



## **JOINT AFFINITY GROUPS**

# **The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field**

### *Findings from a National Study*

**Lynn C. Burbridge**

**William A. Díaz**

**Teresa Odendahl**

**Aileen Shaw**

**Foreword by Emmett D. Carson**

**Edited by Chris Cardona**

© 2002 by the Joint Affinity Groups, Lynn C. Burbridge, William A. Díaz, Teresa Odendahl,  
Aileen Shaw, Emmett D. Carson, and the University of Minnesota

All rights reserved

Joint Affinity Groups  
c/o Leila Minerva  
JAG Coordinating Consultant  
(415) 330-0878 (voice)  
(415) 330-0870 (fax)  
[lminerva@earthlink.net](mailto:lminerva@earthlink.net)

---

# Corporate Philanthropy: The Business of Diversity

Aileen Shaw

## Introduction to Foundation Type

Corporate foundations, also called company-sponsored foundations, derive their grantmaking funds from the contributions of a profit-making business. The company-sponsored foundation is a legal organization separate from the company and is subject to the same regulations as other private foundations.<sup>1</sup> As of 2000, there were 2,018 corporate foundations in the U.S. (Renz and Lawrence 2002, p. 6). Among foundation types, corporate foundations have the lowest average of staff per foundation – 3.2 compared to an average of 5.5. However, corporate foundations report high ratios of professionals to support staff relative to other foundation types (Gluck and Ganguly 2001, p. 11).<sup>2</sup>

In their governance, policy, and operations, corporate foundations reflect the companies from which they originate. Their approach to grantmaking is grounded in business practice, a unique set of circumstances that has interesting consequences for diversity efforts. On the one hand, philanthropic activities are undertaken in part to generate positive publicity for the parent company. Diverse staffing in the corporate context may thus reflect an effort to curry the favor of diverse markets. On the other hand, once a corporation begins to employ diverse staff, these employees receive the same level of attention from the corporation as other employees, whether in terms of training, benefits, or involvement in philanthropic activities. Indeed, corporate giving tends to focus its efforts in geographic areas in which the company has a strong employee base, and grantmaking is often associated with the company's product and operations. Once diverse employees are "in the mix," they and their communities can benefit from this targeted attention. And indeed, because they are beholden to their target markets, corporations have a strong incentive to diversify internally when their external markets are diverse.

In recent years, corporate philanthropy has begun to expand its horizons beyond the narrow focus that originally characterized the sector in its late nineteenth century origins. Indeed, until the early 1950s, corporate charters ruled out donations unrelated to the purposes for which the corporation was organized, and gifts were limited to those that either benefited their workers or that provided a direct economic benefit to companies themselves. Following a 1950 court decision, states began passing laws allowing corporate donations to a wider range of charitable causes, and corporations expanded their giving activities (Andrews 1993). As a result, the sector professionalized, as companies began setting up corporate foundations and developing grantmaking guidelines and procedures.

These ongoing cultural and institutional connections between corporate foundations and their parent companies mean that corporate philanthropy is particularly susceptible to the changing state of the economy. Corporate foundation giving grew more than 50% in constant dollars between 1995 and 2000 (Renz and Lawrence 2002, p. 5), due in large part to the strong performance of the economy. However, a weakened economy is expected to negatively impact giving. Among a sample of 96 companies, giving as a percentage of total income fell from 1.2 percent in 1999 to 1.0 percent in 2000 (Kao 2001, p. 7). In constant dollars, overall corporate foundation giving fell 0.2 percent in 2001 (Renz and Lawrence 2002, p. 4).

## Study Sample

Interestingly, corporate foundations proved difficult to access. Requests for interviews were far more likely to be refused than with any other institution type in the overall interview sample. After the initial process of selecting institutions with good diversity practices (see the Appendix, p. 139, for a description of the sample selection process), several declined to be featured in the study, and, of the organizations we chose, requests for follow-up interviews were turned down, citing time constraints and staff workload. We were unable to procure enough trustee interviews to create a meaningful sample. For this reason, interviews with corporate foundations were limited to staff participants.

