



DIVERSITY & INCLUSION:  
*Lessons from the Field*



## FOREWORD

“Diversity & Inclusion: Lessons from the Field” is the second in a series of three publications on diversity supported by the Charles Stewart Mott Foundation, which has had a long-term commitment to racial equity.

This report comes at a unique time in our history when voters have recently elected our first African American president, financial and economic uncertainty persists and increased global interdependence and tensions are our shared reality. Collectively, we face a time when our nation’s nonprofit and philanthropic sectors are being called upon to do more, to do so effectively and efficiently, and with greater transparency.

Although the literature on the relationship between diversity and effectiveness may leave you with some unanswered questions, what is clear is that the public is expecting the philanthropic field to exercise voluntary leadership. The media, lawmakers and the public are calling upon the field of philanthropy with an increasing urgency to demonstrate greater accountability and responsiveness to an ever-growing, diverse society.

U.S. Census Bureau projections predict that the U.S. population may surpass 400 million in 2039 and reach 439 million as early as 2050. Not only are significant changes in the size of our population anticipated, but in its demographic composition as well. According to an August 2008 New York Times article, “so-called minorities, the Census Bureau projects, will constitute a majority of the nation’s children under 18 by 2023 and of working-age Americans by 2039.” These population changes will have a significant effect on the way in which philanthropic institutions carry out their missions and serve our changing society.

Philanthropy—long valued for its agility, innovation, voluntary nature, and freedom of choice—is expected to grow in both size and service in the coming years as an unprecedented intergenerational transfer of wealth occurs. Requests for grants and financial support have reached an unparalleled rate and are expected to continue to increase. It is therefore no surprise that diversity, inclusive practices and effectiveness are areas of priority for our sector.

“Lessons from the Field” features the stories, successes and experiences of CEOs and trustees of some of our nation’s leading foundations and corporate grantmaking programs, both large and small. Each has shared their unique perspectives—their struggles and strategies to overcome challenges. They have provided insight into how and to what effect diversity and inclusive practices have been embedded within their organizations. With leaders reaching out to leaders, we hope you will be inspired by their successes, and see yourself in this important work.

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Rockefeller Philanthropy Advisors

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Note: For this report, the terms Hispanic and Latino refer to the same demographic group, and are used interchangeably throughout.





## MORE SEATS AT THE TABLE: JESSIE SMITH NOYES FOUNDATION

**Ann Wiener and Victor De Luca**

Ann Wiener and Vic De Luca discuss this family foundation's long-standing commitment to communities of color, and moving that commitment forward by inviting constituents to be equal partners in the Foundation's efforts to serve them.

### **Our Heritage of Fairness and Integrity**

We think Charles F. Noyes would be pleased. In 1947, he established the foundation in honor of his wife, Jessie Smith, with the goal of providing scholarships to the next generation of leaders, those who could make a difference in our society. Today, we no longer award scholarships but do follow his intent by looking for effective leadership organizations that make a difference.

Mr. Noyes made another critical decision—half of our foundation's scholarships would go to non-white students. We cannot be sure of his thinking but we know of his desire to instill in young people the principles that guided him—fairness, integrity and hard work. At a time when racial segregation and discrimination were legal, few foundations, if any, were making such a bold statement.

Sixty years later those laws are gone, but because race is still an unresolved issue in our society, race consciousness continues to be a factor in our grantmaking. We embrace diversity and seek to challenge institutional and cultural discrimination. We actively seek out organizations led by people of color and/or working in low-income communities. In 2007, 49 of our 100 grants supported organizations with people of color as leaders and constituents.

### **Expanding our Board and Staff**

So what's changed? We are still a family foundation

with representatives from three branches of the family involved. Ann is a granddaughter of our founder. We still make grants to extraordinary people and organizations. But what is different is the way in which we think and operate.

Back then, Mr. Noyes chose family, friends and business associates as board members, all white and with similar life experiences. The one or two employees he had were similar. It's fair to say that little thought or importance was given to diversifying the board and staff.

Now, 41 percent of the 17 board members are people of color. There are six family members and 11 non-family, of which 64 percent are people of color. Seventy-one percent are female, and board members live in 13 states. Three out of our seven staff members are people of color. Diversity and inclusiveness are essential to all facets of our operations—board and staff selection, grantmaking and advocacy within the philanthropic community.

The real change began 20 years ago when three family members—Edith Muma, Barbara Dow and Ann—agreed to strengthen the board by enlarging it to 15 members and recruiting outside directors. At first we reached out to those whom we knew. Race and ethnicity did not become part of the board selection process until 1992, one year after the National People of Color Environmental Leadership Summit. We became more convinced of the need to bring the knowl-



edge and experience of people of color to our decision making table. Donna Chavis, a Native American activist from rural North Carolina and a leader of the Summit, was the first board member consciously selected using a race/ethnicity lens. In 1998, she became chair of the Noyes board.

