

INSIDE INCLUSIVENESS:

RACE, ETHNICITY AND NONPROFIT ORGANIZATIONS



A research report on nonprofit
organizations in Metro Denver
prepared for The Denver Foundation's
Expanding Nonprofit
Inclusiveness Initiative

EXECUTIVE SUMMARY



THE DENVER FOUNDATION



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The full report of the information contained in this executive summary was prepared by Katherine Pease & Associates for the Expanding Nonprofit Inclusiveness Initiative (ENII) steering committee, and is available at www.denverfoundation.org.

INTRODUCTION

The Expanding Nonprofit Inclusiveness Initiative (ENII) is a project of The Denver Foundation, led by a steering committee of community leaders from throughout the seven-county Metro Denver area.

Through its grantmaking work and conversations with leaders in Denver's nonprofit sector, The Denver Foundation discovered a widespread community interest in developing a deeper understanding of how inclusiveness of diverse voices and experiences enhances and expands the work of nonprofits. The Denver Foundation Board of Trustees established ENII as a vehicle to help the community benefit from an increased knowledge of and commitment to inclusiveness. The mission of ENII is to enhance the effectiveness of Metro Denver's nonprofit organizations by helping nonprofits become more inclusive of people of color.

While the ENII steering committee and The Denver Foundation recognize that all forms of inclusiveness are essential, the focus of this initiative is on issues of race and ethnicity.

Research on Inclusiveness

The purpose of this research is to emphasize the value of inclusiveness of multiple cultures and perspectives, and to provide insight into the practices that foster inclusiveness. The purpose is not to prescribe numerical targets for racial and ethnic diversity in organizations. Many organizations already value inclusiveness. The Denver Foundation hopes that the information and reflections here will provide nonprofits with assistance developing their own inclusiveness practices.

ENII is currently preparing to develop a set of tools that will help organizations implement the findings of these studies. Visit The Denver Foundation's website at www.denverfoundation.org for more information.

About The Denver Foundation

The Denver Foundation is a community foundation working with local donors to improve life in the seven-county Denver metropolitan area through philanthropy, leadership, and strengthening the community.



Summary of Methodology

In the fall of 2002, ENII surveyed 210 nonprofits with budgets over \$500,000 about their inclusiveness practices, and performed in-depth case studies of 11 organizations. The research is summarized here. Full reports on both the survey and the case studies are available upon request or at The Denver Foundation website, www.denverfoundation.org.

What is inclusiveness?

Organizations that have both higher numbers of people of color represented at all levels, and that have created an environment that is positive for all people, are organizations that will be best equipped to accomplish their missions in the twenty-first century. These are organizations that are defined as "highly inclusive."

Highly inclusive organizations are aware of different cultural nuances, and they use this awareness to plan and implement programs. Highly inclusive organizations understand that people do not respond the same way to messages, and that it is important to communicate in culturally sensitive ways with people from different backgrounds. Highly inclusive organizations develop internal systems to help bridge cultural gaps between people from different communities, and try to ensure that all voices are listened to and that all backgrounds are respected.

Why is inclusiveness important?

As the United States has grown increasingly ethnically diverse, many in the corporate sector have come to realize that inclusiveness of communities of color is no longer just "the right thing to do" – it is now both a moral and a business imperative. Similarly, this report demonstrates that highly inclusive nonprofit organizations also understand that becoming inclusive truly makes a difference in their ability to accomplish their missions.

"The organization needs to have diversity to have the information, guidance and support needed to respond to the rapidly changing dynamics of the community."

— Case study participant



BEST PRACTICES AND BARRIERS

Becoming a highly inclusive organization is an exciting, rewarding process that takes time and commitment. True cultural shifts happen when a number of *best practices* are in place, but can be derailed when certain *barriers* come into play.

Best Practices

BEST PRACTICE #1: *The CEO of a nonprofit organization almost always establishes the level of commitment, the attitude, the pace, and the behaviors related to an organization's overall inclusiveness practices.*

In case studies of highly inclusive organizations, either a founding CEO or new CEO with a strong commitment to inclusiveness had dramatically influenced the organization's culture.

It is important to note that the race or ethnicity of the CEO is not a major factor affecting an organization's inclusiveness practices.

- *Having a CEO of color may not guarantee commitment to developing a more inclusive organization solely on the basis of the CEO's ethnicity.*

The case studies revealed that highly inclusive organizations have either white CEOs or CEOs of color.

- *Though the race or ethnicity of an organization's CEO may not be the salient factor affecting inclusiveness levels, it is still a factor.* White CEOs may benefit from a perception that they are leading the effort because it is "good for the organization." CEOs of color may be subjected to a perception that they are engaging in the work only because it could be beneficial for them and their ethnic community. On the other hand, organizations with CEOs of color may benefit from a perception that the CEOs of their organizations are more knowledgeable about communities of color and have a greater expertise about race and ethnicity than White CEOs.

The role of a **board of directors** in influencing change is also significant, but is **limited by the CEO's attitude and behavior** regarding inclusiveness practices.

