Struck by the Stars: How the Search for Celebrity CEOs is Undermining Diversity in Philanthropy

By Vincent Robinson

In 2000, a relatively unknown state senator from Illinois arrived in Los Angeles, but was not able to get floor access to the Democratic National Convention. Of course, that same state senator electrified those conventioneers four years later, and now … well, we all know the rest of the story.

The experience of Barack Obama in 2000 says some important things about how we choose leaders. At the time, he was largely unknown. He wasn't seen as a peer. He was – and still is – African American. Above all, he was rejected. The political establishment of the Democratic Party in 2000 was perfectly prepared to ignore the man who now is our president as a potential leader. Look at what the party leaders were missing – and could have continued to miss, had not someone recognized his leadership potential and facilitated his emergence from obscurity. I can't help but wonder whether the philanthropic sector, by limiting our definitions of leaders to people who are "known" in some way and who are "peers" in another, might be undermining its truly noble (and fairly widely held) goal of having a broader, more diverse and inclusive leadership base?

CELEBRITY – REACHING FOR THE "STARS"

In executive search processes, we often hear clients say that they want a "star." Presuming that Jennifer Aniston is not a likely candidate to run a foundation (at the moment, anyway), we probe to find out specifically what constitutes a "star." Over the years, we have determined that what clients usually mean is someone who is well known, either in the philanthropic sector or, more likely, in some other area, such as academics, media or politics. But as Jim Collins has pointed out, these "celebrity" leaders often either are not as able or willing to maximize the effectiveness of the organizations they are invited to as other less well-known leaders may be. Collins' rigorous research in the corporate world found that celebrity leaders brought in from the outside actually correlated negatively with taking a company from "good to great".[1] He found the same to be true in the social sector.[2] Poor outcomes like these are not universal, but are surprisingly common, suggesting that "celebrity" is at best a red herring, and at worst, truly detrimental to organizational results.

PHOTO COURTESY OF BIG STOCK PHOTO

Barack Obama gives a speech at a rally in Bristol, Virginia on June 5, 2008.

Our experience suggests that many foundation boards and executives are convinced that their institutions' effectiveness will grow merely through association with celebrity leaders. Sometimes, we also observe that individual board or staff members in the organization can be seduced by the excitement of personal association with the star. In either case, fundamental and critical questions of leadership – whether the leader can inspire the organization's stakeholders, advance the organization's mission, steward its resources effectively, and is willing to do any of it – remain unplumbed and unanswered. As a result, we see institutions much later become frustrated by the lack of impact and results – and not understand how they arrived at such a place.

PEERS: IS HE OR SHE ONE OF US?

Many boards justifiably are concerned about the abilities of leaders to interact effectively with other leaders, decision-makers, movers-and-shakers and the

like. This seems a fair question, to the extent that such abilities are tied to the role and the organization's impact. The answer requires a close look at a leader's record of accomplishment and achievement and reputation among a variety of constituencies, as well as an examination of the leader's ability to reflect on the impact of his or her actions on others (known broadly as "emotional intelligence"). Instead, we routinely see executives and boards focus on markers that are proxies for conclusions, rather than evidence relevant to the organization's actual needs. Examples of these "signals" include the schools someone has attended, associations with prestigious institutions, and even financial compensation. Returning to our example of the dejected (and rejected) state senator, we know he had strong academic credentials and even, at that point, held elected office. And yet, he encountered such difficulty in gaining even the slightest modicum of credibility (or at least enough to get himself onto that convention floor in L.A.) that he went home early, perhaps realizing that he was not regarded as a peer.

In our work, we routinely see candidates rejected out of hand for roles in which they could flourish. Few reasons are given, but I suspect these potential leaders receive scant consideration largely because they didn't study at a prestigious college or university, win a Rhodes scholarship, or make within 25 or 30 percent of the position's salary. In fact, we see compensation used not only to attract celebrity leaders, but also to exclude others who have not reached those levels of remuneration – all in the interest of determining who is a "peer" and who is not. Again, these dynamics leave the actual leadership needs of an organization obscured and the long-term prognosis of the organization's success and impact in serious question.

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WHAT'S DIVERSITY GOT TO DO WITH THIS?

This past September, in an article titled "A Man's World," *The Chronicle of Philanthropy* released findings from its survey of nonprofit leadership. The results show very clearly that white men continue to lead the nation's largest charities in overwhelming numbers – more than 82 percent. Of those appointed recently, we see that this trend is hardly on the decline – 81.7 percent of those chief executives also are white. In foundations specifically, a large number of senior posts – defined by the Council on Foundations as chief executives and chiefs of grantmaking – are held by women (55 percent), but ethnic minorities hold fewer than 7 percent of these leadership positions. The *Chronicle* notes further, "Despite the preponderance of women in nonprofit jobs, they are entirely absent from chief executive roles at certain kinds of big charities." Hmm.