This chapter is based on six interviews at four corporate foundations.<sup>3</sup> The corporate foundations featured in this chapter are: AT&T Foundation, General Mills Foundation, Levi Strauss Foundation, and Wells Fargo Foundation. Two of the interviewees are women and four are men. Three are white, one is African-American, one is Latino and one is Asian-American. Three interviewees reported that they are heterosexuals, three that they are gay or lesbian. None are disabled. The corporate foundations portrayed range in size from \$35 million to \$340 million in assets and make grants from \$15 to \$42 million annually. Two are located in the West, one in the Midwest and one in the East. Of the four foundations featured, two were undergoing considerable staff restructuring at the time the interviews were conducted, following recent corporate downsizing.

At the organizations selected, diversity is an intrinsic element of each foundation's grantmaking. None of the foundations operate separate diversity grantmaking programs; rather, diversity forms part of each organization's everyday awareness and practice. For the most part, staff diversity tends to follow developments in programming. At the AT&T Foundation, diversity has been a central aspect of the foundation's operations for the past fifteen years. The foundation has adopted diversity in grantmaking as one of its central themes. According to CEO Timothy McClimon, "If you are going to have diversity as one of your themes, then you better have a workforce that knows something about it and reflects

it.” At other organizations, the nature of the areas funded means that diversity is an integral part of grantmaking policy. For example, the Levi-Strauss Foundation’s giving programs are in AIDS Prevention and Care; Economic Empowerment; Social Justice and Youth Empowerment. The foundation also launched Project Change, an initiative to address institutional racism in the U.S., and instituted an anti-discrimination policy. Grantmaking at all the sample foundations can be broadly described as progressive. Both the Wells Fargo Foundation and Levi-Strauss Foundation were early funders of AIDS.

## Institutional Culture

An understanding of the essential differences between corporate and independent philanthropy is necessary to provide a context for assessing corporate grantmaking. The guidelines and procedures within which corporate grantmakers operate are based on for-profit practice. Grantmakers interviewed spoke upfront about serving the interests of the corporation; first and foremost, their work is about benefiting the company and its employees. At the same time, they saw no contradiction between serving business interests and addressing community needs. Corporate philanthropy and attention to diversity, under the general rubric of “corporate citizenship,” can benefit the parent company on different levels. Consumers respond favorably to companies that exhibit good corporate citizenship. Publicly embracing diversity helps companies recruit and retain diverse staff. Both practices can also improve the image of companies within increasingly diverse markets. More pragmatically, corporations are more closely monitored for compliance with equal opportunity regulations.

Corporate foundations are governed by the practices of the sponsoring institution. At all of the institutions studied, diversity at the foundation echoes company policy. In turn, the concept of “corporate citizenship” underlies the values and practices implemented at company levels (Burlingame and Smith 1999). Many advocates see corporate citizenship as fundamental to business practice, and corporations are routinely evaluated according to their performance as good corporate citizens. Recently, the Council on Foundations designed a method – the Corporate Philanthropy Index – for companies to measure the business value of corporate philanthropy. The index rates the attitudes of employees, customers and civic leaders about a company’s philanthropic activities as well as showing how attitudes can affect a company’s profitability (Walker Information 2000).

Companies have tremendous benefits to gain from being good corporate citizens. A recent survey found that 79% of Americans took corporate citizenship into account when deciding whether to buy a particular company’s product (Hill and Knowlton 2001). However, the vast majority of the public exhibited skepticism about the motivations of corporations for charitable giving. According to the same report, “Our survey findings suggest that corporations need to do more than simply give away dollars. They need to act

in ways that are meaningful to their shareholders – consumers, investors, employees, and members of the local community – and that genuinely demonstrate their core corporate values.” This caution challenges companies to place their charitable giving in a broader context of corporate citizenship. Attention to diversity can be an important part of this effort.

