

# DIVERSITY IN GOVERNANCE: THE WHAT, WHY AND HOW



## NPC briefing, May 2018

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On 22 January 2018, [NPC](#) and [The Clothworkers' Company](#) held a seminar on diversity in governance. The seminar examined what it means to have true diversity on a board of trustees; what a diverse board can do for an organisation; and explored ideas on how to increase and maintain diversity on boards. This report outlines the issues discussed and summarises advice from our speakers.

The seminar was chaired by **Iona Joy**; Trustee at [The London Wildlife Trust](#) and Head of Charities at [NPC](#). The panellists and topics of discussion were:

- **Kai Adams**, Partner at [Green Park](#), explored the meaning of true diversity and shared tips on recruiting, engaging and retaining a diverse board.
- **Emma Colyer**, Founder and Director at [Body and Soul](#), shared how having trustees with lived experience help Body and Soul's develop its new strategy.
- **Peter Olawaye**, trustee at [Leap Confronting Conflict](#), examined how a diverse board at Leap has helped the organisation, and discussed the importance of role modelling in leadership positions for young people.
- **Thomas Lawson**, CEO at [Leap Confronting Conflict](#) discussed the challenges and successes of creating a diverse Board at Leap.

Roundtable discussions and a question and answer session followed the panellists' comments, allowing delegates to discuss diversity in their organisations, and how it could be achieved.

## Charities need to do more to promote diversity on their boards

Women, young people, and people from ethnic minority and socially diverse backgrounds are underrepresented on charity boards. '[Taken on Trust](#)' research by Cass Business School and the Cranfield Trust in 2017 found that 71% of charity chairs are men; the average age of trustees is 55-64 years; 75% of trustees have household incomes above the national median; 60% of trustees have a professional qualification; and 30% have post-graduate qualifications. 92% percent of trustees are white, older and have above average income and education.<sup>1</sup> Trustees do not reflect the communities that they serve, and charities are lacking a wide range of skills and different experiences and perspectives at leadership level.

*'It's not good enough in 2018 that we have a sector that is predominantly white.'*

Emma Colyer, Body & Soul

<sup>1</sup> Taken on Trust: The awareness and effectiveness of charity trustees in England and Wales. November 2017.

## What is diversity?

Diversity is most often talked about in terms of characteristics like gender or race. True diversity is also about variation in attitudes, values, expertise and problem-solving strategies developed through individual experience and background. Kai Adams suggests that this can be referred to as cognitive diversity. This is more likely to be achieved when there are people from different race, gender, and social class—but representation of these characteristics alone may not make a board diverse.

*‘Diversity can be visible and invisible, inherited and acquired, physical and cognitive.’*

Kai Adams, Green Park

*‘It’s not about diversity of gender and race. It is about left brain/right brain, age, background, experiences...’*

Emma Colyer, Body and Soul

## Why is diversity a good thing?

A Board that begins to think about real diversity is one that is prepared to ask itself difficult questions and to challenge itself—and therefore come up with more thoughtful and original answers—but one that opens itself up to better decision making.

The results of NPC’s survey, published in [Charities taking charge](#), show that only 7% of charity leaders said they thought that diversity at board level was not particularly important or brought no particular benefits.

Kai Adams suggests that often when he meets clients to talk about diversity, they admit that it is important—but they don’t know *how* to achieve it and it can sit low on their list of priorities. Other challenges such as customer insight, funding, governance, building public trust or digital transformation are often prioritised. Kai suggests that diversity is not a separate challenge but potentially *a part of the solution* to these other challenges.

### Diversity can result in better decision-making

Different backgrounds, perspectives and experiences can add considerable value to board discussions and the strategic decisions they make. People with different perspectives ask different questions, which can often lead to new ideas and better, more innovative solutions. Diverse boards are more likely to engage in debate and challenge one another—and this ultimately leads to better decisions and more effective service delivery and impact.

Although diversity is important across an organisation, it can start with the board. The right leadership can allow the organisation to set a role modelling approach, to engage a wider audience, and take better strategic decisions to have the impact that funders are looking for. It will also set the tone for the rest of the organisation—and encourage bolder better decision-making throughout.

### Better representation of users will result in better solutions and impact

A non-diverse Board does not represent the community it serves. Trustees with lived experience can bring a deeper understanding of the issues faced by its beneficiaries. This lived expertise can help an organisation better tackle the issues.

*‘As a trustee I bring lived experience to the board.’*

Peter Olawaye, Leap Confronting Conflict

### Case study: Body & Soul's diverse trustee board has enabled it to broaden its work

Body & Soul uses a community based, trauma-informed approach to address the life-threatening effects of childhood adversity in people of all ages. Its board represents the diversity of its community of service users and a wide range of professional expertise. One third of its trustees have been directly impacted by childhood adversity. The charity has developed interesting ways of encouraging all trustees to contribute. For example, every trustee is encouraged to lead a discussion on a theme or area of development. In 2016, Body & Soul were shortlisted for [Board Diversity & Inclusivity category](#) of the [Charity Governance Awards](#), organised by the Clothworkers' Company.

