SECTOR SIGNALS

Sector Signals are a product of Mowat NFP. They are short descriptions and analyses of early warning signs that should be on the not-for-profit (NFP) sector’s radar. They may be innovative ideas or challenges facing the sector. Topics are identified through sector engagement and are developed through collaboration. The goal of the Sector Signals series is to provide recommendations for action and suggestions for future research.

ABOUT MOWAT NFP

Mowat NFP undertakes collaborative applied policy research on the not-for-profit sector. As part of an independent think tank with strong partnerships with government and the sector, Mowat NFP brings a balanced perspective through which to examine the challenges facing today’s sector and to support its future direction. Mowat NFP works in partnership with the Ontario Nonprofit Network (ONN) to ensure our research and policy recommendations are timely and relevant to the sector and reflect its values.

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WWW.MOWATCENTRE.CA
INTRODUCTION

Diversity and inclusion have been emerging as organizational values and priorities in workplaces across sectors and industries for a number of decades, often as part of a broader conversation about innovation, productivity and prosperity. As a country influenced largely by immigration, with cities that are among the world’s most diverse, Canada is well-positioned to be a leader at understanding and leveraging diversity as a strategic advantage. Inclusive practices and cultures can support diverse communities and workplaces and enhance the potential benefit of diversity, but the foundation for all of this requires recognition of diversity as a valued asset.

Based on recent survey findings, the not-for-profit sector in Ontario does not appear to be diverse in its leadership, or to have a strong commitment to diversity and inclusion at the organizational level. For many in the sector, this is not news. Although many organizations in the sector may have a strong ethos around equity and inclusion, this does not necessarily translate into organizational practice. The absence of systems regarding diversity and inclusion should certainly signal the need for change in a sector that aspires to represent and speak for the community, with missions that often include creating community benefit and value.

This Sector Signal asks a number of questions about diversity and inclusion in the sector. What does it mean when the majority of organizations in the sector are not deliberately pursuing diversity in their recruitment practices? What are the challenges that limit the sector from advancing diversity and inclusion as a strategic priority? What is the broader value proposition for diversity in the not-for-profit sector, beyond social justice and equity, and how can it be leveraged to contribute to organizational success? Going forward, how can diversity and inclusion be better supported and advanced across the sector?
In 2013, the Looking Ahead Leadership Survey was undertaken by the Ontario Nonprofit Network (ONN) to collect data that would form the evidence base for a human capital strategy for the sector in Ontario.

The leadership profile that emerged from the survey did not reflect the diversity of the communities being served by the sector: 87 per cent of respondents were white, 80 per cent were born in Canada, fewer than 5 per cent had lived in Canada less than 20 years, 72 per cent were women, and 76 per cent were over the age of 45 (41 percent over the age of 55).

TABLE 1

<table>
<thead>
<tr>
<th></th>
<th>Census 2011 (Ontario)</th>
<th>Looking Ahead Leadership Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>74%</td>
<td>87%</td>
</tr>
<tr>
<td>Visible Minority</td>
<td>26%</td>
<td>13%</td>
</tr>
<tr>
<td>Canadian-born</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Immigrant</td>
<td>30%(^1)</td>
<td>20%</td>
</tr>
</tbody>
</table>

Focused on leadership, the survey collected data on a number of human resource and leadership planning issues, from recruitment and retention strategies to leadership pipelines and competencies.

Two questions were included to explore how proactive organizations were at reaching out to different populations in an environment of increased competition for talent and which populations were being identified as potential talent pools. Because the questions were probing an aspect of leadership renewal in the sector, and not part of a broader study of diversity per se, the list of populations used was not intended to be comprehensive. It was a snapshot of a smaller number of categories, and obviously does not represent the full spectrum of diversity. What emerged from the data, however, was a striking indicator of the status of diversity in organizations: The majority of organizations in the sector are not deliberately pursuing diversity in their recruitment practices.

