# A Call to Action: Diversity on Canadian Not-For-Profit Boards

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**A Call to Action: Diversity on Canadian Not-For-Profit Boards[1]**

Over the past 15-20 years there has been significant attention paid to the topic of diversity, defined here as dimensions of personal difference including aboriginal status, ability, age, country of origin, ethnic origin, visible minority, immigrant or refugee status, language, race, religion, gender and sexual orientation. One of the drivers of this is the shift in the demographic composition of the Canadian population[2]. The 2001 census data showed that 28% of our total population was born outside of Canada; the highest level in 70 years[3]. As a result, one might assume that Canadian not-for-profit boards would have made comparable progress in increasing their diversity profiles over the same time frame. The results from our study suggest something different. Although some changes have occurred, there remain significant challenges for the not-for-profit sector in keeping pace with the shifting context. This report is a call for more action on the governance front.

The authors of this report, with funding support from the Institute for Governance of Private and Public Organizations, conducted a study to assess the current status of diversity on Canadian not-for-profit boards. We had responses from 240 member organizations of Imagine Canada, a charity that is dedicated to delivering research and support to the not-for-profit sector. The purpose of this report is to share the findings of the study and to provoke conversation about how Canadian not-for-profit boards can take action to further enhance their diversity.

We found that while women have made great strides, the proportion of board members from different ethnic backgrounds and visible minorities have made much less progress. Importantly, our findings show that those boards that have greater diversity are also statistically significantly more effective. We will share some of the best practices of the leaders in the field in an effort to leverage the learning and inspire others to take action.

**Who participated?**

Of the 240 respondents, most were from relatively large organizations with an average budget of $981,426 and a median number of full time staff of 11. These organizations were primarily from large cities in Ontario, although we also had responses from most other regions of the country. The average age of the organizations was 43 years. Over half of those that replied to the survey were in either the health or social welfare sectors. Our findings, it should be noted, may not be generalizable across the sector as this sample is representative of larger and more established nonprofits.

**What did we find?**

Based on our research, we conclude that this is a story of a cup "half empty" *and* a cup "half full." On one hand, it appears that significant progress has been made in terms of gender diversity, as women hold almost 44% of seats on boards. In addition, 62% of those that completed the survey (primarily Executive Director/CEOs and Board Chair/Presidents) were

women.  This shows that more women are making it not only onto the boards but also to prominent roles within the organizations.  Of the 240 boards that were surveyed, 12 were all female boards and 4 were all male.  This pattern has been statistically consistent over the 20 years since we last conducted a similar survey.

We found that the best boards in terms of promoting and achieving diversity are also those perceived by the respondents to have the highest overall board effectiveness.  Based on our statistical analysis they appear to be the older boards and tend to have the most formalized systems and processes in place.  Those organizations that tend to have more structured policies and procedures overall, also have written policies related to racial, ethnic or gender representation on boards, have a board committee on diversity and have board plans that incorporate diversity related goals.  We conclude that when boards are well structured and when clear policies and practices are outlined, the range of diversity also tends to increase.  (Please note that only statistically significant findings have been reported in this report. Full details of the findings are available on request[4].)

When assessing the diversity profile of these Canadian not-for-profit boards, slightly more than one-third (39.9%) indicated that their board had its own working definition of "diversity."

The make-up of boards in terms of ethnic origin and visible minority status was examined and was expressed in two ways.  First, the study looked at the proportion of board members who came from diverse backgrounds in terms of ethnic origin/visible minority status.  Second, it asked about the range of diversity, or the number of different groups represented.  On average, Whites were the most likely to be on boards (average of 87.6%), followed by Aboriginal (average of 8.2%) and South Asian (average of 7.4%). Koreans were the least likely (average of 0.2%) to be present on boards (see Figure 1).

In terms of the range of diversity, the median number of different groups was 2. Looking more closely at the range of diversity among board members, 43.6% of the organizations selected had only 1 group present (in almost every case this meant that the boards are all White, although there were some boards that have all aboriginal members), 23.3% had 2 groups, 18.1% had 3 groups, 9.7% had 4 groups, and only 5.2% had 5 or more groups represented among their board members.  This implies that the majority of boards represented in this study had either no diversity based on ethnic origin/visible minority status at all or had only one additional group represented.

