

RACIAL DIVERSITY IN THE STAFF LEADERSHIP OF MILWAUKEE'S NONPROFIT ORGANIZATIONS

A project of the



in partnership with

HBI

Helen Bader Institute for
NONPROFIT MANAGEMENT



and



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Ashley Tikkanen, Trinity Fellow from Marquette University and Kathleen Pritchard, President and CEO of the Planning Council staffed the project.

Racial Diversity in the Staff Leadership of Milwaukee's Nonprofit Organizations

Executive Summary

INTRODUCTION

In 2008, the Helen Bader Institute for Nonprofit Management at UWM commissioned a survey to gauge diversity in Milwaukee's nonprofit leadership through the Center for Urban Initiatives and Research at the UWM. The purpose of the original study was to "provide a baseline measure of diversity at three leadership levels within Milwaukee-area nonprofits." Results of the study were presented at a community forum where participants requested information about how the diversity of Milwaukee's nonprofit sector might be improved.

In 2010, the Social Development Commission and the Helen Bader Institute for Nonprofit Management at the UWM contracted with The Planning Council for Health and Human Services, Inc. to undertake a follow-up to this baseline study. The goals of the current study, *Racial Diversity in the Staff Leadership of Milwaukee's Nonprofit Organizations* are two-fold. The immediate goal is to identify and explore successful strategies used by nonprofits to recruit and retain people of color in top leadership and second-level positions in nonprofits in Milwaukee County. The longer term goal is to use that information to increase the number of people of color in Milwaukee's nonprofit leadership.

The focus of this work is on racial and ethnic diversity in top level staff positions. Using methodology similar to the baseline study, surveys went to nearly 950 nonprofit organizations in Milwaukee. Two hundred and four completed surveys were returned for a response rate of 21.5%. Responses to the survey indicate that:

- ❖ 67 agencies (33% of the responding organizations) had executives who were people of color.
- ❖ Almost twice that number, 123 agencies (60%) had second-level managers who were people of color.
- ❖ More than half of the responding agencies, 107 (52%) reported that they had experienced success in securing diverse staff leadership.
- ❖ Of the total responding, 94 agencies (46%) were willing to share additional information on the topic, and
- ❖ 160 of the respondents (78%) were interested in learning more and receiving additional information from the study.

The intent of the survey was to identify agencies where people of color were in top leadership positions and that had successful recruitment and retention strategies that they would be willing to share with others. However, a review of the responses also suggested some interesting patterns among these agencies. In general, those organizations that responded to the survey that reported having executive leaders of color tend to be those that:

- ❖ are smaller,
- ❖ have a constituency comprised primarily of people of color,
- ❖ were founded by a person of color, or
- ❖ have undergone a recent transition in leadership.

To learn more about the influence of these factors, representatives of the top leadership of several responding agencies were convened. After discussing the factors that appear to be associated with the presence of people of color in leadership positions, the conversation focused on problems and challenges to diversifying nonprofit staff and leadership, successful strategies nonprofits have employed, and advice for other organizations on *what works* and *what does not*. In all, more than 30 nonprofit leaders added their insights to the discussion. Additionally, a dozen employees in second-tier positions as well as young and emerging leaders added their voices and perspectives to the conversation.

RECOMMENDATIONS AT THE AGENCY LEVEL

Participants offered several strategies that they have employed to help promote a diverse workforce and increase diversity among the top level leadership in their current organizations or organizations with which they had previous experience. The major themes include the following:

- ❖ Incorporate the organizational value of diversity.
- ❖ Identify and grow staff from within the agency.
- ❖ Personnel planning should be on ongoing activity rather than waiting until there is a vacancy.
- ❖ Implement succession planning at all levels and engage all staff in the recruitment and retention process.
- ❖ Affiliate with other organizations that appreciate and value diversity.
- ❖ Recruit at higher levels from the private sector to help diversify nonprofit leadership.

Emerging leaders offered further guidance and suggestions, particularly for CEOs and Executive Directors. Their recommendations include:

- ❖ Demonstrate the appreciation and value of diversity in the organization.
- ❖ Assure that staff have access to the leader. Be candid in sharing professional goals and experiences.
- ❖ Be open to the new ideas of young emerging leaders. Provide a welcoming space for staff, all staff, to come together and talk about ideas.

RECOMMENDATIONS AT THE SYSTEM LEVEL

While the initial set of recommendations referred to strategies individual agencies can undertake to increase racial diversity in leadership positions, it was noted that the suggestions were incremental and would take quite some time to have an impact. Contributors were challenged to include suggestions that would help to move not only individual agencies forward, but also to advance racial diversity in positions of leadership in the nonprofit sector more broadly. These system level recommendations include:

- ❖ Create a deliberate development approach, similar to that used by companies in the corporate sector.
- ❖ Develop a city-wide, cross-system collaborative of nonprofit and other leaders who can identify a pool of high potential individuals who are people of color. Help promote their development by creating a structured rotation through different roles in different nonprofits.
- ❖ Create an alliance with foundations and funders who are committed to increasing the number of people of color in leadership positions in the nonprofit sector.
- ❖ Develop collaborations with the education sector and develop tuition reimbursement programs to help get more people of color into higher education with a specific focus on nonprofit management.
- ❖ Create a collaborative effort among funders and organizations that are willing to pool resources to: identify high-potential people of color within organizations, augment their education, expose them to multiple positions in multiple organizations and “fast track” them to leadership positions.
- ❖ Learn from the experience and expertise of the for-profit sector in establishing a system level effort and identifying the pool of potential candidates.
- ❖ Continue the conversation.