75% of not-for-profit organizations are “neutral” towards recruiting from diverse groups.

\(^1\) The Mowat Centre was retained by ONN as the research partner for this study. The final results of the research, including key informant interviews, survey results and focus group findings can be found in Shaping the Future: Leadership in Ontario’s Nonprofit Labour Force, ONN and The Mowat Centre, 2013. ONN has provided permission for The Mowat Centre to use the source data from the survey to inform this analysis. ONN is not responsible for the analysis provided here.
RESEARCH METHODOLOGY

The Looking Ahead Leadership Survey was completed in May 2013 by 810 executive directors and senior leaders from across the not-for-profit sector in Ontario. Survey respondents answered a number of individual profile questions, including personal demographic details.

SURVEY SAMPLE

<table>
<thead>
<tr>
<th>Communities</th>
<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% large (&gt;100,000)</td>
<td>18% very large (&gt;50 employees)</td>
</tr>
<tr>
<td>14% medium (30,000-99,999)</td>
<td>15% large (21-50 employees)</td>
</tr>
<tr>
<td>13% small (1,000—29,999)</td>
<td>17% medium (11-20 employees)</td>
</tr>
<tr>
<td>4% very small (&lt;1000)</td>
<td>19% small (6-10 employees)</td>
</tr>
<tr>
<td></td>
<td>31% very small (1-5 employees)</td>
</tr>
</tbody>
</table>

As part of a series of questions that probed strategies for attracting and retaining talent, respondents were asked the following questions:

• How active is your organization in recruiting paid employees from the following populations: First Nations/ Métis/Inuit communities, recent immigrant communities, younger workers, older workers, persons with disabilities, visible minority groups.

• How active is your organization in recruiting management-level employees from the following populations: First Nations/Métis/Inuit communities, recent immigrant communities, younger workers, older workers, persons with disabilities, visible minority groups.

For each of the questions, respondents had four choices: “Proactive” (deliberate strategies in place), “Active” (there are policies and expressions of commitment), “Neutral, or “Don’t know”.

In July 2013, four focus groups were held in London, Sudbury, Ottawa, and Toronto. 40 executive directors and senior leaders participated in these conversations, helping to make sense of the data from the survey as well as delving deeply into the leadership role, where future leadership will come from, and diversity in the not-for-profit organization. The locations of the focus groups were selected to capture the experiences of not-for-profits and leaders located within different communities (large urban, northern and rural, Francophone). The focus groups also aimed to include representation from different sub-sectors and a range of organizational sizes.

The research process for this Sector Signal has involved a review of the survey and focus group findings in addition to a review of existing literature on diversity and inclusion and 20 key informant interviews with sector leaders who have direct experience in leading diversity strategies within organizations and subject matter experts on diversity and inclusion.
## Table 2
How active is your organization in recruiting **paid employees** from the following populations?

<table>
<thead>
<tr>
<th>Population</th>
<th>Proactive</th>
<th>Active</th>
<th>Neutral</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Nations/Metis/Inuit communities</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Recent immigrant communities</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Younger workers</td>
<td>14</td>
<td>25</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Older workers</td>
<td>4</td>
<td>15</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>4</td>
<td>8</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Visible minority groups</td>
<td>11</td>
<td>25</td>
<td>15</td>
<td>4</td>
</tr>
</tbody>
</table>

Proactive was defined as having deliberate strategies in place, while active was defined as having policies and expressions of commitment in their organization.

**Number of Respondents:** 810

## Table 3
How active is your organization in recruiting **management employees** from the following populations?

<table>
<thead>
<tr>
<th>Population</th>
<th>Proactive</th>
<th>Active</th>
<th>Neutral</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Nations/Metis/Inuit communities</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Recent immigrant communities</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Younger workers</td>
<td>5</td>
<td>15</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Older workers</td>
<td>5</td>
<td>12</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>5</td>
<td>15</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Visible minority groups</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

Proactive was defined as having deliberate strategies in place, while active was defined as having policies and expressions of commitment in their organization.