**Figure 1: Demographics as a Percentage of Board Members**

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[4] If you would like a copy of the more detailed report with all the relevant statistics please contact Pat Bradshaw at pbradshaw@schulich.yorku.ca

**Board Diversity by Ethnic Origin/Visible Minority Status**
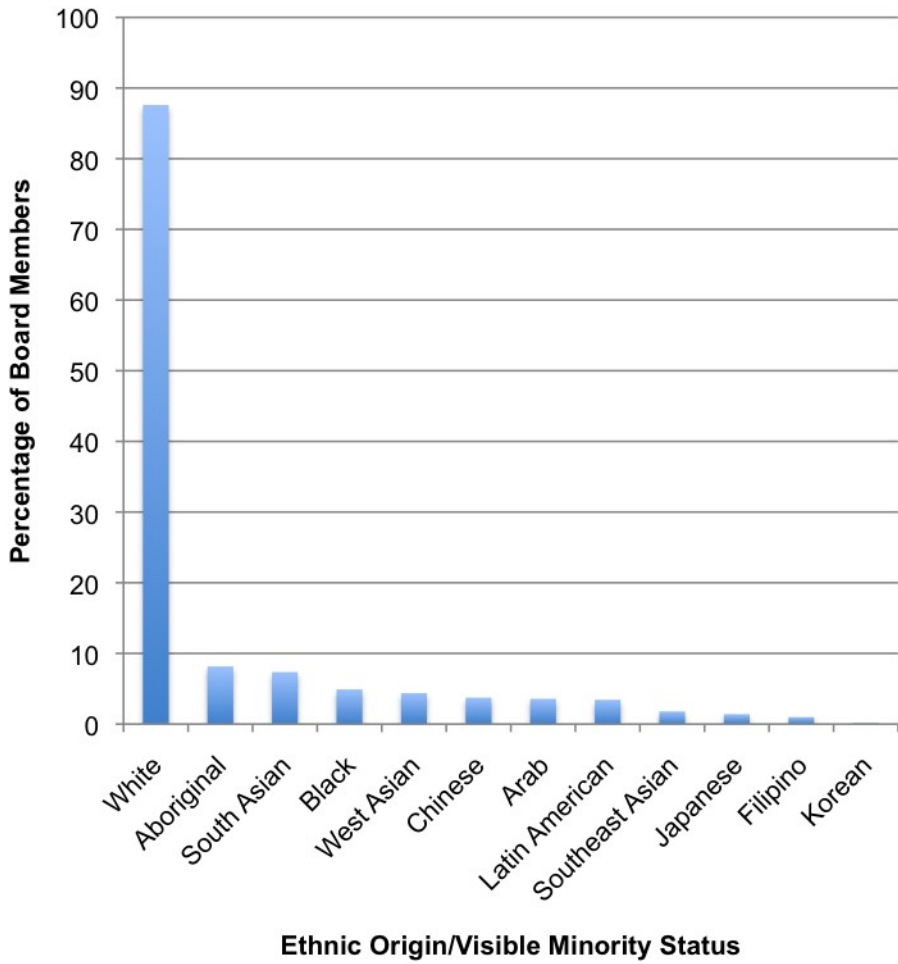
In terms of the organization's Executive Director, there was very little diversity. The overwhelming majority (91.1%) was white (see Figure 2).