We use many factors to select board and staff members, ranging from compatibility with values and mission to commitment to serve to having a sense of humor. We look at the totality of the person being considered, including gender, race, ethnicity and life ex-

periences. Since 1992, we have selected 24 non-family board members—12 whites and 12 people of color; and 16 women and eight men. Most importantly, we have selected the best people we could find.

Our practice is to cast a wide net to build a broad pool of board and staff candidates. We spend time on recruitment to surface good people and then engage in a rigorous review process. We are clear about our

goals prior to the interview process, explicitly talking about issues of racial, ethnic, gender and geographic inclusiveness.

### **Empowerment Leads to Effectiveness**

We do this because it is the right thing to do. We feel strongly that if we continue to exclude people from the table, our legacy is going to be different, very different. So, we are committed to bringing a diverse group to the table and having conversation occur that builds consensus and action. We feel strongly that there's an arrogance and narrowness about a foundation that deals with the issues and constituency that we deal with, and not having that constituency represented.

Diversity and inclusiveness also helps us do our job better, to make better and more effective grants. We know more about real world viewpoints and experiences and are better able to make informed decisions. And it grounds us, making us more accountable to our grantees and their communities.

We invite our colleagues to take a similar journey, one that is both challenging and rewarding. 🌸

**There's an arrogance about a foundation that deals with a constituency without having that constituency represented.**



#### **About Ann Wiener**

Ann Wiener is a granddaughter of Charles F. Noyes. She has been connected to the Foundation since childhood and remembers discussing scholarship applications with her mother and father. Wiener has been in education most of her life and is a retired principal of a small, diverse public New York City middle school which she founded. She now is a coach/facilitator at the New York City Leadership Academy. A New York City resident, she joined the Noyes Board in 1962 and is a tenured member. Two of her sons, Tim and Chad, and one of her daughters, Jennifer, have served as board members.



#### **About Victor De Luca**

Victor De Luca has been the president of the Jessie Smith Noyes Foundation since 2000. De Luca is a board member of the New York Regional Association of Grantmakers and the Funders Network for Population, Reproductive Health and Rights. He serves on the Advisory Board for the Diversity in Philanthropy Project and the Council on Foundation's Committee on Family Philanthropy. De Luca is serving his third, three-year term on the Maplewood Township Committee (NJ), currently serving as Vice-Mayor.





# RESPONSIBILITY & COMPETITIVE ADVANTAGE: DELL INC.'S GLOBAL OUTLOOK

**Gilbert F. Casellas**

Gil Casellas provides insights on how Dell Inc. aligns corporate values with social impact, addressing disparities across economic and social circumstances through technology.

## **Defining Diversity in the New Century**

After 30 years of professional experience in law, business and government, I joined Dell in 2007 as its first vice president of corporate responsibility to oversee global diversity, philanthropy and sustainability. With my background in diversity, including serving as chair of the Equal Employment Opportunity Commission, member of the Coca-Cola Diversity Task Force and of Toyota's Diversity Advisory Board, many assumed that diversity would be my principal focus. The fact is that the three areas are intertwined and when approached strategically, can be leveraged for competitive advantage and social good.

Any discussion of diversity, however, must first acknowledge that it is a term still misunderstood (many assume it's a code word for affirmative action and quotas) and that it is a term not prevalent outside the United States. Yet, conversations and articles abound about the "case for diversity." Frankly the argument about making a case for diversity is as silly as making a case for oxygen or gravity, that surround us each and every moment. Diversity is an inescapable fact of life. That's especially true for a company like Dell that operates in more than 100 countries with nearly 80,000 global employees.

Diversity permeates every region of the world with a mosaic of races, ethnicities, religions, backgrounds, lifestyles, and cultures. Did you know that China has 55 ethnic groups, India has numerous religions and social castes, and Brazil is home to the largest black population outside the African continent and the largest Japanese population outside of Japan? While this is astounding, it's a small part of the rich story of

**While diversity is an inescapable fact in the 21st century global marketplace, inclusion is not.**

global diversity. So while diversity is an inescapable fact in a 21st century global marketplace, inclusion is not. Inclusion is the act of recognizing, embracing and maximizing diversity to unleash innovation and creativity. The challenge for all institutions, therefore, is to assure that we recognize, honor, welcome, and ultimately leverage that diversity to create a better community, workplace and world. But diversity of representation and a culture of inclusion must be intertwined and inextricably linked: diverse representation without a culture of inclusion spells disaster while an inclusive culture without diverse representation lacks credibility.



## Aligning Values with Impact

So how does this relate to philanthropy? In the corporate world, philanthropy has to be aligned with a company's values and culture in order to be effective in impacting societal needs, engaging employees and achieving meaningful social progress. Without an appreciation for this complexity of diverse peoples, cultures, backgrounds, and needs, no efforts at giving can be truly effective and strategic.

