



The Benefits of Building a Diverse Board

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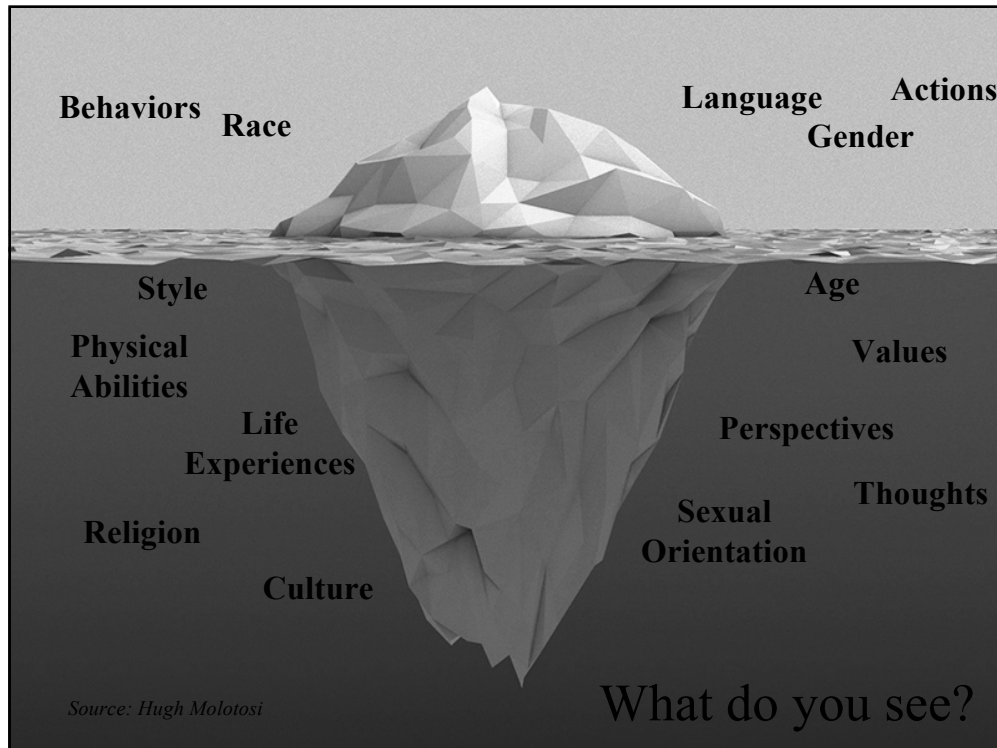
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I. The Benefits of Building a Diverse Board

1. The Current State of Diversity and Inclusion in the Boardroom
2. The Benefits
3. Preparing the Board
4. The Secret Sauce