“Develop people with potential with the understanding that they might leave the organization. It is not about keeping people in the organization but rather about developing them for their own benefit. If they do leave, it is a great opportunity to develop relationships with other organizations or sectors as the people “move up the ladder” elsewhere. It also helps develop future donors, advocates, and board members.”

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“Milwaukee is also very polarized racially which could explain why small neighborhood-based organizations are more likely to be led by a person of color. If nonprofit organizations are neighborhood-based and the neighborhoods are segregated, they are more likely to have a less diverse constituency.”

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“Mergers between nonprofits also affect the diversity of the leadership as the smaller organizations that are more likely to be led by people of color are often absorbed by larger agencies that already have a CEO. As a result, leaders of the small organizations tend to be placed in second-tier positions after mergers.”

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“Larger organizations tend to have less turnover which can be considered a strength of the organization. However, it also prevents career advancement. Moreover, when leadership opportunities present themselves, we would like to think that larger organizations would consider people of color and women, but this has not been the case in the last few opportunities in Milwaukee.”

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“If a leader cannot/does not fully understand the population they are serving, there will be a disconnect between the leadership and the constituency. For example, organizations that are run by white people but serve mainly people of color can create a cultural divide.”

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Racial Diversity in the Staff Leadership of Milwaukee's Nonprofit Organizations

PROJECT BACKGROUND

In 2008, the Helen Bader Institute for Nonprofit Management at UWM commissioned a survey to gauge diversity in Milwaukee's nonprofit leadership through the Center for Urban Initiatives and Research at UWM. The purpose of the original study was to "provide a baseline measure of diversity at three leaderships levels within Milwaukee-area nonprofits: (1) top executive (typically with title of Executive Director but also that of President or CEO), (2) top-level managers who report to the executive (if such staff are present in the organization), and (3) boards of directors."¹ The study also examined four different factors of diversity including race/ethnicity, age, gender, and sexual orientation. The survey was sent to 1,403 nonprofits operating in Milwaukee County based on addresses found in the IRS directory. It had a 21% response rate with 281 completed surveys.

Among many of its findings, this study found that:

1. Approximately 20% of the nonprofits surveyed had Executive Directors who were people of color (African American, Hispanic/Latino, Native American, Asian American, Mixed or other.)
2. Approximately 30% of the "second tier managers, (defined as individuals who report directly to the top executive and supervise at least one non-clerical employee in organizations) in the study are people of color.
3. More than 30% of the organizations in the study reported success in recruiting diverse organizational leaders.

Results of the study were presented at a community forum where participants requested information about how the diversity of Milwaukee's nonprofit sector might be improved.

Based on this information, in 2010, the Social Development Commission and the Helen Bader Institute for Nonprofit Management at the University of Wisconsin Milwaukee contracted with The Planning Council for Health and Human Services, Inc. to undertake a follow-up to this baseline study. The Planning Council is a private, nonprofit research and planning organization. Its mission is to advance community health and human services through objective planning, evaluation, and research.

The goals of the current study, *Racial Diversity in the Staff Leadership of Milwaukee's Nonprofit Organizations* are two-fold. The immediate goal is to identify and explore successful strategies used by nonprofits to recruit and retain people of color in top leadership and second-level positions in nonprofits in Milwaukee County. The longer term goal is to use that information to increase the number of people of color in Milwaukee's nonprofit leadership.

Recognizing the importance of engaging the full spectrum of diversity (gender, age, sexual orientation, disability, etc.) in nonprofit work, for the purpose of this study, the focus is on racial and ethnic diversity. Similarly, while board level diversity is essential, the focus of this study is on staff leadership in nonprofit organizations. Similar to the original study, the focus on staff leadership concentrates specifically on executive and second-tier leadership. Finally, the original study summarized aggregate data and responses were anonymous. The survey distributed in 2010 included identifying information for responding agencies. This permitted the identification of those agencies and organizations that reported having people of color in leadership positions and the exploration of characteristics and patterns among those organizations. The Planning Council sent surveys to 947 nonprofit organizations in Milwaukee and received 204 responses for a response rate of 21.5%. Responses to the survey indicate that:

- ❖ 67 agencies (33% of the responding organizations) had executives who were people of color.
- ❖ Almost twice that number, 123 agencies (60%) had second-level managers who were people of color.
- ❖ More than half of the responding agencies, 107 (52%) reported that they had experienced success in securing diverse staff leadership.
- ❖ Of the total responding, 94 agencies (46%) were willing to share additional information on the topic, and
- ❖ 160 of the respondents (78%) were interested in learning more and receiving additional information from the study (see Table 1).

