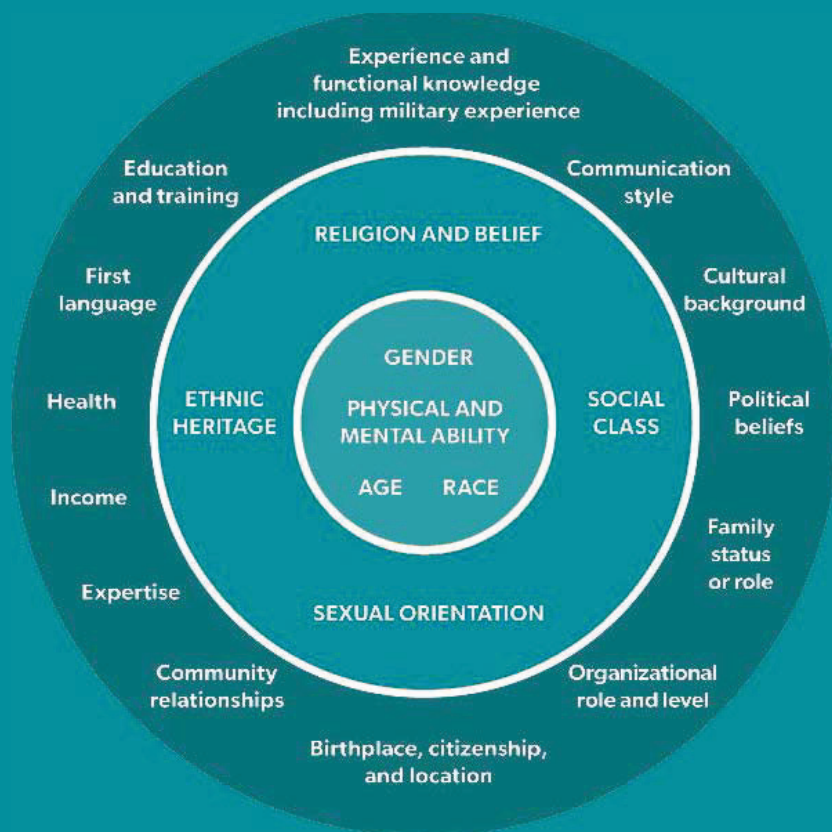


DIVERSIFYING BOARDS: BEYOND TOKENISM

Toolkit for Not-For-Profit Boards



Developed for the Emerging Leaders in Governance Program 2018

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EXECUTIVE SUMMARY

The benefits of diversity and inclusion on boards are generally well known and it is considered that having different thinking styles and perspectives around the boardroom will enable organisations to be more innovative and navigate the complexities of an unpredictable world. Despite this acknowledgement, Australian organisations have been slow to transition to more diverse and inclusive boards.

This toolkit seeks to overcome the gap between current tokenistic interventions and ‘tick the box’ approaches and provide steps for not-for-profit boards to implement diversity and inclusion processes, enabling organisations to realise the business and cultural benefits of cognitive diversity. Cognitive diversity comes from acknowledging that inclusion is essential to capture the value of difference that people from different backgrounds and experiences can make.

This toolkit focuses on four key steps to assist boards in improving their cognitive diversity:

1. *Use a **Board Survey Assessment** as a diagnostic tool for measuring the current state of diversity and inclusion.* A template is provided to assist in the measurement of current strengths and to aid in identifying areas for improvement. It covers practical measures for the implementation of a diversity policy and serves as a formal tool to facilitate conversations around board culture and inclusion. The aim is to have a shared vision and commitment toward achieving unconscious and cognitive diversity. Once the board has identified the changes that need to be made, their order of priority and what they wish to achieve, they can look to formalise a Skills Matrix.
2. *Use a **Skills Matrix** to maximise cognitive diversity via the inclusion of diversity metrics in assessment.* Visible diversity has a significant influence on collective perspective and behaviour. When identifying the skills, qualifications, experience and background the board needs to achieve its strategic outcomes, it must consider the potential contribution of differing perspectives. This includes visible diversity and the mental frameworks that individuals use to solve problems. Being consciously aware of potential biases that impact on behaviour and inclusion will help to maximise diversity of thought.
3. *Develop a **Director Pipeline** to enable diverse candidates to establish networks which lead to the boardroom.* Numerous consulting organisations and development specialists run programs to train and prepare candidates to be “board ready”, which feeds demand for board placements. Some organisations develop their programs in-house to ensure their mission remains the key focus. Having “skin in the game” creates qualified advocates who are best able to navigate arising challenges and ensures boards have a pool of suitable candidates for succession planning purposes.
4. ***Review metrics** to assess the impact and extent of board diversity and inclusion, along with benefits.* Stakeholders want to work with organisations who share their values, competitive success is reliant on how transparent and socially responsible an organisation can be. A board needs to understand what diversity and inclusion looks like to them and then devise measures to assess whether and how it has been achieved. A number of Key Performance Indicators (KPIs) may be helpful to quantify the benefits, as well as checklists and surveys for key stakeholders.

If organisations genuinely prioritise cognitive and experiential diversity, higher representation of women and culturally diverse directors will emerge as a by-product. However, if organisations take a tokenistic approach, they will likely fail to gain the business benefits of diversity and their efforts will potentially tarnish their reputation and limit ability to attract other diverse candidates and support from constituents, customers and clients.

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INTRODUCTION

The benefits of diversity and inclusion on boards are generally well known¹ and are a growing focus for the media and organisations themselves, including staff, shareholders, customers, clients and consumers. Diversity and inclusion is a significant issue that now impacts organisational brand, performance and corporate purpose. It is considered that having different thinking styles and perspectives around the boardroom will enable organisations to be more innovative and navigate the complexities of an unpredictable world.

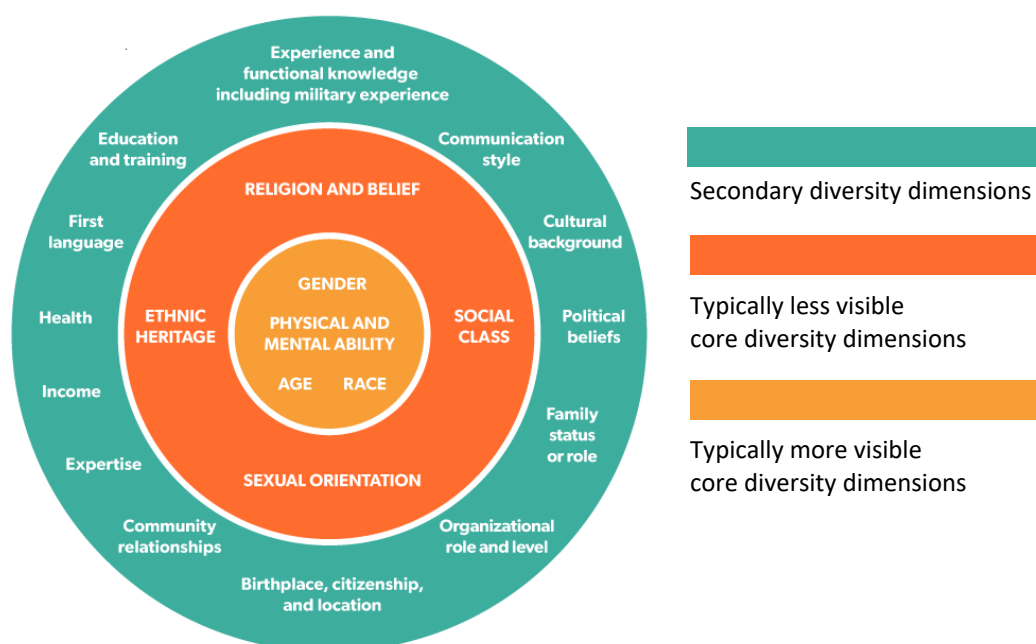
In a recent study by Deloitte², 77% of Australian companies reported that organisational diversity and inclusion are “important” or “very important” to their business. Yet there appears to be significant disparity between subjective and actual maturity levels, with only 12% of organisations worldwide accomplishing a mature model of a diverse and inclusive culture. Australian organisations have been slow to transition to more diverse and inclusive boards; many efforts shielded by tokenism resulting in limited effectual cultural change. Shortcomings of implementation mean organisations are failing to fully benefit from their existing and potential human capital. As a result, the business benefits of diversity and inclusion are not realised whilst perceived barriers to progression are strengthened.

