



READY REFERENCE PAGE

NO. 139
FOR YOUR FILE

Commentary:

Large Nonprofit Boards at “Eds” and “Meds” Should Increase Their Gender Diversity

*Women face additional barriers to those they face on for-profit boards;
stakeholders should push for use of proven strategies*

Increasing board diversity is as imperative for nonprofit organizations as it is for for-profit corporations. The biggest for-profits have faced pressures to diversify their boards from major shareholders, advocacy groups, some government entities, and the media, based on years of research and reporting on the benefits of diversity.

The largest nonprofits – educational and healthcare organizations (“eds” and “meds”) – have not faced comparable scrutiny or pressure. In fact, the composition of the eds and meds boards is sometimes challenging to discover. Several recent studies of board gender diversity in these organizations in two major centers for eds and meds – [Philadelphia](#) and [Boston](#) – shine a light on low percentages of women in a large number of eds and meds. (See full links and report titles on page 4.)

To understand the reasons behind the numbers and what can be done to speed change, we interviewed 59 women board members and male and female institutional leaders (board chairs and chief executives) across a wide variety of these institutions in 14 states and the District of Columbia, representing every region of the United States. Though our study focused on gender diversity, we found parallels between barriers to gender and racial diversity and note the impact of the combined barriers of gender and race for women of color. (The full report: [Increasing Gender Diversity on the Boards of Nonprofit Eds and Meds: How and Why To Do It](#) is available free at *Nonprofit Issues*®.)

Women make a difference on nonprofit boards

Study participants agree that board diversity adds value and that female directors have substantial impact on the boards and their significant decisions. Women make contributions related to their expertise, as do men, but they also bring different experiences and perspectives to the table. That matters. Women make particular contributions to issues involving consumers (students and patients), culture change, improved governance and the way decisions are made. An overwhelming majority of interviewees believe board diversity can increase the institution’s effectiveness in serving consumers.

Women face barriers to becoming board members and to succeeding in the boardroom

Barriers that affect women’s participation on for-profit boards also are present in the nonprofits. However, women face additional barriers in nonprofits that relate to differences between the two sectors.

- **FINANCIAL REQUIREMENTS:** Unlike for-profit boards, where members are paid a stipend for their services, nonprofits generally expect board members to make financial contributions to the institutions, sometimes sizeable. That can work to exclude or reduce the numbers of women who are considered.
- **WHO-YOU-KNOW RECRUITMENT STYLE:** Unlike for-profits, that regularly use search firms, nonprofits rely primarily on the current board members to identify and recruit new members and are often limited to the largely white male social and business circle of white male trustees.

- **BOARD SIZE:** Nonprofit boards are usually larger than the 9 to 11 member corporate boards. Excluding one board with over 85 members, the average board size of all the boards studied was 29, and some had over 60 members. Though interviewees named a critical mass of 3 or more women to have an impact on governance on for-profit corporate boards, interviewees named 30% as the relevant minimum on the nonprofits, because of their generally greater size.
- **NOT BEING HEARD:** Even a critical mass does not necessarily lead to successful inclusion in the nonprofits. On large boards, where committees do the real work and executive committees often make most decisions, exclusion from power positions or committees, or appointment in small numbers, can mute women's voices and limit their opportunity to be of real influence and value. On such boards a surprising number of highly-qualified women described themselves and other female colleagues as less likely than men to "take the floor."

Recommended Strategies for Achieving Board Diversity

Leadership and intentionality, along with changes in board practices and systems, have helped some boards achieve greater diversity and inclusion.

1. Make sure candidate lists are diverse

Nominating/governance committees should have diverse membership and be charged with producing diverse candidate lists. Ask the entire board to periodically assess not only the composition of the board, but also the pool of candidates considered for each open seat, to make sure those pools are sufficiently diverse.

Consider adopting some variation of the "Rooney Rule," a National Football League policy conceived by and named after the owner of the Pittsburgh Steelers. Teams pledge to interview at least one minority candidate for senior coaching or management positions. Institutional investors have successfully pushed for-profit companies to adopt the Rooney Rule to increase board gender and racial diversity. This does not involve quotas or a preference for women and/or candidates of color, but commits boards to look harder at a broader range of capable candidates.

2. Examine and improve recruitment processes/move out of your comfort zone

It takes conscious effort and time to expand social and business networks and reach out to new sources of board candidates. Leaders who have been able to find and recruit women board members could tutor their colleagues on how to reach out to contacts who are women and people of color in order to tap their networks.

3. Construct systems for identifying board needs and refreshing board membership

Some nominating/governance committees use a board matrix to identify existing and needed skills and demographic characteristics. A focus on skills moves the conversation to what the board needs, not whom people know, and keeps the discussion from just being about trying to find a woman, whether or not she has the necessary qualifications.

Some boards speed up board refreshment through rules or processes that create greater board turnover: age and/or term limits, and board assessment to help identify board members who are not contributing significant value.

4. Seek "appropriate challengers"

To counteract the tendency to prefer colleagues who "think like us," some boards affirmatively recruit people who are not willing to just "go along." One interviewee explained they seek candidates who are what they call "appropriate challengers" – willing to ask questions – so that the board often has spirited discussions.