**Number of Respondents:** 810
Respondents had four options to answer the question of how active they were in recruiting from diverse populations: *Proactive*, defined as having deliberate strategies in place; *Active*, defined as having policies and expressions of commitment; *Neutral*; or *Don't know*.

In follow-up focus groups, it became apparent that there was confusion over the terminology used. Many participants voiced concern that “proactive” meant a hiring decision that would be based on demographic profile and not skills, and some responded, “We hire for skills, not colour.” On the one hand this speaks to the priority of hiring the best person for the job. However, it also frames hiring for skills and diversity as a zero-sum proposition, or a reaction to affirmative action. As organizations become more experienced in their approaches to hiring and diversity, skills and diversity are viewed less as competing priorities, and more as an opportunity to deepen understandings around skills, competencies, and transferability.

The use of the term “neutral” in the question is also problematic as it implies an impartial or unbiased approach. In fact, neutral as an option in this set of answers meant an absence of a deliberate strategy or policies in place. In organizational cultures, priorities find expression in policies and strategies, and so neutral in this context suggests that recruiting for diversity is not a priority.

**SIZE MATTERS: LARGE ORGANIZATIONS ARE TWICE AS LIKELY TO RECRUIT FOR DIVERSITY**

Not many organizations with fewer than 20 employees will have the capacity to put in place organizational policies regarding recruitment and hiring or deliberate hiring strategies. However, some small and very small organizations do identify diversity as a strategic priority for the organization overall, and some of those do express this through policies and strategies. For example, Table 4 provides a breakdown of the responses by size of organization for recruitment of visible minorities.

### TABLE 4
How active is your organization in recruiting visible minorities, by size of organization?

<table>
<thead>
<tr>
<th>Size of Organization</th>
<th>Proactive</th>
<th>Active</th>
<th>Neutral</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>60%</td>
<td>25%</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>Very Small (1-5)</td>
<td>72%</td>
<td>19%</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>Small (6-10)</td>
<td>65%</td>
<td>23%</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>Medium (11-20)</td>
<td>59%</td>
<td>20%</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Large (21-50)</td>
<td>53%</td>
<td>30%</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>Very Large (51+)</td>
<td>44%</td>
<td>39%</td>
<td>14%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Proactive was defined as having deliberate strategies in place, while active was defined as having policies and expressions of commitment in their organization.

NUMBER OF RESPONDENTS: 757
Interestingly, responses for different population groups varied, suggesting that there may be different drivers at play. The above results indicate higher levels of proactive and active approaches as organizations increase in size, and the results are similar for recent immigrants, First Nations/Métis/Inuit communities, and persons with disabilities. However, there is no similar trend in responses by size of organizations for younger workers or older workers.

SIZE OF COMMUNITY IS A FACTOR

When responses are broken down by size of community, different trends emerge. For example, Table 5 provides a breakdown of the responses by size of community for recruitment of visible minorities.

### TABLE 5
How active is your organization in recruiting visible minorities, by size of community?

![Graph showing responses by size of community](image)

Proactive was defined as having deliberate strategies in place, while active was defined as having policies and expressions of commitment in their organization.

NUMBER OF RESPONDENTS: 760

These findings are similar to the results for organizational size—i.e., larger communities are more active—but the drivers are different. Smaller communities may not have a critical mass of particular groups, for example, and so implementing strategies and policies around diversity in recruitment may not be seen as a priority. And even if it is a priority, where the talent pool is small it can be difficult to put strategies into place, particularly for smaller organizations with limited capacity. It may even be viewed as affirmative action to favour candidates because of diversity.

