USING DECISION MAKING STRATEGIES IN SUPPORT OF INCLUSIVE GIVING
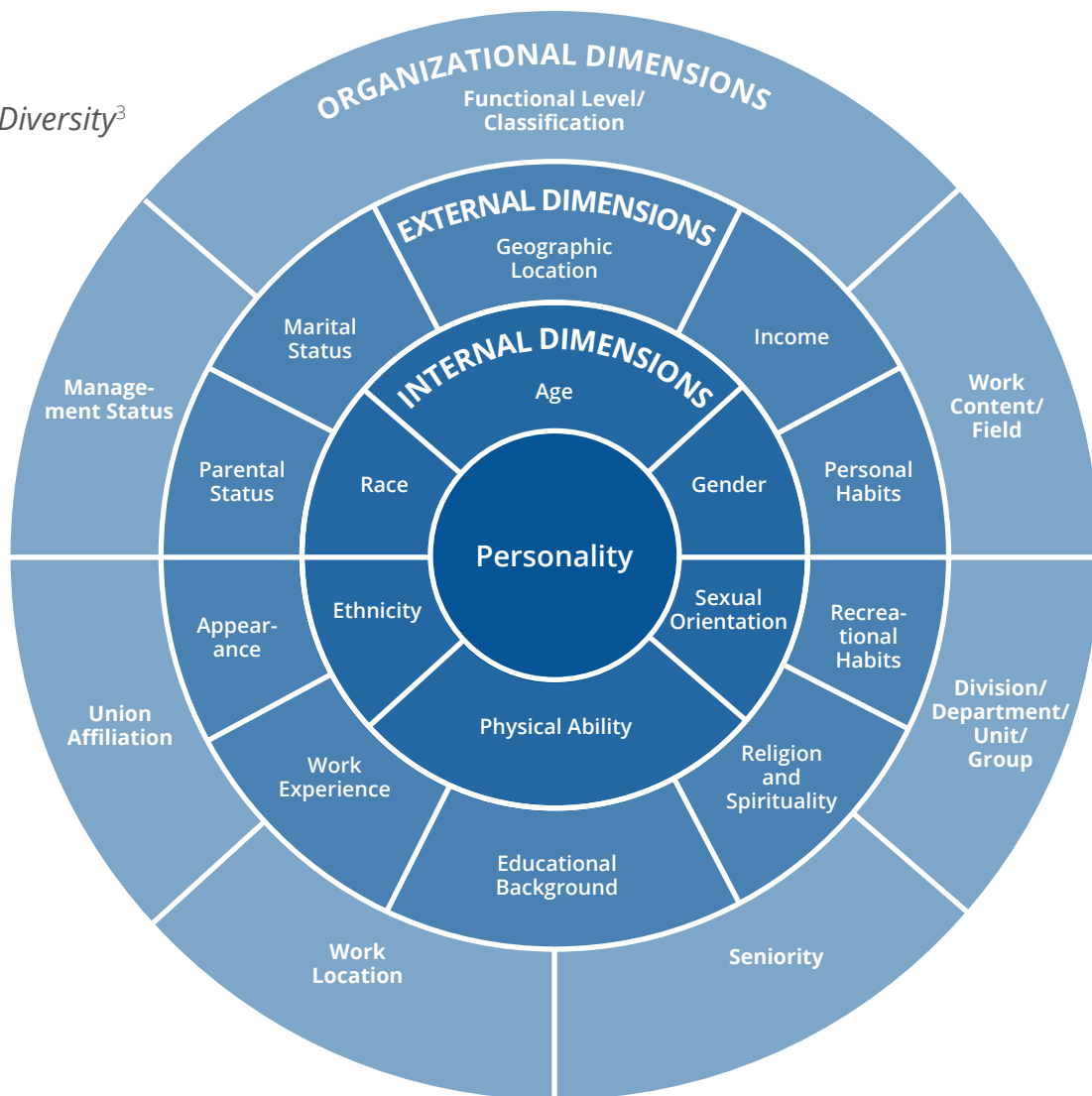
Cheryl Blackman | May 30, 2016

