cohort members discussed the ways in which they are moving beyond diversity to address equity and inclusion within their organizations. For example, Meyer Memorial Trust identifies equity as a core principle of the foundation, and has spent the last two years on an organizational equity audit followed by staff and trustee workshops, trainings and informal learning sessions. Doug Stamm, CEO of Meyer Memorial Trust, acknowledged that, “initially we did not have a shared definition of equity,” but after working intentionally and closely with staff and trustees, the foundation “has reached a common understanding” that is helping to shape the Trust’s equity lens for both internal and external work.

## PRACTICAL LESSON #1

### Leadership, from the CEO in particular, is critical to advance this work.

**Raise it.** Moving an organization toward greater diversity, equity, and inclusion requires committed and courageous leadership. Sammye Pokryfki, Vice President of Programs, Rasmuson Foundation, explained, “Intentionality is important...these changes don’t just happen...I don’t think that every staff member and every board member will, by osmosis, develop attitudes and take actions that express these values. I have watched our CEO, Diane Kaplan, raise these issues subtly and directly, saying she personally cares.”

**Model it.** Richard Woo, CEO of the Russell Family Foundation, shared that George and Jane Russell hired him fully aware of his passion and lifelong dedication to inclusion and equity. They told Richard that his demonstrated commitment would give other people permission to embrace change.

Norman Rice, President/CEO of The Seattle Foundation and former mayor of Seattle, said, “These are topics that are uncomfortable for many people. A good leader helps people to identify what they really think or believe about diversity or equity or inclusion.”

The CEO provides the long-term commitment needed for organizational change. As a board member of a foundation explained, “I think it is easy to walk away from this because it is hard work. It is easy to say there are other priorities that are more important, and those may be easier issues to address. But our CEO delivered the message that “we must try our hardest not to walk away from this until we have achieved the goal.”

Susan Anderson, President/CEO of The CIRI Foundation says, “As a Native woman, it is about feeling like you belong. I belong at this table. We belong at this table. As a leader I need to share and model that message to others.” When a commitment is modeled, the impact is palpable throughout an organization. While responsibility lies with the entire organization, one program staff member interviewed said, “a tremendous amount of responsibility rests with the CEO to guide the board, set policy, and really bring those policies to life throughout the organization.”

**WHILE THE CEO IS POSITIONED TO ARTICULATE THE VISION AND MODEL BEHAVIOR, IF THE CEO NEGLECTS DIVERSITY, EQUITY, AND INCLUSION IN THEIR VISION, THEN THIS INACTION GIVES IMPLICIT PERMISSION FOR EVERYONE ELSE IN THE ORGANIZATION TO DO THE SAME.**

**Support it.** The CEO’s crucial role in supporting diversity was reflected in this comment from a Native board member of a family foundation: “I don’t want to be thought of as just bringing the Native perspective to the board. I appreciate that when other board members consistently look to us to comment on issues in our community, the CEO helps us by fielding those questions.”

While the CEO is positioned to articulate the vision and model behavior, if the CEO neglects diversity, equity, and inclusion in their vision, then this inaction gives implicit permission for everyone else in the organization to do the same. As Richard Woo points out, “leadership is as much about what you don’t do, as what you do.”

## PRACTICAL LESSON #2

### Changing an organizational culture requires leaders to foster an environment that encourages learning.

**Build a learning culture.** Through our interviews with philanthropic leaders, it became clear that changing an organization's culture requires a commitment to learning, an openness to dialogue and disagreement, and comfort with ambiguity. "It is essential to build a learning culture where dissent and disagreement are welcome," says Kris Hermanns, Executive Director of the Pride Foundation. "You have to put the issues on the table in a constructive way." One way in which the Pride Foundation does this, according to Kris, is to implement learning sessions on diversity, equity, and inclusion as part of staff meetings. She also acknowledges that it is important, as the organization's leader, to model an openness to disagreement and inquiry. "I hope to foster an environment where staff can respectfully challenge one another and recognize different perspectives are critical to our work," she says.