¹ Kovari, J.P.; Davis, G.S.; and Percy, S. (2008). "Leadership Diversity in Milwaukee's Nonprofit Sector: Benchmark Study 2008." 2. [Retrieved from: <http://www4.uwm.edu/milwaukeeidea/hbi/research/FINAL%20REPORT.pdf>]

TABLE 1. RESPONSES BY QUESTION

Question	#	%
1. Yes, our Executive Director is a person of color	67	33%
2. Yes, our organization has at least one second-level manager who is a person of color.	123	60%
3. Yes, we have experienced success in securing diverse staff leadership.	107	52%
4. Yes, we would be interested in sharing additional information on this topic.	94	44%
5. Yes, we are interested in the results of this study. Please keep us informed.	160	78%

included: The Milwaukee Science Education Consortium (aka Milwaukee Academy of Science), Cathedral Center, the YWCA of Greater Milwaukee, The Council for the Spanish Speaking, Next Door Foundation, Public Allies, and The Milwaukee Urban League.

The executive leadership of these organizations received background information on the project and the results of the survey. They were invited to participate together in

two, two-hour candid conversations about what works in recruiting and retaining people of color in the top staff leadership position. The first session was held on October 25, 2010 and the second followed approximately a month later on November 22, 2010. Initial conversation focused on four themes identified by the data and confirmed by the panel.

In May of 2011, two additional sessions were held to gain the insights and perspectives of emerging leaders and people currently serving in second-tier leadership positions. In brief, they agreed that the identified variables are consistent with their knowledge of Milwaukee's nonprofit community and added their insights regarding the significance of the impact of these factors. This group also provided insights into the barriers that limit people of color in advancing to the top staff leadership position.

Descriptions of the four themes and highlights of group discussions regarding their impact are presented below.

INFLUENCING FACTORS

The review of the initial data and the follow-up conversations with the reactor panel suggested four factors that appeared to be influential in predicting the response of the agencies. These were: 1) agency size, 2) agency constituency, 3) the original founder of the organization and 4) whether or not there had been a recent transition in leadership. These topics were not part of the original survey, but rather were the result of preliminary observations of the survey data. While a more systematic examination of the factors and their

After collecting and reviewing baseline information, leaders from a variety of nonprofits agencies across Milwaukee served as a reactor panel, engaging in candid discussions about the issue. Participants in the reactor panel included representatives of organizations of varying sizes, missions, and constituencies including direct service providers, foundations, schools and universities, homeless shelters, and workforce development agencies. Members joined one of two 90 minute sessions and discussed the themes and patterns that emerged from the data, bringing many years of experience, knowledge of a wide range of Milwaukee's nonprofits and diverse perspectives to the table. Facilitated by the project staff, these conversations allowed leaders to share their perspectives and insights on the role diversity plays in Milwaukee's nonprofit sector. These conversations also helped to identify explanatory themes and the selection of agencies to engage in further conversation.

Following the panel sessions, a smaller group of seven nonprofit leaders served as key informants, offering further insight on survey and reactor panel results as well as successful strategies for increasing leadership diversity that could be shared with the broader community. These leaders were chosen from an initial list of agencies that had responded to the project survey and had indicated in the survey that they had successful strategies for recruiting and retaining leaders of color. They were selected by the project's Advisory Committee to represent a diverse combination of the key themes identified from the survey responses. These agencies

² The responding organizations were divided by size, (small, medium or large depending on the size of the staff) to get representation in each category and then the remaining variables (i.e. whether or not their Executive Directors were people of color, they served a broad-based constituency, their founders were people of color and if the organization has experienced any recent transitions in leadership). The goal was to assure a diverse combination of the identified variables.

relation to diversity needs to be undertaken, a review of the themes by the panel and key informants confirmed that the themes identified in the data ring true with their knowledge of Milwaukee's nonprofit leadership. Each of the themes was discussed and participants added their experience and insight as to why this might be the case.

Agency Size

In general, of those responding to the survey, smaller nonprofit organizations were more likely than larger organizations to be led by a person of color. Examples of smaller organizations included: The Cathedral Center, Hispanic Professionals of Greater Milwaukee, and Cream City Foundation. Larger nonprofit organizations in Milwaukee are less likely to be led by a person of color. Some of the larger organizations included in the study were: Community Advocates, Public Allies, and Ways to Work.

The personal experience of the participating agencies confirmed this general tendency and offered potential explanations.

"The idea of an "old boys' club" is still prevalent in the larger nonprofits in Milwaukee. There are problems of acceptance not just with people of color, but with women as well. This is particularly notable in the Latino nonprofit community where there are few women leaders of large nonprofit organizations."

"Larger organizations tend to have less turnover which can be considered a strength of the organization. However, it also prevents career advancement. Moreover, when leadership opportunities present themselves, we would like to think that larger organizations would consider people of color and women, but this has not been the case in the last few opportunities in Milwaukee."

"Only a few people of color are on the radar of the traditional networks of the larger more established nonprofits. These people are highly sought after and are stretched extremely thin. There are, however, other highly qualified people of color available, but the closed networks prevent them from breaking in."