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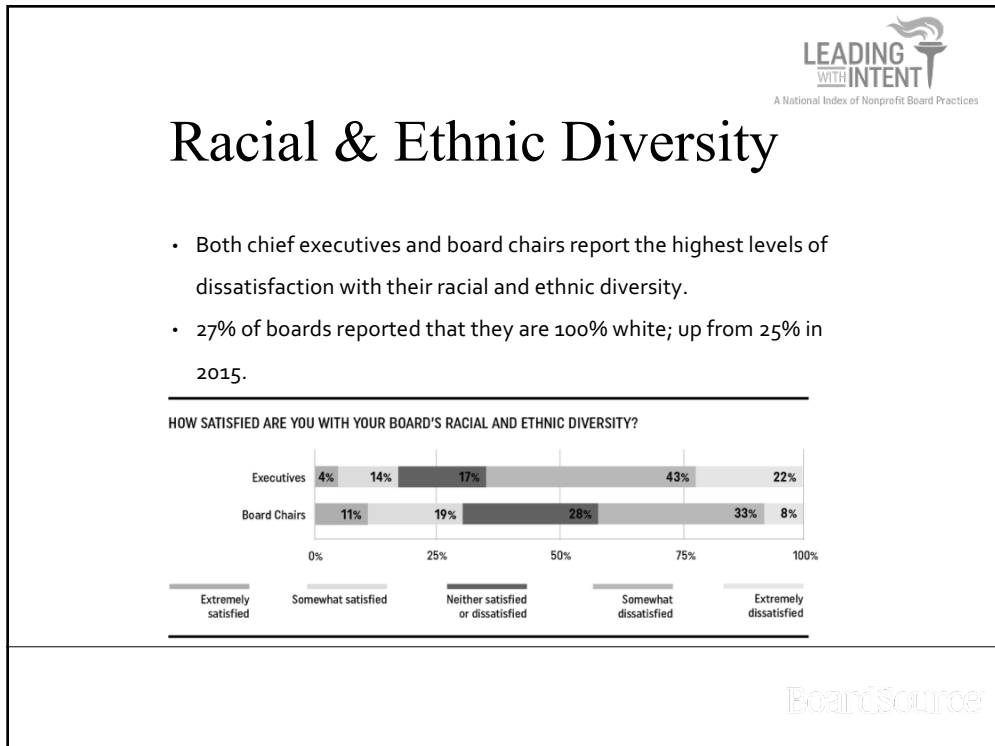
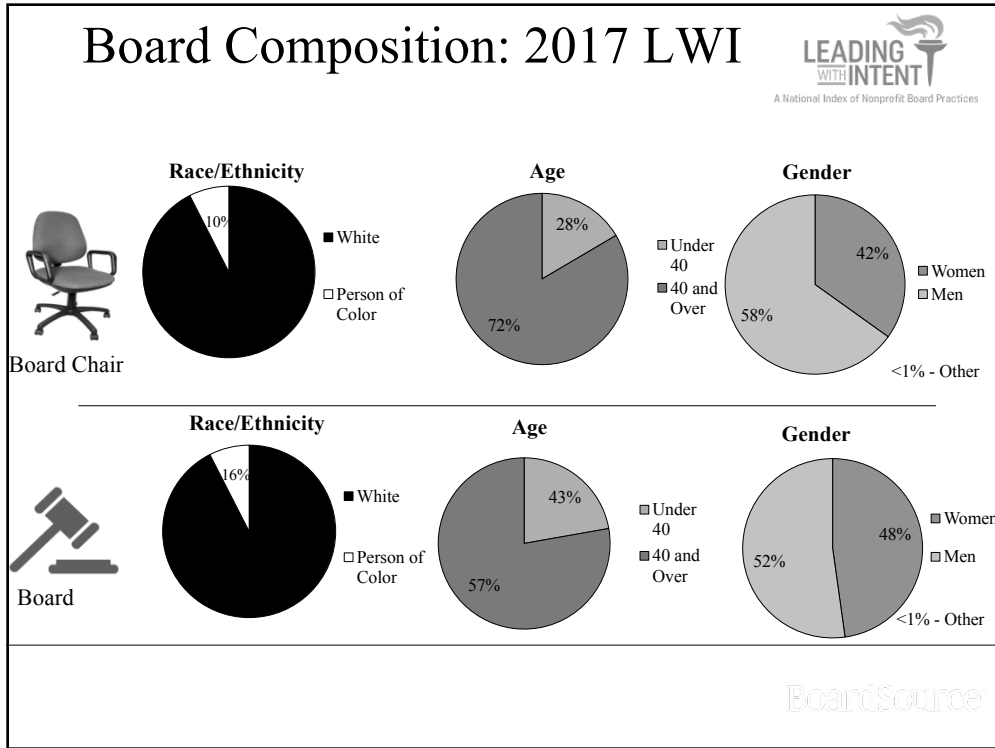


The Study

- Biennial study of board composition, culture, and performance.
- First data collected in 1994.
- Moment in time snapshots of board strengths and challenges.
- Convenience sample of executives and board chairs.
- Available for download at leadingwithintent.org.



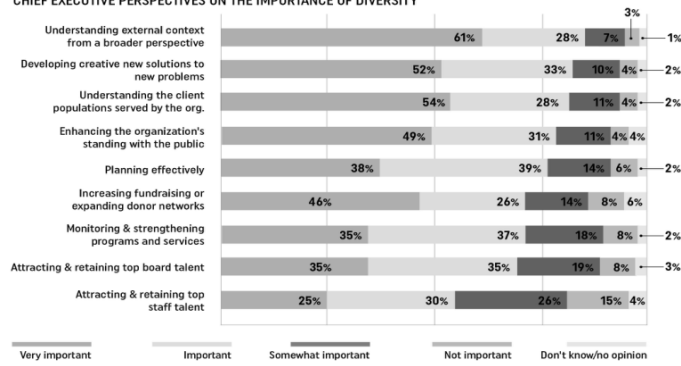
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How Important is a Diverse Board?