Body & Soul's previous focus was children and families affected by HIV. The charity's commitment to understanding its members and curiosity about root causes, led them to understand the reason that members came to them was childhood adversity. Its diversity and inclusivity has enabled the board to make a significant contribution to the charity's leadership, and as such has empowered the charity to broaden its work to encompass trauma-related care for all people affected by childhood adversity.

Founder and Director Emma Colyer suggests that changing its mission after so many years was a huge challenge. But the diversity of the board—including trustees with lived experience—was one of the charity's qualities that made this possible and helps to push the charity forward.

Emma suggests that diversity is built into Body & Soul—and it's not just the trustees, but diversity needs to be nurtured amongst staff and volunteers too. This is part of the way that diversity is rooted in this values-based organisation, and the only way the charity can hope to have an impact.

## So how can charities make their boards more diverse?

Diversity on boards is more than just a tick box exercise; there is no one-off solution. Boards need to proactively step outside their members' social and business circles when sourcing new candidates—and work hard to engage, nurture and retain a diverse set of trustees once they are on board. Becoming more diverse is a significant challenge to undertake. Kai Adams warns boards away from a broad stroke 'paint-by-numbers' approach that focuses on single characteristics, such as race or gender. It requires a proactive strategy which should be led from the top and be a collective effort across the board.

*'The chair and CEO have to be unanimous that they want to tackle lack of diversity on the board—and they have to drive it.'*

Thomas Lawson, Leap Confronting Conflict

Thomas Lawson believes that a 'zero tolerance' approach to diversity—where people are afraid to 'get diversity wrong'—can be unhelpful and might discourage people from attempting it. Boards should encourage and support attempts to improve diversity but accept that they may not get it right first time. Kai Adams suggests that being open and honest about tackling diversity—and that you may not be good at it yet but are trying to change—can help reduce this fear and start the conversation.

## Tips on recruiting and engaging a diverse board

### Attracting diverse candidates

**Think about what you mean by diversity and have a common definition for yourself.** Organisations often say they want diversity but may shy away from considering what this means for their organisation or what 'diverse' characteristics, skills or experience they are looking for. If this is not defined, it is difficult for an organisation to know if they have found it. Try to level the playing field here—you need experience as well as

legal and financial expertise, for example. Once you know what you are looking for, make your call for diversity explicit.

**Be honest.** If you are not currently a diverse organisation, humbly admitting that you are not good at this but trying to get better, will make you appear genuine and open to good diverse candidates.

**Take a proactive approach to attractive diverse candidates.** Often employers will state that they are diverse in job adverts and assume that this will attract diverse applicants—stating “we tried, and no one applied”. Such an un-proactive approach is not going to attract diverse applicants. You need to actively seek out diverse candidates and allow more time for this. Diversity also requires multi-channel visibility—candidates are applying in different ways, through different platforms and channels. Make sure your advertisement is multi-channel to reach a variety of candidates.

*‘Attracting the unusual suspects takes longer.’*

Kai Adams, Green Park

**Make sure your organisation’s collateral reflects its stance on diversity.** The organisation won’t attract a diverse selection of candidates unless diversity is represented by your organisation—for example, a website where only white people are represented, will suggest that your organisation is not very diverse. In addition, suggesting you are looking for diversity but not showing it will appear ingenuine and could put potentially promising candidates off applying.

**Scrutinise your paperwork.** Make sure it is bias free. Think about the requirements on your job specification. For example, does an applicant need a degree for this role? If not, they might have the right skills, but this requirement cuts them out. Lived experience can be as valuable as professional experience—make sure this is reflected in your paperwork. Getting an independent pair of eyes to scrutinise this can help too.

## During the hiring and selection process

**Recruit for the team, not the individual.** This is one of Leap Confronting Conflict’s principles of diverse recruitment. Having a hunger for diverse experiences will enable you to ensure you get the right mix on the board. Ensure you use every appointment you make to improve the quality of your board.

**Don’t hire what you know.** When shortlisting and interviewing diverse candidates, looking for that cultural ‘fit’ will mean you recruit like-minded and un-diverse trustees. It may feel different to how your organisation normally does things, but it should—that is what you are trying to do. Prepare and allow for long-held beliefs and ‘ways of doing things’ to be challenged.

**Beware of unconscious bias.** Unconscious biases may result in the exclusion of diverse candidates without employers realising that they are doing so. Being aware that this exists and actively discussing and continually reminding those selecting candidates that this might affect the hiring and selection process may reduce its impact.

*‘Be conscious about your own privilege and prejudices, and you will become better at addressing them.’*

Thomas Lawson, Leap Confronting Conflict

**Beware of ‘ticking a diversity box’ and then moving on.** Having one diverse trustee does not represent a diverse board and can marginalise that one individual. It is also not a sustainable option—when that trustee moves on, the board will have done little to tackle lack of diversity.

**Consider support needs.** Think about how you might cater for shortfalls of candidates due to lack of opportunities and consider reasonable adjustments you might need to make to hire diverse candidates. Remember that the candidate who is best at the beginning of the selection process is not always the best once employed. One of Leap's principles is to 'go for potential, not perfection', and accepting that some candidates have had unfair disadvantages—and that because of this they may not have the same CV as others but have great potential.