The fundraising profession is often characterized by persistence and intentionality and the same can be said of most diversity and inclusion practices. It is not uncommon to come across best practices in diversity and inclusion such as the importance of setting the tone at the top of the organization and conducting ongoing training to promote better understanding among employees from different backgrounds. Intention, which is defined as the act of being deliberate or purposive, is also mentioned as a necessary ingredient for success in fundraising with a diversity and inclusion lens[1]. Despite the importance of being deliberate in one's approach, there are few links in the literature between decision making, intention, and diversity and inclusion. Since there are many challenges to decision making, diversity and inclusion should be embedded into the very framework rather than being seen as some kind of add on. It is worthwhile to consider whether adopting a decision making framework that reduces our natural biases will result in more inclusive philanthropy. This paper will explore this question and suggest approaches which will allow us to take intentioned steps toward broadening the pool of prospective supporters.

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[1] *"Intention." Merriam-Webster.com. Merriam-Webster, 2015. Web. 28 May 2016.*

Why is decision making important to inclusive giving?

In the 1990's Gardenschwartz and Rowe developed the diversity wheel with its four layers of diversity. At the core of the figure (see figure 1) is how we think and communicate. The internal dimensions of the wheel have a powerful impact on behaviour and attitudes and the external dimensions of the wheel are formed by the environment as well as social and cultural factors[2].

Figure 1:
4 Levels of Diversity[3]

[2] *Gardenswartz and Rowe. Leaders in Diversity and Inclusion since 1990, n.d. Web.*

Considering the multifaceted nature of our differences, it would seem obvious that these differences would go beyond the physical to the cognitive. It should be no surprise that if we differ in the ways that we think, we must also differ in the ways that we make decisions. It is not uncommon in hierarchical organizations to have little control over decision making. As a result, decision making is often reactive rather than proactive. Increasingly, organizations that are less than collaborative – with little room for shared authority and decision making are falling behind in the competitive landscape and are quickly becoming outdated.

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In sharp contrast are organizations that encourage inclusive decision making with their emphasis on participation across the organization. This approach invites diverse inputs of thought and experience in order to achieve well-rounded ideas and more informed decisions. Inclusive decision making is rooted in the belief that for complex situations, defining the problem and framing it requires significant input from all potential groups affected by the issue[4]. Framing an issue for intentional decision-making requires that we examine a problem from multiple perspectives. Ultimately, inclusive decision making welcomes curiosity as a pathway to deeper understanding and as an opportunity for action. If we take a closer look at inclusive decision making, there are many parallels between this and the prospect pipeline with its potential donors at different stages of the development cycle. The donor pipeline requires that prospects be identified, cultivated, solicited and entered into a phase of stewardship[5]. KCI Ketchum Canada (KCI), a leader in Canadian philanthropy, has identified certain core characteristics of a healthy prospect pipeline. They recommend that organizations examine their pipelines on a regular basis to ensure that there are prospects to match all gift levels. KCI suggests creating as many opportunities as possible to engage donors which may include inviting people to participate in subcommittees and asking for advice and guidance on a campaign. These tactics give fundraisers a chance to ask for names of people who might be interested in supporting the cause. New

[3] *Lee Gardenswartz and Anita Rowe, Diverse Teams at Work: Capitalizing on the Power of Diversity, Society for Human Resource Management 2003.*

[4] *Naming and Framing difficult Issues to Make Sound Decisions". Campus.extension.org. N.p., 2011. Web. 23 May 2016.*

[5] *Spears, Marnie and Nicole Nakonenshny. "The Prospect Pipeline". KCI Philanthropy. N.p., 2011. Web. 21 May 2016*

donors should be asked who they would recommend as prospective donors even as they are just becoming engaged and make their first gifts[6]. Most fundraisers realize the importance of keeping a close eye on donor prospects to ensure that they are moving through the pipeline. It is crucial that staff maintain a healthy curiosity about their prospects' behaviours and actions even as they are seeking new donors. The pipeline must be monitored to ensure that the fundraising life cycle has a continuous flow of new supporters. Much like inclusive decision making which encourages participation across the organization, the donor pipeline also requires support from across the organization to maintain engagement as well as to cultivate opportunities for new gifts.