In Dell's case, we recognized that as a technology company we could leverage our strengths in this industry along with our commitment to education and to the environment. By combining our strengths and commitments with a business objective to expand our

ties across economic and social circumstances while building capacity for creativity and contribution.

We have also established a Global Giving Council consisting of 10 senior executives from globally diverse backgrounds and business experiences including myself. The Council oversees Dell's global giving initiatives with a structure that encourages our business and regional programs worldwide to complement our strategy while meeting local needs. This is a simple, yet effective way to recognize and appreciate the complexity and diversity of each region.

## Making Connections, Building Access

A global shift is happening right before our eyes. The way people connect and communicate is changing, thus changing the world. A truly global information technology infrastructure and those who build, run and use it are creating a new era—the Connected Era. In the Connected Era, technology is the key to access and innovation.

So, if technology is the key, wouldn't it make sense that one of the world's leading technology companies helps to ensure that all communities and people are connected?

At Dell, that's what we are doing. Our diversity of representation and culture of inclusion are intertwined and inextricably linked. We have enhanced our giving strategy to take into account the complexity of emerging markets in order to find ways to help them be successful in this new Connected Era.

In this way we believe that when intertwined and approached strategically, giving and diversity create a competitive advantage and promote social good. 🌱

# The challenge for all institutions is to leverage diversity to create a better community, workplace and world.

reach into emerging countries, we launched Dell YouthConnect—a giving program that seeks to achieve digital inclusion in emerging countries.

This new giving program will promote education and incorporate math, science, literacy, and/or technology skills development. The program supports young people in our emerging markets across the globe who might otherwise have limited access to or be excluded from access to such education and skills training. Technology and education level the dispari-



## About Gilbert F. Casellas

Gilbert F. Casellas is vice president, corporate responsibility for Dell Inc. where he oversees the company's global diversity, sustainability and corporate philanthropy functions. He has previously served as chairman of the U.S. Equal Employment Opportunity Commission. He is a member of the Johnnetta B. Cole Global Diversity & Inclusion Institute. Casellas currently serves on the Diversity Advisory Board of Toyota Motor North America Inc. and chairs the Committee on Workplace Diversity of the Yale University Council as well as the board of directors of the Hispanic Federation. He received his law degree from the University of Pennsylvania Law School.





# DIVERSITY REQUIRES LEADERSHIP: THE CALIFORNIA ENDOWMENT

**Robert K. Ross and Ignatius Bau**

Working within and for the most diverse state in the union, Bob Ross and Ignatius Bau candidly explore the challenges of going public with their commitment to diversity and staying committed to the public.

## **Taking a Stance**

Since our inception in 1996, the board and staff of The California Endowment have been addressing the challenges that our state's enormous diversity poses. For us, diversity is a given and permeates all that we do. Our mission is to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians. We also have a core value for grant programs that are responsive to communities, so listening closely to the ideas and approaches to health improvement from California's numerous neighborhoods and local organizations is essential to improving our effectiveness.

Naturally, The Endowment includes the perspectives of our state's diverse populations on our board and staff, and we prioritize community-based organizations in all of our grant programs. Moreover, we are public about this commitment by posting our Diversity Statement and Plan on our website and defining diversity in broad terms to include: race, ethnicity, age, gender, sexual orientation, disability, as well as geographic diversity. We are committed to inclusiveness not only in what we do, but also in how we do it. We know that we have much to learn and more to do to integrate diversity in all our operations.

We are also providing leadership on diversity issues within philanthropy, such as our active participation in and support of affinity groups such as Hispanics in Phi-

lanthropy and Funders for Lesbian and Gay Issues. The Endowment chairs and provides significant funding for the Diversity in Philanthropy Project, a national network of philanthropy executives who are placing these issues front and center through research, promotion of best practices and mobilization of other foundation leaders.

## **State Assembly Bill 624**

So earlier this year, when the California legislature began consideration of Assembly Bill 624—a bill mandating data collection and reporting on diversity of the boards, staff and grantees of the largest private foundations in the state—we did not have the same chal-

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lenges as some of our colleagues. We were not surprised by the strong emotions and reactions this issue raised both in the communities as well as with our colleagues. Nevertheless, our response was a mixed one. On the one hand, we welcomed the heightened attention on issues of diversity within philanthropy. On the other, we felt the bill was a distraction to the more relevant issue of how philanthropy might be effective by being more inclusive of and responsive to the increasing diversity of California.



### **Pervasive Problem, Collective Solution**

Ultimately, we joined a coalition of 10 leading private foundations in the state to make a collective public commitment to address issues of capacity, leadership and access for nonprofit community-based organizations led by racial and ethnic minorities serv-

But the real work of addressing the needs of these minority-led organizations continues as the coalition operationalizes the long-term commitment. This is as it should be—a statewide discourse and action plan among foundations on how they could best support the needs of our communities, especially those with the greatest vulnerabilities.

