

# Board Development

## Building Board Diversity

It wasn't that long ago that most boards of for-profit and not-for-profit organizations were filled almost entirely by older white males, but times – and our society - have been changing. Organizations, especially those in the voluntary sector, are serving diverse communities and it makes sense for a wide range of people to be part of the decision-making around the board table.

There are many different ways of being diverse: gender, ethnicity, age, business experience, functional expertise, personal skills, geographic background, ability, sexual orientation, and citizenship status among them. Diversity is an important topic for not-for-profit boards because our communities are diverse. Since boards should represent the communities they serve, they should reflect the diversity found in the community.

Diversity, and the variety of perspectives that it brings, strengthen the quality of the output of any team (Maytree, 2008). Diverse representation is also necessary for long-term sustainability. Cultivating diversity within boards will further strengthen board practices within Alberta leading to stronger agencies, and stronger communities (Intersections 2, 2012). Establishing an organization that maximizes its potential through diversity serves to build a firm foundation for strong governance (Intersections 2, 2012).

There are many reasons why diversifying your group makes sense:

- You will more closely reflect the values of the community and society, and meet regulations and expectations.
- You will feel more connected to your communities and be more responsive to the changing demographics.
- Your board will make better decisions, based on broader perspectives.
- You will extend the reach of your group and become more effective in serving diverse communities.
- You will know your clients and stakeholders better, which makes good business sense.
- You will become more credible to clients and funders which can lead to better fund development.

*Board Development Program  
Community Engagement &  
Inclusion Branch  
Alberta Culture*

*Phone: 780-427-2001  
Fax: 780-427-4155*

*E-mail: [bdp@gov.ab.ca](mailto:bdp@gov.ab.ca)  
[www.albertabdp.ca](http://www.albertabdp.ca)*

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### Diversity as a Value

Successful change towards diversification goes beyond the verbal assertion that diversity is important. If a board wants to include individuals from a variety of backgrounds, measures need to be put in place to support this change.

It is important for all the various levels of the organization – the board, senior management, and staff and volunteers - to work together on becoming more inclusive. As valuable as a statement about the importance of diversity is, without policies, practices and procedures to back it up, it would be meaningless. Diversity as it affects the organization needs to be considered in the decision-making of the board in the same way that financial considerations or risk management are factored into the discussions.

Diversity is clearly not the same as “tokenism” or adding one or two individuals as representatives to an existing board. It is crucial that new members of the board be provided with the opportunities and support needed so that they are able to contribute meaningfully to governance roles and tasks. As one of the respondents to the DiverseCity study said, “The difference (between participation and inclusion) lies in whether you are letting me lead and govern or whether we are leading and governing together.”

Recent research by DiverseCity: The Greater Toronto Leadership Project indicates that the more diverse an organization’s board, the more likely it is to report the benefits of diversity.

*“The simple act of recognizing diversity helps us to connect the great variety of gifts that people bring to the work and service of the organization. Max DePree in Leadership is an Art. 2004.*

## A Process for Building Board Diversity

Once your organization has acknowledged the need to become more inclusive, you will embark on a process of change. It will involve setting goals, working towards them, overcoming obstacles, celebrating success and setting more goals. You make take steps like these to achieve your results:

- Make a public commitment to diversity. Remember that becoming a truly inclusive board takes time as well as understanding and commitment from all its members. Develop and adopt formal diversity policies that outline broadly the essential criteria that fulfill the needs of the board.
- Undertake a demographic audit of your organization in terms of board make-up, senior management, and staff and volunteers. Does your team reflect the make-up of the community that you serve? What changes should be made to address this?
- Examine your policies, practices and procedures in light of their inclusivity. The Canadian Mental Health Association has developed a framework or “diversity lens” which can assist groups in evaluating their current policies and procedures regarding diversity. It includes a number of checklists that focus on ways that a group can identify areas that require consideration and work. A PDF version of the *Diversity Lens* is available to download from the BC Division website at: [www.cmha-bc.org/content/about/statements/diversity.pdf](http://www.cmha-bc.org/content/about/statements/diversity.pdf)
- Determine your board’s priorities for moving forward to diversify. Set goals for becoming more inclusive, determine how you are going to reach these goals, and within what timeframe.
- Develop a recruitment plan that does not compromise other board competency criteria but removes barriers that can prevent those with diverse backgrounds from joining. Develop evaluation criteria that you will use for all new appointments to the board.
- Intentionally address your board orientation and training program to ensure that it provides opportunities for all board members to further develop their skills in governance, including diversity issues.
- Measure the results of your efforts and set new goals.