**Figure 2: Executive Director Ethnic Origin/Visible Minority Status**
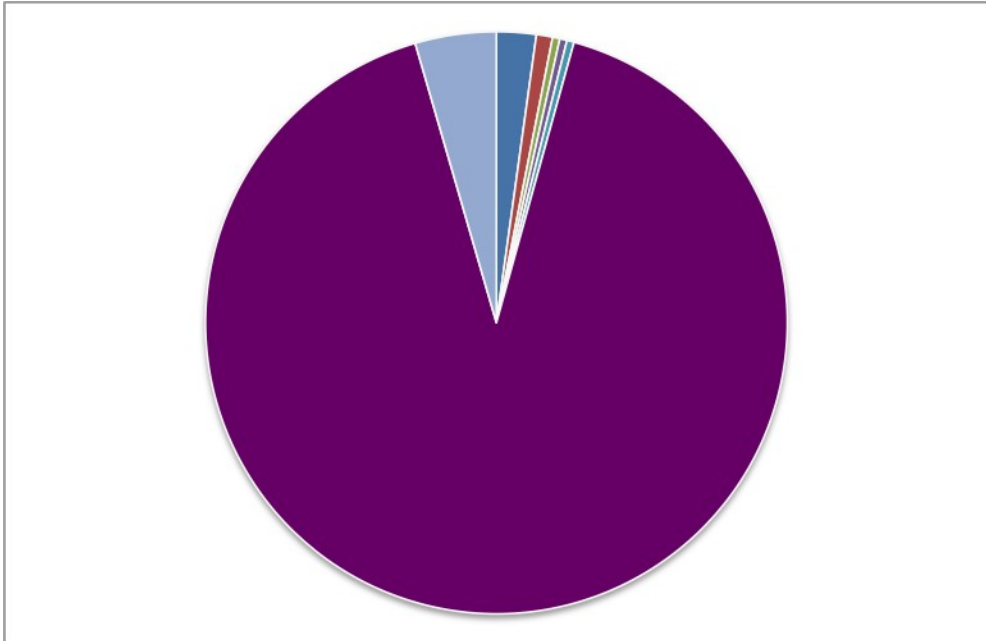


| | |
|---|---|
| 2.2% | ■ Aboriginal |
| 0.9% | ■ Black |
| 0.4% | ■ Chinese |
| 0.4% | ■ Japanese |
| 0.4% | ■ West Asian |
| 91.1% | ■ White |
| 4.5% | ■ Other/multiple response |

The same pattern was found for the organization's Board Chair (see Figure 3).

**Figure 3: Board Chair Ethnic Origin/Visible Minority Status**
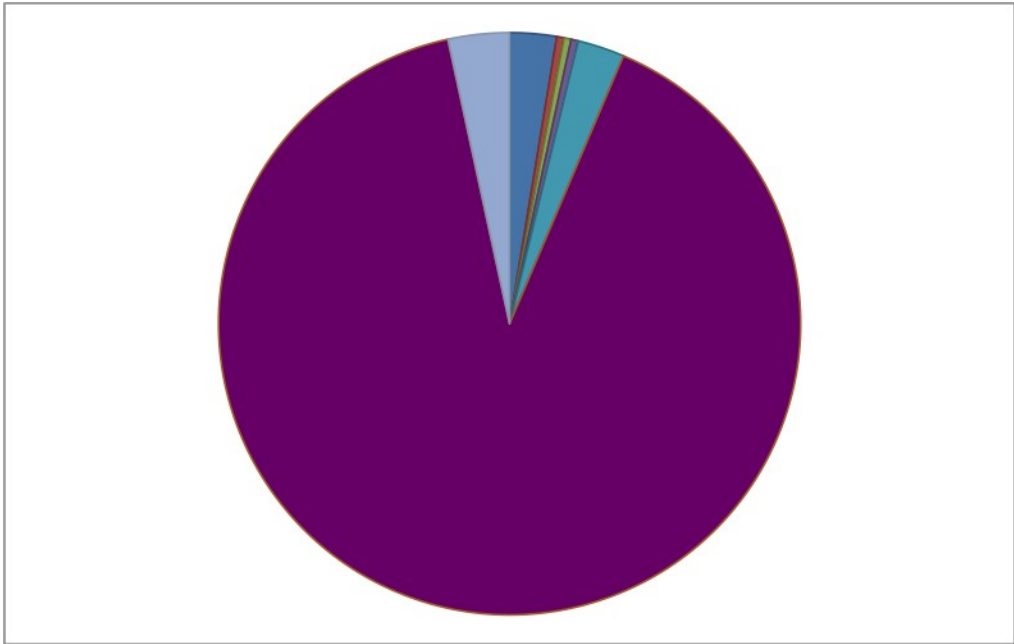


| | |
|---|---|
| 2.6% | ■ Aboriginal |
| 0.4% | ■ Black |
| 0.4% | ■ Filipino |
| 0.4% | ■ Latin American |
| 2.6% | ■ South Asian |
| 90.2% | ■ White |
| 3.4% | ■ Other/multiple response |