Addressing topics such as equity and inclusion can lead to discomfort and disagreement. Leaders need to be prepared to help their staff and board deal with this stress and the ambiguity it fosters. As Max Williams, President and CEO of the Oregon Community Foundation, explains, part of the discomfort comes from the "nebulous nature" of the change process. The community foundation recently created a committee on equity and inclusion. Max reflects that he has found himself saying, "I don't know where this is going to take us. I think we are going to be uncomfortable...and that will be okay."

In addition, Luz Vega-Marquis, President and CEO of Marguerite Casey Foundation, describes how in philanthropy, there is a "culture of politeness and reason" that can "take the passion out of causes." These unspoken norms often circumscribe the way that staff and boards are expected to communicate, and illuminate the context that a foundation CEO must navigate in order to intentionally change an organizational culture.

## PRACTICAL LESSON #3

### Talking with board and staff about race, sexual orientation, disability, class and other forms of inequality is difficult and complex, but essential.

Many interviewees referenced the difficulty in talking about inequality with board and staff, and in particular, many felt they were not equipped to discuss race.

**Meet people where they are.** The charged language of race required some CEOs to frame the conversation carefully in their organizations. Several leaders indicated they would use other terms, such as representation. "When I go to my board and I say I want to create more diversity on our board, that will not go over well because we haven't had enough conversations to help them see why they will govern better," explained the CEO of a community foundation. "If I explain it to say look, you know we have the following strategic initiatives, clearly there are huge disparities in these low income areas...It would be great if we had representation from the diverse community leaders from those communities—then they get it."

Several CEOs described their boards as resistant to specific frames, including references to affirmative action, civil rights, or immigration. They pointed to the often emotional nature of discussions about race. “That raw conversation can be hard to have with colleagues,” explains Liz Vivian, Executive Director of the Women’s Funding Alliance, “but if it is done with authenticity and warmth, it can add many positive layers to professional relationships.”

**Recognition makes a difference.** Kay Toran, board member of the Oregon Community Foundation, explained why personal histories matter. “Your history matters,” she says. “There isn’t anybody who comes from a community of color who doesn’t know how the legacy of their history makes a difference. If there is recognition that allows people to feel that they are seen and heard, then we can talk about what we need to talk about to move forward.” This is important, says Kris Hermanns, because it has an impact on the way people engage in their work. “It’s not just about sharing or being heard,” says Kris. “It’s also about integrating this new understanding into how we can do our work differently so we don’t reinforce any historic patterns or behaviors that excluded, discriminated against, or made certain people invisible.”

“ IT’S NOT JUST ABOUT SHARING OR BEING HEARD, IT’S ALSO ABOUT INTEGRATING THIS NEW UNDERSTANDING INTO HOW WE CAN DO OUR WORK DIFFERENTLY SO WE DON’T REINFORCE ANY HISTORIC PATTERNS OR BEHAVIORS THAT EXCLUDED, DISCRIMINATED AGAINST, OR MADE CERTAIN PEOPLE INVISIBLE. ”

**Good facilitation matters.** Doug Stamm talked about the importance of selecting appropriate facilitators for workshops or meetings on equity and inclusion. He described an experience where a facilitation team did not accurately read the group dynamics of his staff, which led to a negative experience. Ultimately, the Trust brought in new consultants with a different style that was more successful. “Facilitation is critical,” he says, “and in our case presented an initial challenge to moving our work forward.”

Richard Woo is often asked to open or lead a conversation related to equity and inclusion. “Over time,” he says, “I’ve realized that approach and tone matter immensely. I try to invite people into a reflective space where trust, candor, and curiosity might lead to learning. Sometimes what we learn about ourselves and others is hard. But avoiding change to maintain the status quo is harder still, if not simply unjust.”

## PRACTICAL LESSON #4

### Experimenting is good, particularly when it comes to policies and practices to recruit and retain diverse candidates.