Boards have an opportunity to take a broader view of diversity that can improve decision-making and lift organisation performance. The debate around diversity has often narrowly focussed on observable markers of diversity, such as gender, ethnicity or age. Less attention is paid to other differences between individual board members. These include tangible points such as education and socio-economic background, as well as cognitive points of difference such as personality, boardroom behaviours and attitudes.

Diversity is more than visual differences and a ‘tick the box’ exercise of appointing a woman, Indigenous person or a millennial³; it is accepting different thought perspectives. The Diversity Wheel below shows these other degrees of diversity which can shape and influence a person’s decision-making and broader contribution to a board.

VALUE DIVERSITY – The Diversity Wheel

(Graphic Adapted from Marilyn Loden’s Implementing Diversity) - The B Team^d



This toolkit asserts that for organisations aiming to create long term value for their stakeholders, they need to pursue a broader sense of diversity that will generate the best returns. If organisations genuinely prioritise cognitive and experiential diversity, higher representation of women and culturally diverse directors will emerge as a by-product. However, if companies take a tokenistic approach, they will likely fail to gain the business benefits of diversity and their efforts will potentially tarnish the potential for other diverse candidates.

So how do we stimulate actual cultural change around diversity and inclusion on boards (and their ensuing organisations)?

This *Diversifying Boards: Beyond Tokenism* toolkit outlines strategic, concrete steps to help boards address these areas of need in order to truly amalgamate processes that will impact sustainable and measurable changes in diversity and inclusion. Creating this toolkit involved undertaking a literature review (refer to [References](#)) and interviewing seven leaders and change champions of diversity to investigate their successes in progressing change to achieving diversity and inclusion (Refer to [Appendix 1](#) and [Appendix 2](#) for interview questions and expert interviewee profiles).

This resource recommends the following steps:

Chapter 1: Use a [Board Survey Assessment](#) as a diagnostic tool for measuring the current state of diversity and inclusion.

Chapter 2: Use a [Skills Matrix](#) to maximise cognitive diversity via the inclusion of diversity metrics in assessment.

Chapter 3: Develop a [Director Pipeline](#) to enable diverse candidates to establish networks which lead to the boardroom.

Chapter 4: [Review metrics](#) to assess the impact and extent of board diversity and inclusion, along with benefits.

“Once you start looking for different skills and cognitive diversity, you naturally find more ethnically diverse, women and older or younger directors”

Judith MacCormick, FAICD, Principal Partner, BoardFocus

“The value of diversity is the capacity to draw on different perspectives and experiences to improve decision making. I don’t come to the board environment from a position of gender, rather as a director with a unique footprint and a set of experiences and skills.”

Maree Arnason, Non-Executive Director, Sandfire Resources

BOARD SURVEY ASSESSMENT – A CANDID DISCUSSION

Acknowledging the need for diversity may come as a flash of insight, a result of increased scrutiny of board composition or a combination of factors over time. The impetus for change may be that the board's homogeneous composition is limiting creativity, innovation, performance or fundraising ability, or the demographics of the community being served may have changed. Regardless of the reason, once the board has acknowledged the need and value of diversity a helpful starting point is a candid discussion to identify what changes need to be made, in what order of priority and defining what being more inclusive actually means to the organisation.

A Diversity and Inclusion Board Survey Assessment tool such as the one included in [Appendix 3](#) can be used to celebrate successes in diversity, equity, and inclusion, and also help identify areas for improvement. The survey can be used as a catalyst for discussion to enhance the appreciation of diversity amongst the board directors, and state intentions for future progress on the journey towards further diversity and inclusion. Asking questions such as:

- Does the member structure of the board reflect the demographics of the community and the customers we seek to serve?
- Are we open to individuals of diverse backgrounds and do we make allowances for these differences?
- Are new board members welcomed and empowered to contribute to the organisations mission to the best of their ability?

The Board Survey Assessment addresses implementation of diversity policies and guidelines, inclusive board meeting processes, orientation and training as well as monitoring and evaluation. However, the real challenge continues to be overcoming unexamined assumptions and unconscious bias about what constitutes a good leader, particularly around skills and qualities that are required for management and leadership positions. This requires a strong commitment to more rigorous consideration of this question in the director search and selection process and targeted actions to remove barriers for underrepresented groups.

The Board Survey Assessment can be used as a series of conversations between the chair, board directors and CEO, and it is recommended time be set aside at board meetings to explore and discuss issues related to increasing board diversity. A facilitator may be helpful as it is important for all board directors and/or committee members to participate fully in the conversation and diverse viewpoints be taken into account and considered.

Becoming a truly inclusive board is ongoing and can take time. It needs understanding of the rationale for doing so, and commitment from all its members. In essence, it starts with establishing a culture that embraces diversity and inclusion. To get to this point requires honest, courageous and sometimes uncomfortable conversations, as not all board members may initially be supportive of a plan to change the status quo. Ultimately the aim is to achieve a shared commitment to the vision, future direction and strategic goals that will result in the greatest benefit to the organisation to achieve its mission.

When using the survey (refer to [Appendix 3](#)) allocate a numerical rank to the status of each of the items on a scale of 0 to 3, according to the ratings shown below:

0 - Not yet started

1 - Beginning phase

2 - Well under-way

3 - Fully Developed (including monitoring/review procedures)

N/A - Not Applicable / Don't know

Where appropriate, add comments to explain or illustrate the rating. It is encouraged that boards adapt the survey to meet their own organisation's governance needs.

An example of a not-for-profit organisation that is actively implementing diversity and inclusive practices is Avivo, described in the case study on the following page.

CASE STUDY: AVIVO – Diverse and Inclusive Practices

Background

Avivo is a not-for-profit organisation, established for almost 50 years, that supports Western Australians with disability, frailty or mental ill health who require individualised support to live at home⁴. Geographically, they cover Perth, the Coral Coast and the Wheatbelt of Western Australia. In order to fulfil its obligations to a wide range of stakeholders, Avivo is a strong advocate of best practice in corporate governance.

Diversity Policy

Avivo has established a Diversity Policy which states they aim to “value, respect and build on the unique contributions of people with diverse backgrounds, experiences and perspectives that provide excellent customer service to a diverse community”⁵.

People and Culture Committee

The Board is responsible for establishing diversity objectives for Avivo. On an annual basis the People and Culture Committee, established in 2013, reviews diversity information, monitors the implementation of the Diversity Policy throughout the organisation and recommends appropriate objectives to the Board⁶.

Diversity Reference Group

Avivo also considers how they can welcome, appreciate and acknowledge the diversity they have within their staff and customers. Many customers and employees come from different backgrounds and diverse communities. Avivo has established a Diversity Reference Group, made up of a cross-section of employees, who are identifying strategies to help better understand and create a more inclusive and culturally secure working environment⁶.

Importance of a Good Chair

Avivo’s Board Chairperson, Phil Thick instils a culture of fostering diversity, “As a community, we benefit enormously from the diversity and richness of ideas, experiences and knowledge that all people bring to cultural, sporting, social and civic life”⁶. Gabrielle Trenbath, an Avivo board director, emphasises the importance of the Chair for establishing a culture of diversity and inclusion and facilitating the conversation so that everyone has an opportunity to contribute (refer to Appendix 2).