When the responses by size of community are broken out for other groups however, different stories emerge. For older workers and First Nations/Métis/Inuit communities, there was no real difference across different sizes of communities. For persons with disabilities, smaller communities were less likely to have active or proactive approaches. However, for younger workers, the responses are relatively similar across small, medium and large communities, but organizations in very small communities were twice as likely to have proactive and active strategies. This is likely not surprising in a context of broad-based strategies to retain younger people in small communities.
WHY DOES IT MATTER?

As the not-for-profit sector looks ahead to an increasingly competitive labour market, increasing challenges to building their innovation capacity, diversifying their economic base, and building stronger organizations, a defined value proposition for diversity is more necessary than ever.

Over the last two decades, the private sector has made significant progress in articulating a value proposition for diversity, integrating diversity as a strategic priority, and in implementing strategies and approaches to make diversity and inclusion applied values. And they see a return on that investment (see Conference Board of Canada, 2008, Deloitte, 2011, and Royal Bank of Canada, 2012). But it is important to note that there have been important drivers behind this movement: employment equity legislation for federally regulated employers; a rapidly changing marketplace that has been diversifying both locally and globally; and a strong recognition of the connection between diversity and innovation.

The Looking Ahead Leadership Survey tested only one indicator of organizational commitment to diversity and inclusion. However, in organizational cultures, as noted earlier, priorities find expression in policies and strategies. That the majority of organizations indicated a “neutral” approach to recruiting for diversity, or an absence of policies and strategies, suggests that diversity in employment within the sector is not yet a priority. It also suggests that while the sector as a whole, with some notable exceptions, may view diversity as part of an overarching set of equity or justice values, it does not yet value diversity and inclusion as a strategic organizational and sector opportunity. That is to say, diversity lacks a clear value proposition in the not-for-profit sector.
SECTION 2
DEFINING THE CHALLENGE

Without a clear value proposition, the not-for-profit sector will be limited in its ability to advance diversity and inclusion as a priority and to leverage the benefits. But there are real challenges that the sector faces in moving this forward. Focus group participants and key informants identified five important challenges in making diversity a priority and realizing its value in the sector: organizational capacity, community profile, defining the value of diversity, language, and risk.

ORGANIZATIONAL CAPACITY

Regardless of sector, smaller organizations face capacity limitations when it comes to achieving diversity outcomes. An organization of fewer than 20 employees (the majority of not-for-profits) cannot be expected to reflect the full diversity of the community among its staff. It is a simple matter of scale. Furthermore, many of the levers that drive diversity and inclusion within organizations require executive leadership and often dedicated human resource management. Because they lack this capacity, smaller organizations may express diversity as a strategic priority in different ways than larger organizations. Focusing on employee representation as the only measure of diversity would unfairly represent the efforts of most organizations in the sector to embed diversity and inclusion.

COMMUNITY PROFILE

The issue of community size is particularly relevant for organizations in smaller and more remote communities where there is less diversity. Focus group participants noted the broader context of recruitment challenges in smaller communities—trying to find appropriately skilled applicants from smaller talent pools—let alone being able to address questions of community representation and diversity. In fact, there is increasing competition in smaller communities for diverse candidates who are highly skilled:

“Aboriginal people with a university degree are... going to be in such demand that they’re not going to come work for [us]. Especially if you’re bilingual—people are really desperate to have them...”

FOCUS GROUP PARTICIPANT
CITED IN “SHAPEING THE FUTURE: LEADERSHIP IN ONTARIO’S NONPROFIT LABOUR FORCE, 2013”
Smaller communities without a critical mass of diverse groups can be further challenged with issues of tokenism, where individuals are frequently asked to represent or speak for an entire group.

In some respects, the challenge for not-for-profits of varying sizes, geographic locations and capacities is to define what diversity and inclusion means in their context, and to develop a diversity lens or framework that will produce value for their organization and community.