**Identify new networks.** Philanthropy can be “a very insular community,” said Nichole Maher, CEO of the Northwest Health Foundation. “Once I joined philanthropy, I started to get all of these notices about jobs in philanthropy. I never got any of those notices before.” Nichole shared how her foundation changed its recruitment strategies, increasing the diversity of both her board and her staff. “I completely disagree with the messaging from folks in philanthropy that they cannot find candidates. It is totally not true,” she states. When Northwest Health Foundation started to actively focus on how and where they list open positions, they had great success. “We opened the pipeline by changing the way we advertised and the way that we described who we wanted, making sure that we were giving people the message that they are wanted in our organization.”

Marguerite Casey Foundation has benefitted from search firms that have a history of placing people of color, women and LGBTQ people in philanthropy. A board member explained, “We look for intentionality. We are paying the firm a lot of money. If they are good, they will help you word the announcement so that it is inviting and reaching people who may not be considering work in philanthropy. I think good firms will push back and say ‘have you thought about this?’ And they will make you excited about candidates you have not thought about.”

Doug Stamm used the cohort to help design a search process for an executive level position at Meyer Memorial Trust. He asked for advice about different methods of recruitment, holding positions open, and ideas for getting beyond the usual suspects.

**Expand current structures.** Some foundations face structural challenges that make it particularly challenging to address diversity, equity and inclusion. For example, family foundations face challenges unique to their structure. “How diverse are you going to get with family members?” asked one board member of The Russell Family Foundation. “The family is the family. Richard Woo, our CEO, helped us consider the importance of non-family board members who represent the people we are serving. It is not always easy to do that without people thinking it is tokenism. I think that Richard and our board chair have been thoughtful about that and have done it in a way that is not tokenizing.”

The small size of some foundations, combined with low turnover that is typical in many foundations, provides fewer opportunities to hire. “We don’t hire that often,” explained one staff member of a foundation. “So when we do, we make every effort to be inclusive.” A board member of a foundation who has no term limits shared, “People don’t leave often, but we decided that when they do, the foundation will be better off if we identify and invite candidates that change our current demographic profile.”

“PEOPLE DON’T LEAVE OFTEN, BUT WE DECIDED THAT WHEN THEY DO, THE FOUNDATION WILL BE BETTER OFF IF WE IDENTIFY AND INVITE CANDIDATES THAT CHANGE OUR CURRENT DEMOGRAPHIC PROFILE.”

It is important to recognize that geography, too, may limit the pool of candidates available for open positions, especially if you are focused on a particular kind of diversity. “We were the first professional philanthropy team in the region,” explained the CEO of a foundation in eastern Washington State. “Each time we have posted a position, we have not gotten diverse candidates. My mentor said that I was not trying hard enough. But I did all the right things. I think part of it is where we are located. Diverse candidates are being recruited to go to bigger cities, or they may not want to take a risk and come here.” The CEO went on to acknowledge that despite these challenges, the foundation was committed to finding a way to increase internal diversity. While it might be harder given geographical constraints, commitment and intention from the leadership is critical, and positions the organization for future progress.

**Check assumptions.** Max Williams encourages his team to examine their unspoken assumptions about which candidates will “fit” the organization. “As I was sketching out my own view of the characteristics, I asked myself, how do I imagine the person sitting across the desk from me? What do you think the person looked like? They looked a lot like me. I used my own natural tendency to like people who looked like me as a way to tell the team that we must be very aware of, and possibly work against, our own assumptions.”

Diane Kaplan, President and CEO of the Rasmuson Foundation shared, “The CEO also models the changes he or she is encouraging. If I say that we will have an open recruitment process, then we will have an open recruitment process, and I won’t bring in my friend down the street even if they are the most talented person that I know.”

“ THE CEO ALSO MODELS THE CHANGES HE OR SHE IS ENCOURAGING. IF I SAY THAT WE WILL HAVE AN OPEN RECRUITMENT PROCESS, THEN WE WILL HAVE AN OPEN RECRUITMENT PROCESS, AND I WON’T BRING IN MY FRIEND DOWN THE STREET EVEN IF THEY ARE THE MOST TALENTED PERSON THAT I KNOW. ”

**Mentor.** Susan Anderson emphasized the importance of mentoring. “We work really hard to hire people that we have funded through our scholarship program. I look for people who have the potential and the passion. I have to train. I have to open the door and invite them into philanthropy, and it has paid off in huge ways for us.”

