

ACCESSING NEW TALENT TO ENHANCE DIVERSITY AND EFFECTIVENESS IN PHILANTHROPY

by

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INTRODUCTION

In our rapidly changing world, it is imperative for institutions that want to maintain their effectiveness to manage their human resources better than ever before. Diversity is an increasingly important though still under-valued imperative in this context. Diversity is ultimately about valuing differences in ways that enhance the overall capacities and performance of organizations. It involves expanding the skill sets and professional assets available to organizations, as well as the perspectives and outlooks that drive their decision making.

Unfortunately, many institutions still lack an appreciation of diversity's import to their work and sustainability and, therefore, are doing little if anything to address the issues. As a result of their inertia, however, such organizations are risking diminished relevance and impact in the future that awaits us. Despite their social charge, many foundations and nonprofit organizations can be included among organizations that do not value diversity highly. In order for this to change, such entities and their leaders will need to reorient their established assumptions and organizing frameworks. They will also need to engage new and different kinds of talent to help them through the many demographic, cultural and economic challenges that are redefining the national and global landscapes affecting their work.

This commentary is intended to highlight strategies that foundations of various kinds can employ to enhance their prospects of success in the evolving environment of change that surrounds all of us. It is a response to several important questions that Diversity in Philanthropy Project leaders have asked me and other diverse executive search leaders to address as part of an effort to improve practice in the very important but often underplayed arena of talent identification, recruitment and management.

Following are thoughts and reflections that I hope can help interested philanthropy practitioners to better comprehend the major challenges and opportunities they face looking ahead, where diversity and effectiveness issues are concerned.

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DIVERSITY'S IMPORTANCE AND COSTS

Given current demographic and social trends, it stands to reason that the more diverse perspectives foundations can draw on, the more likely they are to achieve desirable results on the key issues they care about. By contrast, the narrower the focus, views and cultural comprehension of private grantmaking organizations and their leaders, the less likely they are to achieve significant, excellent or responsive results.

Recent data on diversity in philanthropic sector appointments and grantmaking suggest that many foundation leaders question the value of diversity.² Anecdotal evidence suggests that such leaders are often driven by misplaced assumptions that predispose them to negative conclusions about the value of diversity. Some are convinced that their long established ways of doing business will continue to “work” even given a changing social landscape that increasingly suggests otherwise. Some believe that diverse talent is simply too complicated or too expensive to secure, or that the best diverse candidates for jobs and appointments in the field are simply not interested in philanthropic service.

Such false assessments, however, ironically often end up costing foundations more complication and money than would be the case if they were to embrace diversity. In my firm's experience, for example, foundations that don't appreciate the opportunities and imperatives diversity offers tend to have less success achieving their intended impacts on important issues that affect diverse groups, whether the field of focus is health or community development, education or the arts. They are also less likely to attract the decision making and implementation talent that would help them do better on the issues. Finally, where such institutions do occasionally place diverse individuals on their boards or staffs, they are more likely to experience irreconcilable conflicts, which typically result in damaging and expensive turnover problems.

Foundations that embrace diversity tend to have fewer problems of these kinds. They also tend to be more effective and to gain greater access to pools of talent and perspective that reinforce their capacity to make a difference in their primary areas of concern. On balance, such organizations experience fewer turnover problems. They also appear to be better suited to learn about and respond to unconventional, but ultimately more effective ways to address social problems affecting multiple communities in their given interest areas.

In the current environment, it is thus a matter of responsible stewardship and economy for foundations to be more rather than less inclusive in all aspects of their work.

² For example, important reports produced in 2007 and 2008 by foundation watchdog groups like the Greenlining Institute of Berkeley, CA (www.greenlining.org) and the Washington, DC-based National Committee for Responsive Philanthropy (www.ncrp.org) underscore these points, providing data to substantiate their claims. While these organizations' reports have drawn criticism from many organized philanthropy leaders, even the highly respected Foundation Center (www.foundationcenter.org) has recently produced its own findings showing only slightly better foundation performance on the issues in recent years.

STRATEGIES THAT WORK

Philanthropic organizations that excel, particularly in relation to diversity and effectiveness, typically do so in part because they are thoughtful and intentional about their talent recruitment and retention. Often they retain outside experts to assist them in accessing talent, rather than limiting their focus to only a select and highly conventional pool of candidates.