**Regardless of a foundation's program, a case could be made that there are disparities within all issues—education, economic development, aging, environment, etc.**

ing those communities. We felt it was more important to work in partnership with these grantees to increase our funding and other support for their organizations than to argue over data points. In the process of our dialogue with legislators about the bill, they also agreed that increasing philanthropic resources for these minority-led organizations was more important than a debate about data collection and reporting.

After months of discussions, the author of the bill withdrew it from further consideration recognizing the sincerity and significance of the collaborative effort on the part of the 10 foundations.

### **Diversity across Issues**

Some might say that as a foundation focused on well-documented racial and ethnic disparities in health and health care, diversity is logical and organic. We believe that a case could be made that, regardless of a foundation's programmatic priorities, there are similar disparities within all issue areas—education, community and economic development, youth programs, aging, environment, the arts. The opportunity and equity gap for racial and ethnic minority families and communities grows each year in California and across our nation. We are losing ground in ensuring that such families get access to quality health coverage, a safe home, a decent job and can see their children thrive and succeed. Therefore, all effective grant programs will require a commitment to diversity and inclusiveness. This is the future of our state and country, and an essential tool for all forward-thinking foundations. 🌸



#### **About Robert K. Ross**

Robert K. Ross, is president and CEO for The California Endowment, a health foundation established in 1996 to address the health needs of Californians. During his tenure, the foundation has focused on the health needs of underserved Californians by championing the cause of health coverage for all children, strengthening the capacity of community health centers, improving health services for farm worker and ex-offender populations, and strengthening the pipeline for bringing racial and ethnic diversity to the health professions. Prior to his appointment in September 2000, Dr. Ross served as director of the Health and Human Services Agency for the County of San Diego from 1993 to 2000, and commissioner of Public Health for the City of Philadelphia from 1990 to 1993. Ross received his undergraduate, masters in Public Administration and medical degrees from the University of Pennsylvania in Philadelphia.



#### **About Ignatius Bau, J.D.**

Ignatius Bau is a program director at The California Endowment, directing the foundation's program on cultural competency, language access and health workforce diversity. He manages program development, grantmaking, grant administration and monitoring, technical assistance and evaluation activities. Prior to his position at The California Endowment, Bau held several positions at the Asian and Pacific Islander American Health Forum, a national advocacy organization seeking to improve the health and well-being of Asian Americans and Pacific Islanders, most recently as its deputy director for policy and programs.





# MAKING A PUBLIC COMMITMENT: W.K. KELLOGG FOUNDATION

## Sterling Speirn

Informed by history and propelled by societal reality, the W.K. Kellogg Foundation embarks on an introspective journey towards building a racially equitable society.

### A New Mandate

In the spring of 2006, just months after I joined the W.K. Kellogg Foundation, our Board of Trustees made a startling declaration. It came as we concluded several months of workshops on “Changing & Healing Racism.” After reflection and dialogue, consensus emerged almost as a matter of fact, while at the same time signaling something new and stirringly bold—a new mandate for the Foundation—we would aspire and strive to be an anti-racist institution.

With this single decision, our Foundation found itself on the threshold of a new era. The decision itself was born out of our immediate learning, but also drew on deep and thoughtful work that had been pursued at the Foundation for many years. For 10 years our “Capitalizing on Diversity” project brought “Healing Racism” workshops to our employees and was later integrated into our new employee orientation program. The Foundation formed a Diversity Action Committee to identify opportunities and challenges relating to diversity in all aspects of our work. Following up on this work, three extensive reports were commissioned last year by our Foundation leaders to assess our efforts to integrate diversity in our grantmaking. The critical next step was now ours to take. We needed to establish an authorizing environ-

ment that would enable us to align and embed our diversity work within the core of our mission and at the heart of the Foundation.

All of this prior work served to inspire us to renew our commitment to the vision W.K. Kellogg gave us in 1930—that all children should thrive. This led to a re-statement and clarification of our long-time mission: to foster efforts that create the conditions for success for vulnerable children and families. Within our new strategic framework, promoting racial equity was identified and pronounced as a cross-cutting approach that would inform all of our work.

Promoting racial equity was pronounced as a cross-cutting approach that would inform all our work as we focus on the success of vulnerable children and families.

### Addressing Structural Racism

We believe that beyond the dimensions of individual feelings and interpersonal interactions, there persists in our country institutional and structural racism that is devastating in its effects and yet invisible to many. Making a public commitment to work against racism in no way guarantees our success, but by naming it, our Foundation can make more visible what is hidden.



Thus, we have made it possible to engage with that which is avoided and to de-mystify that which is unrecognizable. We know that concentrated poverty and racism are two of the most toxic forces that obstruct the opportunity and promise that are the birthright of every child. Even as our understanding and arguments

our country's racial divisions, along with the election of Barack Obama to the highest office in the country, have elevated public discussions on and increased acceptance of race. Within our field, there is renewed attention to the demographics of foundation boards, staff, vendors, and grantees across the multiple di-

mensions of diversity. Within our Foundation, we can trace changes over the last 10 years to allow us to re-set our internal compass—to allow us to successfully increase our commitment, to identify and confront racism and other inequities within our institution and in all our philanthropic endeavors.