Board Structure and Policies

The Avivo board policy document stipulates that the Board Structure is to consist of “diversity of skills and experience”, “gender balance” and at least two members with lived experience of disability, mental ill-health and ageing, either directly or as a family member or carer⁷. The Avivo board accommodates board members with a disability by holding meetings in an accessible building and permitting a guide dog to be present during the meetings. The Board papers are digital and are accessible to a board member with vision impairment through assistive technology. If board members don’t drive and meetings are inaccessible by public transport, they are provided with taxi vouchers.

Job Advertisements

All of Avivo’s job advertisements also contain the same statement affirming their value of diversity and inclusion, and encouraging Aboriginal and Torres Strait Islander people, people from culturally diverse backgrounds and people with a disability to apply⁸.

KEY TAKEAWAYS FOR BOARD SURVEY ASSESSMENT

- In order to commence discussing diversity and inclusion at the board level, a board survey and assessment can be a useful tool to determine whether:
 - The boards commitment to diversity and inclusion is known and understood by all board members and is part of the board culture
 - Principles of diversity, inclusion and equity are embedded in the boards policies, guidelines and plans
 - Members of diverse communities are represented at a board level as a result of inclusive recruitment, selection and retention and having a pipeline of diverse leaders
 - All board members can actively participate and readily access the meeting location and board papers
 - Board members are provided with initial orientation and on-going training specific to diversity and inclusion
 - Mechanisms have been established to monitor, measure and evaluate progress towards achieving diversity and inclusion goals
- The real challenge continues to be overcoming unexamined assumptions about what constitutes a good leader, particularly within a board.
- Targeted actions are required to remove barriers for underrepresented groups during the recruitment, selection and retention processes.

WHAT NEXT?

Completion of a board survey assessment will help identify what changes need to be made, in what order of priority and determine what being more inclusive actually means to the organisation.

The Board Survey Assessment (refer to [Appendix 3](#)) can highlight areas that a board needs to work on, if the status of the majority of initiatives are at 0 - 1 there may be some gaps to concentrate on before moving to the next chapter. However if the rankings are mostly in the 2 – 3 then well done, you are well on the way to achieving diversity on your board. The next step to achieving diversity on your board will involve using a Skill Matrix, which will be covered in the next chapter.

“Underpinning all of this is the reality that diversity remains critical in sourcing the best talent. As great as white guys like me are, we don’t have all the answers, therefore gender, ethnic and cognitive diversity is a non-negotiable.”

Conrad Liveris, Workforce Diversity Specialist

“Rethink what diversity actually looks like, it goes beyond gender, race and age. There are people who don’t fit into those categories that need to be included, such as people with disabilities. Don’t confuse privilege with talent. “

Gabrielle Trenbath, AVIVO Board Director

BOARD SKILLS MATRIX – MORE THAN A “MERIT” APPROACH

The concept of a board skills matrix to assess board composition and appoint new directors, based on complementary skills, is not new. It is well recognised that a collective of attributes and skills of board directors can contribute to improved decision making and better-rounded governance. But are we maximising the diversity of skills in this collective?

The majority of board skills matrices focus on members' technical skills and previous work experience, but as the diversity discussion evolves, the notion of cognitive diversity has come to the forefront. Cognitive diversity is the summation of perspectives and mental models, such as learning strategies, and problem solving approaches, that people bring to decision making⁹.

To engage different perspectives on boards we must look past traditional measures of merit. It has been demonstrated that a focus on technical skills and traditional “merit” based appointments are severely influenced by unconscious bias¹⁰. In addition, the construct of talent pools created by merit based appointment are greatly exposed to homogeneity, whereby candidates have undertaken similar training and had similar experiences to other candidates and existing board members, reducing diversity in perspectives and increasing the likelihood of group think.

Homogenous talent pools are then further predisposed to homophily (a functional bias) whereby directors are more likely to choose a candidate similar to themselves, narrowing difference in perspective even further¹¹. Functional bias is a problem for boards when facing new uncertain and complex situations because, with little cognitive diversity, the group will have limitations in the way they analyse issues and develop solutions. This lack of cognitive diversity has impacts such as reducing the opportunity to strengthen strategic initiatives and failure to represent the diversity of the community served, reducing the effectiveness of strategy¹².

HOW TO MAXIMISE DIVERSE THINKING ON BOARDS

To fully realise the benefits of cognitive diversity we need to analyse the balance of *perspective* (how people perceive or see an issue dependant on their experience and context), the diversity of *approach* in the group (the mental frameworks used to solve problems once they have been defined), and the *behaviour* of members, which impacts the degree of inclusion and recognition of each individual.

Visible Diversity and its influence on perspective and behaviour

The complexity of this analysis cannot be underestimated, for people are the sum of multiple parts and cannot be separated into simple binary groups; just as particular characteristics do not define all there is to know about their beliefs, values or view of the world. Nevertheless, for boards to maximising their diversity, contemporary research indicates three aspects of visible diversity that can influence diversity of thinking: ethnicity (as an umbrella term for both race and culture); gender (with reference to the social constructs of men and women rather than the physiological makeup of being a man or a woman); and age.

These visible differences aid the achievement of cognitive diversity via their impact in constructing an individual's perspective. These core dimensions result in different experiences and can often be fundamental to the development of one's values and beliefs. “Put simply, everyone is highly influenced by their context; change the context and people start to change their perspectives”¹¹.

The importance of demographic diversity in groups is not just through bringing a varied perspective but through eliciting a change in behaviour among the visibly dominant majority. Evidence suggests that the presence of visible diversity triggers positive behaviours of listening, questioning and diligent thinking in the majority group. “(Visible) diversity can indirectly encourage project members to rethink their usual working habits and expectation, behave with fewer assumptions about the “right” way to address an issue and promote linguistic clarity”¹¹. A case study regarding the impact that visible differences can have on the behaviour of groups and on stimulating diversity of thinking is considered below.

CASE STUDY:

The impact of visible diversity on group behaviour

School of Education at Stanford University Research on the Influence of Race

The work of Professor Antonio from the School of Education at Stanford University aids in demonstrating that visible diversity can change the behaviour of a group, particularly that of the majority¹¹. In his study 357 Caucasian students were allocated to small same sex groups and provided a topic for review. Each group had a professional research collaborator assigned to the group to facilitate a discussion on the subject matter. Prior to discussion in their group each student was instructed to write an essay outlining their existing point of view on the topic. This task was then repeated following the group discussion.

Along with the essays the students were invited to rate the influence of their group members and that of their research collaborator on their individual thinking about the subject matter. The research collaborators for each group followed the same script for each discussion however varied in their race. Professor Antonio found that that the difference in race served as a catalyst, with students in the groups with a diverse research collaborator demonstrating higher degrees of cognitive complexity in their final essays, and increased interest in the opinions of diverse collaborators.¹³

Collective Intelligence and Group Performance

Organisational behaviour expert Anita Woolley has undertaken numerous studies on collective intelligence and group performance. Across two such studies Woolley analysed 699 people working in small groups and their performance in solving puzzles, brainstorming activities, and resolving conflicts regarding resources. Through her research she noted that collective intelligence was not the sum or average intelligence of the individuals in each group, but more the elaboration of each individual's contribution which flourished or was stunted by the groups' behaviour. She found three key factors which were statistically significant to collective intelligence; the proportion of women in the group, more equal distribution of turn taking, and high level of social sensitivity. Woolley reported that women had "greater ability to read nonverbal cues and make accurate inferences about what others (were) feeling or thinking" and that "groups with more women also exhibited greater equality in conversational turn-taking, further enabling the group to be responsive to one another and to make the best use of knowledge and skills of members". Following further investigation of like studies Woolley concluded that women change the behaviour of group dynamics through increasing collaborative processes, and cooperative and communication norms^{14,15}

"Boards need to recognise diversity is an element of merit."