"In the larger organizations, the Director sets the tone and second-tier staff are less influential. There is the sense of a glass ceiling—that people of color can get to the second-tier of management but not to the Executive Director's level."

"Smaller organizations more often directly serve specific communities or neighborhoods. There is a closer match between the communities, staff, and leadership."

"Many smaller organizations emerge because they directly serve the community. The challenge is to not create a bubble or safe haven. The challenge is to expand our circles and create a new dynamic."

"Because funders are promoting collaboration, there are an increasing number of partnerships forming between large and small organizations and this may have some impact on leadership, inclusion and career paths of people of color."

"Larger organizations tend to have fewer people of color in their staff and boards. This is especially noticeable in arts organizations."

From the view of **emerging leaders**,

"Size is a factor. If you look at sports organizations and coaches, the small ones have people of color leading them and the larger ones don't."

"In large organizations, the leader is likely to be Caucasian. Small, grassroots organizations are more likely to be led by a person of color invested in what's going on in the community."

"In the field of Youth Programming, smaller organizations are falling by the wayside due to a lack of funding. This is leading to a decrease in minority leadership."

"Size definitely matters. It all comes down to funding. Second level staff are often used to 'be the face' of the project in order to get the funding."

"It all comes down to who has the leverage to manipulate the system. People of color who lead small organizations may have passion, drive and heart, but not the financial resources to leverage. Larger organizations have that."

"There are funding issues to consider. Smaller organizations might not know or have access to information to get funding. In order to get funding, you have to look a certain way. Larger organizations are more likely to get funding."

Agency Constituency

In general, of those that responded to the survey, those organizations that serve a constituency that is made up primarily of people of color are more likely to be led by

a staff person of color. Examples include: Council for the Spanish Speaking, Walnut Way, and the Social Development Commission. Conversely, those agencies that serve a broader constituency are more likely to be led by a white executive. Examples include: The Greater Milwaukee Foundation, American Civil Liberties Union (ACLU), and the Nonprofit Center of Milwaukee. When asked about this observation, participants indicated that this pattern reflects their knowledge and experience.

“There is a cultural comfort issue in having the population served represented by the leadership. It is very important for the leadership to match the constituency.”

“If a leader cannot/does not fully understand the population they are serving, there will be a disconnect between the leadership and the constituency. For example, organizations that are run by white people but serve mainly people of color can create a cultural divide.”

“A leader who is representative of the population served can be more effective. However, it is not simply a racial issue, but a cultural issue. There are people of all different races that can have tremendous knowledge and passion for an organization’s mission, but passion is not sufficient. Cultural understanding is necessary. In order to effectively deal with community issues, one must be culturally competent. Likewise, a leader who is racially representative of an organization’s constituency is not going to be successful simply on the basis of race. S/he needs the relevant skills and cultural competencies in order to understand and interact with the population served by the agency.”

“People are going to frequent places where they can interact with others who look like them and talk like them.”

“For certain organizations in Milwaukee, in general, just having a person of color as the CEO would be a big ‘earth shaking’ change.”

Emerging leaders added their insights.

“I used to work in the shelter world and based on my experiences, I would say that those observations are accurate. Very few shelters are run by people of color even though most of the people who use shelters are people of color.”

“Counselors and case managers tend to be people of color, but the leadership [of organizations] – not so much.”

“Nonprofit organizations tend to serve people living in poverty, and the poor are more likely to be people of color.”

“Milwaukee is also very polarized racially which could explain why small neighborhood-based organizations are more likely to be led by a person of color. If nonprofit organizations are neighborhood-based and the neighborhoods are segregated, they are more likely to have a less diverse constituency.”

“The person at the top doesn’t often interact with the client base. They put people of color in positions that interact more with clients.”

Agency Founder

The survey data also suggested that those agencies that were founded by or have a long-standing tradition of being led by a person of color were more likely to be led by a person of color today. Examples include The Milwaukee Urban League, Center for Veterans’ Issues, and Council for the Spanish Speaking.

Several observers noted the growth in organizational start-ups by people of color is due to the fact that the existing organizations are not adequately meeting the needs of people of color.

“Funders are currently complaining about the proliferation of new nonprofits, yet these emerging organizations are more likely to be led by a person of color. Maybe if more people of color led the more established nonprofits there would be fewer new start-ups”.

“There is a closed circuit of networks in Milwaukee for funding or partnerships. Certain groups do not feel welcome, or are excluded and hence are more likely to start their own organizations.”

“The generational gap is a problem in the nonprofit world that could contribute to the lack of diversity. There is a lack of confidence in the younger generation’s ability to take over and run the organization effectively. Because there is little room for advancement, many young minorities start their own organizations in order to express their ideas.”

Recent Transition

Again, the initial review of data appeared to suggest that those agencies that had gone through a relatively recent transition in leadership were more likely to be led by a person of color than those that had had the same leader for an extended period of time. Some of the

organizations with recent transitions include: The Cathedral Center, Council for the Spanish Speaking, and YWCA of Greater Milwaukee.

When asked about this pattern, members of the reactor panel and key informants indicated that it is consistent with their knowledge and experience.

“Transitions have been stalled by the economic downturn. Baby boomers are not retiring.”