## We must take into account the system of conferred dominance and social hierarchy that is deeply entrenched in our culture and institutions.

for diversity grow stronger, based on fairness and justice, on efficiency and effectiveness, we must take into account the system of conferred dominance and social hierarchy that is deeply entrenched in our culture and institutions.

### **Threshold of a New Era**

In the last year, new and historic forces have helped propel our efforts. The 40th anniversaries of Dr. King's assassination and the Kerner Commission Report on

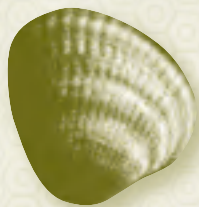
The more I study our nation's history and our current reality, the more I appreciate the advice that all of us must be relentless seekers and teachers in our work to achieve real opportunity for all. We are indeed standing on the threshold of a new era. As foundations, together we can challenge ourselves and support one another in our efforts to build organizations and communities that unleash potential and celebrate the oneness of humankind. 🌻



### **About Sterling Speirn**

Sterling Speirn is president and CEO of the W.K. Kellogg Foundation in Battle Creek, Michigan. Since he assumed his role in 2006, Speirn has led the organization through a comprehensive review of its mission, vision, and program priorities. The result is a new Strategic Framework that refocuses the Kellogg Foundation on its original purpose: to improve the lives of children and families who face poverty, illness, poor nutrition, illiteracy and other social barriers. Prior to his tenure at Kellogg, Speirn was CEO of the Peninsula Foundation, a community foundation in California. A Michigan native, Speirn earned his bachelor's degree in political science from Stanford University in California. He holds a law degree from the University of Michigan in Ann Arbor.





# INCREASING OUR IMPACT & REACH: ROBERT WOOD JOHNSON FOUNDATION

**Risa Lavizzo-Mourey and Debra Joy Pérez**

Risa Lavizzo-Mourey and Debra Pérez share evidence of the benefit of diverse perspectives—more focused, effective outreach to constituent communities and increased ability to develop scholars and advocates from these communities.

## **A Formidable Challenge**

The Robert Wood Johnson Foundation (RWJF) believes that diverse perspectives lead to better solutions and outcomes to the complex problems facing our nation. Our mission is to improve the health and health care of all Americans—a mission that can only be accomplished through intentional efforts that recognize the role diverse perspectives play in all aspects of our work—starting with board development and staffing and ending with the organizations we support and the results they produce. Therefore, we have made diversity intrinsic to our work and to all aspects of our grantmaking—communicating, convening and connecting colleagues, research and evaluation. Although diversity means much more than the racial and ethnic background of individuals and groups (diversity of thought, diversity of geography, socioeconomic diversity, sexual orientation), creating racial and ethnic diversity in philanthropy and health presents the most formidable challenge. Why?

Less than 10 percent of all physicians, less than 15 percent of nurses and less than nine percent of doctorates are awarded to historically under-represented groups such as Native Americans, African Americans or Latinos. No wonder there is such inequality in health and health care for people of color. Evidence has shown that diverse physicians and allied health

care workers tend to establish their practices in underserved communities, attend to a majority of minority patients, and study problems affecting diverse populations.

## **Opening the Door**

In the early 1990s, the RWJF Trustees recruited the Foundation's first female, African American and Latina members. But more needs to be done to create greater

**A critical mass of diverse program and senior staff was necessary to create an environment that enabled different perspectives to be heard.**

diversity at the program staff level. Though we have not always moved as rapidly as we might have liked, we've made considerable progress. To ensure that we incorporated authentic voices of diversity without placing the responsibility solely on one or two individuals, a critical mass of more diverse program and senior staff was necessary to create an environment that enabled different perspectives to be voiced and heard. Since 2003, when we implemented new efforts to enhance diversity, racial and ethnic diversity among staff has increased by 75 percent.



Concerned that our grantmaking was inadvertently favoring the same larger mainstream institutions year after year, we benefited from the input of our increasingly diverse staff to establish a more diverse pool of grantees and partners. For example, a group of RWJF Research and Evaluation program officers was interested in attracting a new pool of applicants to conduct essential research for the Foundation. So in 2005, we established the New Connections program, which provides support to a diverse new cadre of researchers who are first-time applicants to RWJF. In addition to financial support, these first-time RWJF scholars also receive mentoring, scientific training and opportunities to network with each other and with leaders in their research fields. But rather than limiting this vital training and mentoring to our grantees, we decided to include those who were turned down for funding in our New Connections symposia, and thus built a critical mass of diverse scholars. By opening the doors to our programs to unsuccessful first-time applicants, we made them stronger future applicants not just to RWJF but, we hope, to other funders. In fact, some of the applicants whom we had turned down in previous cycles subsequently re-applied and received New Connections grants from RWJF.