Diane Smith-Gander, former President Chief Executive Women

Functional and Educational Diversity

It is not a stretch to assume that one's functional diversity (role experience and occupation) and educational discipline would impact the way they make decisions. As a result of exposure to discrete areas of knowledge, propensity to cultivate certain learning styles and forms of analysis, and assimilation with like-minded people, the educational and functional diversity of an individual can greatly influence their perspective. Educational and functional heterogeneity of groups can enhance the innovation and scope of decision making¹⁶ and has a direct positive impact on group performance through stimulation of task conflict and expanding variation in perspectives¹⁷. The basis of most skills matrices, functional and educational diversity play a key role in the development of group diversity in thinking, and robustness of strategy for resolution of complex issues.

Relational to group behaviour, it is important to note that parties from differing educational and functional worlds utilise differing language and jargon, and hold conflicting paradigms. This necessitates facilitation of communication between group members, clarity of definitions and objectives, and the views of members to be met with equal time, consideration and respect in order to maximise the benefits from the collective diversity.

Other aspects of diversity can influence an individual's perspective and the dynamic of a team, such as religion, disability, socio-economic status, sexual orientation and being part of a minority group. Specialist insight may also be required for certain decision making and the input from those with a lived experience can be of great benefit to a board. All of these factors should be considered by individual organisations to ensure the necessary breadth and depth of perspectives are brought to the table, enabling issues to be broadly deliberated, resulting in greater foresight regarding risk and the ability to identify new opportunities and strengthen strategic initiatives.

Diversity in Approach

Secondary to how our surface level diversity (due to age, race, gender etc.) and the associated perspectives impact our decision making, we each have a personal mental framework which influences the way we analyse and problem solve.

There is extensive literature investigating the different approaches that individuals use to solve problems and generate ideas; arguably the most famous of which is Edward de Bono's *Six Thinking Hats: An essential approach to business management*. The majority of literature concurs that individuals have one or two dominant methods of approaching problem solving, and that improving diversity in approach will increase innovation of solutions. Hong and Page's¹⁸ studies suggest that different problem-solving approaches are essential to reducing blind spots; additionally they have demonstrated that if decision making is not undertaken holistically, that is by an individual or group of individuals scrutinising through more than one or two approaches, that the potential for error is increased by 30%. This is further supported by the work of West and Dellana¹⁹ who demonstrated improved performance and decision making by a factor of 11-47% of heterogeneous groups undertaking problem solving from multiple approaches versus a homogenous group (inclusive of a subject matter expert; further emphasising the benefit of collective intelligence in the heterogeneous group) which only used one approach.

So what are the approaches to problem solving and how can we identify an individual's default approach? Juliet Bourke's (Human Capital Partner at Deloitte) most recent work demonstrates that there are six key approaches to problem solving: outcomes, options, process, evidence, people and risk. She also notes that 75% of executive and board level employees' default orientation when problem solving is on outcomes and options; with only 12% with a dominant focus on process, 2% on evidence, 8% people, and 3% risk. From a diversity of approach point of view, organisations become more homogenous with each increasing level of the employee hierarchy; the dominant orientation of the outcomes and options approach at the upper echelons has been demonstrated to negatively influence conversation, strategy development, staff engagement and turn over.

Identifying your approach

Whilst it is possible for individuals to consider all approaches in their decision making, Bourke hypothesises that under pressure and time constraints a person falls back on their one (or two) default approaches. Additionally, she purports that no one will ever have equal strength or consideration across all 6 approaches. Juliet also cautions that roles are not synonymous with a problem-solving approach, e.g. Risk Manager will not necessarily tackle problem solving with a risk-based approach. To identify the problem-solving approach of an individual Deloitte use the question and table below to with a focus on self- resonance¹¹.

“Imagine you are in a meeting. Your fingers are gripping the table as you listen to the debate because you know you will only get to ask one question about the problem that the team is trying to solve. What would you ask?”

1. *Outcomes*: what are the objectives/why are we doing this?
2. *Options*: what are the options/possibilities/what could we do?
3. *Evidence*: what are the facts/what is the evidence we are relying on/measuring against?
4. *Process*: what are the steps/processes that will be used, to implement the solution?
5. *People*: who is the audience? How will people (staff/customers) feel about the solution? How will we engage people?
6. *Risks*: what are the risks? What could go wrong? What scenarios should we plan for?”

	Associated words	Associated questions
Outcomes	Future State Justification Value Success Achievement Goals	<ul style="list-style-type: none"> • Why is this a problem? • What are we trying to solve for? • Is the intended future state clear? • What are the drivers for success? • What outcomes do we want? • What value will be created?
Options	Priorities Experiments Lessons Learnt Trials Feasibility Ideas	<ul style="list-style-type: none"> • Have we explored other options? • What are other suggestions? • Is there a better way to do things? • What are the alternatives? • What has worked well before? • How else could we solve this?
Evidence	Applicability Sources Facts Measures Variance Data	<ul style="list-style-type: none"> • Is this fact or opinion? • What does the data show us? • What hypothesis has been tested? • What research has been done? • Do we have the right information? • Were customer insights tested?
Process	Techniques Steps Sequence Tools Timing Structure	<ul style="list-style-type: none"> • What’s the first step in the process? • What are the deadlines to meet? • What dependencies are there? • What steps do we need to take? • When do we need to do this? • What is the process to follow?
People	Motivation Behaviour Capabilities Culture Values Beliefs	<ul style="list-style-type: none"> • Who are our stakeholders? • What motivates people? • What makes them feel valued? • What does the culture look like? • Who will be most affected and how? • What capability will we need?
Risk	Scenarios Likelihood Assessments Failures Severity Mitigations	<ul style="list-style-type: none"> • What are the uncertainties? • What does failure look like? • How can I assess the risks? • What scenarios should be anticipated? • What issues exist? • How can we mitigate the risks?

By identifying the diversity of approach of each board member and ensuring heterogeneity of the group, you can maximise your collective intelligence and can assure improved decision-making accuracy as long as the behaviour of the board is inclusive and differences in approach and opinion are valued. “Adopting a deliberate Diversity of Approach process makes people’s mental models transparent, enables diligent focus on each approach and makes the cognitively peripheral (those that possess unique information and skills) more cognitively central,” says Bourke ¹¹.

Personality and Thinking Styles Assessments

Whilst personality assessment tools like Myer Briggs Type Indicator and The Big Five Personality Traits can give insight into *how* someone processes information they are not necessarily a determinant for *what* someone thinks and therefore cannot influence diversity of intellectual content. These tools can be utilised to maximise the equal receipt of information (or communication exchange) of individuals in a group in order to elicit improved outcomes, but are not able to ensure increased perspectives and holistic decision making and therefore are not relevant to the conversation of cognitive diversity.

Appendix 4 includes an example of a skills matrix which can be shaped to suit the type and strategy of an organisation, taking into account the aforementioned criteria to maximise board effectiveness via visual and mental model diversity. The full Excel spreadsheet can be accessed at the following [Skills Matrix Hyperlink](#).

KEY TAKEAWAYS FOR SKILLS MATRIX

- In order to promote the highest form of cognitive diversity a skills matrix must recognise:
 - Visible diversity; race, gender and age in order to account for varied perspectives but also to positively change the behaviour of the collective group;
 - Functional roles and educational discipline; heterogeneity in these areas increases the robustness and scope of decision making; and
 - Diversity in approach; reduces error in problem solving by 30%.
- These factors are not substitutes for board capability and must be seen as value adding in order to manifest diversity of thinking.
- Diversity of thinking styles does not ensure output of diverse thoughts. *What* an individual thinks rather than *how* they think is what is important in generating diverse intellectual content.
- Inclusive leadership and recognition of potential biases to behaviour and thinking must be present in order to maximise diversity of thought.

WHAT NEXT?

Now that you understand how to diversify thinking on boards through the recruitment of different skills and perspectives, the following chapter can be used to access the supply of diverse board candidates.

“Diverse Boards avoid the problem of group think”

Elizabeth Proust, Chairman AICD

DEVELOPMENT OF A DIRECTOR PIPELINE PROGRAM

A focus on establishing a culture of sound succession planning and diversification of talent is imperative to the success of a board and its organisation. But how does an organisation source potential board candidates with both the required competency and the confidence to avoid the group think compliant culture of boards, who possess diverse life experience so the power of difference is fully realised?