Lulani Arquette, CEO of the Native Arts & Culture Foundation, urges foundations that cannot find diverse candidates to “look via a new lens and understand why those skill sets are not there.” This may call for promoting and training people from within. “For example, in a position like marketing and communications, instead of having senior communications officers come in, why not promote someone from within? If they have a good background and show promise, if we have invested in them, and we have seen that person in action, we think there is a degree of likelihood that it will work. We ask ourselves, can we mentor this staff person?”

## PRACTICAL LESSON #5

### Sharing life experiences builds trust.

**Create the right environment.** The executives who participated in the peer cohort reinforced the need for intimate environments where they and their colleagues could share their personal histories. “It is important to focus on lived experience,” says Denis Hayes, President and CEO of the Bullitt Foundation. “So many diversity conversations can be esoteric and intellectual. If we use case studies and stories grounded in the work, people won’t think of this as a therapy session.”

**Begin with storytelling.** When our 10 executives gathered for the first peer learning session, we asked them each to share a story about how they came to this work. “I come from Nicaragua, and I was raised in Nicaragua,” says Luz Vega-Marquis. “I am thankful for that. It made me who I am now.” Her experiences and perspective inform her approach to the field of philanthropy. “What worries me,” she continues, “is that we put people of color in philanthropy but the culture of philanthropy does not change. America has changed, and we do not recognize it and we need to realize it. Philanthropy is so behind, and we could be a force for change in America.”

Norman Rice shared an experience running for mayor. “The ultimate challenge as a politician is to convince people no matter who they are to vote for you. I talked to someone and asked him to endorse me for mayor. His response was, ‘I can’t support you; you are black.’ There was no room for discussion about what I think or believe. You are never far from who you are. My life’s work has been about this: If the people who I see each day don’t reflect me, I have failed. In philanthropy, I don’t always see the faces I need to see. That is one reason why I am here.”

These are just two of the many stories that were shared during peer cohort meetings. Richard Woo explained that sharing personal experiences helped the peer cohort to “move out of polite curiosity” and “push each other to really articulate the questions they have for themselves and others.”

Many of the staff and board members we interviewed for the study echoed this sentiment. Bonnie Sachatello-Sawyer, board member of the Charlotte Martin Foundation, says “As a board, you have to be willing to be in those moments of disagreement in order to have growth, and engage in deep conversations about diversity, equity, and inclusion. You also have to have board members that come from different sets of life experiences and backgrounds so collectively you can design new ways of working that are more inclusive.”

“ AS A BOARD, YOU HAVE TO BE WILLING TO BE IN THOSE MOMENTS OF DISAGREEMENT IN ORDER TO HAVE GROWTH, AND ENGAGE IN DEEP CONVERSATIONS ABOUT DIVERSITY, EQUITY, AND INCLUSION. ”

## PRACTICAL LESSON #6

### Place matters.

**Context shapes the conversation.** The foundations in this study are located in places with different histories and politics, and these differences shape the work of diversity, equity, and inclusion. For Alaska, diversity, equity, and inclusion are linked to the historical struggle for Native sovereignty/self-determination, and the divide between rural and urban places. As a Native board member of an Alaskan foundation explains, conversations about Native land sovereignty do not map easily onto the ways race is often discussed in the lower 48 states. “When I talk about Native issues,” he explains, “I don’t believe it is a race issue. It’s a sovereignty issue. There are sovereignty and cultural aspects that go beyond race.”

The history of gender and equity also varies in the region. In Wyoming, Mickey Babcock, CEO of the Equipoise Fund, points to the history of women in the state, and the ways that this shapes the possibilities for her organization. “You have got historically really, really strong independent women who have been running ranches with their husbands or families or running for office. Politically, historically, this was a much more diverse state than it is now. What we are trying to understand is what happened to the voice of women in Wyoming. With the rise of the extraction industry—oil, gas and coal—the culture of the community began to change and mute a lot of voices.”