Increasingly, corporations are aware that diversity strategies can be instrumental to economic success. The business case for diversity is clearly and purposefully enunciated within corporate foundations. As the General Mills Foundation acknowledges in its *Commitment to Diversity*, “Good diversity practices tend to be good business practices, and good business practices advance the cause of diversity.” For the most part, corporate America has embraced diversity as a pragmatic strategy to respond to changing demographics. An increasingly diverse workforce and marketplace demand that corporations address demographic changes and that these be reflected at various levels throughout the organization. A diverse workforce is needed to serve customers more effectively, to maintain market share, and to attract and retain talent. As Pamela Erwin, president of Wells Fargo Foundation California explained, “At events, we need the table to look like our audience.” Commenting on AT&T’s 90 million customers in the US, CEO Tim McClimon commented, “We have half a million shareholders and 130,000 employees, if we don’t focus on diversity to some extent we’re going to be out of business.” Similarly, the desire to remain competitive in their ability to attract and retain a diverse workforce is encouraging corporations to ensure that they offer inclusive and supportive work environments where diversity is respected.

Another reason for corporations to diversify is to improve their public image. Sometimes this concern can arise in reaction to adverse publicity. Following the company’s exposure to lawsuits in the 1970s, AT&T Corporation adopted a formal diversity policy (Northrup and Larson 1979). In enacting this policy, the corporation has sought to be more reflective of society and of its customers. In some instances, diversity initiatives are introduced to redress negative practices and to remedy a company’s damaged reputation. In November 2000, Coca-Cola Co. announced a \$1.5 million grant to establish a diversity management program for business and civic leaders in Atlanta, the company’s headquarters. The Diversity Leadership Academy of Atlanta, developed by the American Institute for Managing Diversity, provides diversity management training for leaders at both corporations and nonprofit programs. Announcement of the gift followed the company’s settlement of a class-action lawsuit in which the company was accused of discriminating against black employees in the areas of hiring and promotion (Bean 2001).

These business-related reasons – enhancing public image, improving staff recruitment and retention, and generating consumer goodwill – are prime motivators of corporate philanthropy, even as individual grantmakers within the sector seek to enhance the welfare of the communities they serve. While the choice of target community and program

area are dictated by business practice, within these parameters, the modes of engagement with these communities and the manner in which the foundation addresses a program area are subject to greater autonomy from corporate staffs. This difference in circumstances between the corporate foundation sector and other private foundations is critical to understanding the grantmaking practices of corporate funders. Indeed, they are well aware of this distinction, and acknowledge it readily in talking about their work. With these differences in mind, the next section discusses best practices among corporate foundations.

## **Best Practices**

In Minneapolis, Minnesota, the company headquarters, the General Mills Corporation has a reputation as an enlightened corporate citizen. The Foundation's staff is 50% people of color and over 80% women. Reatha King, president of the General Mills Foundation and vice president of General Mills Inc., emphasizes the institutional culture of good corporate citizenship at General Mills as the key factor in explaining the foundation's strong emphasis on diversity. This culture is manifested in concrete policies that encourage diversity. The corporation has a *Statement of Corporate Values*, which affirms: "We value diversity and will create workplaces where people with diverse skills, perspectives, and backgrounds can exercise leadership and help those around them realize their full power and potential." The institutional culture explains the foundation's success in the retention of staff members from target populations.

## **Creating Diverse Workplaces**

Faced with an increasingly diverse labor force, corporations are becoming proactive about recruitment and retention strategies. A reputation as an inclusive employer can greatly enhance a corporation's public image. The media is highly attentive to issues of diversity, and the existence of resources such as *Fortune's* "50 Best Companies in America for Asians, Blacks and Hispanics" testifies to the benefits of a diverse workplace. In the corporate workplace, diversity encompasses individual development, mentoring programs, employee networks, and consideration for flexibility in work styles. Each of the corporations featured had employee or affinity networks in place. Employees at the General Mills Foundation have access to Asian-American, Hispanic, South Asian-American, gay and lesbian, African-American, and women's employee networks. A mentoring program at the company pairs up employees of color and new managers with experienced employees. It is designed to support retention and prepare employees to move into managerial roles.