Boards committed to improving inclusion at the table can start by having candid discussion around what inclusion means, actively adopting 'Diversity Policies' and creating a skills matrix for the talent they want. This drives demand but how and where do they go to tap into the supply? Gordon Cairns (Chair of Woolworths and Origin Energy) refers to this as the "Push/Pull Strategy"³ noting that the advancements of diversity have created the 'pull' strategy from boards and we now need to develop a talent pool to enhance the 'push' strategy and ensure the supply of different candidates.

"I could see a number of potential directors didn't have a recognised board portfolio. Our attitude was, if you continue to look at people who have been on boards for a number of years, you will never make progress – we have to look at directors in these development stages."

Gordon Cairns, Chair of Woolworths and Origin Energy³

There are a number of avenues to develop a "board ready" pipeline of leaders, both in majority and minority groups. Examples include:

- board trainee placements;
- leadership training opportunities;
- board observations;
- mentoring;
- creating an advisory sub-committee to allow input from more diverse members;
- identifying a diversity champion;
- providing work experience for people from diverse backgrounds; and
- becoming a community partner of the Engaging Young Leaders on Aged Care and Community boards.

A trend feeding the supply is the soaring popularity of 'Director Pipeline Programs'. These talent development pools are emerging as a great source of training and succession planning for boards wanting to access potential board candidates outside usual 'tap on the shoulder' recruitment channels. Professional groups are championing these platforms as a result of success in identifying new capability within the industry. Some popular programs in the Western Australia market include:

- **Engaging Young Leaders on Aged Care and Community Boards Program**
One element of this program is The Emerging Leaders in Governance Program, a leadership and governance intensive-training program for young professionals from diverse qualifications and backgrounds to engage with the Western Australian aged care and community services sectors²⁰. Sponsored by over 42 community partners the program has delivered successful results with over 55 board placements filled and 22 board traineeships from the 96 successful candidates it has supported (as at April 2018).
- **Australian Institute of Company Directors (AICD) Director Pipeline Program**
The Western Australian arm of the AICD has over the past eight years run a Director Pipeline Program, specifically supporting female AICD members to enhance their professional development through training and connectivity to boards through networking events²¹. So far in Western Australia, 194 women have completed the program and 6 of the 2018 program have been included in the National Chairs Mentoring Program. AICD has called for all ASX 200 companies to ensure that 30 per cent of their directors are female by the end of 2018.

Abroad similar recruitment pipeline programs are run, for example, in Chicago USA a consulting firm LBL Strategies (Look Before you Leap) run a Board Leadership Development Program which is a training program designed to enhance the leadership skills of Board Members and includes modules for prospective and new board members. The training program assists potential board members to improve knowledge about non-profit good governance practices, roles and responsibilities, and prepare them to effectively communicate with board members for successful recruitment²².

All of these Pipeline Programs are run for individual candidates to provide a broad understanding of good board governance and to provide the networking opportunities for candidates and boards to connect.

Organisations too can be proactive and develop their own pipeline. This has enormous advantage to an organisation who values succession planning and where it requires candidates that will fit unique cultural and mission based needs in order to attain its strategic goals. A prime example is Jewish Care Victoria where a Board Foundation Program has been developed by CEO Bill Appleby specifically targeting millennials in a shadow director program he has called “Yesod” meaning ‘Foundation’ in Hebrew²³ This program is explored further in the following case study.

CASE STUDY: JEWISH CARE VICTORIA – Yesod Program

Jewish Care Victoria (JCV) is a 168 year old humanitarian organisation supporting services to over 5,000 people a year living within the Victorian community (inclusive of those not of the Jewish faith). The organisation’s CEO, Bill Appleby recognised that the organisations brand awareness was strong yet its product recognition was not and so he embarked on a mission to build a better narrative for the organisation and target millennials to be ambassadors within the community. This with an overarching desire to ensure that Australia’s social issues are not left to be contracted out to Government but to ensure that future generations can combine both their hearts and minds to have a stronger sense of purpose and carry on the good work all not-for-profit organisations have achieved, drove Bill to develop and establish a Pipeline Program now named ‘Yesod’ (meaning Foundation).

Mentorship

Bill had a mission to sell the story to the JCV Board as they all would be individually instrumental in the program. Each board member was to be paired with a candidate as a mentor for 12 months. The Board shared Bill’s vision and were motivated to support the entire community and embed within it a social culture for the next generation to engage in.

It was acknowledged that young professionals in corporate enterprise would be keen to be good corporate citizens and exercise corporate social responsibility, yet due to the phase of life most were in with family and mortgages this could be a barrier. As a result, two of the Board members were inspired enough to privately fund the program. Candidates were interviewed and selected based on their existing commitment for upward career progression and a desire to pay it forward and give back to the community.

AICD Program Training

JCV partnered with AICD to deliver the governance training and the organisation set an annual budget for all current and prospective board members to engage in AICD programs. The candidates all sit on the board’s 3 subcommittees that meet monthly, attend governance classes with AICD and engage in mentoring sessions conducted by current board members.

The program is climaxed by a simultaneous board meeting whereby the full existing JCV board meet. The Yesod candidates then conduct their own board meeting with the same board papers as the JCV board. An AICD facilitator sits in on both meetings as an observer. The JCV and Yesod boards then come together with the AICD facilitator to compare the outcomes and evaluate the differences in decision making and due diligence questioning. For JCV this process has been incredibly valuable for the full boards reflective evaluation. In the three years the program has been run it has been demonstrated that the Yesod board take more risks yet are more thorough in its decision making and due diligence processes. The JCV board have demonstrated to be more conservative and brand focussed in their decision making.

Program Results

Now three years in, JCV now has one Yesod alumni on its full board, two on subcommittees and many other alumni have gone on to further their study and involvement with the community through other board appointments.

This program has benefited JCV in injecting energy to the board and elevating cognitive diversity. The Board's culture now supports difference and the constitution has been changed to ensure there is the right mix of stability and new blood to remain dynamic and fresh.

The program intent, to reach capability outside of JCV, was achieved; with the board and greater community set to reap ongoing benefits into the future.

KEY TAKEAWAYS FOR DIRECTOR PIPELINE

- Striving toward diversity creates the demand but where do you access the supply?
- Director Pipeline Programs develop young talent to prepare for board positions and champion diversity and governance
- Organisations can develop their own succession planning pipelines to safeguard its strategic vision and ensure missions will be handed down to the next generation of board members and leaders

WHAT NEXT?

Once a diverse candidate supply has been established how do we assess the progress and consequent value generated from diversity and inclusion activities? Evaluation is a critical component to ensuring the success of any venture and measuring the benefits of board diversity is no exception. For a board to be committed to establishing cognitive diversity it will need to be able to assess if any of the tools or measures it employed has in fact eliminated the group think and improved the outcomes of its decision making through challenging and diverse contributions.

“Australia as a nation will benefit from having a cohort of young ‘board ready’ individuals with ‘skin in the game’ to play a role in the solutions to the nation’s social problems.”

Bill Appleby, CEO Jewish Care Victoria

“Organisations actually have to make the effort to provide people with the opportunities to develop the capacity to contribute. It won’t happen overnight but if they want a diverse range of ‘board-ready’ people they need to develop them.”

Gabrielle Trenbath, AVIVO Board Director

MEASURING THE BENEFITS OF DIVERSITY AND INCLUSION

It is a present day reality that boards and the organisations that they serve are subject to higher levels of scrutiny from key stakeholders regarding corporate governance and accountability. Historic measures of performance, such as financial outcomes or growth in market share, are no longer considered sufficient when painting a picture of organisational health. Key stakeholders - especially customers, investors and employees - now have different expectations²⁴. Customers want to obtain goods and services from providers who share their values, so as to maintain their own brands and images in a highly transparent world. Investors recognise that meeting customer expectations is essential to maintaining market share in a highly competitive and globalised environment. And employees are only inclined to demonstrate peak productivity for organisations that they believe in²⁴.