For foundations that work on a regional basis, the challenges are even more complex. As Jody Waits, staff member of the Pride Foundation, explains, many states do not have equal protection for LGBTQ people. “We work in Washington, Oregon, Idaho, Alaska and Montana. As a five-state organization, three of our states are incredibly unsafe for LGBTQ people.” The context in which the Pride Foundation works shapes their efforts to address diversity and equity.

## SUPPORT FOR LEADERS AND MOVING TO ACTION

We were very pleased to learn that the study prompted reflection and action. Many interview respondents commented on the value of thinking and talking about diversity, equity, and inclusion. At the conclusion of an interview, one staff member said that she had not wanted to do the interview, given all of the work ahead of her that day, but was now grateful. “Thank you,” she said. “It is good to just stop and think about these questions. There could not have been an hour better spent. And I will act on some of what I shared.”

“ WHEN YOU WORK IN THE FIELD, YOU KNOW PEOPLE BY REPUTATION, BUT THIS HAS BEEN AN OPPORTUNITY TO WORK ALONGSIDE OF YOU IN WAYS THAT ARE REAL AND IMMEDIATE. ”

**Peer cohorts, if well designed and facilitated, inspire action.** The cohort model has helped create significant and meaningful progress toward diversity, equity, and inclusion in the 10 foundations that participated. Below is a partial list of actions and outcomes that individual cohort members reported were made possible by their cohort experience:

- Shifted the organizational culture in order to have more dialogue about equity and inclusion with staff and board members
- Developed an organizational social justice equity statement
- Added sexual orientation into personnel policies
- Opened a conversation for non-family members to find their voice in a family foundation
- Learned about the power of the ally in helping to raise the issue, for example, during board discussions
- Refined job postings to invite a broader pool of qualified applicants for open positions
- Gained confidence in handling conflict, raising issues that are uncomfortable and mentoring people of color on staff
- Practiced a different kind of outreach for our grant cycle, using cohort members as a resource
- Presented a dilemma about board dynamics in which the peer cohort’s guidance caused a change in course
- Initiated a purchasing program from diverse vendors for spending on goods and services

Luz Vega-Marquis, a veteran of numerous efforts to advance diversity, equity, and inclusion in philanthropy, thanked the group for their “earnest commitment to making change.” Others expressed appreciation for the diversity in the group, noting that it was striking to hear common themes across foundations of different sizes and foci. They also cited the fact that the peer cohorts helped them to build new relationships, and allies, in the work. Liz Vivian said, “When you work in the field, you know people by reputation, but this has been an opportunity to work alongside of you in ways that are real and immediate. I feel as though I have more license to pick up the phone or visit or feel like I have an ally in this work.”

Several leaders talked about the ways in which they incorporated themes from the peer cohorts into their work. Kris Hermanns reported feeling more “activated,” “optimistic,” and “emboldened” to speak publically about diversity, equity, and inclusion for her organization. Max Williams described struggling with the fact that the meetings made him realize that the Oregon Community Foundation is not as far along as he wanted, so he launched an equity committee to deepen the work even further.

The group unanimously agreed that their work together has made them more courageous and committed. Everyone felt that when they brought a question or dilemma or idea to the group, they always got enough advice and feedback to feel “ready” to go and pursue it.

## CONCLUSION

At Philanthropy Northwest, we have learned that starting the conversation is critical, and there is an important role for regional associations in supporting and facilitating dialogue about diversity, equity, and inclusion.

Multiple respondents to this research study urged us to continue this work. “I am really pleased that you are doing this,” said one board member interviewed for this project. “I don’t think there is anything more important to our foundation and quite frankly to our nation right now.”

For others, the study helped them make some new connections and identify “the next discussion we need to have” in our organizations. “I am just thrilled that someone is actually addressing this,” said one leader. “It feels like there is a whole set of human beings who are being shut out of the process or who have historically not been included in the process and ought to be.”

We also learned that peer learning is an effective tool for change, and we plan to build on the momentum of this group going forward. The peer cohort developed as part of this study will continue to meet through 2014, and we plan to offer additional peer cohorts in the future. In addition, we are exploring ways we can support peer cohort members in their work.