CHIEF EXECUTIVE PERSPECTIVES ON THE IMPORTANCE OF DIVERSITY

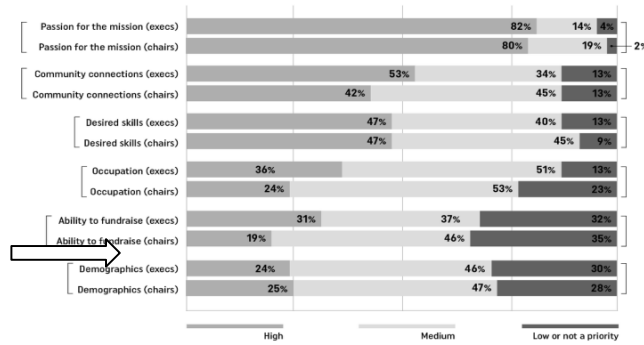


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The Disconnect: Board Recruitment

WHAT IMPORTANCE DOES THE BOARD ASSIGN TO THE FOLLOWING ITEMS WHEN RECRUITING BOARD MEMBERS?

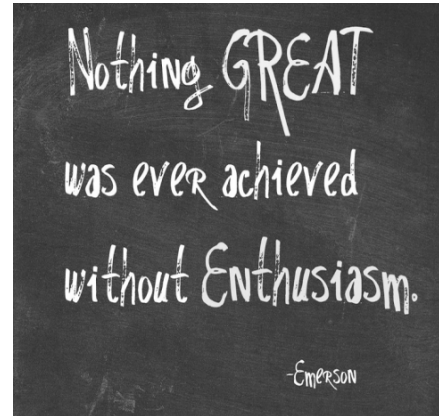


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Important Candidate Characteristics

- Genuine enthusiasm for mission
- Willingness to commit time, connections, and to give and get
- Influence in their network, community, or organization
- *A connector*



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Leading with Intent 2017



Has your board done the following?	Yes
Incorporated diversity into the organization's core values	76%
Modified recruitment to reach members of diverse backgrounds	48%
Conducted diversity training for staff and board members	21%
Developed a detailed plan of action to create an inclusive culture	18%

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Leading with Intent 2017



Key Finding:

84% of all board members are white

27% of boards don't have a single person of color

- **Board Diversity:** Boards are no more diverse than they were two years ago and current recruitment priorities indicate this is unlikely to change.

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ANNUAL REPORT

STATE OF NONPROFITS & PHILANTHROPY
IN SAN DIEGO

University of San Diego
SCHOOL OF LEADERSHIP AND EDUCATION SCIENCES
THE NONPROFIT INSTITUTE

Diversity, Equity and Inclusion



- 1/3** reported having strategic plan objectives related to diversity, equity and inclusion
- 1/3** have specific targets for achieving diversity, equity and inclusion goals for recruiting board members
- 18%** have specific targets for achieving diversity, equity and inclusion goals in hiring of staff

15th

San Diego's diversity ranking among 150 US metro regions

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Diversity Challenges or Challenges of Diversity



“...diversity leads to more innovation, more outside-the-box thinking and better governance... To unlock the benefits...boards must learn to work with colleagues who were selected not because they fit in—but because they don’t.”

—Excerpt from “Why Diversity Can Backfire on Company Boards”

Jean-Francois Manzoni, Paul Strelbel, and Jean-Louis Barsoux

Wall Street Journal (January 25, 2010)

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Diversity in California



- 50.3% female
- 13.3% over 65
- 38 % White only – non Hispanic
- 38.8% Hispanic or Latino only
- 6.5% African American only
- 14.7% Asian only
- 1.7% Native American only
- 27% Foreign-born
- 6.7% under 65 with disability

July 2015 estimates US Census <https://www.census.gov/quickfacts/table/PST045215/06>



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A Different Approach: Capitalizing on Diversity Means Highlighting — Not Hiding from — Differences

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Why Diversity and Inclusion Matters?



Diverse organizations are more likely to attract more diverse donors.

Heterogeneity promotes creativity and innovation.

Best boards harness a variety of skills, perspectives, backgrounds and resources to meet challenges.

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What are the Benefits?



Diverse Boards....

- ✓ Greater creativity
- ✓ Improved problem-solving
- ✓ Better insight into the needs of a diverse client base
- ✓ Have defining moments
- ✓ Create deeper relationships
- ✓ Make your core values come alive

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“A homogenous board limits viewpoints and ideas, which can result in lost service opportunities and, in turn, lost impact.”

- Nonprofit HR

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What's at Stake?