A pipeline of diverse board candidates should be actively recruited. More often than not, existing board members act as important resource persons in the recruitment of future leadership as well as potential donors. It is not unusual for board members to approach their close friends or business associates who travel in similar social circles and networks. While it seems natural that people invite their friends to support causes which they have affinity for, this practice can also have a negative effect in that it increases the homogeneity of the recruitment pool so that there are simply more of the usual suspects being cultivated. In order to change the mood and create a different more

inclusive future, a wide net needs to be cast to consider both non-traditional and traditional candidates. It is worth building relationships with diverse prospects from the local chamber of commerce; members of other non-profit boards; community organizations; professional or trade organizations representing various racial or ethnic groups; local colleges and universities and MBA executive leadership programs. Invariably, having an outreach strategy with many tentacles will manage fears that diversifying board prospects may result in a "skills gap". It is worth noting that where diversity and inclusion are concerned, language like "skills gaps" is often received as coded for push back against taking action at all. For leaders from diverse backgrounds, there is absolutely no benefit in being the token board member who is brought onboard simply to fill a quota. For organizations to be genuinely successful in including new voices, boards should aim to have diverse representation which includes a minimum of 3 people or 30% of the total membership of the board to avoid isolation and create lasting change[7]. Not unlike traditional board members, the interests of diverse board members needs to be cultivated and it should be clear to diverse board members why they are wanted and needed beyond the dimensions of diversity which they represent. Like any other board member, diverse board members should be invited to ask questions, share their interests, and be encouraged to serve and lead.

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[6] Spears, Marnie and Nicole Nakonenshny. "The Prospect Pipeline". KCI Philanthropy. N.p., 2011. Web. 21 May 2016

[7] Walker, Vernetta. "Beyond Political Correctness: Building a Diverse Board". Bridgespan.org. N.p., 2009. Web. 22 May 2016.

Regardless of whether one is looking at a donor or diverse board member pipeline, it should be acknowledged that change requires constant monitoring and measurement over time. It is true that what gets measured gets done and in areas of diversity and inclusion this is absolutely. If organizational culture is going to change, it should be a goal to create a climate for communication and engagement with donors and board prospects in order to sustain diversity and inclusion efforts.

How do we make decisions?

The decision to be inclusive needs to be purposive and strategies to motivate diverse donors should be based on an assessment of organizational culture. In as much as philanthropy should be embedded across all groups and as many dimensions of diversity as possible, the level of education, wealth and income, and engagement with a cause or charitable organization are still real motivators for giving in traditional donor relationships. To expand the donor base, it is important for fundraisers to understand the values, cultural norms and education play within individual ethnic communities. There also needs to be an appreciation of the importance of informal giving

in different cultures. This appreciation should be aligned, deliberate, thoughtful and reflect the mission, vision and values of the organization. Sound decision making will keep the integrity of the institution and its cause at the heart of the process.

What are the challenges in making an inclusive decision?

> ## *Sound decision making will keep the integrity of the institution and its cause at the heart of the process.*

As organizations aim to recruit and retain diverse donors, staff, volunteers and board members, they are becoming increasingly aware of the human factors which impact our abilities to make inclusive decisions. As humans, we have a tendency to have affinity for people who reflect our perception of our own lived experiences. This propensity is referred to as an affinity bias[8]. This bias often plays itself out in hiring and promotion. There needs to be an awareness of the problem along with strategies to mitigate the effects of the challenge. To mitigate affinity bias in the hiring process, many organizations are encouraging diverse recruitment panels to add different perspectives to

[8] *Turnbull, Helen. "The Affinity Bias Conundrum: The Illusion of Inclusion Part III". Diversityjournal.com. N.p., 2016. Web. 3 June 2016.*

hiring discussions. It is important to understand that affinity bias exists among everyone, not just among persons who represent the dominant culture. In fact, affinity bias occurs regardless of race, culture, gender, or other diversity dimensions.[9] With this knowledge, it becomes particularly important for organizations seeking diversity to communicate about our tendency as humans to want to be around people we can relate to and who make us feel comfortable. Nobody wants to feel uncomfortable, but in this case, going beyond one's comfort zone is necessary for inclusive decision making. As a result of this tendency to want to feel comfortable, biases have to be viewed as a real threat to inclusive environments where respectful participation should be a business imperative.