**MODEL POLICIES AND PRACTICES ALONE WILL NOT SPUR CONSISTENT ACTION; LEADERS NEED SUPPORT, ENCOURAGEMENT—AND SOMETIMES PUSHING—FROM THEIR PEERS TO ADVANCE DIVERSITY, EQUITY, AND INCLUSION.**

While much of what we learned may feel intuitive to some, the act of starting conversations and providing the right environment for exploring these issues more deeply has had a profound impact on those involved. Model policies and practices alone will not spur consistent action; leaders need support, encouragement—and sometimes pushing—from their peers to advance diversity, equity, and inclusion. These are challenging topics to discuss, in any context, and it is critical for leaders to have a space where they can share both successes and failures, be vulnerable, and mentor one another.

Most importantly, we hope that the courage demonstrated by the CEOs who participated in the peer cohort, and the staff and board members who participated in this research, will inspire other leaders to take the next step in promoting more diverse, inclusive, and equitable philanthropic organizations.

## QUESTIONS FOR DISCUSSION

1. In the report, we share that some foundations began their work by examining their mission and grantmaking, which then led to an internal focus on diversity, while other foundations started with an internal focus, and the programmatic work followed. Which is true for your foundation? Or which would work best for your foundation?
2. There are differences in the way that foundations embrace the terms “diversity,” “equity,” and “inclusion.” How is your staff or board defining these terms? What examples do you see that embrace diversity, equity, and inclusion in your foundation?
3. Difficult conversations often lead to discomfort and disagreement. Leaders need to be prepared to help their staff and board deal with this stress and the ambiguity it fosters. How would you describe your organization’s tolerance for discomfort? How might you create more space for people to share personal histories and perspectives, disagree or raise topics that might be uncomfortable to some of the staff or board?
4. Where do you get peer support? What could you do to nurture peer support networks?
5. What will your next step be to incorporate diversity, equity, and inclusion into your foundation’s culture? Among the actions taken by the peer cohort members in their foundations, would any work in your foundation?
  - Have more dialogue about equity and inclusion with staff and board members
  - Develop an organizational equity statement
  - Add sexual orientation into personnel policies
  - Open a conversation for non-family members to find their voice in a family foundation
  - Refine job postings to invite a broader pool of qualified applicants for open positions
  - Build skills to handle conflict and raise issues that are uncomfortable
  - Mentor people of color on staff
  - Use peers as a resource for support and outreach
  - Initiate a purchasing program from diverse vendors for spending on goods and services
  - Other ideas?

## METHODOLOGY

The study was designed in consultation with philanthropic leaders, and emphasized co-learning, shared ownership of the research process, and an orientation toward action. We structured the research around (1) an initial interview and three peer learning meetings with 10 executive leaders, and (2) interviews with an additional 23 executives, board and staff members of philanthropic organizations in the Northwest. Many people we interviewed preferred to remain anonymous.

**Peer cohort:** Staff from Philanthropy Northwest facilitated three peer cohort meetings with 10 philanthropic leaders from organizations in Alaska, Washington and Oregon.

- **Sample selection:** We recruited from a large pool of foundation leaders in the Northwest, targeting leaders who have pursued diversity, equity and/or inclusion within their organizations. All 10 executives we approached agreed to participate in the peer cohort. They cited their commitment to these activities, their interest in the peer cohort, and their desire to contribute to a larger body of knowledge for the field.
- **Process:** The research team conducted initial interviews with 10 leaders, exploring their individual approaches to diversity, equity, and inclusion. These interviews were lightly structured (See Appendix A) and most were conducted over the phone. The peer cohort met three times over the course of six months. Two meetings occurred after the official study concluded, and the group will continue to meet through 2014. Prior to each meeting, facilitators consulted with one to two members of the group to develop the agenda. Facilitators from The Giving Practice, Philanthropy Northwest's consulting team, staffed all meetings. The sessions were not recorded, but the group gave permission for staff to transcribe the interviews.
- **Tools:** Peer Consultation Methodology, Cambridge Leadership Associates, LLC – Facilitators from The Giving Practice used this peer consulting method during each meeting to help cohort members define a dilemma for their peers and seek feedback:
  - Presentation of a “dilemma” by one member of the cohort, 5 minutes
  - Cohort members ask clarifying and data gathering questions, 10 minutes
  - Cohort members help to diagnose the problem and brainstorm solutions, 15 minutes
  - Case presenter reflects on what they heard, 5 minutes
  - Group debrief, 5 minutes

**Qualitative interviews:** The research team conducted interviews with 23 other executives, staff and board members from philanthropic organizations in the Northwest who did not participate in the peer cohort.