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*"I believe a strong society is an inclusive society. If we want to win big then we'd better include everybody because we need everybody." Cyndi Lauper*

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*“There are many benefits to diversity on boards. Our sector can’t afford to exclude a growing and influential segment of the populations from our leadership, especially as it relates to governance and fundraising.”*  
Susan McIsaac, United Way of Greater Toronto

## Making it Happen

Embedding diversity within an organization requires a system that supports this process. Some of the patterns identified within successfully diversified boards are inclusive frameworks, inclusive education, and inclusive practices.

An **Inclusive Framework** occurs when the mission, vision, and values of an organization align with the goals of diversity. A board might demonstrate this by establishing a standing committee with terms of reference dedicated to diversity and by approving transparent written policies that focus on diversity.

**Inclusive Education** and orientation practices could include:

- Education and training on topics such as those relating to generational differences and cultural variations,
- An in-depth and purposeful orientation program for all board members, and
- A mentor program where new board members are matched with experienced board members to help prepare them for full participation in the work of the board.

Ongoing **Inclusive Practices** within the board can give special consideration to the needs of all directors, including diverse members by:

- Providing clear and explicit information about roles and responsibilities for all board members,
- Setting board meeting and event times and locations according to the availability and convenience of all board members,
- Intentionally involving all board members in important discussions and tasks that require ideation,
- Recognizing the contributions of all board members to the work of the board, and
- Removing barriers to full participation of members by exploring the needs for:
  - Allocating funds for child care,
  - Providing transportation to and from board meetings,
  - Providing meals at board meetings, and
  - Determining if any of your other current practices limit their participation and attendance.

These areas are not all-encompassing but they do represent a range of opportunities that comprise a healthy and supportive system for diversity. Your board can determine how to best adapt these to suit your particular needs.

## Promising Practices

Each organization is unique, as is the way that it approaches diversification. However, as more groups work at making themselves more inclusive, several “promising practices” to assist with this are emerging.

### Recruitment

- Recruit more than one individual from any identified diverse group. Research has shown that there is a “critical mass” of diverse members from a new community of 3 to 4 people. This can make the new board members feel more comfortable, and provide a broader perspective. As Christopher Fredette said in the DiverseCity report, “Then the outsider voices aren’t outsiders anymore.”
- Don’t limit your board recruitment to the people that board members already know – look beyond the “usual suspects”, by talking with and reaching out to those in other communities.
- Broaden your recruitment and selection criteria, and include the ability to work with diverse communities as a competency. Recognize a variety of experiences and expertise that will add value to the knowledge base on your board.
- Remove barriers to involvement. For example, one board found that requiring all board members to make a large annual financial donation to the organization was an impediment to attracting students and newly graduated young people who could bring many other attributes to the board. By removing that requirement for all board members, they were able to diversify the board and improve other aspects of their fund development plan. As one Board Chair states “We can’t afford to have any impediments to attracting and retaining the best people.” (Institute of Corporate Directors, 2011)
- Recruit based on what people can and will do for the board, rather than who they are. By grounding board recruitment in the needs of the organization at this time in its development, you will have a better chance of getting the people who are able to do what is needed and who follow through on these tasks. (Masaoka, 2012)
- Demystify the role of a director – provide explicit information about what the board is and does. Invite interested individuals to attend a board meeting once a year before they commit to joining.
- Ask constituents for ideas. Jan Masaoka suggests a “One Meeting Blue Ribbon Nominating Committee” (Masaoka, 2009). Host a luncheon and invite twenty or so well-connected individuals of the type you would like on the board, but who you suspect wouldn’t join (for example, funders, already busy community leaders). Explain why you are seeking to diversify and ask each to recommend three individuals who might be

*“Diversity is just good business practice.”* Jan Masaoka, Blue Avocado, 2009

*“We need diversity of thought in the world to face the new challenges.”* Tim Berners-Lee

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interested and able to actively serve on your board. Follow up with each suggested person and let them know who recommended them.