In order to appeal to a broad base of employees, corporations are paying attention to creating supportive and inclusive work environments. Diversity in work styles includes options for flexible hours, telecommuting, and leaves of absence. At some organizations, diversity has entailed putting in place family-friendly policies such as paternity leave and

establishing domestic partner benefits or other policies that expand the traditional definition of family. Levi Strauss and Co. has a long-established and comprehensive domestic partner benefits policy and the Wells Fargo Foundation recently updated its personnel policies to include every type of diversity, including disability. Supplier relations are another area in which corporations are consciously engaging in diversity practices. The corporations in our study have formal arrangements for procuring services from businesses owned by people of color and women. Corporate employers are keen to make public all of these benefits and use them as tools to recruit and retain diverse staff.

One of the most effective ways of ensuring compliance with diversity in staff is to institutionalize accountability among managers. A routine business practice is that of recognition and reward among management for diversity performance. At General Mills, managers track staff diversity in the corporation and at the foundation. Achievements with respect to diversity on his or her team are part of a manager's annual job evaluation and compensation review. A section on Workforce Diversity on the company's website includes a commitment that "General Mills' Chairman and CEO, Steve Sanger, personally reviews the development plan and progress of every current and potential minority manager in our company every three months."

The growth of the human resources profession has meant the institutionalization of practices in recruiting, performance evaluation, compensation, and training. Corporate foundations have access to human resources personnel at the parent company, and foundation staff are subject to the same employment terms and benefits as the corporation's employees. Large corporations have the resources to provide the systems and expertise necessary to develop, implement and institutionalize the policies and procedures for diversity. Reatha King attributes much of the company's success in retaining diverse staff to the fact that the corporation has established a position of Corporate Manager for Diversity, a person who monitors the company's progress and serves as a resource for the managers on matters of diversity.

## **Recruitment**

In recruiting staff, corporate foundations reported certain restrictions. Especially at the senior levels, corporate policy often prioritizes hiring from within the company. For an institution like the AT&T Foundation, which makes grants in the areas of education, arts and culture, civic and communication service, this preference for internal hiring can generate challenges. According to Timothy McClimon, "We try to hire people with experience in those subject areas; and when you can only hire from within the company where telecommunications is their experience, then that's a little tough." Due to downsizing in the previous five years, the foundation staff was reduced by half to twelve. "We lost a lot of people of color in that process and we've had a difficult time maintaining the right balance because of that," McClimon remarked. Of the program staff, one-third are people of color.

The foundation is part of the company's public relations department, which, in one year alone had seen its budget and staff cut by 30%

Corporate foundations rarely have opportunities to expand staff; rather the trend is in the opposite direction. One manager lamented "We haven't had an opportunity to hire anybody in almost 3 years – it's been complicated. I think it's going to be a long time before we can hire anyone from outside the company."

Given these restrictions in hiring program positions, one CEO explained, the foundation looks for generalists with experience in community work. Corporate foundations are often closely associated with marketing and public relations functions of a company. Interviewees emphasized people skills, negotiation, analytical ability and presentation skills as important characteristics for success. Public speaking is an important element of corporate philanthropy, with hiring of speech coaches and attendance at Toastmasters meetings among the methods used to improve communication skills.

The backgrounds of program staff interviewed varied considerably. Those that came from inside the corporation had experience in areas of high-level administration, human resources and public relations. When hiring from outside the company, managers prioritized expertise in a particular funding area and community connections. None of the senior staff interviewed consciously made a decision to enter the field of philanthropy, although most of them now consider it to be their career. Mentoring, especially informal mentoring, is often how people get started in the field.