- One of the most important actions a board can take is to institutionalize the change it envisions by hiring a CEO who reflects the board's commitment to inclusiveness.



BEST PRACTICE #2: *The most important quality that is found in leaders of organizations that are highly inclusive is that these leaders take a long-term, holistic approach to inclusiveness and integrate it into all of the work of the organization.*

Case studies demonstrate that organizations taking an integrated approach to inclusiveness:

- examine how their *programs* are designed and implemented;
- look at how they *recruit, retain and treat* diverse staff and board members; and
- nurture an inclusive organizational *culture and environment*.

In essence, these organizations embrace core values of inclusiveness in all that they do. Rather than considering inclusiveness to be one more thing that has to be done in a busy day, it is a fundamental part of the everyday work so, it is neither perceived as a burden nor an additional responsibility.

Use of Trainings and Consultants

Organizations will often undertake trainings and hire consultants to help them address issues of diversity and inclusiveness. The research shows that these efforts *must be incorporated into an organization's long-term commitment* to making inclusiveness a part of its culture. One-time events or isolated efforts may even have a negative impact.

- The addition of consultants will only be successful if leadership has a sustained commitment to becoming more diverse.
- If race-related training (or "diversity training") programs are carried out in isolation, the impact can either be negligible or, in some cases, can even be negative.

BEST PRACTICE #3: *Highly inclusive organizations recognize that people of color represent every socio-economic class and bring with them a variety of assets that will be valuable in achieving the organization's mission.*

Highly inclusive organizations understand that most communities of color hold strong community and family values and are deeply philanthropic, though not always in ways that are recognized by the majority of the non-profit community.

Recent research shows that African-American families in Denver are slightly more philanthropic than White families, according to a study of itemized charitable deductions. (*Chronicle of Philanthropy*, May 1, 2003)

Communities of color may also represent new markets for organizations, such as arts and culture groups that seek community participation or attendance for their programs.



BEST PRACTICE #4: *Inclusive nonprofits benefit from having a staff that is able to effectively communicate with constituent groups and the public. Developing an inclusive staff requires a concerted effort to recruit and retain staff members of color.*

- **Recruitment:** *Highly inclusive organizations make a concerted effort to reach out to communities of color in the hiring process.* This goes beyond simply advertising in newspapers aimed at specific ethnic groups. In some cases, recruitment efforts build on reciprocal relationships with other nonprofits serving or involved with communities of color.
- **Retention:** *Once a diverse staff is recruited, retaining staff members does take work. However, most of the work is no different than other good management practices.* One of the most important retention factors is ensuring that employees of color understand that leadership is committed to creating a healthy work environment for all staff.

Organizations also benefit from *formalizing performance review and professional development programs*, giving all staff a clear sense of their standing within the organization and concrete information about their future career opportunities.

BEST PRACTICE #5: *Inclusive nonprofit organizations develop their programs with an awareness of people from different cultural backgrounds.*

The research identified three different approaches used by nonprofits to develop programs that reach and serve constituents:

- **Universal and Inclusive:** Programs are developed with an awareness of the needs of people from different cultural backgrounds.
- **Specific to Communities of Color:** Programs are developed for particular racial or ethnic populations.
- **One Size Fits All:** Programs are developed for an organization's client base without consideration of the needs of diverse populations.

Highly inclusive organizations within the case studies indicated that they design programs that are mostly Universal and Inclusive and programs that are Specific to Communities of Color. Organizations that are not very inclusive typically create One Size Fits All programs and in some instances, design programs that are Specific to Communities of Color.

- Organizations transitioning from being only minimally inclusive to highly inclusive often develop *programs that are Specific to Communities of Color.*



- *Developing Universal and Inclusive programs is a two-way process,* offering communities of color an opportunity to learn about an organization while also providing organizations an opportunity to hear and learn from communities of color.

Barriers

BARRIER #1: *The most significant barrier to inclusiveness that organizations face is the perception that the focus of their work is not relevant to communities of color.*

Highly inclusive organizations have found that they can overcome these concerns by collecting objective information on perceptions that people of color may have about their organizations and setting out on a deliberate course to respond to the information they gather.

BARRIER #2: *Being “color blind” does not work.* People in leadership positions sometimes believe that the most important contribution that they personally can make to create a more inclusive culture is to be “color-blind”. These leaders do not concern themselves with an individual's race or cultural background and evaluate an individual's potential or real contribution solely on how well he or she can “do the job”.

However, *many nonprofit jobs do require an awareness of and sensitivity to the needs of diverse communities.* The Denver Metro community is tremendously diverse and there are cultural nuances in how different communities respond to programs, performances, messages, behaviors, etc.

Inclusive leaders recognize that culture matters when providing services or engaging in advocacy work or creating cultural or artistic experiences. Creating a more inclusive culture requires paying attention to race, ethnicity and culture rather than turning a “blind eye” to these differences. Inclusive organizations will often keep positions open for individuals who can foster a deep connection with a particular community. Those hired need not be people of color, but must have an understanding of diverse communities.