I recently asked someone close to this growing body of research to share with me any underlying qualitative reasons that may explain not only these data, but also why the trend-line doesn't seem to be moving in any direction suggesting that the social sector is making strides toward a more diverse leadership base. The answer was surprising – the view among researchers and those who commission the studies is that they lack a baseline for comparing the diversity of senior leaders over periods of time.

Really? Without even being systematic, it is not difficult to see that, nationally, foundation boards and executive ranks never have been particularly diverse, and remain that way. And is the explanation really that opaque? Using some simple reasoning, I would argue that our dynamic duo of Celebrity and Peerage might provide some uncomfortable guidance to our answer.

If foundation boards and executives seek "stars" – who may be found leading the nation's most prominent social sector institutions, including colleges and universities, or hold other positions of notoriety outside the field – and also are looking for those who are peers, again defined by school affiliations, networks or compensation levels, it is necessarily the case that the pool of diverse candidates shrinks to an almost infinitesimal level. The reservoir is shallow not because of ability, talent or accomplishment as much as prevailing notions of "leadership." Even asking – and answering – questions about an organization's specific leadership needs that will facilitate impact and the achievement of its mission could help deepen the waters of potential talent.

By its very nature, identifying additional criteria can highlight the need to look beyond Celebrity and Peerage. Instead, accepting status quo definitions of leadership – rather than challenging them – leads us to the numbers we have now, which in turn show us a cycle explaining why promoting diversity is so (*continued on page 10*)

Today, Funders for LGBTQ Issues has a number of new program areas intended to bring our vision into practice. The LGBTQ Racial Equity Campaign works at the intersection of LGBTQ rights and racial equity to better support LGBTQ communities of color. Common Vision works with two learning cohorts of foundations to strengthen grantmaking practices grounded in a structural transformation framework. And, we work to position our staff and board members strategically in philanthropic efforts that have the potential to advance our mission.

We also continue to produce research, build resources and organize gatherings. In late October, we will release a landmark web site – www.lgbtracialequity.org – that compiles funder tools, perspectives from the field and resources to support grantmakers in addressing the racial inequities facing LGBTQ communities. And, our current web site – www.lgbtfunders.org – continues to house searchable directories of LGBTQ grantmakers and organizations, as well as various cutting-edge reports including *Global Gaze: LGBTI Grantmaking in the Global South and East*, *Building Communities: Autonomous LGBTQ People of Color Organizations in the US*, our annual *LGBTQ Grantmaking by US Foundations* report, and other publications related to LGBTQ funding.

Nearly three decades after our founding, I am encouraged by the current level of commitment from so many leaders in the field who share our desire to explore new opportunities for alliance building and new organizational models for working intersectionally. Together, we have the potential to advance social justice beyond what's possible working alone. It's not easy, but given the complex challenges facing our world, do we have an alternative? ■

Karen Zelermyer is executive director of Funders for LGBTQ Issues.

(*continued from page 4*) difficult. If boards want to appoint leaders who are celebrities and peers of themselves and other leaders – and that pool is 82.1 percent white men – then it's little wonder that so few recent appointments buck the trend. I suppose it is a matter of chicken-and-egg with respect to breaking the cycle – that is, one cannot draw diversity from a pool that is not diverse – but in 2009, when women dominate the nonprofit workforce and academic achievement levels of women and people of color have never been higher, something other than the numbers must tell the story. Our first-hand experience really does suggest that the culprit is psychological rather than statistical.

WHAT SHOULD WE DO?

In the face of such powerful forces, supported by a long history, courage is necessary to break the cycle. The courage needed here is not hard. It requires taking an authentic, reasoned look at an organization's path to impact and need for leadership. It means looking carefully at a variety of networks, and evaluating candidates on their track records of achievement and management. It means having compensation reflect the intrinsic value of the role, rather than serving as an allure or gatekeeper. All of these are part of the regular, day-to-day business of organizational governance and management. Most of all, it requires challenging our assumptions of what leadership truly is, rather than what we think it is or what we've been taught it is.

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In an increasingly diverse society and world, foundations matter more than ever, leadership matters more than ever, and diversity does as well. In light of its work, this field might have a special opportunity to break the cycle. Foundations exist outside the private marketplace. Public goods routinely are developed and supported by foundations. Perhaps diversity and leadership are two public goods for which foundations can pick up the tab, simply by changing attitudes and practices. If last year's presidential campaign teaches us anything, it's that change can happen, and can happen quickly. ■

Vincent Robinson is the managing partner of The 360 Group, a consulting and search firm that works with organizations who are serious about social change, based in San Francisco.

NOTES

1. Jim Collins, Good to Great: Why Some Companies Make the Leap and Others Don't (New York: Harper Collins, 2001).
2. Jim Collins, Good to Great and the Social Sectors: A Monograph to Accompany Good To Great (New York, Harper Collins, 2005)