“Mergers between nonprofits also affect the diversity of the leadership as the smaller organizations that are more likely to be led by people of color are often absorbed by larger agencies that already have a CEO. As a result, leaders of the small organizations tend to be placed in second-tier positions after mergers.”

Other Factors

Although the primary observations about factors affecting diversity in Milwaukee’s nonprofit sector revolved around agency size, population served, agency founders, and recent transitions, the panel did discuss other factors that seemed to influence the diversity of leadership in nonprofit organizations. Most of these other themes focused on organizational culture, intentionality of diversity policies and institutional barriers. Highlights from these discussions follow.

“Nonprofit organizations do not look at career paths; instead they focus on functional jobs. There is not a career path of how one can ascend the ladder.’ In order to get to the next rung, many employees leave to compete for higher level jobs in other organizations.”

“With regards to arts organizations, there is still a historical legacy to contend with. They seem less comfortable with a person of color in charge.”

“The lack of diversity also stems partially from the lack of training of leadership skills. Human Resources offices in nonprofit organizations need to be more diverse and they need to do a better job of developing talent.”

“Younger potential leaders need more training, especially in the area of fiscal responsibility.”

“In some cases, diversity decreases as the visibility of the position decreases. In other words, the CEO, as the face of the agency, is more likely to represent the constituency; however diversity among middle-level staff is lacking because no one sees them.”

“Intentionality is important. Being racially and culturally diverse has to be a goal of the organization. It’s not simply “cherry-picking” people of color in order to make the staff more colorful. Organizational culture has to value diversity. It is not easy to instill that culture.”

“An organization has to be able to serve a diverse population, regardless of whether or not it is being directed at a specific population.”

“Certain barriers are institutionalized and affect the pipeline of new entries into the nonprofit sector. For example, Federal mandates for staffing may make it difficult to wait until diverse hires can be made, upper level positions may have excessive education or credentialing requirements for new hires.”

Insights from emerging leaders helped to identify some of those barriers. They addressed the issue directly and explicitly spoke of racism as a barrier.

“There are cultural biases against African American women and a glass ceiling that hinders them from moving up. [Funders] don’t trust African American women with large organizations, but they trust them with small ones. African American women have to prove themselves more.”

“Passion can be used against African American women. In order to get to certain levels you have to curb that passion which is like giving up a piece of yourself.”

“You can tell they want you involved so they can say they have someone. It’s little more than tokenism.”

“Trying to advance in the nonprofit world is like a chess game for African American women within the corporate culture. You have to make the right moves at the right time or you’re out of the game.”

“[Some organizations] have a lot of diversity in second tier leadership positions and even train people to be leaders of color, but they don’t model that when the CEO is a white man and all the [top management] of the different sites are white people.”

“It seems like you constantly need a validation stamp. Sometimes they look at you as younger than you are [and that prejudices them against you.] Or they tell you that you need a degree. But when you get the degree, they say you have no director experience so they hold you off even more.”

“They [EDs and CEOs] don’t appreciate work experience. Twenty years of work experience is valuable, but people will say it’s not in a particular area and use it to prevent you from moving up.”



“Racist ideologies are inherent in society. The values of the existing leaders are influencing who gets to be leaders. Folks have their own beliefs and baggage. They can’t get past that sometimes.”



“There are negative perceptions against people of color—that they aren’t educated or savvy enough to put together an application for funding. People might not say it, but it shows in their body language. It signals their trepidation or surprise at your color.”



“Usually there is a person already in mind for a position—someone might have connections with the Executive Director or the hiring manager. So they aren’t really looking for someone, they interview people because they have to.”



“There is no time to mentor potential leaders in a nonprofit organization. The CEO often wears many hats—working in planning or community relations. They have no time for themselves, let alone another person. Mentoring can be seen as ‘fluff’.”



RECOMMENDED STRATEGIES AT THE AGENCY LEVEL

After discussing the factors that influence the presence of people of color in leadership positions, the conversation focused on problems and challenges to diversifying nonprofit staff and leadership, successful strategies nonprofits have employed, and advice for other organizations on what works and what does not.

Successful Strategies

Participants offered several strategies that they have employed to help promote a diverse workforce and increase diversity among the top level leadership in their current organizations or organizations with which they have previous experience.

These strategies include:

- ❖ Incorporate the organizational value of diversity into staff performance evaluations. Make it everyone’s job to recruit and develop diverse talent. Reward staff who are successful in this role.

- ❖ Identify and grow staff from within the agency. Recruit from the bottom up and be proactive in talking to staff about growth opportunities. This strategy also contributes to a low turnover rate.
- ❖ Personnel planning should be on ongoing activity rather than waiting until there is a vacancy. There should be a constant emphasis on developing and cultivating a talented and diverse workforce.
- ❖ Implement succession planning at all levels. Collaborate with staff to identify key characteristics of positions and have them participate in the hiring process from beginning to end.
- ❖ Use of a variety of outlets to recruit staff. Don’t rely on the newspaper. Focus on more personal outlets such as staff referrals. Use websites such as www.idealists.org and www.jobsthatserve.com
- ❖ Actively recruit at MATC and UWM where the student bodies are more diverse. Emphasize and value actual work experience over degrees, which can be exclusionary.
- ❖ Have people in the line of succession with a commitment to the principles of the organization and with a focus on equity and social justice.
- ❖ Affiliate with other organizations that appreciate and value diversity.
- ❖ Employ a top-down and a bottom-up approach simultaneously.
- ❖ Since many of the current leaders of color came from the for-profit sector, recruit at higher levels from this sector to help diversify nonprofit leadership.