BARRIER #3: *Leaders of organizations that have been less successful in their efforts to become more inclusive often fail to recognize the human resources around them. More specifically, organizations sometimes fail to recognize that they have potential board and staff members of color all around them, among current constituents and volunteers.*

BARRIER #4: Nonprofit organizations with board and board leadership terms that are either very short or very long have the most difficult time implementing changes to inclusiveness practices.

Nonprofit boards of directors vary widely in culture and operating norms. Research uncovered only one structural characteristic of boards that struggle with inclusiveness: their terms of service are either very short or very long. If membership on a board turns over too quickly, directors cannot make lasting change, while a board with lengthy terms may experience inertia that keeps new ideas from forming.

THE LANDSCAPE: QUANTITATIVE RESEARCH

The following information summarizes the quantitative research performed by The Denver Foundation related to inclusiveness practices at 210 organizations in metro Denver. For a complete report on the quantitative data, see The Denver Foundation's website at www.denverfoundation.org.

Numerical Representation of Communities of Color

Numerically, African-Americans, Asian-Pacific Islanders, and Native Americans are proportionally represented in metro-Denver nonprofits. However, though it is the metro area's largest community of color, Latinos are significantly underrepresented both on boards and staffs.

Only 13% of nonprofit staffs and only 7% of nonprofit boards are Latino/Chicano/Hispanic, compared to 17% of the population in Metro Denver.

Interest in Inclusiveness Practices

Most organizations are interested in learning about how to become more inclusive. Fifty-eight percent of respondents were interested in designing a comprehensive diversity strategy; 28% of respondents volunteered for in-depth case studies about their inclusiveness practices.

Inclusiveness and Leadership

A large number of nonprofit boards of directors are not at all inclusive. Twenty-five percent of nonprofit boards have *no board members of color*.

Larger organizations are less likely to have a CEO of color. The greater the size of the operating budget of an organization, the less likely an organization is to employ a CEO of color.



CASE STUDY PROFILE: CATHY PHELPS DENVER VICTIMS SERVICE CENTER

"Inclusiveness and diversity go beyond hiring people of color." When Cathy Phelps became CEO of the Denver Center for Crime Victims (formerly Denver Victims Service Center), she felt that both her staff and her Board of Trustees believed that inclusiveness was something it "had to deal with". Now, years later, her staff and Board understand that cultural awareness and inclusiveness are values to "embrace and respect".

Today, over fifty percent of the Center's staff are people of color. Spanish speaking clients can now speak in their native language when they explain how they have been victimized. Staff respect and build upon the assets that their own backgrounds and the diversity of their clients provide. Sixty-three percent of the Board of Directors are also people of color. With this amazing transformation, lead by a CEO with a clear vision and commitment to inclusiveness, it's not surprising that in 2002 the Martin Luther King Business and Social Responsibility Committee honored the work of Cathy Phelps and the Denver Center for Crime Victims with the Business and Social Responsibility Award.



CASE STUDY PROFILE: DAVID FLETCHER-JANZEN DEVEREUX CLEO WALLACE, COLORADO SPRINGS

At Devereux Cleo Wallace, working to instill value for diversity has helped foster cultural sensitivity in working with young people who have emotional, developmental and educational disabilities. Devereux Cleo Wallace's Colorado Springs campus is a residential mental health treatment facility. In the last few years, David Fletcher-Janzen has been involved in promoting diversity and inclusiveness in the organization's culture.

David, who is the administrator at the Colorado Springs campus, knew that embracing inclusiveness would help employees better serve the clients placed in their care, by helping them better understand young people and their families.

"Inclusiveness is so important in any workplace, and here it extends to the work we do with our clients," said David. "When I joined Devereux Cleo Wallace, I was excited to be able to bring my own personal commitment to this issue."



NEXT STEPS

The Denver Foundation and ENII have developed a set of questions related to the Best Practices and Barriers identified in our research. The Foundation and ENII hope these recommendations will help organizations begin to assess their activities, and prepare for the work of becoming increasingly inclusive.

- **If you are the CEO of a nonprofit organization, have you developed and expressed your own commitment to inclusiveness?**
- **Has your organization developed a long-term, integrated approach to inclusiveness?**
- **Have you considered the assets and markets that communities of color could bring to your organization?**
- **Have you recruited and retained a staff that represents and can effectively communicate with your constituents?**
- **Does your organization implement programs that are Universal and Inclusive and/or Specific to Communities of Color?**
- **Do you know how communities of color understand your mission and your work?**
- **Have you investigated the cultural nuances of your programs and services?**
- **Have you assessed existing resources for developing inclusive leadership in your organization, including volunteers and clients?**
- **Does the structure of your organization's board of directors lend itself to developing inclusiveness?**

ENII is preparing to develop a set of tools to help organizations effectively develop inclusiveness practices. Please check the Foundation's website www.denverfoundation.org for the most recent information.



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