How does bias effect decision making?

Decision bias can be either based on faulty intuition or deliberate reasoning gone awry. The trouble with our intuition being faulty is that we can't really know how good our intuition is unless we are sometimes willing to go against our gut, which is difficult when many of us rely on our intuition. We should also note that it can be risky to rely on automatic judgments that stem from links in stored memory instead of logically working through the information that's available. You can see from figure 2 that there are many forms of decision bias (this list is not exhaustive) which distort our

Figure 2. Decision Bias

Decision Bias	Distortion
Anchoring	• We tend to be influenced by numbers, even invalid ones, and we don't adjust away from them as we should • Numbers affect our decisions, even when we should ignore them • Our questions prime our attention for certain information, ignoring or omitting contradictory data
Framing	• How a situation is presented to you affects your decision. *Generally our pain of losing is more powerful than our pleasure of winning, hence we really are risk averse to gains and risk seeking to avoid further loss.*
Availability heuristic	• Vivid, easily imagined, but uncommon events are highly weighted in our brains • Recent events get weighted disproportionately higher than past events
Confirmation bias	• Our initial decisions become self-fulfilling prophecies *We seek out evidence that confirms our initial decisions, ignoring information against them*
Commitment escalation	• Making decisions and committing resources doesn't necessarily guarantee a reward, and may produce a loss • It's difficult to accept sunk costs
Hindsight bias	• Once we know something, we can't remember when we did not know it • This challenges our ability to learn from past failures

[9] *Turnbull, Helen. "The Affinity Bias Conundrum: The Illusion of Inclusion Part III". Diversityjournal.com. N.p., 2016. Web. 3 June 2016.*

ability to make an effective decision. Since we are all susceptible to biases, we must become aware of how physical factors such as fatigue, stress and multitasking can impact our decision making skills. In reality, most of us tend to be overconfident in our estimates of our ability to make decisions and it's important to allow for some uncertainty[10]. However, awareness alone isn't enough; we must also learn strategies for overcoming biases.

> ## "
> ### *For important decisions, we need to consciously anticipate possible biases and, if we cannot be objective, we need to gather second and third opinions from trusted colleagues.*

Fortunately, according to Rob Duboff in the Harvard Business Review, we can improve our decision making skills. [11]To begin, we must acknowledge that irrational factors are always present. To counter unconscious bias we can apply proven approaches which have been scientifically tested like making sure to consider all alternatives under the same conditions, or rotating the order in which ideas are presented. For important

decisions, we need to consciously anticipate possible biases and, if we cannot be objective, we need to gather second and third opinions from trusted colleagues. We might force more rationality by considering what information would compel us to overcome our initial preference, and then do the research to find that information if it exists.[12]

Tools to support Improved Decision Making

You can minimize the risk of making a poor decision and improve your probability of success by using models in support of inclusive decision making. The Pugh Matrix (PM) is a tool (figure 3) which allows for the comparison of a number of candidates leading ultimately to which one best meets a set of criteria. The matrix can be applied across a wide range of business decisions from recruitment to procurement. The Pugh Matrix is easy to use and relies upon a series of pairwise comparisons between design candidates against a number of criteria or requirements. One of its key advantages over other decision-making tools is its ability to handle a large number of decision criteria at one time.[13]

[10] *Wolfe, Robert. "How to Minimize Your Biases When Making Decisions". Harvard Business Review. N.p., 2012. Web. 25 May 2016.*

[11] *Duboff, Rob. "Managing "Atmospherics" In Making Decisions". Harvard Business Review. N.p., 2013. Web. 26 May 2016.*

[12] *Duboff, Rob. "Managing "Atmospherics" In Making Decisions". Harvard Business Review. N.p., 2013. Web. 26 May 2016.*

[13] *The Systems Engineering Tool Box. 1st ed. 2009. Web. 23 May 2016.*

The following steps describe the process to construct a Pugh matrix (see figure 4):

1. Establish the selection criteria – The candidate selection team members create individual lists of selection criteria including elements which are critical to diversity and inclusion. The criteria for selection is based on prerequisites and the expected roles being recruited for.

