

# Is Your Foundation Board Leveraging the Power of Differences?

**DISCUSSION GUIDE & SELF-ASSESSMENT**



To effectively address the complex problems of a changing world, today's foundation needs governance that drives innovation and efficiency and includes the different voices and perspectives of the communities it serves. Research shows that embracing differences and breaking down barriers that keep people from bringing their unique perspectives and experiences and full range of talents and skills to their work can stimulate innovative strategies, strengthen relationships, and improve outcomes.<sup>1</sup>

To help foundation leaders and their boards begin essential conversations about the power of differences and determine the extent to which their board's composition and operational practices embrace and empower differing voices, the Council of Michigan Foundations (CMF) developed this discussion guide and self-assessment. Building on extensive research and the experiences of some exceptional member foundations, it can be a useful tool for foundation boards at any point in their journey toward leveraging the power of differences.



There is no 'right' answer on diversity that is appropriate for all organizations. The discussion about diversity is itself an important process through which a board can consider in what ways diversity may be important in achieving its mission and engaging with diverse communities."<sup>2</sup>

— JAN MASAOKA, CEO, CALIFORNIA ASSOCIATION OF NONPROFITS

## DISCUSSION GUIDE SUGGESTIONS FOR USE

1. Distribute copies (without the assessment tool) to all board members, asking them to read and prepare to discuss its content in a "Conversation about the Power of Differences."
2. During a regularly scheduled board meeting or annual retreat, block out time for the conversation. Have your board chair encourage all members to attend and participate.
3. If possible, bring in a professional facilitator experienced in leading discussions on difficult issues.
4. At the start of the conversation, create an environment for honest and open discussion by establishing (or reiterating) some basic ground rules such as:
  - Listen to understand; speak to be understood.
  - Only one person speaks at a time.
  - Consider new ideas and different perspectives.
  - Full participation; every voice heard.
5. Encourage participation by all with directed, open-ended questions.
6. Facilitate interaction among trustees by asking for responses to individual viewpoints.

## ASSESSMENT TOOL SUGGESTIONS FOR USE

1. After reviewing the discussion guide as a group, have each board member complete the assessment tool anonymously.
2. Compile the findings for a candid picture of your board's sense of its current capacity for harnessing the power of differences within its membership.
3. Visit the CMF website to identify Learning Service programs, reports, and tools that can help your board move forward.

## Discussion Guide

### Is Our Board Leveraging the Power of Differences? Let's Talk.

Research shows that groups that recognize and use the power of differences (in everything from race, age, ethnicity, and gender to education, socioeconomics, personality type, and thinking style) generally outperform those that don't.

As part of ensuring that we are doing all we can to continuously improve our performance as a foundation, we want to discuss how we view and approach differences as a board. The goal is to think about our current capacity for harnessing the power of differences.

Please read the following discussion guide thoroughly and thoughtfully. Take notes on your questions, thoughts, and ideas, and be prepared to share. Be as open and honest as you can.

## 1. Understanding

### Our board values differences.

#### Why it matters

"A board composed of directors representing a range of perspectives leads to an environment of collaborative tension that is the essence of good governance. In a room where everyone has different points of view and there is a greater opportunity for cross-pollination of ideas, there are fewer unspoken assumptions, less 'group think,' and a greater likelihood of innovation."<sup>3</sup>

In *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, University of Michigan economist Scott Page presents research proving that groups of people representing different backgrounds, genders, cultures, and thinking styles are better than homogeneous groups at solving problems.<sup>4</sup> This finding has huge implications for foundation boards, where understanding the communities the foundation seeks to serve is essential to effective governance.

#### What it looks like

The Battle Creek Community Foundation (BCCF) serves a diverse population in a region grappling with unemployment, poor education outcomes, and a housing market that has not rebounded from the 2008 crash. Although BCCF has always maintained "a mix of diversity and field makeup" on its board of trustees, President and CEO Brenda Hunt says that board composition that keeps governance "grounded in the realities of the community" has taken on a new urgency in recent years. "It will be the developmental grace, the future of the foundation to keep it anchored there."

BCCF's Ambassador Program, designed to engage community grassroots leaders and provide a path to board membership, along with term limits and a recruitment matrix that focuses on skill sets and experience as well as gender, age, education, and race, has resulted in a current board of 17 representing a mix of young and old, high school graduates and Ph.Ds, and white, Asian, African American, and biracial trustees.