**DEFINING THE VALUE OF DIVERSITY**

Approaches to diversity and inclusion, and how the value of diversity is understood, are not the same across the not-for-profit sector. For some in the sector, social justice is a core value to the organization and its mission, and in turn is a defining driver for diversity and inclusion. For others, diversity is seen as a matter of representation, with the composition of the sector’s workforce providing a clear message about being valued, particularly for children and youth who benefit with increased self-worth and engagement from having role models. However, social justice and representation alone may not be critical drivers to action across the sector and across the province. As noted above, organizations may be too small or communities may not have the critical mass to deliver on effective representation. And so developing a broader based value proposition is needed.

The private sector may provide important lessons for the not-for-profit sector in this regard. Businesses of varying sizes and sectors have embraced diversity and inclusion as a priority, not just because it is the “right thing to do,” but also because it improves employee engagement, which leads to effective attraction and retention of employees, reduces turnover costs, and increases productivity and innovation—it improves the bottom line. In addition, as local and global markets become more diverse, the private sector is building its capacity through diversity and inclusion to better serve these markets. The value proposition of diversity is not limited to one set of values; it is in fact strengthened when understood in all of its dimensions.

**LANGUAGE**

Choosing the best language to describe the inclusion of diverse groups in a workplace can be very challenging, and can itself be a barrier for organizations. In order to make diversity a priority across the sector, creating an inclusive conversation and finding language that engages a broad audience and encourages leadership is critical. But there are differences of opinion about how language can shape change, and getting stuck on the debate about these differences can present a real barrier to building common ground and gaining momentum overall. A lack of understanding and fear of making a mistake can lead to paralysis and the abandonment of efforts to understand diversity and inclusion, or to make change within organizations.
Another challenge is the potential for language to mask a lack of action and real change. For many, the concept of diversity suggests representation; the idea that “diverse” people are ticked off as numbers or “tokens” but may not be included in positions of power or in decision-making. In this way, diversity does not deliver on its promise of enhanced thinking and problem-solving or genuine inclusion.

But finding common language to describe diversity and inclusion will be important for the sector. A useful framework identifies “diversity” as people, “inclusion” as the processes, and “equity” as impact (Dressel and Hodge, 2013). Plain but thoughtful language is needed to find common ground, to build meaningful concepts, and to develop a more inclusive conversation that results in real change.

**RISK**

A final challenge to advancing a value proposition for diversity in the not-for-profit sector is the notion of risk. Much of the work of the sector is imbued with values and invested stakeholders. At its best, diversity leverages the varied perspectives and approaches to work that different identity groups bring to the table (see Thomas and Ely, 1996). Internalizing diversity and inclusion has the promise of transformation. But to transform an organization means to challenge closely-held assumptions, ways of working and even organizational vision and mission in a way that may be uncomfortable to people in positions of authority. The possibility of transformation may give rise to fear that new perspectives will alter the vision or mission of the organization; and it can change the power dynamics and status in an organization as it changes the skills, knowledge and experience that are most valued.

The above challenges further underscore the need for a grounded value proposition for diversity in the not-for-profit sector. Understanding the benefits of diversity and the outcomes of an inclusive workplace and sector can support organizations in overcoming these challenges and lead to a stronger and more relevant sector.

“Early on, we had people ask why we were using “diversity and inclusion” instead of “anti-oppression”. When we looked at the definitions we were using, we realized we were talking about the same thing. Whatever you call it, just do the work. You may have disagreement about terminology but it’s important not to get stuck because of it.”

**RAHIMA MAMDANI**

UNITED WAY TORONTO
SECTION 3
IMAGINING THE SOLUTION

A not-for-profit sector that takes advantage of the diversity of its community will benefit in at least four ways: engaged employees, a reflective community voice, economic resilience, and enhanced and more innovative services. Taken together, these benefits begin to articulate a value proposition for diversity and inclusion in the sector. Leveraging this return on diversity positions the sector to become stronger, more competitive, and more relevant.