### **Orientation and Retention**

- Provide a clear and comprehensive orientation program for all members of the board as soon as possible after they are elected. Since people have different learning styles, provide the information in a variety of formats. For example, you might hold a group orientation session for the whole board, a binder of board materials that can be read at home, and access to short board training materials online.
- Institute a mentoring program for new board members to assist them to fully participate in all aspects of governance. Match each new board member with someone who has been on the board for at least a year or two and provide guidelines on the mentor/mentee roles.
- Encourage all those on the board, including diverse members, to take on specific responsibilities, where ideation and problem-solving are important.
- Remember that everyone has skills and everyone is a leader, but not all leaders excel in the same areas. Share the leadership tasks on the board.
- Remember that board members have other responsibilities and time commitments. Implement methods to make the best use of everyone's time at meetings and in doing board tasks. Young members in particular may appreciate the use of technology in communicating and sharing material.
- Recognize the contribution made by all members of the board and show that what they have done is of value.
- Use plain language wherever possible and provide information on any acronyms or technical terms that must be used.
- Take the needs of board members into consideration. Instead of recruiting only those board members who can attend preset meeting dates and locations, make board events and activities accessible to all.
- Provide opportunities for board members to get to know one another.

*“Non-profits that want to diversify their boards must first make their commitment at the board level and then put in place the policies and procedures that will result in successful diversification”*  
McCrary, 2004, p. 2



The *Intersections* Project is a two-phase project that seeks to enhance the vitality and sustainability of rural Alberta communities by effectively engaging immigrants in vital roles in non-profit/voluntary sector (NPVS) organizations. For more information, see <http://volunteeralberta.ab.ca/intersections>

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*We try to include everybody in the game plan so that when you present that, everybody who's going to be up for that game knows that there's something in there for them, potentially, in the game. It's fun that way. It keeps them in it, and it gives everybody a chance.*"  
Mike Martz, Chicago Bears

*"Increasingly, NPVS organizations and the boards that govern them acknowledge that culturally diverse representation is necessary for long-term sustainability"* *Intersections 2, 2012, p. 9*

## Cultural Diversity and Governance

Not-for-profit boards accept as a primary responsibility the need to develop and maintain healthy relationships among their major stakeholders. The following chart shows how diversity can impact the three domains of governance: fiduciary, strategic and generative. It also provides questions that a board could use to guide its deliberations on diversity.