2. Set up the matrix – Create the matrix on a flip chart with selection criteria entered in the rows and candidate designators entered as the column headings. This is a good opportunity to reaffirm the selection team's

Sample Candidate Evaluation Summary Pugh Matrix						
Candidate 1 – Datum **Candidate 2** **Candidate 3** **Candidate 4** **Candidate 5**						
Characteristic/Skill	**Importance**	**Datum**	**Candidate2**	**Candidate3**	**Candidate4**	**Candidate5**
Strong Work Ethic	9		S	-	S	+
Honesty	9		S	-	S	S
Integrity	9		S	-	S	S
Attitude	7		-	S	S	S
Conceptual Ability	3		+	S	-	S
Adaptability	5		+	S	+	-
Physical Ability	3		-	-	S	S
Computer Skills	1		S	-	+	S
Writing Skills	1		S	-	S	+
Reliability	7		+	-	S	S
Pragmatism	7		S	S	S	+
Likeable	5		+	-	S	S
Ability to Learn	7		S	-	+	+
Stress Management	5		S	S	+	S
Functional Experience	1		+	S	S	S
Sum of Same			8	6	10	10
Sum of +			5	0	4	4
Sum of -			2	9	1	1
Weighted Sum of +			21	0	18	24
Weighted Sum of -			10	51	3	5
Total Weighted Score			11	-51	15	19
Candidate 1 and 5 are clearly better fitment & hiring cases, Candidate 3 is a clear reject **Candidate 4 can be considered as a backup in the event of a fallout**						

common understanding and commitment to the established criteria.

3. Compare the concepts – In each cell of the matrix, enter the appropriate rating "S," "+" or "-" for each candidate-criterion intersection. S indicates an average rating whereas + and – indicate above and below averages.

4. Evaluate the ratings – Create a weighting method according to the individual organization's need versus the criteria selected for consideration. Choose candidates based on the weighted positive and same ratings.[14]

The literature shows that tools are much more likely to be adopted when they fall on a certain side of several dimensions:

1. Simple rather than complex. We forget or ignore what is complex. We remember and use things that are simple.

2. Domain-specific rather than domain-general. Learning to use a rule in a very specific situation is much easier than learning a vague, general rule.

3. Social rather than individual. Learning in groups is often more effective than learning by yourself.

4. Bottom-up rather than top-down. This is especially noticeable in organizations that try (unsuccessfully) to "force" decision-making methods and techniques from manager and supervisors down to employees.[15]

In general, fundraiser are faced with a rapid increase in decisions and choices as a consequence of technology and our changing world. Many decisions, are more complex than they used to be. The complexity of decision making cannot lead to action paralysis. It is true that more choice comes with greater uncertainty and greater demand on cognitive resources. The cost of being ill-equipped to choose, as an individual or an organization, is greater than ever before. While tools can be helpful in reducing bias, the best way to encourage teams to work inclusively is to have a diverse set of skills and views represented at the decision making table so that there are opportunities to consider opposite viewpoints. If we hope to respond to the needs of diverse Canadians, we must be inclusive. The stakes are raised so we cannot afford to have philanthropy which does not look like Canada if we hope to respond to the needs of diverse Canadians.

[14] *Kumar Pariol, Sanjoy. "Guidelines and Matrices for Picking Six Sigma Candidates". Isixsigma.com. N.p., 2016. Web. 26 May 2016.*

[15] *Debiasing" By Richard Larrick (2004)". Alexvermeer.com. N.p., 2016. Web. 28 May 2016.*

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