

# DEI Maturity: Diversity, Equity, and Inclusion at a Not-for-Profit Organization

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**Abstract.** This teaching case focuses on Diversity, Equity, and Inclusion (DEI) at a museum. At the beginning of 2021, the organization found itself in a crisis when more than 2,000 community members and 85 anonymous employees demanded the resignation of the museum's President due to the language he defended in a job posting advocating for a job applicant to diversify audiences while "maintaining the traditional white core audience of the museum" (Salaz 2021). Students take on the role of an external consultant to assess DEI maturity at the museum. The case challenges students to propose implementation and impact metrics for a DEI action plan. The case facts provide a timely and relevant setting to discuss DEI challenges in not-for-profit organizations.

**Keywords:** racial bias, culture change, Diversity, Equity, Inclusion, DEI maturity.

**Data sources:** All information included in this case was derived from publicly available sources as listed in the reference list. Names of individuals and organizations in the case are fictitious names.

## 1. Introduction

Chris Johnson leaned back in his desk chair and breathed a deep sigh. He had spent the day reviewing materials associated with the Museum of Immersion, a museum in the US Midwest. A local native, Chris had long known of the institution, had been aware of buzz around new attractions introduced in the last few years, and could not avoid the news of the recent crisis that forced the resignation of museum CEO Ted Smith. Now Chris has been thrown into the middle of things as the consulting firm for which he works has been asked to provide guidance on improving the culture around diversity, equity, and inclusion in the organization and Chris has been asked to take the lead on the project.

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Feeling a bit overwhelmed by the whole thing, Chris grabbed his coat and took to the streets, hoping that a brisk walk and fresh air would help clear his head. Taking his favorite route along the canal, he began to develop a plan of attack for the project. As a foundation, he needed to familiarize himself with the history of the museum; he was a bit embarrassed to admit that he knew little about the Museum of Immersion. Once he had a more solid knowledge base about the museum, he needed to examine what led up to the current crisis, the role of CEO Smith and the culminating events.

Finally, he needed to understand the actions already taken by museum leadership. Having survived the first phase of the public crisis, the Museum is committed to a culture that values inclusivity. In contemplating what he can contribute, Chris reflects on his experience in developing a measurement system that supports financial goals. Can he propose a system of measurement that aligns with the Museum's DEI goals?

## **2. The Start of a Museum**

With an action plan in hand, Chris returned to his office. He began by pulling together a history of the museum. The Museum of Immersion is a comprehensive, encyclopedic art museum located in the US Midwest. The Museum's history dates to 1883, when a local art association organized its first large-scale art exhibition. The association's short-run exhibitions and lectures evolved into a downtown urban museum and art school with a vision that art was meant to edify and enlighten. In 1966, a country estate was donated by private citizens to become the site for the museum. The estate includes a 22-room mansion built between 1909 and 1913 and surrounded by botanical gardens on a 152-acre campus.

While he thought of himself as a fairly "cultured" guy, Chris admitted he wasn't sure what it meant to describe a museum as "encyclopedic". With a little research, he found that the term refers to a large institution that offers an abundance of information with attention to both global and local narratives. Advocates for these establishments assert that the breadth of cultural displays fosters a sense of shared human history and encourages curiosity (Cuno *et al.* 2008).

From 2005 to 2011, Bob Sherman served as the museum's CEO. Under his reign, the museum gained a reputation for curatorial excellence. In 2007, Bob eliminated the museum's \$7.00 ticket fee and opted for free admission, relying on the 6,000 paid memberships. He often invited large church congregations of color to exhibits as he wanted to ensure the museum was a neighborhood fixture and accessible for all (Anderson 2021).

The funding of the museum, to Bob's mind, depended on philanthropy. Unfortunately, during Bob's tenure, the museum also ran into budget deficits (West, 2011). For example, the museum financials showed an operating loss of

USD 1.6 million for fiscal year 2010 and an operating loss of USD 4 million for fiscal year 2012 (Table 1 includes an overview of key financials). This subsequently resulted in budget cuts and the laying off nearly 100 staff members. In October 2011, Bob announced he would step down as the director and CEO to become a museum director elsewhere.