Emerging leaders offered further guidance and suggestions, particularly for CEOs and Executive Directors. Their recommendations include the following:

- ❖ Demonstrate the appreciation and value of diversity in the organization.
- ❖ Assure staff have access to the leader. Be candid in sharing professional goals and experiences.
- ❖ Be open to the new ideas of young emerging leaders. Provide a welcoming space for staff, all staff, to come together and talk about ideas.

It’s worth noting that the emerging leaders were quick to suggest needed system level improvements. High on their list were the importance of mentoring and exposure to opportunities across the system.

“Developing from within is good, but its limiting. One thing organizations can do is have a mentorship program to give those who want to move up opportunities to see what the job is like. If the interest in moving up is in moving up internally, then they should have an internal mentor, but it doesn’t have to be only an internal thing. The program could be interchangeable with other organizations. That would help to increase diversity in general in nonprofits.”

“Look at all the staff in an organization and see who has gotten degrees recently because it shows they appreciate education. Reward people for their passion.”

“Create a continuum to mentor employees. People at all levels benefit.”

“What value does an organization see in developing the second tier leadership? There needs to be a conscious awareness of that value in the organization. Leaders need to appreciate that voice from the second tier.”

“Create a space where people feel invested in the agency and feel they can bring up issues without fear of reprisals. Employees need to be comfortable talking about hard topics with their exec.”

“The CEO has to get down on the staff level or invite people to the table who would normally not be at the table. Recognize and develop talent. Provide the opportunity to lead. If there are no opportunities for a leadership track position, let others lead staff meetings or facilitate other meetings.”

“Think outside the box. Invest in the staff. Send people to outside trainings and always treat people with respect and dignity.”

“There should be anti-racist organizational audit of the organization to find out where the power lies and how it’s structured racially. Who has access to the budget? Who influences policy development?”

“Workforce satisfaction is important and something a lot of organizations don’t pay enough attention to. You need to keep people of color with potential, but ...lack of job satisfaction is why they leave and start new agencies that allow them to do what they want.”

“Regarding the talent pool not being ‘out there,’ you can’t see what you don’t look for. Execs need to look for talent; look for a spark. There could be a person in one department who is good at something else. Harness that skill to move people up the ladder.”

“Mentoring can be a successful strategy. People might have degrees and qualifications but not know how to navigate the culture of leadership. It’s not about the job, but about the person. That is, you don’t mentor them for a specific job in-house but for them to go out and lead elsewhere.”

“It’s important to expose potential leaders to the life of a leader—the networking, retreats, board meetings... they are all different on different levels. Networking on the second tier is different than networking on the CEO level.”

“Pick one or two people that might be leaders someday in any organizations and walk them through the life of an executive. Teach them the unwritten rules.”

“Potential leaders also need to look at themselves and ask, ‘What do I bring to the table?’ They need to understand their skills and abilities. You don’t want hand outs—just an equal opportunity.”

Role of the Board

Although the focus of this study was on the staff leadership, boards play a critical role in promoting diversity within an organization. Board diversity helps to foster an appreciation for diversity within the organization. Key suggestions to leverage this resource included:

- ❖ Invest time and training to help board members understand the importance of diversity.
- ❖ Revisit the idea of what constitutes a successful board. The push for corporate sector people who bring perceived fundraising potential should not replace passion for the agency’s mission. Appreciation of diversity should be a core value of Board members.
- ❖ In succession planning, the staff and board should work together to assure that appreciation of diversity is a core value. The board should have an understanding of the talent levels of the second-tier leadership of the organization.
- ❖ Regularly revisit the organization’s social theory of change with the board and review the importance of a dedication to mission and social justice.

Comments from the discussion with **emerging leaders**:

“There is a sense of extreme frustration about where the influence sits. There are fewer people of color on the Boards of larger nonprofits. If people do not see themselves represented on the board, it is likely they do not see how they fit in at the agency.”



What **NOT** to do

Since organizations learn not only from their successes but also from their mistakes, participants candidly offered some of their key “lessons learned.”

- ❖ Searching for the right person to fill vacant positions can be time consuming. Be flexible with people and patient. Do not fall subject to the “tyranny of time.”
- ❖ Don’t hire people of color just for the sake of hiring people of color or to be nominally diverse.
- ❖ Do not just pay “lip service” to the idea of diversity. Do the work to cultivate appreciation of diversity in the organizational culture. It has to be genuinely important.
- ❖ Do not go to Latino or African-American areas with a “one-hit” strategy. Do not go to an area where you don’t have a presence and expect community members to want to work for you. You have to have relationships.