In each of these instances, stakeholder expectations are noticeably influenced by organisation's attitudes towards diversity and inclusion^{24,25}. But for the most part, organisations globally continue to take a tokenistic approach to integrating diversity and inclusion into the fabric of their operations²⁵. That doing so risks creating conflict between organisations and their stakeholders, in turn often leading to profoundly negative outcomes. But it is for this exact reason that the value generated from diversity and inclusion activity needs to be measured; to ensure that not only is such investment yielding a genuine return, but even more importantly, that it is not doing more harm than good.

It is therefore paramount that boards that are serious in their pursuit of improving their diversity and inclusion profiles have a clear plan for tracking their performance as they make their transition, from where they are to where they want to be²⁵. Doing so is challenging, as the causality of change - by its very nature - leads to interwoven outcomes. Does improvement in an organisation's attitude towards diversity start with quota based appointment of diverse candidates, or does an organisation made open to concept of diversity and inclusion through well-constructed narrative naturally attract high quality diverse candidates? Once a diverse structure is established, does improved corporate knowledge flow from the various perspectives available, or is that improvement in part the result of an accepting and collaborative culture?

Undeniably, separating the influences of particular actions from others is exceedingly difficult. But we assert that this isn't strictly necessary to measure the outcomes of raising board or organisational diversity, provided that a wide enough perspective is taken to observe overall change.

So, what tangible metrics should a board intent on raising its diversity profile be using to set change in motion and track its progress, and then (often less tangibly), how can they then ensure that the changes they are making are benefitting their organisation?

To answer the first, boards need to have honest conversations about what diversity and inclusion looks like for them (refer to [Appendix 3](#)). Do they want to be structured in a way that reflects the demographics of the broader community? Perhaps they require representation from customer groups, so as to understand the prevailing relevance of the goods or services that they provide? Of note is that multiple studies have concluded that once the interests of a group are represented by at least 30% of that group's participants, a critical mass is achieved, where the voices of such interests are no-longer considered in the minority²⁶.

Whatever structure or skills are eventually considered to be important, it is then necessary to establish guidelines for how they will be acquired, by ensuring that the policies, procedures and tools employed to select candidates are relevant and effective. Things to consider may include how nominations and appointments are managed, how serving terms are set, how eligibility for applications is determined and how the screening of new members is to be performed. With a clear framework for how candidates are selected and appointed, it is a relatively straightforward process to set quantifiable targets to measure success.

For example, boards could measure:

- The increase to the number of female directors to their ranks to a given percentage by a given date
- The retention of newly appointed board members by a given date
- The number of board members who have attended diversity awareness and unconscious bias training
- The ethnicity balance of directors in their ranks relative to the proportions represented within the broader community
- The balance of directors in their ranks relative to the proportions represented within key stakeholder groups (including customers and employees)
- The average age of their ranks as compared with the average age of boards nationwide
- The retention of board members sourced through traineeships or graduate programs
- The percentage of favourable perception in their organisation's annual employee surveys and customer relationship surveys as a measure of their organisation's progress towards meeting stakeholder expectations

To complement such questions, boards can also employ any of the tools and resources that have been suggested throughout this report to focus on touchpoints of progress, such as:

- The board assessment survey (refer to [Chapter 1](#) of this report)
- The skills matrix (refer to [Chapter 2](#) of this report)
- Qualitative measures (refer to [Chapter 3](#) of this report), such as board diversity training programs; mentorship; creating an advisory committee of community members or identifying a diversity champion
- Individual self-assessment for board members
- Personal interviews
- Ongoing anecdotal information

Of course, merely achieving a positive diversity and inclusion profile on paper far from guarantees a board's ability to use the range of the group's perspectives and contributions to a positive effect³. As has previously been discussed, however, it is rarely straightforward to quantify positive effect, especially when there is no relative benchmark to measure against.

There are also a number of qualitative means to determine the benefits available to boards with diverse and inclusive cultures, including:

- Observing their organisation's attitudes towards diversity and inclusion over time
- Having key stakeholders evaluate both the board and their organisation on their alignment to diversity and inclusion based values
- Taking manager feedback regarding team cohesion and their ability to use diverse ways of thinking to achieve other tangible business objectives (usually prescribed through business KPI's)
- Creating leadership programs which assists in the development of a diverse pool of skilled and experienced executives, and that prepares them for board positions
- Observing the evolution of leadership qualities in the organisation's diverse talent pipeline

Crucially, when boards and organisations pursue change to their diversity and inclusion profiles they need to have a plan. Leaping before considering what the intended purpose of change is, and why it is necessary, does a disservice to everyone involved. But clearly thinking through what is needed, how to go about it and how to ensure that it continues to add value, is the way to ensure success in the world that we live in today.

CASE STUDY: JOHNSON & JOHNSON – Diversity and Inclusion Program

Johnson & Johnson (J&J) is considered by many industry benchmarks to have one of the most successful diversity and inclusion programs of any major multinational corporation (MNC). An organisation synonymous with equality, J&J has been lauded with high recognition to this effect, including awards from The Human Rights Campaign (with 12 successive years at a 100% index rating for their workplace diversity and inclusion policies for the LGBT community) and a recent #8 position on Diversity Inc's list of top 50 global employers for diversity and inclusion²⁷.

Their success in transitioning their organisation from one dominated by white male representation in the early 20th century to one of the most integrated diverse MNC's in the world stems from an embrace of diversity and inclusion to achieve a binding relationship with their key stakeholders²⁷. They have a brand that centres on caring, and appreciate that in order to demonstrate consistency with their brand they are obliged walk the talk. However, J&J also fully understand that meeting customer expectations is only part of the merit of diversity. In order to win the hearts and minds of their employees, they need to demonstrate how diversity tangibly improves how their business operates.

“Diversity and inclusion at Johnson & Johnson is not just a commitment - it is the reality of how we live and work. The best innovations can only come if our people reflect the world's full diversity of individuals, opinions and approaches.”

**Alex Gorsky - Chairman, Board of Directors and
Chief Executive Officer (Johnson & Johnson)**

J&J therefore go about measuring the value that they generate by embracing diversity, especially through the metric of innovation. With highly refined change management techniques borne from decades in the pharmaceutical industry, they are able to rapidly take ideas from teams of diverse structure and implement them into the fold of their operations - be they product or business process related. The success in deploying such innovations are even measured against other teams of other structures and managers, creating a network map of the most effective balances of management types and team compositions. Standout employees are readily identified through this process for their ability to contribute to various teams under various circumstances²⁷.

Notably, while J&J espouse their diversity ratios and other similar metrics in the marketplace, within the organisation itself, such measures are deliberately minimised in significance. J&J management are on record as stating that pushing an agenda of quotas rarely has a positive effect on teams, and that instead they have found doing so diminishes the true value of obtaining a pervasive culture of diverse thought²⁷. As one South-East Asia J&J marketing executive suggested on the subject:

“It's when people see their peers as genuinely novel contributors to debate, instead of token inclusions to meet a quota, that we see true innovation flourish. Talking about how close we are to having gender or ethnicity balance does little to help our people see each other as equals; in fact, if a team has any reservations about the benefits of diversity I think it does the opposite”.