In corporate foundations, the workplace environment reflects a mix of business and community elements. Tim Hanlon, president of the Wells Fargo Foundation, described its institutional culture as "half corporate, half community focused." Staffers are "good business people, well versed in the needs, desires and mission of the company." In hiring, Wells Fargo looks first within the company. Among the skills required are "energy and commitment round the nonprofit world, people who are comfortable dealing with diverse populations." The current staff includes an attorney, a PhD computer scientist, and a banker. At Wells Fargo, input from the community is important in selecting and assessing program staff. Interviews are group interviews, and activist community groups are contacted in order to get opinions on the candidates. As part of the review process for existing staff, the foundation solicits outside information. "We talk with someone who received a grant from that staff member; we ask local business people how s/he operates," Hanlon said. In general, when hiring new members, staff indicated a preference for structured group interviews. Although less straightforward than one-on-one interactions, the format raises questions and, as explained by one interviewee, acts as an internal check on his predilection to hire people "who look and sound like myself."

The combination of business and philanthropy in a career, far from being anomalous, is one that elicited enthusiasm from participants. One interviewee expressed

satisfaction with her job in the following terms: “It forms part of my value system, providing an opportunity to do something for the community while at the same time being protected by the structures of a large corporation.” This attestation of appreciation for combining business and social elements is characteristic of corporate staff in other studies. Sociologist Jerome Himmelstein in his work on corporate philanthropy observed:

The working assumption of most corporate philanthropists is that doing good for society and (as they see it) doing well for the corporation are not at all contradictory. They see themselves as serious philanthropists and serious corporate managers. Their talk moves easily from corporate strategic interests to the needs of the homeless, battered, women and teen mothers and back again (Himmelstein 1997, p. 38).

This facility with two very different languages typifies the corporate philanthropy experience. Institutions that pay attention to both sides of this equation in recruiting foundation staff tend to be most successful as grantmakers.

## **Training**

Another key element is training. Among corporate foundations studied, all engaged in diversity or sensitivity training. Part of the “Valuing Differences” approach that emerged in the early 1980s, this style of training involves acknowledging and celebrating differences and argues that they are an asset to performance (Walker and Hanson 1992). Its purpose is to train managers to deal with those from a different background or culture. Typically, external consultants and in-house trainers are brought in to raise consciousness and awareness about issues of diversity in the workplace. While external diversity consultants are recommended, interviewees emphasized the value of peer-to-peer training. Training that is adopted and developed by management itself ensures greater buy-in and legitimacy.

The Levi Strauss Foundation operates a weeklong diversity program and a three-day ethics program for all managers. At Wells Fargo, sensitivity – or diversity – training is provided for middle managers and up. Every executive vice president in the company participates in workshops where they learn to understand their own human biases and how to avoid stereotyping. They then give the training, along with the person who trained them, to other staff in their departments. Pamela Erwin, president of Wells Fargo Foundation California, has overseen much of the company’s diversity training. Ultimately, she explains, the goal is to demonstrate how having diverse staff, “provides different perspectives, different value systems...all of which raises the bar of solutions.”

Another feature of the “Valuing Differences” approach is the celebration of multicultural holidays. Foundations interviewed sponsor cultural and educational events, for example, Black History Month, Hispanic Heritage Month, or Gay and Lesbian Pride Week. Community events are celebrated, as are ethnic festivals such as Chinese New Year.

## Corporate vs. Independent Foundations

Corporate grantmakers are acutely aware of the differences between their grantmaking and independent philanthropy and are quick to distinguish between the two forms of philanthropy. Corporate foundations differ from independent foundations in that they do not operate with the same constraints. The highly bureaucratic and systematized grantmaking processes of independent and community foundations are not part of the corporate culture. Mario Díaz, vice president at Wells Fargo Foundation, commenting on his previous experience in a community foundation, compared the “very process-oriented systems of dockets, board presentation and the like” there with his current corporate workplace. “Here, a good proposal is where they have provided everything we ask for in the guidelines. We want to make it easier for nonprofits to apply.”

