

TAKING ACTION ON BOARD DIVERSITY

FIVE QUESTIONS TO GET YOU STARTED

Boards represent and govern our organizations on behalf of communities. Who is on the board can drastically change how the board operates and what role it plays.

While board composition is not one-size-fits all, a board that is homogeneous in any way risks negatively impacting its ability to make the best decisions and plans for the organization. A lack of racial and ethnic diversity is particularly concerning, as it may result in strategies and plans that ineffectively address societal challenges and inequities, or even reinforce them. As such, it is critical that boards have authorized voice from the communities they serve, defined as permission from those they serve to speak on their behalf.

As shown in the 2024 *Leading with Intent* “over 40% of executives report that they do not have the right board members to “establish trust with the communities they serve.” Only a third of boards (33%) place a high priority on “knowledge of the community served,” and even fewer (29%) place a high priority on “membership within the community served.”

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 only marginally changed since 1994.**
 - In 2023, 84% of Executives and 77% of Board members report to be white, Caucasian, European.
 - A 3% and 1% decrease, respectively
 - 63.4% of board members are white; 10% of boards are entirely white
 - *This is one sign of progress and is a 7% decrease from the last survey*
 - Since BoardSource began tracking diversity data through this study in 1994, people of color and other ethnic groups have never represented more than 23% of board membership.
- **Chief executives and board chairs are dissatisfied with the level of racial and ethnic diversity on their boards.**
 - 84% of CEOs say racial/ethnic diversity is important/very important. 65% or less for diversity in all other areas.
 - 48% of CEOs are moderately/extremely dissatisfied with their board’s racial diversity. 20% or less CEOs are moderately/extremely dissatisfied with their board’s diversity in other areas.

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.

- 72.4% of CEOs and board chairs say they have discussed diversifying the board.
- 35.7% of organizations agreed on a process to diversify the board.
- 31% of nonprofits have implemented policies to diversify the board.

Recruiting a diverse board will ensure better decision-making and better results. 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.

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. Use the board matrix as an inventory of current skills and backgrounds to prompt a thoughtful discussion of whether or not the board reflects the diversity of the community it serves and, if not, what that communicates to the external world about who your organization is and what it values. The matrix can 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.

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. Consider your options to go beyond those networks and brainstorm 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 search list such as LinkedIn or tapping a board search firm or matching program. 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 takes time. BoardSource is confident you will find the benefits of improved decision-making and it will be worth the investment.

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*.