Johnson & Johnson Strategic Pillars

J&J's global Diversity & Inclusion strategy has three pillars that reflect the strategic priorities they have made to enable the company to address the challenges and opportunities presented by this new diverse world, including²⁸:

- Advance Our Culture of Inclusion and Innovation: Inclusion is an integral part of how we leverage diversity into our company. We are implementing programs, policies and processes that enable all our people to feel like they belong at Johnson & Johnson
- Build a Diverse Workforce for the Future: We understand that one of the most effective ways of understanding and meeting the needs and desires of our diverse customers and patients is to have a workforce that reflects diversity
- Enhance Business Results and Reputation: Understanding and serving the needs of diverse patients and customers is simply the way we all must operate to drive innovation and growth, and continue to be a thriving and sustainable business

KEY TAKEAWAYS FOR REVIEW METRICS

- Boards need to understand what they are trying to achieve when they seek to improve their diversity
- When managed well, raising an organisation's diversity profile should reflect positively against stakeholder expectations (of customers and employees) and improve decision making capability
- Boards should set qualitative targets to ensure that a diversity and inclusion transition is progressing, however, these targets need to be kept honest by measuring improvement against the objectives set for increasing diversity in the first place
- Boards shouldn't be deterred from measuring improvement just because those improvements may be difficult to measure. They should accept that changes to culture are often ambiguous and change is often only observable over a long timeframe and from a big picture perspective

CONCLUSION

Being a board director is increasingly getting harder, as the world becomes more complex, societal expectations and the need for greater transparency accelerates, whilst workplace culture and business practices are required to respond to shifts in the desires of new generations and stakeholders. The value of new ideas has never been greater, and the people who can provide different perspectives, combined with the emotional intelligence to share these articulately, are becoming increasingly more relevant and influential.

The debate around diversity is often narrowly framed around observable markers of diversity, such as gender, age and ethnicity. We believe that in order for organisations to create long term value for stakeholders, it is pursuing a broader sense of diversity that will generate the best returns. If organisations genuinely prioritise cognitive and experiential diversity, higher representation of women and culturally diverse individuals will emerge as a by-product. Likewise, if companies take a tokenistic approach, they will likely fail to gain the business benefits of diversity.

This toolkit is aimed at not-for-profit boards and highlights actions that are likely to have the greatest impact on diversity. The resources and learnings from case-studies in this toolkit are for you to use and adapt as you move through discussion, implementation and evaluation. We wish you and your board success as you change the face of governance in your organisation and region.

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APPENDIX 1 INTERVIEW QUESTIONS

1. What processes are your board implementing to improve board director diversity?

- Can you describe any board processes you have been involved in that have led to increasing diversity on the board?
- What are some specific practices your board has implemented, during recruitment and selection, to increase the diversity on the board?
- How did you overcome the challenges of not having diverse candidates available in a specific skill area?
- What role did target quotas have in improving director diversity on your board?

2. What processes are your board implementing to manage the challenges and maximise the benefit from having board director diversity?

- What processes are you implementing prior, during and after board meetings to ensure inclusivity and ensure everyone's contribution?
- What considerations and potential changes did you have to make regarding how and when the board meetings were held to accommodate people from different backgrounds?
- What practices do you implement to ensure a board reaches a consensus and prevents indecision with a group of people from diverse backgrounds with potentially conflicting opinions?
- What processes were implemented to ensure new board directors have access to ongoing advice, encouragement and support?
- How do you evaluate the ongoing diversity make up of your board and the effectiveness of membership composition?

William (Bill) Appleby

Bill is a strong executive leader with extensive experience and strategic understanding of the aged care and community services. Bill is currently a Board Member for East Timor Hearts Fund and a graduate of the Australian Institute of Company Directors. Additionally, he is a Victorian Divisional Councilor for Aged & Community Services Australia and a member of the Consumer Reference Group for Calvary health Care Bethlehem. Bill has held various senior positions including Board Member of Leading Age Services Australia Victoria for six years and his most previous roles preceding Jewish Care as Executive Director, Aged Care, Mercy health and national General Manager of Operations at Regis Group. Bill is passionate about value-based leadership and how he can influence the development of a “good society”. Driven by a personal objective to care more than others think is wise, to risk more than others think is safe, to dream more than others think is practical, and to expect more than others think is possible, Bill is driven in his desire to create value through change.

Maree Arnason

Maree is a non-executive director of Sandfire Resources NL, an ASX 200 Australian copper-gold producer, and MZI Resources, an ASX-listed minerals sands operator and recently joined ASIC’s Director Advisory Panel. She is also a founding director of Energy Access Services, a private company which operates an on-line and independent wholesale gas trading platform focused on WA’s resources and energy sector. Maree has made a major contribution to the not-for-profit sector for over 25 years and is a life member and former national director of the Australia China Business Council. She is currently on the Juniper aged-care community services board, a remote Pilbara-based independent school board and is a member of the WA State Advisory Council of the Committee for Economic Development of Australia (CEDA).

Conrad Liveris

Conrad Liveris is a corporate adviser on workplaces and risk. He’s been credited as being “one of Australia’s leading employment and workplace experts” by the ABC. Conrad improves workplaces exclusively through evidenced based responses and original data. He’s worked on projects in Australia, Asia and the US, working on a variety of workplace and management projects, always focused on improving performance and making out workplaces more inclusive and effective. Conrad is alum of the US State Department, an Associate Fellow of the Royal Commonwealth Society, worked prominently on the UN’s Sustainable Development Goals, and his work has been acknowledged in numerous parliaments and by the Prime Minister of Australia. He holds a Bachelor of Arts and a Master of Commerce, he has undertaken specialist and leadership education at the Governance Institute of Australia and the University of California, Los Angeles.

Cynthia Payne

Cynthia has been SummitCare in Sydney NSW, Chief Executive Officer since October 2002. A Registered Nurse, she partly completed a Master of Nursing (specialising in pain assessment for people with dementia) before completing a Master of Business Administration. She is a Fellow of the Australian Institute of Management (AIM); Associate Fellow of the Australian College of Health Service Management (ACHSM); Member of the Australian Institute of Company Directors (AICD); Member of the Women on Boards (WOB); member of The Executive Connection; and long-time Member of the College of Nursing. Regularly sought as a public speaker and commentator, Cynthia is keenly interested in leadership, management, quality systems and client-focused care.

Iqbal Samnakay

Mr Samnakay is currently the Chairperson of the Metropolitan Migrant Resource Centre. Mr Samnakay has an established track record of voluntary and community work through sports and social organisations including membership of the Muslim Social and Sports Association for 16 years, holding the positions of Secretary and Chairman at various times. Mr Samnakay has worked in the WA public sector for over 25 years, with a focus on strategic policy development and implementation. He holds undergraduate and post-graduate qualifications in science, occupational health and safety and public health.

Dianne Smith-Gander

Diane Smith-Gander is Non-Executive Director AGL Energy, Wesfarmers Limited, Chair of Safe Work Australia, Asbestos Safety & Eradication Council, and Board Member of Keystart Loans, Norton Rose Fulbright Australia and CEDA. She is the Immediate Past President of Chief Executive Women. Diane has held a wide range of non-executive roles in the past including Chairman of Broadspectrum Limited, Deputy Chairperson of NBNCo, Non-Executive Director of the CBH Group, Commissioner of Tourism WA and Board Member of the Committee for Perth. Diane's last executive role was Group Executive at Westpac; a member of the leadership team of the corporation, responsible for all information technology, back office operations, global vendor management and property. Diane was a General Manager at Westpac for 10 years in the 1990s responsible for back office functions, retail networks and support functions.

Gabrielle Trenbath

Gabrielle Trenbath is studying a Graduate Certificate in Social Impact the University of WA. She is a Fellow of Leadership Western Australia and a graduate of their Rising Leaders' Programme and LeadAbility course. She also sits on the board of Physical Disabilities Australia. In 2011, Ms Trenbath completed a traineeship to become an Assistant in Nursing, a position she works in to this day in a full time capacity. She has participated in the United Nations Graduate Study Programme in Geneva, undertaken internships in China and at the Australian High Commission in Malaysia and volunteered in India, Ghana, Thailand and Romania. Ms Trenbath has successfully completed a Gold Duke of Edinburgh's Award.