"If we had our board makeup of the 90s with the demographics we have today, there would be a disconnect between the community and the foundation," Hunt explains. "We're just beginning to garner the benefits of a more diverse board, with values and leadership and a trust level that is much different."

#### How to talk about it

- Do we all believe that our work benefits from the varied experiences and perspectives of our trustees?
- Do we actively solicit and act on different perspectives based on our belief?
- Is that belief reflected in our strategic initiatives?

## 2. Commitment

Our organization is committed to ensuring and sustaining differences.

### Why it matters

“Meaningful change in board composition, dynamics, and culture will not occur overnight. It takes time and commitment. Creating a climate for change through ongoing communication and engagement of the board in the process will help sustain your efforts and overcome resistance along the way.”<sup>5</sup>

### What it looks like

In 2007, the board of trustees at the W.K. Kellogg Foundation (WKKF) answered the question “Do we sincerely believe racial equality to be a barrier to improving the lives of children?” by publicly declaring the foundation an anti-racist organization. This commitment to equity extends to board composition and grantmaking practices.

“Diversity is not a concept, but a commitment,” says WKKF Trustee Rick Tsoumas. “We have an extremely diverse boardroom that provides a safe environment in which to talk about race.” WKKF trustees are selected for their commitment to racial equity as well as “for their life experiences relative to the communities we serve. Unless we include and reflect the authentic perspectives and voices of the communities we work with, we won’t be successful.”

As an example of the board’s commitment to leveraging the power of differences, Tsoumas points to its budget-allocation practices. “We look through two lenses: community engagement and racial equity. All of our grants are reviewed for the presence of a commitment to equity and a focus on doing things ‘for’ and ‘with’ rather than ‘to’ the community.”

### How to talk about it

- When it comes to valuing differences, do our trustees “walk the talk?”
- Does our board membership reflect the demographic makeup of the communities we serve?
- Is our boardroom a place in which it feels safe to talk honestly about differences?

## 3. Conditions

Our board operates in ways that express our commitment to leveraging differences.

### Why it matters

In *Us + Them*, author and Harvard lecturer Tod Pittinsky contends that differences are more likely to have positive impacts on performance within the context of positive attitudes and emotions.<sup>6</sup> A governing body needs to create conditions in which differences are not ignored or treated as obstacles to moving forward, but are recognized and celebrated as occasions for learning and growth.

In the right environment, board members view differences as opportunities to learn from each other. This can be done by implementing policies and practices that support a culture of mutual learning and cooperation and by identifying and reinforcing norms that encourage open and honest dialogue.

### What it looks like

The Grand Rapids Community Foundation (GRCF) has long valued its diverse board of trustees. “The community foundation has to understand the community to get its job done,” says Board Chairman Paul Keep. “The more diverse you are, the more people you can reach out to and the greater work you can do in the community.”

At GRCF board meetings, the subject of differences is always on the agenda. “We revisit it with every grant, every discussion,” Keep says. “But it’s not just lip service. I’ve been on boards where everybody knows it’s expected that you talk about it. But here it’s more than talk; we live it every day.”

As an example of the board’s commitment to leveraging the power of differences, President and CEO Diana Sieger points to GRCF’s Community Action Committee, a purposefully diverse grantmaking committee chaired by Keep. “We established it to balance our current staff of program officers which is skewed to white, middle-class females. When a grant is recommended to the board for approval, the committee chair will highlight what contribution it will make in terms of inclusion. This has had a positive impact on how decisions are made and the quality of our grantmaking.”

### How to talk about it

- Do we tend to view differences as problems or as opportunities?
- Does our board hold itself accountable for soliciting and including a variety of viewpoints?
- Does it feel “safe” to talk honestly about differences in our meetings?

## 4. Resources

Our board has allocated sufficient time and funds to creating and sustaining a boardroom culture that values differences and fosters inclusion.

### Why it matters



When considering change, we tend to associate the costs with the new way of doing things. But it's more important to study the costs of not doing the new thing. If a board identifies specific, significant costs of the status quo, it is more likely to be motivated in seeking change."

— BILL RYAN, COAUTHOR OF GOVERNANCE AS LEADERSHIP: REFRAMING THE WORK OF NONPROFIT BOARDS<sup>7</sup>

To keep pace with the changing dynamics that today's foundation faces, its board of trustees must constantly challenge itself by enabling a robust dialog of differing views. Time and resources invested in leadership development and planning for the future yield significant benefits in terms of effective decision-making.