Some of the key strategies used to advance institutional diversity and effectiveness by more successful philanthropies that my firm has worked with over the years include the following:

DEVELOPING AND CULTIVATING ROBUST INFORMAL RELATIONSHIP NETWORKS

Successful philanthropies and their executive search consultants work hard to increase access to talent of all backgrounds through aggressive networking efforts. They seek out relationship building opportunities and develop informal feedback mechanisms that help them to identify talent. They also tend to be committed to going beyond usual sources to ensure diversity in their candidate pools and the skill sets those pools help them to access. Generally, this requires foundation leaders and their search counsel to develop relationships with diverse leaders and professionals outside of their normal range of contacts. In these connections, more effective philanthropic institutions and executives coordinate closely with their executive search counsel to avoid making such contacts merely incidental or cyclical as openings occur. Rather, they maintain open and ongoing contact with diverse sourcing networks and thereby develop more meaningful and trustful relationships with their sources that help them to achieve deep, rather than merely superficial, connections on the ground.

KEEPING AND TRACKING RECORDS OF HIGHLY QUALIFIED CANDIDATES

High performing institutions and leaders committed to diversity also develop effective systems to acquire and periodically review informative records on candidates' various backgrounds for board and staff appointment consideration. Often with support from executive search professionals, they take the time to organize and analyze these records in ways that maximize their readiness to acquire needed and desired new talent as opportunities arise. By systematizing their records leading philanthropies and independent sector search professionals are better situated to identify and seize diverse placement opportunities as they arise within the field.

WIDENING THE LENS BEYOND TRADITIONAL CREDENTIALS AND QUALIFICATIONS

Finally, independent sector executives who are committed to increased diversity incorporate a broad perspective on what constitutes competitive credentials and qualifications for the positions they seek to fill.

Historically, foundation decision makers have concentrated their talent screening on elite notions of standing to be considered for board and staff position openings. Typically, consideration has required certain demonstrated levels of degree or credential attainment

at impressive educational institutions or prior placements in comparable philanthropic job or board positions. Baseline requirements of this kind, however, effectively push out both proven leaders who -- owing to many factors, including past exclusion -- happen to lack such purported indicators of success, as well as emerging leaders who demonstrate real talent but also lack the attendant markers of conventional placement 'reliability.' This is one of the primary issues that has precluded people of diverse backgrounds from achieving senior-level foundation and independent sector governance and employment.

More forward looking foundations cast a broader net to capture the talent they seek and require. They comprehend the meaning of relevant talent through a wider lens of considerations extending beyond conventional credentials. In effect, they are less concerned about rote qualifications and past field experience issues, as such, than they are about whether a given candidate's overall experience and demonstrated performance in comparable circumstances indicate a likelihood of success going forward. By calibrating their considerations in this way, foundation leaders are able to expand their talent pipelines, often in dramatic ways.

THE DIFFERENCE DIVERSITY MAKES

There is little hard evidence that diversity appointments are necessarily superior to more conventional hires or appointees in philanthropy or elsewhere; but clear anecdotal evidence suggests that more diverse organizations tend to be able to produce better and more informed work. From a recruitment and retention standpoint, my firm's experience in this work suggests that it is comparatively much easier for diversity-conscious institutions to attract the most high-quality diverse leaders and professionals to their ranks and to retain them for longer periods of time once they get there. Certainly, in our experience, few diverse candidates of the highest quality are prepared to commit their talents to organizations that do not fundamentally value or promote diversity.

PRE-CONDITIONS OF SUCCESS

In general, it is best for foundations that wish to improve their effectiveness through increased diversity to approach this work in a professional and intentional manner. Earlier, I commented on the importance of establishing diversity-focused outreach and recruitment systems. In addition to these strategies, my firm's experience underscores the importance of developing standard policies and procedures that reinforce, rather than limit the organization's prospects to achieve and sustain diversity. In the best cases, policies incorporate diversity recruitment and performance goals. They also include professional advancement, vesting and compensation benchmarks that reflect the organization's commitment to diversity and inclusion. Finally, leading organizations supportive of diversity implement board and staff training and technical assistance that reinforce the organization's inclusivity aims.