Potential soft costs will be:

- Low staff/board morale
- Fewer innovative ideas
- Inaccurate/unfocused communication with key audiences
- An unwelcoming environment

-The Denver Foundation's publication, Inclusionessness at Work: How to Build Inclusive Nonprofit Organizations

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What's at Stake?



Potential hard costs will be:

- Expenses for recruitment and retraining
- For nonprofit organizations, it means fewer clients and less revenue
- Decreased funding from donors, foundations, and government.

-The Denver Foundation's publication, Inclusionessness at Work: How to Build Inclusive Nonprofit Organizations

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Everyone has a Role



Board Chair and
Chief Executive
and **Nominating
Committee**

As partners in
leadership

The Advocate

The Board
Collectively

As teammates with
shared purpose,
authority, and
accountability

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Board Recruitment



***“The main point is to first get the right
people on the bus (and the wrong people off
the bus) before you figure out where to
drive it.”***

—Jim Collins, *Good to Great*



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Often Led by ~~Governance~~ Committee:
Nominating



Reviews the Board Recruitment Matrix and Conducts a Gap

Analysis

1. What is the board's current composition?
2. What is needed now?
3. What gaps need to be filled in the future?
4. What are the priorities?
5. What other attributes are important?

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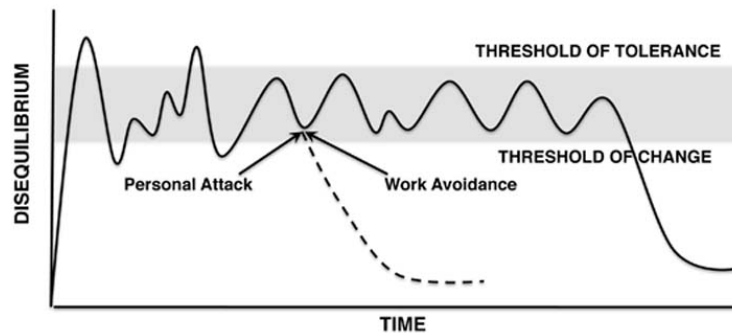
The Current Board



- It's critical to note that simply making a team more diverse is not necessarily enough to see the benefits. Diverse teams must find ways to work together productively, and often the best ways of working may seem counterintuitive.

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Adaptive Learning



“Don’t Be Fooled By Your Comfort”

Source: Heifetz & Linsky: *Leadership on the Line*, 2002

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CULTURE OF INQUIRY EXERCISE



- Questions are welcomed
- Differing viewpoints are encouraged
- Unwritten rules are explained
- Timely information exchanges
- Open communication
- Actively seek different viewpoints
- Tolerate ambiguity
- Brainstorm silently and openly
- Consult outsiders
- Search widely for information



3)

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CULTURE OF INQUIRY EXERCISE



- Are different formats used for board meetings, such as articles, research, small group discussions, facilitated sessions, or outside speakers, to help the board address important issues?
- Is there a two-way appreciation of challenging questions?
- Is there a shared culture of inquiry that leads to better, more informed decisions within your organization? If not, what are you willing to do to enhance it?

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BECOME A LEADER.
MAKE A DIFFERENCE.

Board of Directors and Leadership Recruitment Packet




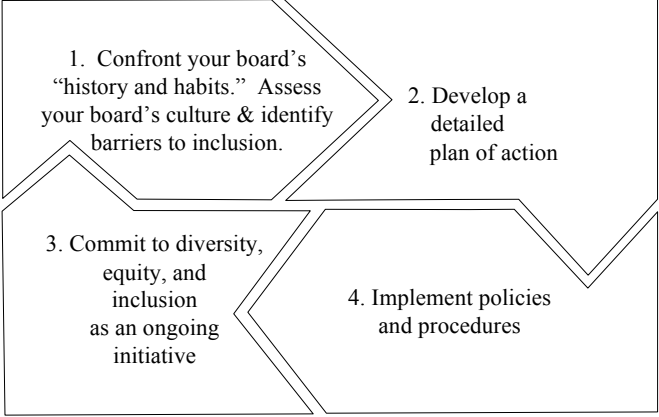
Down Syndrome Association of Wisconsin

www.dsaw.org

414-327-3729

info@dsaw.org

A Path Forward





1. Confront your board's "history and habits." Assess your board's culture & identify barriers to inclusion.
2. Develop a detailed plan of action
3. Commit to diversity, equity, and inclusion as an ongoing initiative
4. Implement policies and procedures