The majority of board members were within the age range of 30 to 60 years, and the "less than 30" age group was the least represented (5% of the boards had more than quarter of their board composed of members who are under 30 years of age). There were no differences in representation of young board members based on geographic location.

We also studied often-overlooked aspects of diversity, asking respondents how many board members identified as a person with a disability or were lesbian, gay, or bisexual. Almost 28% of organizations indicated there was at least one person with a disability on their board, and 22.4% of those surveyed had a board member who was openly lesbian, gay or bisexual.

**What steps are being taken?**

The study showed that those boards that had a greater range of diversity were perceived by respondents to be significantly more effective overall. It also showed that these boards tended to perform better across multiple dimensions. For example we found that those that did have a greater range of diversity also tended to have:

- printed board policies related to racial, ethnic or gender representation on board

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- a board committee on diversity efforts

- board plans that incorporate diversity related goals

Our findings show that there are some significant correlations between certain recruitment and selection practices and an increased range of diversity. For example, those boards that recruited by advertising in ethno-specific publications, partnered with ethno-cultural organizations to make them aware of available positions and to help identify qualified candidates, or built links to services that help to search for and match qualified board members had greater ranges of diversity. In addition, those that selected board members partly based on their gender or ethnic backgrounds (as well as based on skills, passion for the mission and other criteria) also had higher ranges of diversity.

It appears that when boards are well-structured and clear policies and practices are outlined, the range of diversity also increases. It is interesting to note that range of diversity was not related to having written targets for increasing diversity on boards, but it was significantly related to having board strategic plans that incorporate diversity related goals. It is also interesting to note that having a standing board committee on diversity efforts was related to increased range of diversity but that having a temporary special task force on diversity related issues was not. The more institutionalized, or integrated, diversity is into the planning process and structure of the board, the more likely the board is to be representative of different communities.

We found a positive, statistically significant correlation between the respondents' satisfaction with overall board effectiveness and availability of formal orientation for new board members, ongoing professional development for current members, mentoring programs for new members and for members from diverse communities. The more detailed printed materials about how the board operates that were available, the more positive the respondents' perception of board effectiveness. Likewise, we found a positive relationship between board policies related to conflict of interest and discrimination and overall board effectiveness. Finally, having a special task force on diversity related issues was also linked to overall board effectiveness. It appears that the boards that had the most rigourously structured set of policies and practices were effective overall. The indications are that the boards that have been well organized and that have systems in place are more effective in general.

Some of the most effective boards were also among the oldest. We found a similar positive correlation between organization age and the availability of formal orientation for new board members, ongoing professional development for current members, and having a mentoring program for new members. Older organizations were also significantly more likely to have detailed printed materials on how the board operates available and board policies related to conflict of interest and discrimination and age of organization. This suggests that the longer an organization is around, the more likely it is to institutionalize its structure and processes. The data shows, however, that in spite of the many advances that mature organizations have made in establishing structure, most are still not focusing on diversity-related initiatives.

**What's driving change?**

We asked respondents what was driving their actions to enhance diversity. The most significant factor that was listed as a driver for change was the need to reflect the changing demographics of the community, clients, members or customers. Somewhat surprisingly respondents reported that they do not perceive funders and donors to be asking for more diversity. Government regulations and competitive pressures were also not perceived to significantly drive diversity. It appears that not-for-profit organizations are looking to enhance diversity because it is what they

need to better service their clients or members.