5. Create pipelines

Many higher eds offer seats to alumni/ae whom they identify through alumni/ae bodies and advisory committees. This process provides a pipeline for cultivating women and people of color for future board positions. Feeder committees or sub-boards give candidates an opportunity to gain knowledge about the institution and to demonstrate their skills, commitment, and readiness for board service.

Healthcare interviewees seldom mentioned pipeline strategies, except where a member of a hospital board had moved from there to the health system board or from a fundraising board to a governing board. Few mentioned recruiting former patients.

6. Pay attention to on-boarding and ongoing board processes

Some interviewees reported greater attention to how board members become part of the group, recognizing that, to create genuine inclusion, new members need a structured introduction to the institution, its values and processes. One interviewee said women members had emphasized an on-boarding process with robust orientations, and then ongoing board development and board retreats. Others mentioned opening some or all committee meetings to board members not serving on those committees.

7. Consider reducing board size

If boards are not designed to encourage full participation in discussions, they have difficulty functioning as deliberative and inclusive bodies. Large boards often delegate important decision-making to committees that present recommendations for the full board to ratify. Unless such boards prioritize achieving diversity within important policy-making committees and the executive committee, they will lose the advantage of constructing a diverse board. Smaller boards make it easier to create such inclusive cultures.

8. Establish a separate fundraising board

Creating a separate fundraising board can reduce the size of governing boards. When we compared the size of our healthcare boards with and without separate fundraising or foundation boards, we found that those with separate boards have an average governing board size of 18. Those without separate boards average 31. In the education sector, only 2 interviewees had experience with a separate fundraising board; they had served on the smallest governing boards among the eds.

Assigning fundraising to a separate board also eliminates the need to establish different financial expectations for governing board members with different financial circumstances. Reducing or waiving financial requirements for women and people of color can have the effect of perpetuating stereotypes about who does and does not have significant economic resources and putting women and people of color in a board member category with different expectations from white males.

9. Take socio-economic diversity into account

Taking money out of the board recruitment process would encourage a kind of diversity few of our respondents mentioned. Besides gender and racial diversity, our interviewees spoke of valuing diversity of skills, experience, age, geography, and points of view. Mention of the need for economic diversity was almost entirely absent. Yet income/class divisions are increasingly stark in a society that segregates residential neighborhoods by economic capacity and makes it less likely that upper-income board members can understand the perspectives, needs and preferences of those who are middle- or lower-income patients and students.

10. Involve the whole board in an intentional process

The sensitive topic of board diversity doesn't make it onto the agenda for discussion by most full boards. It is important to involve the entire board in discussing the need for and benefits of diversity and how to achieve it. Explore the connection between board diversity and the mission of the institution and encourage all board members to take ownership of achieving diversity goals. And, as with any important board or institutional goal, measure progress.

A Call to Stakeholders Who Could Propel Change

The history of change in the composition of for-profit boards teaches that intentional action rarely occurs without pressure from stakeholders.

Our interviewees believe most stakeholders of the eds and meds – consumers (students and patients), employees (particularly faculty in the eds), alumni/ae and donors – do not pay much attention to boards generally or their makeup. We believe those stakeholders need to recognize the significant board decisions and policies that affect them and the positive impact of board diversity on the quality of those decisions and policies. If stakeholders paid greater attention to the lack of diversity on the boards and organized to exert their influence, they could propel change.

— *Vicki W. Kramer and Carolyn T. Adams*

Vicki W. Kramer, PhD., a former nonprofit executive, was the lead author of the seminal report Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance, initially published in 2006 by Wellesley Centers for Women. She was also the founding president of the Thirty Percent Coalition, a national collaboration of corporations, professional firms, institutional investors, and nonprofits working to reach 30 % women across public company boards on the way to parity.

Carolyn T. Adams, Ph.D., is former Dean of the College of Liberal Arts and President of the Faculty Senate at Temple University. She has more than 30 years of college teaching experience and has consulted with nonprofit organizations on issues ranging from community development and human services to land-use planning. Her numerous books and articles include a study on “Eds and Meds in Urban Economic Development.” She has served as a director of the William Penn Foundation and as a trustee of Moore College of Art & Design, among other nonprofit board positions.

Full Links and Titles Represented on p.1

The Gender Gap in Nonprofit Boardrooms

The 2019 Census of Women Board Members of the 50 Largest Medical and Educational Institutions in Greater Philadelphia

LaSalle University, The Nonprofit Center and Women’s Nonprofit Leadership Initiative

<https://www.wnli.org/studies>

Opportunity Abounds Intentionality Needed

The 2019 Census of Women Directors and Chief Executives of Massachusetts’ Largest Nonprofit Organizations

The Boston Club & Simmons University

<https://www.thebostonclub.com/wp-content/uploads/2019/04/>

[OPPORTUNITIESABOUND_TheBostonClub2019NonprofitBoardCensus.pdf](https://www.thebostonclub.com/wp-content/uploads/2019/04/OPPORTUNITIESABOUND_TheBostonClub2019NonprofitBoardCensus.pdf)

This commentary

© 2020 Vicki W. Kramer and Carolyn T. Adams

All rights reserved