At the corporate foundations studied, less time appears to be spent on process, and staff is accorded more autonomy than at independent or community foundations. This culture of openness may be one in which diversity thrives. At AT&T, trustees meet every month. They are provided with short and concise write-ups of grants, and the staff makes very brief presentations. Little emphasis is placed on preparing formal, written arguments for approval. “We don’t hire people for their writing ability,” observed Timothy McClimon. “We really are interested in people who can make quick decisions and can talk about those decisions.” The monthly board meetings are by conference call so trustees do not have to travel. Material is sent by email one week before each meeting. Meetings are always less than an hour in duration. “We don’t go over anything that we’ve sent to them in writing. We just add to that and answer questions. Discussions tend to be brief, and we just move on,” according to McClimon. The foundation changed the policy on staff authorization enabling staff to authorize grants up to \$100,000. Trustees consider only grants in excess of that amount. Given the findings in Lynn Burbridge’s survey analysis that women and people of color are more likely to report their grant decisions being overruled by the board (Table 8.2 on p. 56), these policies may enable diverse grantmakers to avoid these potential barriers.

At AT&T, care is taken to ensure that education is not a barrier to advancement. None of the staff has a PhD, for example. Timothy McClimon reflected, “I don’t think we would hire a PhD. Not that we have anything against PhDs, but it’s the culture...not that we’re anti-academic but we’re much more sort of practical, and that just comes from being inside a company.” At the Levi-Strauss Foundation, executive director Richard Woo places less emphasis on credentials or degrees and more on candidates coming from the community and having organizing or nonprofit experience.

Staff reported a high burden of administrative duties at corporate foundations. Vice presidents, as the program officers are called, often open their own mail, for example, and are not assigned personal assistants to the same extent as their counterparts in independent philanthropy. At the same time, administrative staff is encouraged to develop, whether

through accompanying senior staff on site visits, making presentations, or learning “on the job”. Two of the foundations studied emphasized a culture of openness and lack of hierarchy as one in which diverse members thrive. “It’s a climate where you can take advantage of the opportunity to learn,” observed Mario Díaz of Wells Fargo. Timothy McClimon described AT&T as an environment where “the culture is open to new ideas, everyone is able to express an opinion...whether they are a temporary employee or the executive director, we all have a voice in decision-making.” AT&T conducts surveys of employees by department in order to track attitudes of individual groups, and “one of the things we always get high marks on is our openness to diversity of opinion and a lack of level-consciousness. Just because you’re at a higher level doesn’t mean anything when it comes to having an opinion.”

## Case Study: Wells Fargo Foundation

The Wells Fargo Foundation funds in the areas of education, community development, human services and culture. Like many of its corporate counterparts, the company itself underwent significant mergers and restructuring in the 1990s. As a result, the grants budget of the foundation increased from \$6 million to \$41 million. In terms of grantmaking, diversity is tackled primarily through “income diversity,” with 75% of the funds directed to low-to-moderate-income groups.

At Wells Fargo, diversity is part of the corporation’s Strategic Plan. Defining diversity and identifying it as one of the corporation’s core values is essential to providing a context for good practice, as is ensuring that diversity is a concern at senior levels. Wells Fargo has created public statements on diversity that attest to the company’s aspirations, goals, and challenges. A publication entitled *Vision and Values* includes a section on diversity outlining how the concept is central to the company’s organizational culture. Diversity is defined and expanded upon to include age, ability, sexual orientation, disability, and lifestyle, as well as such categories as socioeconomic background, religion, and other differences:

We want to create an inclusive culture that understands and values the diversity of our team members, customers, suppliers and markets. We want an environment where people who are diverse in age, education, ethnic origin, gender, lifestyle, physical abilities, race, religious beliefs, sexual orientation, work background and other perceived differences are recognized, feel valued and can go as far as their talent and ambition allow (Wells Fargo 2002).

Corporations serve multiple constituencies: employees, customers, community members, and shareholders. Corporate diversity practices must address all of these constituencies. Effective practices provide strategies to remain competitive with each of these sectors. In the *Vision and Values* document, Wells Fargo recognizes this advantage: “By leveraging diversity as a competitive advantage, we can make the company a better place

to work, better understand out diverse customers' unique needs, give our customers and communities outstanding service and deliver greater value to our stockholders.”