### What it looks like

According to Board Chair Si Johnson, the boardroom at Kalamazoo Community Foundation (KZCF) "is a safe environment populated by 'high-courage' people. No board member would hesitate to speak his or her mind; folks are exhilarated by different points of view. As you observe the interpersonal dynamics and listen to the conversation, people are genuinely curious about digging into others' points of view."

This was not always the case, says President and CEO Carrie Pickett-Erway. "In prior years, board discussions followed a pattern of 'point, counterpoint, vote.' Today's culture allows the board to share diverse perspectives and find common ground for moving forward."

Building a board that works this way "takes a lot of time and intentionality," says Pickett-Erway. "It's a constant part of our conversation: what the bench looks like and whether it reflects community." Starting the search for candidates a year in advance has also worked well for KZCF. Johnson notes that the foundation is "becoming more intentional about using the Community Investment Committee as a potential pipeline to the board." He sees "great appreciation for lively debate" as an important quality in trustee selection, essential to "protecting the culture we have."

### How to talk about it

- Does everyone here have opportunities for education and professional development?
- Do we invest in programs that promote inclusiveness in the community?
- Are we devoting adequate resources toward recruiting for differences?

## All in the Family: Leveraging Differences on the Board of the Frey Foundation



Projects with a broad base of community support from the outset have the greatest chance to succeed. As part of a collaborative funding process, we become one of many voices at the table, which ensures that each venture is studied from several angles. It's a vigorous approach that engages both public and private funders and results in stability and sustainability for projects and programs of all sizes."

— STEVE M. WILSON, FREY FOUNDATION PRESIDENT

Established in 1974 and permanently endowed by the estate of Edward and Frances Frey, the Frey Foundation is one of Michigan's larger family foundations. For many years, the board of trustees consisted of three brothers, sons of the founders. Over the past three years, the size of the board has tripled to include six next-generation family members, creating a "wonderful mix of energy at board meetings," according to foundation President Steve Wilson.

Noting that the new trustees—three men and three women—bring a "new perspective and fresh eye to the grantmaking and business side" of foundation governance, Wilson adds: "It's good for the community for the foundation to think about leadership transitions that provide continuity. They are striving to model a best practice in family philanthropy."

One important outcome of the new board composition is an increased focus on leveraging the power of differences within each of the foundation's four program areas: to enhance child development, protect natural resources, promote the arts, and build community. Broadening the board within a family context has generated more discussion in the boardroom about diversity and inclusion as it relates to the foundation's mission and values as well as grantmaking practices.

The foundation has "a long history of working collaboratively with other funders in the state," Wilson says, and recently that collaboration has resulted in "a lot more data gathered and analyzed and brought forward to the board. As we disaggregate this data we see the racial and economic disparities in the communities we serve, and we're focusing on how those issues impact a program area like early childhood or building community."

Although "it's still a family at the end of the day," Wilson has noted "some brand-new dynamics that were never in the boardroom before. For example, conversations around the program area of early childhood used to be pretty theoretical. Now, with three moms, it makes the discussion real."

*In the following case study, excerpted from the CMF publication “Diversity and Inclusion in the Foundation Board Room: Voices of Diverse Trustees,”<sup>8</sup> Bill Ryan (Adjunct Lecturer at Harvard Kennedy School and coauthor of Governance as Leadership: Reframing the Work of Nonprofit Boards) presents a thoughtful and illuminating analysis of what happened when one board of trustees failed to leverage the power of difference.*

## How Can You Even Hear Me? Diversity and Inclusion in the Boardroom

by William P. Ryan

Perhaps no board has done more to advance diversity and inclusion for more people in American society, in less time, than that of Gallaudet University, the world’s premier university for the deaf. And it did so by screwing up.

In 1988, the board mounted a search to select a successor to the university’s retiring president. The search committee brought forward three finalists: two hearing and one deaf.

When the board chose the hearing candidate over the objections of students, faculty, and many alumni, Gallaudet became the scene of one of the most dramatic civil rights actions in U.S. history. Students declared a strike, took over and barricaded the Washington campus for days on end, and defied police with a raucous march to the downtown hotel where trustees were huddled in crisis mode. As the drama played out on national news, the board held firm. In return, and encouraged by swelling public support, the students doubled-down, declaring that their demand for the appointment of the university’s first deaf president was nonnegotiable. They won: The new president was dismissed (having never set foot in her office) and the board chair resigned. Within months, Congress enacted the Americans with Disabilities Act. Credit for the final push toward passage is widely given to what has ever since been called the *Deaf President Now!* movement. However unwittingly, the board had been the catalyst for the breakthrough.

