

LOS ANGELES BUSINESS JOURNAL
**WOMEN'S
 LEADERSHIP SERIES
 & AWARDS 2020**

Nonprofit Board Diversity in Action

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Nonprofits were early advocates for building diversity within their organizations, but to really walk the walk, nonprofit boards must also make diversity a priority.

The board of directors reflects the organization's culture, and it makes sense for the board's makeup to demonstrate the values of diversity, equity and inclusion. It is a signal to the staff as well as external grantors and stakeholders. Fostering a culture that embraces diversity is a powerful way to attract great employees. According to research by Glassdoor, 67 percent of job seekers said that a diverse workforce is an important factor to them when considering companies and job offers.

Some nonprofits continue to struggle in this area, though. In *Leading with Intent: 2017 BoardSource Index of Nonprofit Board Practices*, a nonprofit leadership report, almost one in five chief executives reported that they were not prioritizing diversity in their board recruitment strategy, even though in the same report they acknowledged that their board was not as diverse as it should be.

DIVERSE GROUPS MAKE BETTER DECISIONS

A successful board needs wide diversity of skills among its members, both in their backgrounds and in their experience. This variety enables a more thorough thought process and promotes healthy discussion. The result is an organization with greater community impact and stability. A Harvard Business Review study found that women, people of color and people in the LGBTQ+ community were 20-25 percent less likely to share their ideas in companies without diverse leadership.

The good news is that a study from Northwestern University's Kellogg School of Management showed that diverse groups lead to more diverse perspectives being introduced and considered. The previously mentioned Harvard Business Review study found that diverse teams out-innovate and out-perform others. Additionally, a McKinsey study found that leadership teams with gender diversity outperformed their counterparts financially by 25 percent, and those with ethnic diversity outperformed by 36 percent.

These findings translate broadly, and nonprofits and their boards have an opportunity to commit to diversity, equity and inclusion.

DIVERSITY, EQUITY AND INCLUSION

The short definitions for these key concepts are:

- Diversity is when you are invited to the dance
- Inclusion is when you are asked to dance
- Equity is when you get to be the DJ

Diversity is good, inclusion is even better and equity is the goal. Equity is giving each person and organization – and its board – what they need to survive and thrive and reach full potential. Equity means bringing women and people of color and various races and ethnicities to the table to make sure they can speak and be heard and that their ideas are acted upon.

In developing a definition of what equity means to them, nonprofits should consider

the needs of the individual communities they serve, strive to put representatives of these communities on their board and make sure they are an important part of discussions and decisions. Their opinions matter, and the community will notice.

REMOVING THE BARRIERS TO RECRUITING DIVERSE BOARD MEMBERS

Systemic barriers to creating diverse boards are significant reasons why women and people of color continue to be underrepresented. Key ways to examine barriers and success for nonprofit board recruiting include diverse recruitment practices, term limits, unconscious bias training and active retention efforts. With time and effort, these barriers can be torn down.

- **Find diverse candidates:** A major barrier to diverse boards is getting women and people of color in the door in the first place. Boards with a core group of founders and longstanding members can be effectively closed to new members and new ideas. Entrenched board members can be roadblocks to change and growth. Nonprofits and their executives must work purposefully to and look to diverse professional organizations for candidates.

- **Create term limits:** The case for having term limits or board rotation is that fresh perspectives should always be added as an organization grows and evolves. In the Green Hasson Janks whitepaper *Board Governance: The Path to Nonprofit Success*, just 30 percent of respondents said they had a formal succession plan for board members at their organizations. Term limits give boards the chance to make sure members are engaged and contributing, and it provides an opportunity to add members that are more diverse. The goal is a well-balanced board that does not lose steam and is able to incorporate diverse perspectives.

- **Attack unconscious bias:** Oftentimes people bring their own biases that come from

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their upbringings, experiences and cultures. Bias recruiting practices have been shown to be harmful, especially to women and people of color, who continue to be hired and paid at lower rates because of them. To recruit a more inclusive board, search committees can develop systems that evaluate candidates blindly and on the basis of merit, such as using quantitative ratings. This way, decision makers are more likely to look beyond their comfort zones and find people whose voices can drive change and innovation.

- **Retain the right board members:** Retaining diverse nonprofit board members can be challenging since there is often heightened demand for highly qualified candidates. That is the perfect reason to look for people from other industries or who have different skillsets. According to New Possibilities blog "Beyond Orientation – 6 Steps to Retain Your Nonprofit Board Members," the steps include:

- 1) Get involved on a committee or project right away
- 2) Match with a buddy or mentor
- 3) Make meeting agendas count
- 4) One-on-one with the board president
- 5) Conduct a midyear check-in
- 6) Conduct year-end surveys

KEY TAKEAWAYS

- To build a diverse nonprofit board:
- Build an organizational culture that prizes diversity
 - Embrace the fact that diverse boards create better results
 - Make equity a goal
 - Recruit and retain diverse board members



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