**What's getting in the way of change?**

Based on the data, it appears that senior leaders are very comfortable raising issues related to diversity at board meetings and that there is very limited conflict, silencing or cutting off in discussions of these topics. However, there is still relatively little discussion about diversity, despite the disparate numbers that appear in the diversity reporting. We would conclude that diversity is not currently on the agenda of most not-for-profits.

**What can be done?**

Based on previous research and best practices identified by organizations such as The Maytree Foundation[5], there are things that not-for-profit boards can to do develop a greater range of diversity. Here are some of the things that the leading not-for-profit boards are doing[6]:

**Broaden Recruitment Strategies for New Board Members:**

☐ Advertise in ethno-specific publications**.

☐ Partner with ethno-cultural organizations to make them aware of available positions and to help identify qualified candidates**.

☐ Target individuals who are active within in the community.

☐ Build links to services that search for or match you with qualified board members*.

☐ Advertise in major print newspapers.

☐ Provide e-communications to potential board members when openings become available.

☐ Publish vacancies on a website.

☐ Mobilize board members to recruit through their networks.

**Widen Selection Criteria When Looking for New Board Members:**

☐ Be of specific ethnic background**.

☐ Be of a specific gender**.

☐ Be willing and able to raise funds for us*.

☐ Possess specific needed skills or knowledge.

☐ Have good connections with particular elements of the community which we want to have represented.

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[5] (www.maytree.com)

[6] Those marked with a "*" were found to be significantly correlated with increased range of diversity at $p < 0.05$ and those marked with "**" are significantly correlated at $p < 0.01$. These represent the best place to start impacting change

☐ Increase prestige to our organization in the eyes of community leaders.

☐ Have a proven track record in terms of willingness to contribute the time and effort we need.

☐ Have a reputation for being able to work well with others.

☐ Show an interest in the work of the organization.

☐ Be willing to donate funds.

☐ Be of specific religious background.

☐ Be a user of the organization's services.

☐ Share an ideology about the organization with existing board members.

**Board Self-Assessment and Planning Processes:**

☐ Address diversity during board self-assessment activities

☐ Incorporate issues of diversity into board work plans

☐ Attempt to reflect demographic characteristics of clients, community or members in the board composition

**Use Practices for Board Meetings that will Foster Greater Inclusivity:**

☐ Hold meetings at times that are convenient for board members with care-giving responsibilities.

☐ Hold meetings in locations that are wheel chair accessible.

☐ Ensure foods served meet cultural and personal preferences of all board members.

☐ Hold meetings to accommodate religious holidays.

☐ Hold meetings that are simultaneously translated into one or more spoken languages.

☐ Embrace other meeting traditions.

☐ Provide materials in other languages.

☐ Hold meetings that are translated into sign language\n for the hearing impaired.


**Conclusions**

We conclude that organizations that have well-established processes and practices and have integrated diversity into their overall strategic planning processes are more successful in creating diverse boards.  Diversity in these organizations no longer represents a special case to be "dealt with" but instead has become integrated into their fabric.  Many of the organizations in this study are already doing the foundational planning and putting into place the practices that lead to overall effectiveness.  To increase diversity does not require a complete overhaul of the

way things are done.  Instead, integrating diversity as a strategic priority and assigning a level of accountability to the process can have a significant impact.  Leaders report that they are comfortable raising issues and taking action, so it seems that once the benefits of having an increasingly diverse board are understood, there is little standing in the way of those same leaders taking action.

This report is intended to inform leaders of Canadian not-for-profits and to provide a call to action on the diversity front.  It has been said that experience on voluntary sector boards is a gateway to for-profit corporate boards.  All parties stand to gain from increasing diversity on not-for-profit boards.  Individuals in historically marginalized groups gain the opportunity to participate and gain experience in senior level positions.  The communities being represented gain an opportunity to be heard in ways that they may not have otherwise occurred.  Finally, boards gain from the many proven advantages that come from not only having a diverse board, but from allowing that diversity to transform the organization to better thrive in these challenging times.  It appears that some progress has been made in terms of gender diversity on not for profit boards, which is worth celebrating.  However, it is time to get to work to increase other forms of board diversity, which will help not only the boards and organizations, but also individuals and society as a whole, to thrive.