### **Broadening Perspectives**

RWJF invests substantial financial and human resources in communications efforts that enhance our programming and demonstrate impact. Listening to our

diverse staff has led to effective media outreach to diverse communities. Recently, RWJF and the Pew Hispanic Center released a report on the health status, access and health information sources of Latinos in the United States. Findings from the RWJF/Pew Hispanic Survey have helped us better understand key barriers to health and health care. Indeed, among the most significant findings of the RWJF/Pew Hispanic Survey is the heavy reliance of Latinos on the media for sources of health information. Approximately 80 percent of Latinos reported that they received health information from media; 64 percent reported that the health information they obtained from the media led them to change their diet or exercise regimes; and 57 percent reported that such information from media led them to visit a health care professional. Our outreach to ethnic media outlets has reached 28 million television viewers (mostly through Univision and Telemundo outlets), with information about childhood obesity, quality of care, health insurance coverage, and other issues important to Latinos. This strategy resulted in our most successful ethnic media outreach effort to date. It demonstrated the impact of ethnic media in not only building new audiences for RWJF's work, but also increasing our understanding of them.

Making diversity a core principle means that diversity is everybody's work. Giving life to that principle has been central to RWJF's progress in enhancing and broadening our perspectives and our programs. 🌸



### **About Risa Lavizzo-Mourey**

Risa Lavizzo-Mourey, president and CEO of the Robert Wood Johnson Foundation, is a national leader in transforming America's health systems so people live healthier lives and receive the health care they need. Lavizzo-Mourey joined RWJF in 2001 as senior vice president and director of the health care group. Previously, at the University of Pennsylvania, she was the Sylvan Eisman Professor of medicine and health care systems and director of Penn's Institute on Aging. Lavizzo-Mourey earned her medical degree from Harvard Medical School and an M.B.A. from the University of Pennsylvania's Wharton School.



### **About Debra Joy Pérez**

Debra Joy Pérez is a senior program officer in Research and Evaluation where she is responsible for the Foundation's work on public health. She also manages two internal fellows programs: the National Urban Fellows grant at RWJF and the New Connections: Increasing Diversity program, linking historically underrepresented investigators to the Foundation's work across teams and research areas. Pérez received her B.A. from Douglass College, and an M.A. from the University of Kent in Canterbury, England. Pérez received the National Urban and Rural Fellows award leading to her M.P.A. from Baruch College, City University of New York. She holds a Ph.D. in health policy from Harvard University.





# YOU GET WHAT YOU PAY FOR: THE DIVERSE ORIGINS OF SUCCESS

**Benjamin Todd Jealous**

The Rosenberg Foundation relies on its diverse staff and board to identify and support community organizations that have been over-looked by mainstream funders. Former president, Ben Jealous, explains that though the Foundation's hands-on, long-term approach requires time and resources, it is undeniably effective.

## **Over-Investing Ensures Access**

Everyone who has spent more than two minutes in philanthropy knows that great ideas do not just find you. Nonetheless, philanthropy often seems to do a remarkable job of not finding them. Ironically, this is often because we will not spend the money it takes to do it.

Like many other institutions, philanthropy can be a very insular world. Nonprofits face barriers to entry and having the "right" credentials and social networks gives you access. That credentialing process eliminates some of the most brilliant minds and relevantly networked and effective grantees simply because they do not have the requisite pedigree. While not malicious, it is a reality of the system.

What is more, the perpetuation of "desk-and-conference" grantmaking rather than high touch, deep community involvement is often justified by a focus on keeping administrative costs low. The rub is that when your philanthropic goal is to promote social justice, such banal insularity and penny pinching often means that conditions in the real world continue to get worse.

The Rosenberg Foundation has a tradition of "over investing" in grant prospecting to break that cycle. On

average, we made less than 10 new funding decisions a year. It is a more staff- and time-intensive process than many other foundations choose to take. However, when combined with a 72-year-old tradition of maintaining a remarkably diverse board and making patient investments in grantees, this approach has produced a track record of transformative change in California communities for decades.

**Philanthropy can be a very insular world. Nonprofits face barriers to entry and the credentialing process eliminates some of the most brilliant minds.**

## **Risky Ventures, Real Returns**

The Los Angeles Alliance for a New Economy (LAANE) is a perfect example of that. In 2004, in a classic story of David versus Goliath, LAANE successfully countered a major retailer's multi-million dollar investment to pass the Los Angeles Superstore Ordinance. In so doing they gave communities—specifically vulnerable communities—more ability to ensure that current residents reap the benefits of redevelopment. Most recently, it has succeeded in getting a living wage ordinance passed in Santa Monica and an employee retention law passed in Los Angeles. LAANE's perseverance resulted in greater pay, increased benefits and better working conditions for 2,500 hotel workers. Their



efforts save jobs for grocery store workers when local businesses are bought by large conglomerates.