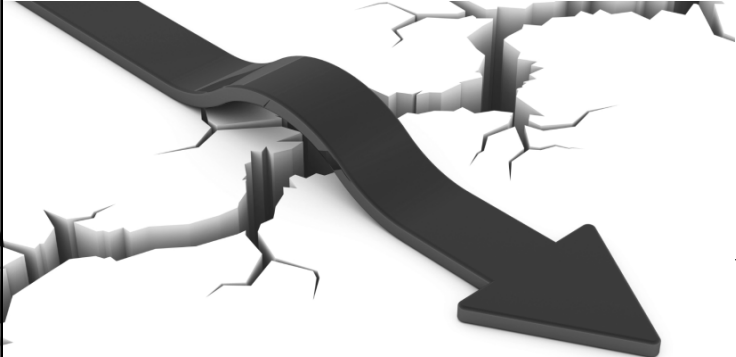
“Even if you are on the right track, you’ll get run over if you just sit there.” Will Rogers (1879 – 1946), American actor and comedian

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Reflection and Action Steps



- How can you help your board/organization understand why diversity and inclusion matter?
- What can you do in your role?



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Does Your Nonprofit Prioritize Diversity?

1. What is the racial equity policy around your board recruitment? If there is not one, has diversity, and inclusion at least been discussed as an area of growth and development among members of the board?

By **Andrea J. Rogers**

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Does Your Nonprofit Prioritize Diversity?

2. Are staff, board members, and/or the CEO/executive director willing to reach out to their colleagues in the sector and their peers from diverse backgrounds for suggestions?

By **Andrea J. Rogers**

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Does Your Nonprofit Prioritize Diversity?

3. What are you doing at the board level to change the culture, such that people from diverse backgrounds feel welcome, included and want to remain on your board?

By **Andrea J. Rogers**

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Does Your Nonprofit Prioritize Diversity?

4. Are the people on your board ready to listen to and welcome different points of view, and move away from “this is how we have always done this”?

By **Andrea J. Rogers**

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SECRET SAUCE

.....adds that one ingredient that puts it over the top without being overpowering

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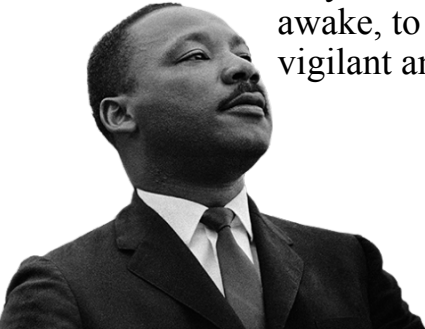
The Advocate

- The Natural Ambassador
- They know the landscape
- Often future focused
- Already in the position with established relationships
- Already constantly looking outward when many others in organization are forced to look inwards
- In a position that they can exert influence



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“One of the great liabilities of history is that all too many people fail to remain awake through great periods of social change. Every society has its protectors of status quo and its fraternities of the indifferent who are notorious for sleeping through revolutions. Today, our very survival depends on our ability to stay awake, to adjust to new ideas, to remain vigilant and to face the challenge of change.”



Martin Luther King Jr.

Thank You!

Leadership is Intentional



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Resources



- The Board Building Cycle, Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members: Berit M. Lakey Ph. D.
- The Governance Committee: Berit M. Lakey Ph. D., Sandra R. Hughes Ph.D., Outi Flynn
- Building the Governance Partnership: The Chief Executive's Guide to Getting the Best from the Board: Kathleen A. McGinnis, Sherrill K. Williams
- Vital Voices: Lessons Learned from Board Members of Color: Vernetta L. Walker, Deborah J. Davidson
- Diversity in Action E-Toolkit
- Race to Lead

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Resources

- [Beyond political correctness: Building a diverse and inclusive board](#) (BoardSource)
- [Practical strategies for diversifying your board](#) (webinar - Nonprofit Quarterly/BoardSource)
- [Leading with Intent](#) (BoardSource)
- [The declining diversity of nonprofit boards and what to do about it](#) (BoardSource and Nonprofit Quarterly)
- [A Fresh Look at Diversity and Boards](#), includes a discussion of a diversity statement. (Blue Avocado)
- [Why diversity matters in the boardroom](#) (Russell Reynolds)
- [Vital Voices: Lessons Learned from Board Members of Color](#) (BoardSource)
- [Can Minors Serve on a Nonprofit Board?](#) (Nonprofit Law Blog)

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