

TAKING ACTION ON BOARD DIVERSITY

FIVE QUESTIONS TO GET YOU STARTED

At the most fundamental level, who serves on a board impacts how it functions and the decisions it makes. While board composition is not one-size-fits all, a board that is homogeneous in any way risks having blind spots that negatively impact its ability to make the best decisions and plans for the organization. The blind spots created by a lack of racial and ethnic diversity are particularly concerning, as they may result in strategies and plans that ineffectively address societal challenges and inequities, or even reinforce them.

That's why BoardSource is so troubled by the findings from the recent *Leading with Intent: National Index of Nonprofit Board Practices*, which revealed the following about the diversity of today's nonprofit boards:

- **The levels of board diversity have largely remained unchanged since 1994.**
 - In 2021, 87% of chief executives and 78% of board members report as Caucasian.
 - In 2021, 19% of boards identify as all white. This compares to 27% in 2017.
 - Since BoardSource began tracking diversity data through this study in 1994, people of color and ethnic minorities have never represented more than 22% of board membership.
- **Chief executives consider board diversity important to their organization's work.**

In 2017, 77% to 89% report it important to

 - understanding external context from a broader perspective
 - developing creative new solutions to problems
 - understanding the organization's client populations
 - enhancing the organization's public standing
 - planning effectively
- **Chief executives and board chairs are dissatisfied with the level of racial and ethnic diversity on their boards.**
 - 66% of chief executives report they are somewhat or extremely dissatisfied with their board's racial and ethnic diversity.
 - 47% of board chairs express the same levels of dissatisfaction.

Given these findings, one would expect that boards would be hyper-focused on diversity when recruiting new board members. Unfortunately, *Leading with Intent* documents the opposite.

- Only 26% of boards are placing a high priority on demographics in board recruitment.
- Changing board recruitment practices does not rank as a top three priority for most boards.
- Nearly one in five of all chief executives report that they are *both*:
 - dissatisfied with their board's racial or ethnic diversity; *and*
 - not prioritizing demographics in their board recruitment practices.

Don't be one of those boards. Take the time to articulate your values regarding the importance of diversity, and then put them into practice throughout your organization and your board.

Here are five questions to get you started:

1 Is our organization's reputation being negatively (or positively) impacted by our board's current composition vis-à-vis diversity?

2 If someone were to make assumptions about our organizational values based on our board composition, what would they be likely to think?

3 How well are we cultivating a deeper understanding of the community or communities that we serve and bringing their perspectives, needs, feedback, and priorities into our strategic boardroom discussions?

4 Are we ever at risk of making decisions without fully understanding how these decisions may affect those we serve?

5 If we were to make a deeper commitment to diversity, inclusion, and equity, what would that mean for our mission, our work, and the people we serve?

The next step: Reboot your board recruitment practices

Strategic board composition does not happen on its own. Boards must define what the ideal board composition looks like — not just in terms of diversity, but also in expertise, experience, and networks — and then be vigilant about finding it through focused and disciplined board recruitment.

- 1. Define your needs:** Some organizations find the use of a board matrix to be helpful as a way to document leadership needs and compare those needs to the board's current composition. But a matrix is not a checklist, and boards should be careful not to reduce their board recruitment strategy to a "shopping list" for board candidates based on any one characteristic. Instead, the matrix should be a guide to helping boards identify the ideal combination of skills, networks, experiences, and background that will help move the organization forward, and which can be clearly articulated to potential candidates.
- 2. Find the candidates:** If your board is lacking the diversity you seek, you may find that relying on the personal networks of current board members to identify new board candidates will only reinforce that challenge. If that's the reality that you face, you will need to go beyond those networks and get serious about other ways of identifying potential board candidates. That could include deep networking through community organizations, your organization's volunteer network, or leaders in your current or past client community. It might also include formalized search strategies such as posting your board position on a nonprofit board job board such as LinkedIn or tapping a board search firm. Whatever your candidate identification methods are, it requires discipline and diligence to find the right candidates, and may require that you take more time than you have in the past. Strategic board recruitment isn't about speed and ease — it's about taking the time to get it right.

Resources

- For more on the board's leadership role on issues related to diversity, inclusion, and equity, visit boardsource.org/initiatives/diversity-equity-inclusion.
- For more information about board recruitment, visit boardsource.org/fundamental-topics-of-nonprofit-board-service/composition-recruitment/
- Visit leadingwithintent.org for more on *Leading with Intent: National Index of Nonprofit Board Practices*.