Because our staff has such diverse backgrounds and experiences, they recognized LAANE's community resonance and innovative strategies in the early 1990s when it was a nascent organization barely three years after its founding. It was new, it was innovative, and it

hind the goal of greater legal protections and earned legalization for over 800,000 undocumented farmworkers.

Today, we are in the early stages of nurturing a network of advocates working to expand the rights of the formerly incarcerated, a population that is disproportionately of color, as well as a group of organizers and policy experts bringing the community-benefits-agreement movement (that LAANE launched) to Bayview Hunterspoint in San Francisco. When initially funded, both were considered "very risky" by valued peers. Both investments have produced major victories *in their first year*.

## We spend more time meeting with people who have received little or no support from our peers.

had incredible potential. That is exactly the type of grantee we actively sought by investing in staff time to research and prospect. Now, LAANE boasts Ford, Tides, and Hewlett among its supporting foundations.

Cinderella stories are not uncommon at the Rosenberg Foundation.

Another example is Farmworker Justice, which the Rosenberg Foundation began supporting almost immediately after its founding 25 years ago. Farmworker Justice engages in impact litigation, policy advocacy and public education campaigns on behalf of the working poor among California's diverse immigrant population. Its successes vaulted it into the ranks of the most powerful immigrant and labor policy organizations and now functions as a key advisor to both houses of Congress and members of both major political parties. But, perhaps, its greatest achievement is unifying agricultural employers and the United Farmworkers Union be-

The common tie between all these investments is that they required foresight. Foresight doesn't come cheap. It comes from investment. Investments in old-fashioned research, prospecting, and deliberation allow the Rosenberg Foundation to identify people who have the capacity to deliver transformative results and great successes. These talented individuals would otherwise have been excluded from the process because they lacked access to the requisite networks and credentials needed to "break in" to the foundation world. Because we spend more time meeting with people who have received little to no support from our peers, the people we support, like our board, look like California.

I am proud of the Foundation's successes in not only pursuing, but also achieving that diversity. It feels good to be inclusive. It feels better to be successful. Achieving the latter often means truly investing in the former.

### Inclusion Fosters Success



#### About Benjamin Todd Jealous

Benjamin Todd Jealous is the 17th president and CEO of the NAACP, and the youngest person to hold the position in the organization's nearly 100-year history. Most recently, Jealous was president of the Rosenberg Foundation, a private independent institution that funds civil and human rights advocacy to benefit California's working families. Prior to that, he was director of the U.S. Human Rights Program at Amnesty International. He holds a B.A. from Columbia University and a Master's in comparative social research from Oxford University, where he studied as a Rhodes Scholar.





# DOES DIVERSITY INCREASE EFFECTIVENESS?

**Ricardo A. Millett, Jessica Chao and Meghna Shah**

Seeking a rationale for integrating diversity into the sector's operations, Ricardo Millett and colleagues turn to empirical studies for evidence of diversity's benefits.

## **The Diversity Imperative**

Paradoxically, both proponents for increasing diversity in philanthropy and its detractors pose the same question: is there evidence diversity increases effectiveness? After much review of the literature, the answer is a resounding, unqualified—maybe!

Ironically, we assume the necessity of an unambiguous answer to ignite widespread application of diversity strategies even though there is a strong case that it is a societal imperative given the demographics and history of the United States. But studying the impact of diversity on effectiveness is complex and challenging. Not only is diversity changing even as we study it, but the very definition of effectiveness and success in the workplace is also changing, because work itself is changing.

Over 25 years ago foundations began hiring a more racially diverse workforce and supporting a broader range of communities in response to the civil rights movement and a growing moral imperative to address past inequities. Since then, the concept of diversity has become more complicated. The black and white dichotomy transitioned into a rich array of cultures and classes—sometimes with similar problems and contributions, but many more times diverse and divergent.

Furthermore, our workplace—even the foundation workplace—now requires sophisticated problem-solving skills and flexible frameworks for using an overwhelming amount of information. With pressure from government and the media for more accountability and

transparency, “doing good” is no longer good enough. There is a strong push to be effective, have impact and be responsive to the needs of constituencies (Capek & Mead, 2006; Fleishman, 2007; Orosz, 2003).

## **Empirical Findings**

Arguably, there are no empirical studies on the direct impact of a diverse philanthropic workforce on the success of grantmaking. But there are virtually no studies on the impact of any workforce characteristic on the outcomes of a grantmaking program. There are evaluations of grants and the programs they support to be sure, but no quantitative studies on the impact of boards, leadership and staff on the outcomes of the grantmaking programs.

Therefore, we are limited to lessons from the studies conducted for the business sector, which look at diversity with a human resources and productivity lens. This literature neither totally supports nor refutes the notion that racial/ethnic diversity has benefits to the bottom line, because most conclude that it depends on the context of the diversity situation.