Beyond thanking the board for that unintended contribution to social justice, we can look to it for lessons about diversity and inclusion in the boardroom.

### Diversity

Most boards aspire to diversity along at least some dimensions—be it age, gender, constituent status, or race or ethnicity. For many, building a diverse membership demonstrates their commitment to fairness and equity. And most hope that the varied life experiences and perspectives of diverse members will have the practical benefit of enriching a board’s thinking and helping it make better judgments.

That’s why most students of governance react to the Gallaudet case by first asking whether its board included any deaf people or students, and are surprised to learn that the answer, to both, is Yes. Others worry (as I do) that boards—having “checked the diversity box” by including the “right” members—can

relieve themselves of the important work of engaging with diverse constituents outside the boardroom. They suspect that that was Gallaudet’s misstep. But in fact, the search committee engaged both students and faculty through a careful consultation process (which initially revealed no insistence for the deaf candidate). If a diverse board consulting diverse constituents isn’t enough, what is?

### Diversity plus inclusion

The “right people” might be in the room, but the norms and practices needed to draw them into meaningful, *inclusive* dialogue can be missing. This is no surprise to anyone who has spent much time in boardrooms. Barriers to robust dialogue—characterized by multiple voices and lines of thinking—are common, even for boards that are indifferent to diversity. The challenge is all the greater when the social dynamics and subtle unconscious biases of “majority” and “minority” board members are added to the mix. In the Gallaudet case, a few deaf trustees working alongside hearing trustees may be evidence of diversity, but not necessarily inclusion.

### How does a board become inclusive?

Individual board members have a role, starting with developing their awareness. Most of us have heard (hopefully less often now than 30 years ago) women recount a classic boardroom scene: A woman contributes an insight to the conversation; it is not picked up for discussion; a man makes the same point moments later; it is then admired and taken up for lively discussion. If we’re not aware of such dynamics, we can’t guard against them. It’s one thing to seat women on a board, another to encourage them to speak, but something else to listen. Each of us can work to listen more deeply to what others are trying to say, and reflect on how others might hear us.

Gallaudet provides an apt parable. At the height of the crisis, the chair stood before hundreds of students in a crowded gymnasium and defended—through the sign interpreter at her side—the board’s decision. When students angrily responded by chanting, jeering and, finally, pulling a fire alarm in protest, she plaintively asked: “How can you even hear me with all this noise?” Her question spoke volumes, and the students heard all of it.

Luckily, there are also very practical ways to promote inclusion in robust board dialogue. Small groups, paired debriefs, balloting-by-dot on flip charts—all the familiar techniques we use at board retreats—can also vastly improve dialogue at routine board meetings. These techniques are especially good at including voices that might otherwise be at the margins. They promote more engagement, a richer exchange of ideas, and more divergent thinking. Unfortunately, many boards resist using these techniques. They complain they are gimmicky, beneath the dignity of their sophisticated members. One can only speculate whether a board like Gallaudet’s—whose members were all sophisticated and experienced leaders in their own professions—would have tolerated such techniques in their search deliberations. And one can only speculate about the conversations they might have had, and judgments they might have made, had they done so.

**Diversity plus inclusion plus inquiry**

It's not enough to get a diverse board engaged in inclusive conversation. *The conversation has to be worth having.* That means searching dialogue that helps the board *make sense* of the organization's situation before deciding what to do about it. Judging from their public statements, the Gallaudet board did ask important questions, particularly—and quite reasonably—about what the university needed from its next president. Fundraising ability and a track record of academic excellence topped the list, and the chosen candidate offered both.

But imagine a prior conversation, focused at first only on generating questions about the university's situation. Are we devoted to helping deaf people? Or empowering them? What are the biggest debates in the deaf community, and where do we want to stand? Is the role of our president different from the role of other university presidents? If it's a given that Gallaudet will one day have a deaf president, why not now? What does hiring a hearing president say to the hearing world? To the deaf world? Questions like these help a board grapple with the ambiguities and complexity of their situation. And the struggle to make shared sense of a situation is exactly where a diverse and inclusive board delivers the most value: Multiple perspectives, different voices, generating and struggling with hard questions, will enrich a board's thinking.

And all of us trying to govern better could start by asking: Are we really any better than the Gallaudet board of 1988? Or just luckier?

## Assessment Tool

### Is Our Board Leveraging the Power of Differences? Let's Assess.

Research shows that groups that recognize and use the power of differences (in everything from race, age, ethnicity, and gender to education, socioeconomics, personality type, and thinking style) generally outperform those that don't.