FIGURE 1
SECTIOIN 4
PATHWAYS TO DIVERSITY AND INCLUSION

This section will explore the elements of a value proposition for diversity and inclusion for the not-for-profit sector through four key benefits: engaged employees and volunteers, reflective community voice, economic resilience, and enhanced innovation and services.

ENGAGED EMPLOYEES AND VOLUNTEERS

Employee engagement has long been an effective strategy to increase employee retention and productivity and to enhance organizational outcomes regardless of sector, industry or size of workplace (see Schwartz et al, 2008). When employees see themselves represented in leadership and decision-making, their feelings of value and belonging are enhanced. There is a relationship between workplaces with diversity and inclusion strategies and employee engagement, which leads to an array of positive outcomes including increased retention, low turnover costs, and higher levels of productivity.

“Diversity brings a higher satisfaction among staff and greater staff retention. Problem solving is done differently; strategic planning is better because it is reflective of diverse thinking or planning.”

SHOBHA ADORE
BRAEBURN NEIGHBOURHOOD PLACE

“Senior management at W5 have worked hard to ensure an inclusive environment in which staff report a strong sense of belonging and investment in the organization. Staff retention is high. Staff report feelings of inclusion and respect for diverse thinking and problem solving leading to high levels of staff engagement and job satisfaction.”

SUDIP MINHAS
WINDSOR WOMEN WORKING WITH IMMIGRANT WOMEN
Organizations that are leveraging the benefits of diversity and inclusion do so through deliberate and focused efforts. Both United Way Toronto and Pillar Nonprofit Network provide excellent examples of organizations documenting their progress on embedding diversity and inclusion as a value in the organization, and measuring results over time. Some of the indicators they are monitoring are:

- Workplace sensitivity to issues of diversity and inclusion
- Inclusion of diverse views in decision-making
- Respect for difference
- Commitment to promoting diversity and inclusion
- Witnessing positive examples of diversity and inclusion

“We do it because we have to be intentional. It’s a value for our organization. This is the biggest thing the sector isn’t doing well—just not rising to the top. We are a role model for the sector and we need to do it.”

MICHELLE BALDWIN
PILLAR NONPROFIT NETWORK

In the not-for-profit sector, the benefits derived from employee engagement also extend to volunteer engagement. Volunteers comprise almost 48 per cent of the population and contribute significantly to the work of the sector. The ability of the sector to recruit and retain volunteers in meaningful roles is not only a benefit of diversity and inclusion, but also a significant lever for enhancing an organization’s capacity for being diverse and inclusive. For organizations that only have a small paid employee base, developing their diversity through volunteers can be an effective strategy.

REFLECTIVE COMMUNITY VOICE

A fundamental role of not-for-profit organizations is to provide community benefit and to be a voice of the community. In order to deliver on this role, not-for-profit organizations need to be able to represent the interests of their community and be able to engage effectively in public policy debate. Reflecting community diversity helps an organization to be viewed more legitimately as a partner in shaping the public good, and that legitimacy comes from understanding the community in all its diversity.

“In order to have credibility, you need to try to be reflective of the community. Legitimacy comes from demonstrating an understanding of the issues and communities you are working with.”

RAHIMA MAMDANI
UNITED WAY TORONTO
Key to being a reflective and genuine community voice is having leadership that provides a mirror to the community. Diversity in governance has been found to benefit boards and organizations by enhancing the perspectives included in decision making, helping to shape and guide the strategic direction of the board, and contributing to effective governance (see Fredette, 2012).

Communities differ from one another. Diversity and inclusion will mean something different in a rural community than it does in a city like Toronto or Ottawa. In all communities, not-for-profits need to look at their organizations and the populations they serve to ensure that they are inclusive of the diversity that is in their community. In addition to the designated groups long identified in diversity work—women, visible minorities, people with disabilities and Aboriginal peoples—organizations should consider broader dimensions of diversity as they exist in their communities, including age, sexual orientation, immigration status, language, and socio-economic status.