- **Sample selection:** In order to gain greater geographic diversity as a complement to the peer cohorts, we identified seven executives from Montana, Oregon, Washington and Wyoming. We also asked the peer cohort participants to identify a staff and board member from their organizations to get different perspectives from the same organizations. We interviewed seven staff members, and nine board members.
- **Interviews:** All of the interviews were voluntary and confidential. Respondents were provided with a description of the project and questions in advance. Interviews were semi-structured, conducted over the phone, recorded and transcribed. During the transcription, all identifying information was removed. Participants were also given the opportunity to review the report before it was finalized.

**Organizational Culture:** We consider organizational culture as the social glue that holds together organizations, guides behavior in an organization, and organizes the way things are done. An organization's culture is shaped by formal policies and procedures, and by the assumptions, beliefs and behaviors of all participants. Individuals create and sustain organizational culture in the stories they tell, the actions they take, and how as they interact with one another every day.

Internal culture contributes to the way staff, board, donors, volunteers and grantees feel about working together and, ultimately, how effectively the foundation operates. While policies and procedures can help clarify roles and responsibilities, the space between formal policies and informal behavior leaves room for exclusionary practices. Our challenge then is to understand what aspects of an organization's culture help or hamper efforts to increase diversity, equity, and inclusion.

**Data Analysis:** The transcripts of the peer cohorts and interviews were analyzed using an inductive, content-driven analysis. The lead researcher coded the interviews to identify recurring themes, also paying attention to areas of conflict or dissent in the transcripts. The analysis was reviewed by the research team, and key advisors to the project, and that feedback was incorporated into the final report.

## Demographics of Interviewees

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Individuals interviewed	33 (including 10 peer learning group members and 23 additional interviewees)
Positions	executives (17) board members (9) staff members (7)
Gender	female (21) male (12)
Ethnicity	self-identified as person of color (13) White (20) African American/Afro-Caribbean (4) Latino/a (1) Asian American (4) Alaska Native/American Indian/Native Hawaiian (4)
LGBTQ	self-identified (3)
Disability	self-identified (0) <sup>4</sup>
Foundations represented	18
Regions represented	Alaska (2) Montana (1) Oregon (3) Wyoming (1) Washington (11)
Types of foundations	Independent (10) Public (5) Community Foundation (2) Company-sponsored (1)

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4. Note from D5: D5 seeks to address the diversity parameters of gender, race, sexual orientation, and ability. This project did not include people who identify as having a disability, which is reflective of the lack of representation generally in the field of philanthropy. D5 notes this as an opportunity to raise awareness about the need for philanthropy to expand its responsiveness to and inclusion of people with disabilities.

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<b>Assets</b>	<b>No. in Study</b>
\$0 - \$1,000,000	2
\$1,000,001 - \$10,000,000	2
\$10,000,001 - \$50,000,000	3
\$50,000,001 - \$100,000,000	3
\$100,000,001 - \$500,000,000	4
\$500,000,001 - 1,000,000,000	3
1,000,000,001+	1

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<b>Giving</b>	<b>No. in Study</b>
\$0 - \$1,000,000	6
\$1,000,001 - \$10,000,000	7
\$10,000,001 - \$50,000,000	3
\$50,000,001 - \$100,000,000	2

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<b>Staff Size</b>	<b>No. in Study</b>
0 - 4	4
5-10	8
11-20	2
21-30	3
31+	1

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<b>Board Size</b>	<b>No. in Study</b>
0 - 4	2
5-10	5
11-20	9
21-30	2

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<b>Year Founded</b>	<b>No. in Study</b>
1940-1969	4
1970-1989	6
1990- present	5