Advice from **emerging leaders** included:

“Organizations need to look above and beyond and see who’s out there. Reach out through various outlets [instead of pre-deciding on someone.] Don’t interview people just because you have to. Truly value diversity and search for diverse candidates.”



RECOMMENDED STRATEGIES AT THE SYSTEM LEVEL

The suggested approaches to increasing the number of people of color in nonprofit leadership positions were primarily organization-specific, long-term, micro-level approaches. The predominate suggestion or strategy was to “grow your own from within.” Indeed, developing high-potential workers can be a way to increase diversity in the leadership of Milwaukee’s nonprofits as they eventually move into leadership positions. However, while this may be effective for individual agencies, it means that significantly increasing the number of people of color in leadership positions in the

nonprofit sector in Milwaukee will take an incredibly long time. Are there system-level approaches that can be taken to diversify the sector? This is where future conversation should be focused and here are some early suggestions for further exploration.

- ❖ Create a deliberate development approach, similar to that used by companies in the for-profit sector. Develop relationships with colleges and have a strong presence on college campuses during job fairs and recruiting drives.
- ❖ Develop a city-wide, cross-system collaborative of nonprofit and other leaders who can identify a pool of high potential individuals who are people of color. Help promote their development by creating a structured rotation through different roles in different nonprofits.
- ❖ Create an alliance with foundations and funders who are committed to increasing the number of people of color in leadership positions in the nonprofit sector. Certain funders currently encourage representation of people of color in Board positions for nonprofits to be eligible for funding. This same approach to staff leadership might also influence nonprofit staffing patterns.
- ❖ Develop collaborations with the education sector and develop tuition reimbursement programs to help get more people of color into higher education and with a specific focus on nonprofit management.
- ❖ Create a collaborative effort among funders and organizations that are willing to pool resources to: identify high-potential people of color within organizations, augment their education, expose them to multiple positions in multiple organizations and “fast track” them to leadership positions.
- ❖ Learn from the experience and expertise of the for-profit sector in establishing the program and the pool of potential candidates.
- ❖ Continue the conversation.

Advice from **emerging leaders** included:

- ❖ Host a leadership conference. Convene networks of organizations with the same interests and create pools that could be tapped for retreats, networking, conferences, etc. Let people talk to each other and build connections. Expose potential leaders to all sectors—private, nonprofit and government.

Appendix A: Project Participants

Project Advisory Committee

Patricia Arredondo, Dean, School of Continuing Education, University of Wisconsin-Milwaukee

Deborah Blanks, Chief Executive Officer, Social Development Commission

Barbara Duffy, Program Manager, Helen Bader Institute for Nonprofit Management at the University of Wisconsin-Milwaukee

David Celata, Intergovernmental Affairs and Research Division Manager,

Social Development Commission

Shelly Schnupp, Associate Director, Helen Bader Institute for Nonprofit Management at the University of Wisconsin-Milwaukee

Reactor Panel

Yvonne Brodsky, Executive Director, Hispanic Professionals of Greater Milwaukee

Maria Cadenas, Executive Director, Cream City Foundation

David Celata, Intergovernmental Affairs and Research Division Manager,

Social Development Commission

Susan Conwell, Executive Director, Kids Matter, Inc.

Tatiana Maida, Coordinator, UWM Latino Nonprofit Leadership Program Nonprofit Center

Joyce Mallory, Executive Director, Malaika Early Learning Center

Jim Marks, Vice President, Greater Milwaukee Foundation

John Schmidt, Chief Financial Officer, Families International

Paula Penebaker, President and CEO, YWCA of Greater Milwaukee

Donna Rongholt-Migan, Executive Director, Cathedral Center

Key Informants

Dr. Tony Baez, President and CEO, Council for the Spanish Speaking

Cris Ros-Dukler, Chief Operating Officer, Public Allies

Carol Keintz, Executive Director, Next Door Foundation

Ralph Hollmon, President, The Milwaukee Urban League

Judy Merryfield, President, The Milwaukee Academy of Science

Paula Penebaker, President and CEO, YWCA of Greater Milwaukee

Donna Rongholt-Migan, Executive Director, Cathedral Center

Emerging Leaders

Monica Brooks, Head Start Manager, Social Development Commission

Jessica Corroo, Milwaukee Teaching Fellow, Milwaukee Teaching Fellows Programs

Bernadette Karanja, Planning Manager, Social Development Commission

Karla Johnson, Quality Assurance Manager, Social Development Commission

Annika Leonard, Youth Racial Justice Coordinator, YWCA

Paula Lampley, W-2 Director: Eligibility and Assistance Program, Social Development Commission

Patricia Lidell, Quality Assurance Coordinator, Social Development Commission

Roy Marquez, Operations Manager, Social Development Commission

McKenzie Miller, Public Ally, Sojourner Family Peace Center

Jennifer Potts, Executive Support Manager, Social Development Commission

Priscilla Wallace, Division Manager of Youth and Family Programming, Social Development Commission

Planning Council Staff

Kathleen Pritchard, President and CEO

Ashley Tikkanen, Trinity Fellow

Quinton Cotton, Associate Planner

Appendix B: Survey Methodology

The original study was based on a questionnaire distributed to 1,431 Milwaukee County agencies identified in the Internal Revenue Service (IRS) Exempt Organizations Master Listing, a compilation of information of nonprofit organizations that have filed 990 IRS forms. The original study used information obtained for Milwaukee County nonprofits that was updated through December 2007, and selected organizations using the following filters: (1) the most recent tax period was 2004 or later; (2) organizations had an income \$25,000 or greater; (3) subsection code was “Charitable Organization”; (4) the form filing was 990 or 990EZ, but not 990PF; (5) classified as 501(c)(3) public charities. This list was further filtered to remove school groups, sports leagues, one-time events, and other groups that were not deemed appropriate.