*Table 1:* Museum of Immersion’s key figures (based on annual reports and audited financial statements)

For fiscal year ending June 30th	Curatorial focus		A new CEO			A unified campus	
	2010	2012	2014	2015	2016	2018	2020
Total number of visitors (tracked as of 2016)					258,000	367,600	380,201
Total number of employees	455	497	402	437	437	486	483
Admissions, fees and sales revenue*	2,329	2,697	3,764	2,739	3,003	4,048	6,018
Memberships, annual giving and contributions*	6,747	4,517	7,200	8,411	17,377	17,447	21,028
Curatorial expenses*	15,993	9,853	8,463	7,903	7,531	7,896	7,756
Educational expenses*	5,303	6,513	5,469	5,854	7,085	8,530	6,254
Horticultural expenses*	891	1,593	1,642	1,587	1,657	2,343	3,142
Change in net assets from operations*	-1,681	-4,107	2,133	3,545	9,643	26,886	10,301
Endowment Funds*	308,064	326,326	376,447	363,386	343,738	335,734	327,393

\* In Thousands USD

### 3. A New CEO at the Helm

Ted Smith replaced Bob as CEO in October 2012 and was charged with stopping the Museum’s financial bleeding. Smith’s credentials included degrees in art history and history, early American culture and American studies. In his doctoral degree program, he focused on the history of the American silverware industry. Professionally, he had served as curator at several reputable museums. Both his academic and professional qualifications supported Smith’s appointment at the Museum of Immersion. He became known as the “freethinking administrator” and rethought the Museum’s operations to ensure visitors would be able to have a cultural immersion defined as “fun” by focusing more on the experiences of visitors rather than the art objects themselves (Goldstein 2018). Smith believed the financial deficit would be solved by attracting larger crowds and reducing the cost of maintaining the museum’s collection. So, he organized blockbuster exhibitions about French artist, Matisse in 2013 and antique cars in 2015. Both exhibitions attracted sizable crowds. He then argued that recurring events should be added to blockbuster exhibitions to increase the Museum’s financial stability (Russeth 2019). As the expense of climate-controlled storage to preserve the museum’s artworks amounted to \$14 million (USD), Smith tasked his team to assign letter grades from “A” to “D” to each of the Museum’s 54,000 objects to evaluate conservation costs and to steer deaccessioning decisions. Artwork with grade “A” was considered a masterpiece and a grade “D” was considered a valuable object in the distant past, but no longer needed. With those criteria at hand, Georgia O’Keeffe’s 1936 Jimson Weed received an “A” grade, whereas a follower of Willem van de Velde II’s 17<sup>th</sup> Century Seascape received a “D”

grade. In all, twenty percent of the collection received a “D” grade (Pogrebin 2019).<sup>1</sup>

#### 4. Unified Museum Campus

In 2015, the museum received a \$10 million (USD) grant to support campus enhancements and innovation (Lilly Endowment 2015). After two years of researching and planning underwritten by the grant, the Board of Trustees, along with Ted Smith, refocused the Museum’s mission. In October 2017, the Museum announced plans to unify its 152-acre property into a holistic cultural campus. The tract included the museum building, The Garden, the mansion, performance spaces, and a 100 acres art and nature park. (Goldstein 2018). Museum of Immersion defined its mission statement as: “To enrich lives through exceptional experiences with art and nature” (Newfields 2017). The phrase, “A Place for Nature and the Arts,” built upon the strength of the Museum as an incomparable arts institution and denoted a shift toward embracing all of its cultural assets. The phrase also paved the way for increased marketing efforts to amplify the outdoor exhibition spaces, securing the outdoor grounds with fences, and ensuring the botanical and beer gardens and restaurant were reconfigured to allow more interaction for visitors.

To further add to the visitor experience, Museum of Immersion added an artist-designed mini golf course and began *Winterlights*, an annual outdoor Christmas lighting festival experience that has attracted about 100,000 visitors per year. About 20 percent of *Winterlights* guests are first-time visitors to the Museum. The Museum also hired a culinary director, who was one of only nine certified sommeliers in the state, as Ted Smith believed food was also an art form coupling food pairings and tastings with each art show (Russeth 2019).

To directly address the financial challenges that fueled his hiring mandate, Ted instituted per-visit ticket prices of \$18 for adults, which permitted entrance to the museum, gardens, performances, and access to the mini golf course. The new admission fee was part of a plan to redefine the museum as “more than just a museum” and to draw in more non-art-goers and first-time visitors (Harry 2016). In addition, the admission charge was intended to encourage museum-goers to join as members (\$75 per year for families; \$55 for individuals). The plan seems to have worked with memberships growing from 5,000 to 15,000. However, the new admission pricing sparked controversy as some called the policy elitist and others complained about the loss of free access to the gardens (Chen 2016).

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1. Jimson Weed is a large and ambitious painting by Georgia O’Keefe. Raters pointed to its three blossoms as separating it from its peers and justifying its “A” grade. Seascape is a painting completed by a student or disciple of Willem van de Velde II and was described as a poor-quality painting in poor condition, resulting in its grade of “D”.