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## APPENDIX A: QUESTIONS FOR INTERVIEWS

- How long have you been with your organization? Can you tell me about how you were hired?
- What is your current role?
- What do diversity, equity, and inclusion mean to you?
- Is grantmaking to diverse communities an explicit part of your programmatic strategy? Whether explicit or implicit, have you had conversations internally about this?
- Has your foundation made an explicit commitment to increase the internal diversity of your organization? If no explicit commitment, how has diversity been discussed or addressed in your organization?
- In your own assessment, how diverse is your foundation staff? Your board? In your opinion, is the foundation more diverse now than it was five or ten years ago? Why or why not?
- How would you describe the culture of your organization? Imagine that you are orienting a new staff or board member. How would you describe your organization to her/him?
- In your opinion, what is working to ensure that diverse staff and/or board members are included in the culture of the organization? What successes have you had?
- What is the role of leadership in these efforts? Do you think these efforts are most effective if the work is being led at a particular place or by people in particular positions in the organization?
- Do you see specific roadblocks to inclusion in the organization? Has there ever been a time when you've felt like you weren't included in the culture of the organization? What changes do you think would promote greater diversity and inclusion in the foundation?
- Are there other questions we should be asking you or other points you would like to make?

## Peer Learning Group Participants



**SUSAN ANDERSON**  
President/CEO  
The CIRI Foundation



**DOUG STAMM**  
CEO  
Meyer Memorial Trust



**DENIS HAYES**  
President and CEO  
Bullitt Foundation



**LUZ VEGA-MARQUIS**  
President and CEO  
Marguerite Casey Foundation



**KRIS HERMANN S**  
Executive Director  
Pride Foundation



**LIZ VIVIAN**  
Executive Director  
Women's Funding Alliance



**DIANE KAPLAN**  
President and CEO  
Rasmuson Foundation



**MAX WILLIAMS**  
President and CEO  
Oregon Community Foundation



**NORMAN RICE**  
President/CEO  
The Seattle Foundation



**RICHARD WOO**  
CEO  
Russell Family Foundation

More than a dozen organizations with connections to thousands of grantmakers came together to found the D5 Coalition to advance diversity, equity, and inclusion in philanthropy. Since then, the coalition has grown and continues to grow. For a complete list of allies and partners, please see the D5 website: [www.d5coalition.org](http://www.d5coalition.org). The founding coalition included:

Asian Americans/Pacific Islanders in Philanthropy  
Associated Grant Makers  
Association of Black Foundation Executives  
Council on Foundations  
Council of Michigan Foundations  
Donors Forum  
Foundation Center  
Fundors for LGBTQ Issues  
Hispanics in Philanthropy  
Horizons Foundation  
Joint Affinity Groups  
Minnesota Council on Foundations  
Native Americans in Philanthropy  
Philanthropy New York  
Philanthropy Northwest  
Philanthropy Ohio  
Rockefeller Philanthropy Advisors  
Women's Funding Network

**Rockefeller Philanthropy Advisors**  
serves as D5's program office.

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*Director*  
Hafizah Omar  
*Administrative Assistant*  
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Stephen B. Heintz, *Rockefeller Brothers Fund*  
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Luz Vega-Marquis, *Marguerite Casey Foundation*

**Funders & Advisors**  
Donna Stark, *Annie E. Casey Foundation*  
Robert K. Ross, *The California Endowment*  
Kathy Reich, *David and Lucile Packard Foundation*  
*Evelyn and Walter Haas, Jr. Fund*  
Unmi Song, *Lloyd A. Fry Foundation*  
Vic De Luca, *Jessie Smith Noyes Foundation*  
Luz Vega-Marquis, *Marguerite Casey Foundation*  
Gabriella Morris, *The Prudential Foundation*  
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Lawrence McGill, *Foundation Center*  
Kristopher Smith, *Funders' Network for Smart Growth*  
*and Livable Communities*  
Sylvia Zaldivar-Sykes, *Lake County Community*  
*Foundation*  
Ericka Plater-Turner, *Council on Foundations*

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