

Why is Board Diversity So Hard?

It is time to move beyond lip service [June Bell](#) wrote recently for the Society for Human Resource Professionals. She reports that corporate boards still do not reflect the increasing diversity of the U.S. population.

- White individuals account for about 60 percent of the population but hold 84 percent of *Fortune* 500 board seats.
- Latinos, the country's fastest-growing ethnicity, make up 18.5 of the population but fill just 2.2 percent of board seats on Russell 3000 companies' boards.
- Black individuals represent 12.5 percent of the population but hold just 4.1 percent of Russell 3000 board seats. In addition, 37 percent of S&P 500 companies had no Black board members in 2019.

In 2017, [BoardSource](#) conducted extensive research in the nonprofit sector and discovered board diversity was severely lacking.

- 90 percent of CEOs and board chairs and 84 percent of board members were white
- 27 percent of the boards in the survey were entirely white
- 41 percent of board chairs expressed dissatisfaction with the racial/ethnic diversity of their current boards
- 25 percent (board chairs) said demographics were a high priority in board recruitment.

We like the idea that a board with diverse perspectives is critically important. We are committed to the concept that each person will bring their own personal and professional contacts and life experiences to their service.

The evidence is already there...

With a diversity of experience, expertise, and perspectives, boards are stronger. Strong boards are better at planning for the future, managing risk, making prudent decisions, and taking full advantage of opportunities.

A diverse board that is also sensitive to cultural differences is usually one that has a stronger capacity to attract and retain talented board members - as well as to be in touch with community needs.

According to the Internal Revenue Service (2008), the nonprofit board should reflect “a broad public interest” or rather, it should represent the community it serves. An excellent article written by [Tamela Spicer](#) through the [Dorothy A Johnson Center](#) last year surmises that “as

the population continues to change in our country, we've made little progress in reshaping our boardrooms to reflect the changing demographics of our communities.”

There are structural changes that can make a difference, such as dismantling ‘pay to play’ policies, implementing legal requirements for diversity like California just passed, measuring board diversity (and making a goal to change it), to name a few.

But many of the tools to help boards reshape their membership are cultural or behavioral in nature, for example allowing conflict in the boardroom, sharing power, and listening to, consulting with, and giving space for new perspectives.

In a blogpost at [boardable](#), they write, “When a board becomes homogeneous, it can be difficult to notice things that are outside of the board’s general life experiences. A board that is all one gender may not notice things that are apparent to another gender. There are things that people are blind to, and as they say, “you don’t know what you don’t know.”

It is time to remove those blinders. Change is hard but change is necessary, especially on boards of directors.