**ECONOMIC RESILIENCE**

Charities and not-for-profits rely on three core sources of revenue: government funding, philanthropy, and earned income. But government funding is expected to continue to decline in coming years as federal and provincial-territorial governments cut expenditures to reduce their deficits. In order to strengthen its economic base, the sector has rightly been developing alternative sources of revenue, turning its attention both to developing opportunities for earned income and growing the philanthropic base. Diversity has implications on both fronts.

As the sector looks to expand the philanthropic base, new donor communities can be cultivated through meaningful engagement and relationship development. There are significant emerging donor groups that can be engaged, and there is increasing attention by fundraising professionals and foundations to build bridges with these donors and communities. Diversifying the donor base will be essential to strengthening the overall resilience of sector resources. Where organizations are able to leverage a diverse board of directors, their networks will be a significant advantage to achieving a broader donor base.

Earned revenue is the fastest growing area of revenue generation for the sector, and diversity is an increasingly critical component in developing business opportunities. For example, for some arts organizations that seek to fill seats and expand their
audience base, their future audience must be reflected in the products or programs they offer. This may have a profound impact on the creative direction and inclusion of talent in the process. It cannot be achieved by simply changing the program, but must come from inclusive structures and leadership, where diversity of thought is reflected in decision-making.

“Having diverse programmers who have a deep knowledge of the global market is critical. Diversity has become more important as the Festival grew. Diversity affects almost every aspect of the organization. We need this city to feed what we do. There has been some evolution as the city has changed. For TIFF, the value proposition is engagement with a diverse audience and a stronger understanding of programming making the organization more effective.”

CAMERON BAILEY
TORONTO INTERNATIONAL FILM FESTIVAL

Finally, for rural and smaller communities in Ontario, diversity and inclusion is a strategic objective and opportunity for economic growth overall:

“There is a lack of growth of new Canadians coming to our community. If we don’t have organizations that are inclusive it doesn’t make for a welcoming community and they won’t come. There are economics to it. Communities that are not thinking about it will get left behind.”

MICHELLE BALDWIN
PILLAR NONPROFIT NETWORK

Building more inclusive and welcoming communities begins with a community sector that values diversity and inclusion.
ENHANCED AND MORE INNOVATIVE SERVICES

The link between diversity and innovation and responsive services cuts across sectors and disciplines (See Kellogg Insight, 2010 and Page, 2007). Within the community sector, the path to innovative solutions for complex social challenges has been through multi-stakeholder processes that engage a diversity of thought and include all stakeholders in the development of ideas.

Studying the impact of diversity on innovation and problem-solving, Page (2007) argues that people construct models for the way they solve problems. These models are largely the result of culture and social location. The result is that diversity of identity informs diversity of thought. According to Page, diversity of thought or diversity in the way people solve problems is a better way to find effective solutions to problems than having similar and very smart people try to solve a problem; i.e., a group of average but diverse problem solvers will outperform a group of smart but homogenous problem solvers.

The case study of Braeburn Neighbourhood Place is an excellent example of how genuine inclusion and engagement of diverse stakeholders produced programmatic services that responded effectively to community needs and achieved successful outcomes.

CASE STUDY

Braeburn Neighbourhood Place is a community centre in the Rexdale area of North Toronto. The neighbourhood is home to a diverse community including many newcomers.

Several years ago Braeburn initiated a tutoring program in the local high school. The leadership team at Braeburn began by consulting with students before putting resources into the program. Through the consultation, staff at Braeburn discovered that the students were very interested in the program but felt that it would not meet their needs and would not be accessible to many students. In response, the staff invited students to participate in the development of a revised program. Students from diverse backgrounds and lived experiences worked with staff to develop a peer tutoring program that reflected the diverse and sometimes conflicting needs and priorities of students and was accessible to the greatest number of students.