Interestingly, the comparative studies find that diversity of skills, training and experience does tend to bring about more productivity and/or better problem solving (Page, 2007; Mannix & Neale, 2005; Richard, 2002). Diverse experiences and backgrounds increase the knowledge capital of the work group, which leads to better outcomes (Richard, 2006).

Researchers also noted that the benefits of diversity



came with costs. Diversity often brought about tension as people confronted others with different perspectives. With proper team leadership and communications management, however, this discord was addressed so the benefits of diversity outweighed the investment to manage such difference (Mannix & Neale, 2005; Lockwood, 2005; Jehn & Bezrukova, 2004; Kochan, et al., 2003; Richard, 2006). Some actually encourage this tension as a necessary dynamic for innovation (Richard, 2002; Page, 2007).

On the other hand, studies found that visible, cultural or identity diversity brought about both the same type of group tensions as well as additional conflicts. Cultural diversity brings different values and preferences, which can lead to increased miscommunication

## Cultural differences yield positive outcomes when they also yield relevant cognitive contributions, and when the diversity policy is related to clearly communicated business goals.

(Ely & Thomas, n.d.; Richard, 2002). In short-term studies, researchers observed very mixed results with these work groups and a few found that cultural diversity can actually result in worse outcomes (Mannix & Neale, 2005; Richard, 2002).

### **When and How Diversity Adds Value**

This is certainly troubling. Are we to assume that in an increasingly diverse world and workforce we will always squabble and offend each other? No. Several researchers conducted deeper and longer examinations of cultural diversity in the workplace. Many fascinating findings are consistent with the premise that, under the right circumstances, diversity does increase effectiveness.

For example, Orlando Richard, a professor of management at University of Texas at Dallas, found that discord was at its greatest when representation of the “visible” populations was relatively low in an organization. Discord decreased as their representation increased, but again increased after a representation threshold was met and exceeded (2002). This suggests that there is some ideal “balance” where the positive impact of diversity is greatest.

Another study by Harvard Business School professors Robin J. Ely and David A. Thomas analyzed diverse teams at the retail branches of a financial services firm. They found those approaching diversity as a business tool for innovation and learning outperformed, by as much as 37 percent, their peer branches that approached diversity as either obligatory or even as a legal imperative (Ely & Thomas, 2001; Kwak, 2003).

Scott E. Page, an economics professor at the University of Michigan, found that even groups with identity diversity—not just cognitive diversity—can trump more homogeneous groups of higher ability. He argues that the differences in cultural experiences can yield important alternative solutions or enhance performance when the cultural experiences are related to the business problems to be solved (2007). In other words, cultural diversity yields positive outcomes when it also yields relevant cognitive contributions.

All of the studies reviewed found that diversity brings benefits under certain conditions and over time. Chiefly, managers of diverse groups must be skilled meeting facilitators and communicators. In instances where managers led smaller teams and had closer informal relationships with employees, diversity contributed to work group outcomes and led to innovation (Richard 2006). Studies also found that staff must be valued for the cognitive differences they bring in addition to their cultural backgrounds (Page, 2007; Ely & Thomas, 2001; Ely & Thomas, n.d.). To encourage openness and, therefore, more effective communications, firms must have a critical mass of “visibly” diverse persons (Yoshino, 2006; Orlando, 2002). This mitigates tokenization, which can reduce benefits and foster resentment on all sides. Finally, cultural diversity yielded benefits more often when the firm’s diversity policy was directly related to its goals and bottom line, and this message was clearly and directly communicated by its leadership (Page, 2007; Kochan, et al., 2003).

### **Harnessing Diversity to Enhance Effectiveness**

The experiences of our colleagues in the business workplace have many lessons for institutional philanthropy. The sheer time and money devoted to diversity by the various businesses studied imply that diversity adherents in philanthropy need to be both patient and bold if they are to reap the full benefits of these efforts.



After studying and justifying the costs for instituting and managing diversity programs, however, several different authors concluded that businesses must address diversity regardless of the cost (Richard, 2002; Kochan, et al., 2003). Because the world we live and work in is diverse, it is a societal expectation that cannot be ignored.

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### About Ricardo A. Millett

Ricardo A. Millett, Ph.D., is currently the principal of his company Millett & Associates, providing program evaluation and strategic planning consultant services to foundations and non-profits. Formerly, he was the president of the Woods Fund of Chicago where he spent five successful years developing and implementing a strategic grantmaking plan for the foundation to respond to the needs of Chicago's least advantaged communities. He brings over 40 years of experience in program evaluation, community and public policy planning and research to his role as a consultant. Prior to the Woods Fund, Millett was director of Program Evaluation for the W.K. Kellogg Foundation, where he monitored the development and implementation of evaluation strategies for Foundation programming.

Jessica Chao and Meghna Shah are currently on staff at Rockefeller Philanthropy Advisors.



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