As part of ensuring that we are doing all we can to continuously improve our performance as a foundation board, we want to assess how we view and approach differences as an organization and within our board. The goal is to assess our current capacity for harnessing the power of differences.

For each statement below, please indicate whether you think our board, as a whole, is "exploring," "making progress," or "getting close." There are no right or wrong answers; we're looking for an accurate snapshot of our board as it operates today.

	Exploring. <i>(Haven't decided)</i>	Making Progress. <i>(Somewhat true)</i>	Getting Close. <i>(True)</i>
<b>Understanding</b> Our organization values differences.			
• We understand that our work benefits from the varied experiences of our members.			
• Our strategic initiatives reflect our belief in the value of differences.			
• Our board's culture of inclusion ensures that different perspectives are actively solicited and considered, not just tolerated.			
• Our foundation's grantmaking is more effective because it comes from a culture of inclusion.			

**Commitment** Our board is committed to ensuring and sustaining differences.

• Our foundation's mission, vision, and value statements clearly communicate our commitment to include different cultures, abilities, and perspectives.			
• Our chairperson serves as a role model for inclusion and ensures that accountability systems are implemented.			
• Board membership reflects the demographic makeup of the communities we serve or is supplemented by advisors from those communities.			
• Everyone on our board is expected to contribute to our culture of inclusion and is held accountable for treating others with dignity and respect.			
• We seek feedback regarding behaviors or language that might interfere with our relationships with each other and with the communities we serve. When there are issues, we act on them.			

**Conditions** Our board operates in ways that express its commitment to valuing and promoting differences.

• Board policies and procedures are clearly aligned in support of inclusion.			
• Board members are genuinely curious about cultures outside their own.			
• Everyone feels safe expressing his or her perspectives and identities in the boardroom.			
• We recognize that conflict is inevitable and have training and procedures for resolving it.			
• We call out stereotyping or bias and help each other recognize and change these behaviors.			

**Resources** Our board has allocated sufficient time and money to creating and sustaining a board culture that values differences and fosters inclusion.

• We actively recruit for differences, using established best practices.			
• We have established goals to achieve a board that is representative of the community we serve.			
• We invest in mentoring and professional development for all trustees.			
• We offer opportunities for board members to learn about the power of differences and improve intercultural understanding.			
• We support programs that encourage inclusiveness in the community.			

## Sources and Resources

- <sup>1</sup> "How Diversity Can Drive Innovation." <http://hbr.org/2013/12/how-diversity-can-drive-innovation/ar/1>
- <sup>2</sup> "A Fresh Look at Diversity and Boards." <http://www.blueavocado.org/content/fresh-look-diversity-and-boards>
- <sup>3</sup> "Different Is Better: Why Diversity Matters in the Boardroom." [http://www.russellreynolds.com/insights/thought-leadership/Documents/different-is-better\\_0.pdf](http://www.russellreynolds.com/insights/thought-leadership/Documents/different-is-better_0.pdf)
- <sup>4</sup> The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies (summary from Princeton University Press). <http://vserver1.cscs.lsa.umich.edu/~spage/thedifference.html>
- <sup>5</sup> "Beyond Political Correctness: Building a Diverse Board." [http://www.bridgespan.org/Publications-and-Tools/Hiring-Nonprofit-Leaders/Recruiting-Board-Members/Building-a-Diverse-Board.aspx#.VeR3Wni\\_SXk](http://www.bridgespan.org/Publications-and-Tools/Hiring-Nonprofit-Leaders/Recruiting-Board-Members/Building-a-Diverse-Board.aspx#.VeR3Wni_SXk)
- <sup>6</sup> Us + Them (author interview). <http://www.gse.harvard.edu/news-impact/2013/01/us-plus-them-senior-lecturer-todd-pittinsky/#ixzz38yeXQHIP>
- <sup>7</sup> Diversity and Inclusion in the Foundation Boardroom. <https://www.michiganfoundations.org/sites/default/files/resources/Diversity%20and%20Inclusion%20in%20the%20Foundation%20Boardroom%20-%20Voices%20of%20Diverse%20Trustees.PDF>
- <sup>8</sup> Download the complete report at <https://www.michiganfoundations.org/sites/default/files/resources/Diversity%20and%20Inclusion%20in%20the%20Foundation%20Boardroom%20-%20Voices%20of%20Diverse%20Trustees.PDF>

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