At the same time, the company publicly recognizes that diversity is an ongoing challenge that it must strive to meet. The *Vision and Values* document includes an acknowledgement that, in many cases,

The human “face” we present to our customers does not reflect the diversity of the customers we serve in those markets. We must increase the number of people of color, women, and other diverse groups in senior management.... We must continue to hold every business and manager in our new company accountable to develop action steps for diversity. We must continue to provide continuous learning in diversity for all managers and supervisors (Wells Fargo 2002).

A Diversity Council oversees all diversity activities. The Council supports and integrates a company-wide diversity strategy.

At the Wells Fargo Foundation, of the six professional staff, four are gay or lesbian, three are white, two are Asian, and one is Hispanic. Staff has complete discretion over grantmaking and board approval is not required for any funding decisions. Interviews with program staff attributed the diverse profile in some measure to company policy but largely to the personal attention given to diversity by senior management, particularly Tim Hanlon, the Foundation's president.

Hanlon acknowledges that the Wells Fargo Foundation is more diverse than the company. He admits that within the corporate world, the predominant culture, especially at the senior levels, is characterized by male dominance and middle-class, straight, white privilege. For the most part, employees are asked to perform as if they are white males. Clearly, the Foundation is unusual in that none of the staff could be characterized as straight, white, and male. Diversity is very much on the staff agenda, incorporated into the day-to-day workings of the Foundation through “brown-bag” lunch discussions, staff meetings, and one-on-one meetings with Hanlon. “We always talk about diversity,” Hanlon remarks. “For example, how to go into situations in the company where the mix is not as diverse – the dynamics of walking into a room full of middle-aged, white bankers.”

Hanlon, openly gay, admits that at times he has access as a white, male executive that others on staff do not. He related a situation in which at a company outing to Palm Springs for golf, three of the four participants were men and they needed another to join the party. One of the foundation's female staff was the best golfer in the group and she joined the game. After the event, Hanlon recalled, “she and I talked about difficulty in ‘joining the guys’ talking about sports pages and so on – a dialogue that is often exclusionary.” In some instances, Hanlon recalls, the Foundation is ahead of public opinion with respect to diversity. In the past year, the foundation hosted four tables at the San Francisco Opera.

Hanlon invited five gay male couples to the event and their table drew negative reaction from some of the crowd in the form of derisory remarks.

The experience of the Wells Fargo Foundation – an organization in many respects ahead of the curve with regard to diversity – shows that staff diversity and effective grantmaking practice can successfully coexist in the corporate context. The public commitment of the parent company to diversity, coupled with foundation president Tim Hanlon’s personal investment in the issue, has allowed the foundation to attract and retain a highly diverse staff. It should be noted as well that the considerable autonomy and discretion of foundation staff in making grant decisions – typical in the chronically understaffed corporate foundation sector – have also had a positive influence on staff retention.

## Conclusion

At corporate foundations, the policies of the foundation are set by the parent company. As in the case of the Wells Fargo Foundation, these may be expanded upon, but in general, foundations follow the tone of corporate policy. In many instances, for-profit companies are ahead of nonprofit employers in areas such as partner benefits, flexible work arrangements, diversity training, and a commitment to diversity in policies and procedures. Corporations have greater access to human resources teams as well as the infrastructure to implement policies. Diversity practices at the corporate foundations featured are treated as more than a one-time initiative; rather, they are ongoing, multidimensional, and fully integrated into each organization’s culture. Undeniably, corporate philanthropy is utilitarian in its approach to diversity. Nevertheless, the corporate experience offers several examples of policy and practice that could well be adopted by other types of institutions:

- *Stating the case for diversity.* Corporations are upfront and unapologetic about their diversity objectives.
- *Commitment to diversity in written materials and tools.* A rationale for embracing diversity appears in mission/value statements, key documents, on websites and in a variety of public formats.
- *Policy originates from the highest levels.* Aware of the business advantages of diversity, the impetus for change comes from the top. Diversity is incorporated into long-term strategic planning.
- *An infrastructure that supports institutional implementation and compliance.* The existence of a body such as a Diversity Council ensures that efforts are monitored and ongoing.