The program was offered over the lunch period so that students needing to be home after school could participate. Students asked that adults not be hired as planned, and led the thinking process that created a peer-to-peer tutoring model. Tutoring was made available in over 32 languages and dialects so that newcomer students could receive tutoring in their first language. Offering tutoring in students' first language improved students' learning outcomes, but also fostered a sense of community for students for whom language and culture might have previously been a barrier and ensured retention of both students and staff in the program. Peer tutors in the program became paid staff at Braeburn and were involved in program decision making to ensure that the program remained responsive to community needs.

The approach taken by the Braeburn staff was effectively a “diversity lens” to program development. The program was successful and highly effective because the students were engaged in the design process and also in the delivery, with capacity to influence decision making. Beyond the need to adjust programming to meet the needs of the community, the Braeburn team was able to see the potential opportunities that inclusion offered in terms of problem solving, developing more effective and accessible programs and services, and retaining students and staff in the programs. Diverse tutoring staff developed an innovative program that met the needs of a greater number of participants and provided a more effective solution to academic challenges faced by the school.
SECTION 5
THE WAY FORWARD

While diversity presents many challenges, it also offers incredible potential for growth, innovation, and strength. However, the sector risks missing an opportunity if it does not make diversity and inclusion a strategic priority. There is a robust value proposition for diversity in the sector, and there are champions. But there is much work to be done, including the need for leaders, individual organizations and the sector as a whole to understand the benefit and make diversity and inclusion a strategic priority.

In order to change behaviour and influence priorities, leadership, incentives and resources are needed. Organizational change occurs only when strong leadership drives it, and increasingly there is a need for diversity and inclusion to be a desired core competency of leaders in the sector. But leaders must be given incentives and support from governance structures, funding partners and sector networks. While the private sector has made strides in diversity there have been ample resources dedicated to support this development. If the not-for-profit sector is going to develop its capacity, resources must be made available.

Finally, knowing that change is being made requires data to tell the story. The Looking Ahead Leadership Survey provided a partial view of diversity in leadership in the sector, and a single indicator of organizational commitment. Research and evidence that is focused on appropriate metrics and indicators of diversity and inclusion is needed to establish a baseline and monitor change. Only then can the sector understand the progress made and see the benefits that result.
SECTION 6
RECOMMENDATIONS

I. LEAD

- Sector intermediaries (umbrella groups) are a critical leadership voice and driver for change. They have a leadership role to play in building the value proposition for diversity and inclusion, making it a priority for the sector and leading strategies for change.

- Making change happen requires organizational leadership and commitment. In the not-for-profit sector, boards of directors are a critical driver for change within organizations, and the diversity of boards is an essential lever in advancing diversity and inclusion within the sector. Boards have a responsibility to deepen their own understanding and practice of diversity and inclusion, and move toward making it a strategic priority for their organizations.

- Funders to the sector are another key driver of change. Decision making committees of key funders to the not-for-profit sector must look at their own diversity and inclusion and how well their decisions advance the goals of diversity and inclusion in the sector.

II. EMBED THE CONCEPT

- Develop diversity and inclusion as a core leadership competency in the sector, and embed within performance metrics for board members, executive directors and senior leaders.

- Post-secondary educational institutions and other providers that develop and deliver leadership training and other developmental opportunities for the not-for-profit sector should infuse the curriculum with a diversity and inclusion lens, and deepen the value proposition with case studies, strategies and approaches.

- Embed diversity and inclusion as a key performance area with indicators in program and organizational accreditation systems in the sector.

III. ENCOURAGE AND INVEST

- Make demonstrated commitments (policies, practices, strategic priorities) to diversity and inclusion a requirement of funding and resources.

- Provide resources to develop the tools for diversity and inclusion approaches within organizations and across the sector.

IV. COLLECT THE DATA

- Develop a robust set of diversity indicators and metrics, and collect data at regular intervals in order to establish a meaningful baseline and ability to measure progress.

- Report at regular intervals on outcomes, and based on progress made, and renew sector goals and objectives going forward.
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