Cultural Diversity and Governance		
Type of Governance	Why should governors consider diversity?	Key Questions
<b>Fiduciary Governance</b> <ul style="list-style-type: none"> <li>• Board monitors and approves</li> <li>• Board oversees business operations (e.g. financial controls)</li> <li>• Board oversees regulatory compliance</li> <li>• Board oversees legal issues (e.g. contracts)</li> </ul>	<ul style="list-style-type: none"> <li>• To develop better working relationships with the broader community</li> <li>• To reduce the risk of discriminatory practices</li> <li>• To provide an alternative means for procuring human resources, supplies, and services</li> <li>• To comply with the regulatory environment</li> </ul>	<ul style="list-style-type: none"> <li>• What barriers prevent diverse groups from participating in our organization?</li> <li>• Are we discriminating against certain groups?</li> <li>• What is the cost of ignoring diversity in our organization?</li> <li>• Can we secure or retain valuable resources (e.g. human, financial etc.) by being diverse?</li> </ul>
<b>Strategic Governance</b> <ul style="list-style-type: none"> <li>• Board is forward-looking and outcomes oriented</li> <li>• Together, board and management discover strategic priorities and drivers</li> <li>• Board structure reflects organization's strategic priorities</li> <li>• Board values flexibility</li> <li>• Board and staff discuss strategic data from multiple sources</li> </ul>	<ul style="list-style-type: none"> <li>• Community demographics are changing so the way an organization carries out its mission must change</li> <li>• The community that an organization serves in the future will be significantly different than it is today</li> <li>• Excluding diverse groups makes an organization less sustainable</li> <li>• Crafting strategy requires a diversity of perspectives</li> <li>• Building relationships for future success has to address the diversity in a community</li> </ul>	<ul style="list-style-type: none"> <li>• In 25 years, who will our organization serve?</li> <li>• What diversity-related trends affect our mission?</li> <li>• In the future, will our services be relevant to segments of the community that do not speak English?</li> <li>• How do internal processes need to change to accommodate diverse populations?</li> <li>• Why are so few new immigrants involved with the non-profit sectors?</li> </ul>
<b>Generative Governance</b> <ul style="list-style-type: none"> <li>• Board engages in reflective learning</li> <li>• Board is seen as a source of leadership</li> <li>• Board is able to discern problems</li> <li>• Board tries to make sense of the issue</li> <li>• Board frames problems and identifies key questions</li> </ul>	<ul style="list-style-type: none"> <li>• To be meaningful in a changing, more-diverse community, non-profit organizations need to develop relationships and capacities to work with diversity.</li> <li>• In the future, resources (e.g. human, financial etc.) will come from diverse elements in the community.</li> <li>• By not engaging with increasingly diverse populations, an organization will become less and less relevant.</li> </ul>	<ul style="list-style-type: none"> <li>• Is diversity important to our organization? Why or why not?</li> <li>• What steps can we take as a board to understand the internal barriers to diverse membership and leadership?</li> <li>• How is diversity to be understood in our community now and 25 years from now?</li> <li>• What opportunities are we missing because we do not actively engage diverse groups?</li> </ul>

\*\*Used with permission from Volunteer Alberta, Intersections 2: Guide to Inclusive Nonprofit Governance in Alberta



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### Questions for a board discussion on diversity:

A conversation about diversifying the board can be an important generative discussion about how your group achieves its mission. Set time aside for your board to discuss the questions below in detail. In order to ensure that you are getting your board members' individual perspectives, distribute these questions to them well before the meeting and ask them to answer them on their own before arriving at the board meeting. Then at the board meeting, discuss responses in small groups and then as a large group giving everyone an opportunity to share their perspective. This process will help your board assess its capacity for diversification.

1. What does diversity mean to you?
2. What are the demographics of the community you serve in terms of the factors you raised in question #1 above?
3. Does your organization currently reflect the community it serves? (Use statistical data to support this answer)
4. Are there people in the community who would benefit from our services if these services were more accessible?
5. What do you and the organization hope to gain and achieve through diversifying?
6. On a scale of 1-10 (1 being low and 10 being high), where does diversity fall as a current priority in your organization?
7. What are your current policies, practices and procedures that support the inclusion of people from various groups?
8. What current policies, practices and procedures inhibit the inclusion of people from different groups and backgrounds?
9. If your board were to successfully diversify, what would this look like to you?
10. What steps would need to take place in order for this ideal picture to become a reality?
11. How will you personally support this initiative toward increased diversity?

Building board diversity is an ongoing process. Organizational change takes time and needs to be undertaken in a thoughtful way. Begin the process now and be prepared to continually examine and adapt so that your organization matches the make-up of your community.

*To begin the process of engaging your community, your board can start by setting aside time at your next board meeting to discuss ideas that answer these questions:*

- *How can we better involve the various communities we serve?*
- *How can we engage them to work more closely with us, to ensure our programs are the most effective they can be in addressing the needs in those communities?*

Hildy Gottlieb, 2005.



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*“We’re seeing diversity become a strategic issue, where boards are saying ‘we need to evolve, to not only reach out to our communities, but to be more effective as governors of our organizations, and to make sure we’re legitimate in the eyes of people who use us, and more importantly, fund us.’”*  
Christopher Fredette



**Board Development Program**  
**907 Standard Life Centre**  
**10405 Jasper Avenue**  
**Edmonton, AB T5J 4R7**  
**[www.albertabdp.ca](http://www.albertabdp.ca)**