**Learn from the experience.** Take the first step and use your experience of hiring diverse candidates to strengthen your organisation's capacity to recruit well and diversify again and again.

**Use targets carefully.** Many organisations will want to set diversity targets that are ambitious but also meaningful. Thomas Lawson suggests that targets could be used but should be related to a purpose—for example; if there is a high correlation between a certain experience and the problems your clients face, target that particular experience. But the process and mind-set about recruiting diverse candidates is often more important to get right than setting and meeting targets.

#### Case study: Leap Confronting Conflict

Leap Confronting Conflict equips young people with the skills to manage conflict in their own lives, to reduce violence in their communities. The charity has 12 trustees: eight are white, four are black, there are seven men, five women, and three young graduates of the Leap programmes. Young trustees with lived-experience have brought the issues faced by users closer to the Board of Leap Confronting Conflict.

CEO Thomas Lawson wanted at least one quarter trustees to be representative of its client group—but admits he was not sure of the best way to do this at first. Working out how to support them to contribute and maximise their input enabled him to share some learning:

- Ensure the young trustees with lived expertise are there on the same term as other trustees. Otherwise it suggests that they are not equal to the other trustees.
- Recruit through an open process, in the same way as other trustees. Having been through a competitive process gave the young trustees confidence of their value.
- Using a buddy process where young trustees partnered with other trustees to go through board papers before a meeting meant that all trustees were better prepared for meetings. Now every new board member goes through this process for the first year.

Thomas suggests that before this, board discussions used uninformed, clumsy questions to infuse debate. The young trustees with lived experience challenged these questions and got the discussion to the core of what they needed to understand. This has also improved the quality of the board papers and all trustees are asking better questions. Young trustees are now leading an annual review into governance to improve it further.

In addition, areas of concern—like what happens after graduation from programmes—were brought to the board's attention by the young trustees, and now the board is focusing on this.

In 2016, Leap Confronting Conflict were winners of the [Board Diversity & Inclusivity category](#) at the [Charity Governance Awards](#), organised by the Clothworkers' Company.

## Engaging a diverse board of trustees

When thinking about diversity, many organisations focus on recruitment of diverse candidates. But how diverse trustees are treated once on board greatly affects retention of a diverse board.

**Diverse trustees are not just there to give ‘the diverse perspective’.** One trustee can reflect on his or her own experience, but not represent the opinion of a group of people because of a shared protected characteristic. It is possible that the trustee may raise an issue from that perspective, but the opinion of a wider group should then be consulted. A trustee does not only represent the ‘diverse perspective’—tap into his or her wider expertise and knowledge that is not just based on his or her background. Not doing so will lead to a lack of engagement from the new trustee and drop out. Always check—are you sticking to the mandate that you asked of that person? Or are you putting them in the ‘diverse’ category?

**‘Listen and learn or ignore and burn’.** Once you have a diverse Board be inclusive. Allow trustees to feel secure, involve and engage them, give regular feedback and give them space to grow. Thomas Lawson considers the Chair’s role in this very important.

**Do not outsource ‘diversity’ to the diverse trustee.** That is not why they are there. Instead, create the conditions on the board for more and more diverse trustees.

**Paying trustees.** There was a discussion about paying trustees when recruiting trustees of limited means. All speakers agreed that paying some trustees and not others would only highlight difference. It was agreed that reimbursing for expenses for all trustees is a sensible way to ensure that trustees with limited means were not excluded.

## Final thoughts

Starting the conversation about diversity with your board can be a challenge. During the Q&A session of the seminar, there was reflection on how to have uncomfortable and challenging discussions at board meetings. Various ideas were shared, including starting with difficult and thorny issues and spending the majority of time addressing them; bringing staff along to shake things up and present the picture ‘at the front line’; highlighting a lack of diversity on the risk register; and the importance of trust in encouraging positive and challenging debates and developing good solutions.

*‘Boards won’t argue with each other unless they trust each other.’*

Thomas Lawson, Leap Confronting Conflict

### Further reading

*Principle 6* of the *Charity Governance Code (2017)* provides guidance on a board’s approach to diversity supports its effectiveness, leadership and decision making.

Green Park (2017) *Thinking Differently about Difference*. This report reflects the current thinking of leading figures in the voluntary, social, NFP or ‘third’ sector about the value of diversity.

NPC runs a series of trusteeship seminars supported and hosted by The Clothworkers’ Company. Summary briefings from these sessions are available to download from our website [www.thinkNPC.org](http://www.thinkNPC.org), where you can also find information about future seminars.

The Clothworkers’ Company also holds the annual *Charity Governance Awards*—in partnership with NPC, Prospectus and Reach—which has a category for diversity and inclusion.

## Transforming the charity sector

NPC is a charity think tank and consultancy. Over the past 15 years we have worked with charities, funders, philanthropists and others, supporting them to deliver the greatest possible impact for the causes and beneficiaries they exist to serve.

NPC occupies a unique position at the nexus between charities and funders. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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