The follow-up study used the same source, applying the same filters as the original study, but also excluding organizations that did not respond to the IRS regarding their tax exempt status (code 32, N=70); youth sports clubs, PTA’s and booster clubs (N=72); nursing homes (N=77); and those with less than \$1,000 income (N=299). The Planning Council further excluded trusts and duplicate entries, reducing the sample to 947. Explanatory letters (Appendix B) and a short, five question survey (Appendix C) were mailed to these agencies in mid-May of 2010. In total, 204 agencies returned their survey yielding a response rate of 21.5%. A total of 37 surveys were returned as “undeliverable.”

Based on the survey data, a list of agencies that responded positively to three or more questions (N=74) was presented to the advisory committee, along with summary information regarding their mission, size, and location. Additional information and observations were discussed by the group as they reviewed the data in early June. Following this review, those organizations that responded positively to four or more questions (N= 62) were selected and sent an email inviting them to participate in candid discussions on race and diversity in the staff leadership of Milwaukee’s nonprofit sector. Fifteen individuals agreed to attend the discussion with eleven agency representatives actually attending.

Appendix C: Letter to Agencies



Helen Bader Institute
for Nonprofit Management

3202 N. Maryland Ave. N 334
Milwaukee, WI 53211
414 229-3176 phone
414 229-4477 fax

May 4, 2010

Dear Nonprofit Leader:

In 2008, the Helen Bader Institute for Nonprofit Management sponsored a benchmark study of leadership diversity in Milwaukee's nonprofit sector. Among other findings, the research found that:

- Approximately 20% of the nonprofits surveyed had Executive Directors who are non-white (African American, Hispanic/Latino, Native American, Asian, Mixed, or Other.)
- Approximately 30% of the "second-tier" managers (defined as individuals who report directly to the top executive and supervise at least one non-clerical employee) in organizations in the study are people of color.
- More than 30% of the organizations in the study reported success in recruiting diverse organizational leadership.

Given the importance of this topic, the Helen Bader Institute and the Social Development Commission are working with the Planning Council to undertake a follow-up to this baseline study to learn more from those agencies that are successful in this area. A postcard survey is included in this mailing to help identify those organizations that have Executive Directors and second-level managers who are people of color.

We are also interested in identifying agencies that have successful strategies that they would be willing to share in order to help us learn more about what works. We envision a brief follow-up interview, as well as the opportunity to share strategies and learn from others.

Please take a few minutes to complete the enclosed prepaid postcard and return it to the Planning Council. If you have any questions or concerns, please contact Shelly Schnupp, Associate Director of the Helen Bader Institute for Nonprofit Management at UWM at 414-229-2813 or sschnupp@uwm.edu.

Your assistance in helping to advance diversity in the leadership of Milwaukee's nonprofit sector is greatly appreciated.

Deborah Blanks
Deborah Blanks, President
Social Development Commission

Douglas Ihrke
Doug Ihrke, Director
Helen Bader Institute for Nonprofit Management,
University of Wisconsin-Milwaukee

Appendix D: Survey

Please check all that apply:

- 1. Yes, our Executive Director is a person of color.
 - 2. Yes, our organization has at least one second- level manager* who is a person of color.
 - 3. Yes, we have experienced success in securing diverse staff leadership.
 - 4. Yes, we would be interested in sharing additional information on this topic.
 - 5. Yes, we are interested in the results of this study. Please keep us informed.
- *reports to Executive Director and supervises at least one non-clerical employee.

Name of Organization _____

Contact Person _____

Phone _____

Email _____

Appendix E: Project Timeline

March, 2010

Project advisory committee meets to discuss scope and goals of the project.

May 4, 2010

Initial surveys sent out.

June 22, 2010

Advisory Committee reviews initial data returns

July 2, 2010

Email sent out to selected nonprofit leaders inviting them to participate in a candid discussion on the topic of diversity in Milwaukee's nonprofit leadership

July, 13, 2010

Conference call among project advisory committee members and project staff to discuss potential questions for the upcoming candid discussions with nonprofit leaders

July 27, 2010 and July 29, 2010

Candid discussions with nonprofit leaders (reactor panel)

October 25, 2010

First meeting with identified nonprofit leaders (key informants)

November 22, 2010

Second meeting with nonprofit leaders (key informants)

January 2011

Draft report sent to participants

March 2011

Community conversation to review results and discuss next steps

April 2011

Advisory Committee Review

May 2011

Review and discussion with emerging leaders

Fall 2011

Release, Reaction and Response



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