Even where an organization lacks such systems, however, it can move the dial in these areas in positive ways if its leadership is genuinely committed to doing the work. Often, even organizations that are entirely new to diversity work can achieve positive results if they are willing to commit themselves fundamentally and make essential up front

investments to build their capacities in this area. Honest commitment is the key here. Contingent commitments, such as, ‘so long as we have the resources to support it,’ or ‘so long as we have the board’s endorsement of this approach,’ are generally indicators of organizational reticence that ultimately undermine real gains on the issues.

DO’S AND DON’TS

As suggested above, clarity and transparency about organizational readiness and real commitment to take on diversity in a meaningful way are the essential imperatives for foundations that ultimately want to succeed in this area. To be effective in and through this work, foundations must reflect deeply on issues that are complex and often novel. They must be prepared to consider questions of organizational culture and candidate fit, the degree to which they are comfortable with power sharing, and the extent to which they are prepared not only to talk about but also to practice equity in the workplace.

I have already mentioned the importance of establishing clear and thoughtful systems, policies and procedures to support this work from the recruitment through the employment phases of organizational life. In addition, when foundation staff or appointees leave the organization, exit interviews can also be very useful mechanisms to establish an informational framework that helps organizations better identify ways to improve their hiring and appointments practices with an eye toward making diversity work. By asking outgoing personnel how their experiences may have led to greater personal and job satisfaction, as well as effectiveness, foundation leaders can glean essential information about how to make necessary institutional improvements that can lead to better outcomes.

THE ROLE OF THE EXECUTIVE SEARCH PROFESSIONAL: FINAL THOUGHTS

As an African-American, female executive search professional, I am aware of my relatively unique opportunity to help educate and inform my clients on diversity issues, whenever that is appropriate. Indeed, executive search professionals who do their jobs well are in a position of confidence and influence in the work they do with their clients. Though in this role it is always necessary to acknowledge it is the client that must ultimately own the agenda, I typically feel I can help my clients to better address diversity issues. Often just by raising certain questions or issues during the course of our engagement, I can help to move an institution to appreciate the value of diversity in its work in ways they may not have considered before I came into the picture. By asking them basic things about the kinds of goals or systems they have in place related to diversity or by seeking their guidance on the extent to which diversity could be an added value in their work, I can typically tease out a case for the organization elevating diversity as a priority.

At the end of the day, however, it all depends on the organization’s particularities and needs. If institutional leadership is pre-disposed to want more diversity, my job in helping to make it happen is substantially easier. If the institution is resistant to or otherwise reticent about diversity concerns, it can quickly become counterproductive for

me to impose an inclusive hiring agenda in my consulting role. It really all depends on the client and its values and needs.

CONCLUSION

In closing, as the principal of a small, boutique executive search firm, I am compelled to offer an additional observation on the issues that I hope will warrant consideration by foundation executives interested in the issues. Often larger foundations and nonprofits feel compelled to hire only very large search firms to conduct their key talent searches. Perhaps they feel that such partnerships help to secure more quality candidates or that the hiring decisions resulting from the recommendations they receive from large search firms will better inoculate them from public criticism related to their selections. There is some merit to these sorts of considerations but also a danger in standardizing them to the extent that smaller, more specialized and minority-owned firms like mine are structurally excluded from playing a larger role in facilitating philanthropic sector diversity.

I would argue that assuming that a bigger search firm is necessarily a better one is a mistake. For a variety of reasons, successful diversity appointments tend to be more difficult to secure than traditional hires. As my earlier observations here indicate, diversity recruitment typically takes more targeted networking and a more sustained investment of time and energy than a more conventional search process requires. Diversity recruitment requires more knowledge about and access to talent pools falling outside the usual band of suspects. It depends more on trusting relationships that are difficult to create overnight. It requires more established search professionals to walk on less familiar and less heavily traveled roads to secure the talent clients seek.

Often, it is only smaller scale search entities with deep-rooted histories in diverse communities that are positioned to identify and attract successful diversity candidates for philanthropic sector leadership positions. It is very important then for foundation leaders committed to increased diversity to avoid assuming that only large and more established search firms are suited to help them in this work. Indeed, there are many smaller and more nimble firms serving the independent sector that specialize primarily in diversity recruitment. The foundation community would do well to work more strategically with this segment of the executive search community in order to achieve more diverse organizations.