- *Networks and support systems.* Employee councils' networks and mentoring programs provide nurturing and support for diverse elements of the workforce, improving morale and encouraging peer support.
- *Measuring diversity:* Setting specific goals and objectives and making managers accountable for their achievement ensures attention to diversity.
- *Human resources:* Attention to work-life issues in the form of flexible work arrangements and domestic partner benefits encourages a more inclusive workforce.
- *Acknowledging and celebrating religious and community holidays.*
- *Education and training:* Diversity awareness workshops provide skills in managing difference and practical advice for countering stereotypes.

## References

- Andrews, Frank Emerson. 1993. *Corporation Giving*. Reprint of 1952 volume from the Russell Sage Foundation. New Brunswick, NJ: Transaction Publishers.
- Bean, Linda. 2001. "Rewriting the Language of Diversity: How We Act, Not How We Look." <<http://www.diversityinc.com/public/1161.cfm>> (free registration required).
- Burlingame, Dwight F. and Craig Smith. 1999. "The future of corporate giving." *New Directions for Philanthropic Fundraising* 26(Winter): 59-77.
- Gluck, Robin and Dia Ganguly. 2001. *Foundation Staffing*. New York: The Foundation Center.
- Hill and Knowlton, Inc. 2001. "Americans Are Looking for Good Corporate Citizens But Are Not Finding Them According to Hill and Knowlton 2001 Corporate Citizen Watch." <[http://www.hillandknowlton.com/index.php?section1=news&section2=news\\_archive&period=2001-07&cid=31](http://www.hillandknowlton.com/index.php?section1=news&section2=news_archive&period=2001-07&cid=31)>
- Himmelstein, Jerome L. 1997. *Looking Good and Doing Good: Corporate Philanthropy and Corporate Power*. Bloomington: Indiana University Press.
- Kao, Amy. 2001. *Corporate Contributions in 2000*. New York: The Conference Board, Inc.
- Northrup, Herbert R. and John Larson. 1979. *The Impact of the AT&T-EEO Consent Decree*. Labor Relations and Public Policy Series No. 20. Philadelphia: The Wharton School, University of Pennsylvania.
- Walker, Barbara A. and William C. Hanson. 1992. "Valuing Differences at Digital Equipment Corporation." In Susan E. Jackson (Ed.), *Diversity in the Workplace*. New York: Guilford Press.

Walker Information, Inc. 2000. *Measuring the Business Value of Corporate Philanthropy*.  
<<http://www.measuringphilanthropy.com/docs/summary.pdf>>

Wells Fargo. 2002. *Vision and Values*.  
<[http://www.wellsfargo.com/pdf/invest\\_relations/Vision2001.pdf](http://www.wellsfargo.com/pdf/invest_relations/Vision2001.pdf)>

## Endnotes

<sup>1</sup> The Foundation Center also recognizes a second category of corporate donor, the corporate direct giving program. The principal difference between these two types is that corporate foundations are separate legal entities. Corporate foundations may also have their own endowments, which corporate direct giving programs do not. The latter are also often part of the public relations or marketing departments of the parent company. In practice, this distinction is not always hard and fast. In this chapter, we refer primarily to corporate foundations.

<sup>2</sup> These Foundation Center data include four foundation types: Independent, Corporate, Community, and Operating, which do not correspond exactly to those used in this study. However, the salient point is that corporate foundations have staffing levels significantly below the overall average. As for the ratios of professional (full-time and part-time) to support (full-time and part-time) staff, the figures are: independent 1.36, corporate 1.53, community 1.90 and operating 0.89. However, the operating ratio includes a very high number of “unspecified” positions, which likely includes professionals.

<sup>3</sup> The titles and affiliations used in this chapter are based on interviews conducted in 1999-2000.



**Joint Affinity Groups**  
c/o Leila Minerva  
JAG Coordinating Consultant  
(415) 330-0878 (voice)  
(415) 330-0870 (fax)  
[lminerva@earthlink.net](mailto:lminerva@earthlink.net)