APPENDIX 3 BOARD SURVEY ASSESSMENT

STANDARDS	MEASURES	STATUS	COMMENTS
POLICIES, GUIDELINES AND PRACTICES			
1. The Boards commitment to diversity and inclusion is known and understood by all board members and is part of the board culture.	1.1 We have made a formal and public commitment to diversity as part of our mission, vision and/or strategic plan and communicate information about our diversity goals both internally and externally.		
	1.2 We are open and welcome to new and different ways of doing things and use our diverse backgrounds, skills, and experiences to heighten our creativity and innovation.		
2. Principles of diversity, inclusion and equity are embedded in the Boards policies, guidelines and plans.	2.1 We have a diversity and inclusion board policy approved and supported by the Chief Executive Officer and or other Senior level official.		
	2.2 We have assessed existing policies, guidelines and practices to determine if they are congruent with the principles of diversity and inclusion and are clearly aligned with the overall business strategy and planning process.		
	2.3 We have a strategy in place with clearly identifiable accountabilities for the delivery of diversity outcomes to meet agreed targets, which addresses gaps for appointing more people from underrepresented groups.		
BOARD COMPOSITION & RECRUITMENT			
3. Members of diverse communities are represented at a Board level as a result of inclusive recruitment, selection and retention and having a pipeline of diverse leaders.	3.1 Our board committees' membership has been reviewed and reflects diversity of the community that we represent, in terms of race, ethnicity, language, nationality, physical ability, sexual orientation, socio-economic background and/or religion.		
	3.2 We have explored the possibility of systemic barriers in the recruitment, selection and retention processes, including: i. advertising outlets; ii. criteria for selection; iii. interview processes, timing and location; and/or iv. time/ financial requirements for participation. A recruitment strategy is in place to overcome these barriers to order to identify, recruit and nurture potential new board members.		

STANDARDS	MEASURES	STATUS	COMMENTS
	3.3 We have a program in place to develop a pipeline of diverse leaders, including providing board trainee placements, traineeships, training opportunities, mentoring opportunities and work experience to people from diverse backgrounds.		
MEETING STRUCTURE & PROCESSES			
4. All Board members can actively participate and readily access the meeting location and board papers.	4.1 Our Chair ensures that the board meeting structure offers an equal opportunity for all members to contribute and participate in the meetings. All views are treated equally.		
	4.2 We have explored the possibility of barriers existing in the style, method and location meetings are held, for example: <ul style="list-style-type: none"> i. timing of meetings to accommodate people with family, school and religious commitments; ii. disability access of buildings; iii. availability of child/ elder care; iv. language used at board meetings; v. dietary requirements; vi. location of meetings that are accessible by public transport to take into account non-drivers; and/or vii. use of video conferencing facilities to enable board members from regional area to attend. 		
	4.3 We take into consideration the messages, jargon, languages and symbols that are used in board papers and board meetings to ensure they are appropriate for a diverse group of people.		
ORIENTATION & TRAINING			
5. Board Members are provided with initial orientation and on-going training specific to diversity and inclusion.	5.1 New members of the board of directors receive an orientation on the mission, vision and policy statements, organisational goals and board functions and responsibilities with respect to diversity and inclusion.		
	5.2 We are offered continual training programmes that focus on diversity and inclusion to examine our own beliefs and attitudes, to respect and celebrate diverse values, and to understand dynamics involved in diversity and inclusion.		

BOARD MONITORING & EVALUATION			
6. Mechanisms have been established to monitor, measure and evaluate progress towards achieving diversity and inclusion goals.	6.1	We have put a monitoring procedure in place with respect to progress made in the areas of diversity and inclusion.	
	6.2	We report publicly on progress made towards meeting diversity and inclusion targets, including strategies implemented to increase the impact on attitudes, culture and performance.	
	6.3	Board members are accountable for providing leadership in helping the organisation fulfil its mission and goals relating to diversity and inclusion competency.	
	6.4	Board members are evaluated on, among other skills, their knowledge and skills pertaining to diversity and inclusion competency.	
Adapted from References 29, 30, 31			

APPENDIX 4 SKILLS MATRIX EXAMPLE

For fully operational Excel document with diversity recording matrix and analysis to identify recruitment priorities (Tab 2 of Excel spreadsheet) follow [Skills Matrix Link](#).

[Insert Your Organization Name]

Board Skills Matrix

This tool is designed to help boards assess the level of experience each director has in various skill areas, as well as the overall composition of the board as it relates to diversity.

Directions: In the *Skills/Experience Section*, rate each board director using a scale of High(3) to Low/Not Applicable (1) to reflect the level of experience possessed in a particular area. In the *Demographic Background Section*, enter the qualifications as it relates to each director. Once completed, continue to Tab 2 ("Matrix Analysis").

Priority Legend	
High	3
Medium	2
Low/ NA	1

	Board of Directors														
	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name	Name
Term Expiration Date															
Enter Month Year															
Skills & Experience															
Executive Management	3	3	3	3			2								
Strategic Planning	3						2								
Legal	1				3										
Financial Management	3														
Marketing	1			3											
Risk Management	2			3											
Public Relations/Communication	1														
Social Media Management	1														
Human Resources	1														
Fundraising/ Grants	2														
Industry Knowledge (e.g. Health Care/Aged Care/ Disability/ relevant to NFP)	3														
Policy	2														
IT/Technology	2														
Advocacy/Government Relations	1														
Research	2														
Real Estate	1														
Governance	3														
Mission Specific 1	3														
Mission Specific 2	3														
Custom 1		3													
Custom 2		1		3											
Demographic Background															
Gender															
Male	yes														
Female															
Other non-binary gender															
Age															
25-40															
41-55															
56-70	yes														
Over 70															
Ethnicity															
Ethno-racially diverse															

ABOUT THE AUTHORS

Amy Hallam



Amy has over ten years' experience working for multinational professional services firms, government and the not-for-profit sector. Amy graduated with a Bachelor's Degree and Postgraduate Diploma in Science and previously worked as a consultant managing environmental social impact assessments in Australia, China, Kazakhstan, Uzbekistan, Mongolia and Liberia. In 2009, Amy volunteered in remote western China as an AusAID Australian Youth Ambassador for Development (AYAD) initiating environmental education and training programs. Based in China for 6 years, Amy attained professional fluency in Mandarin. Amy currently works for the Perth Convention Bureau, a not-for-profit funded by the West Australian government by promoting Western Australia as a premium business event destination. Amy sits on the Australian Institute of International Affairs (AIIA WA) committee, Australia China Business Council (ACBC WA) Food & Agriculture Sub-Committee and the Curtin University Humanities Faculty Advisory Council.

Amanda Macnamara



Amanda is a Chartered Accountant presently employed with a Not for Profit Aged Care Provider in a senior executive position. She has a broad range of experience from public practice (audit), commercial ASX Listed companies (mining, oil & gas, litigation funding) and the Not for Profit Sector (aged care and community sporting groups) and experience working within a complex regulatory environment including working within Government Funding and Compliance Regimes, ASX Listed Rules, Accounting Standards and many other legal requirements. Amanda is highly interpersonal and an effective communicator to all levels of stakeholders. She is passionate about working in the "For Purpose" sector and marketing the sector to the community at large to attract and retain the right staff to honor and respect the vulnerable.

Bart Morris



Bart Morris is a professional engineer and MBA graduate with a keen interest in the affordable housing sector. He believes that affordable housing is a powerful mechanism in preventing the spread of broader social issues, such as substance abuse and domestic violence, by providing vulnerable members of the community with safety, security, stability and self-esteem. He has extensive experience in the construction of fixed plant, dwellings and incidental structures, a deep familiarity with the regulatory requirements of such activities in Australia, and a thorough grounding in business optimisation and improvement. He has built a successful career at BHP Billiton, but is motivated to use his skills to benefit those less fortunate, as while he comes from a less privileged background himself, he was raised in and knows the value of a loving home, and thinks others deserve to have that as well.

Danielle Spagnolo



Danielle has a Bachelor of Physiotherapy and has worked in the public health and disability sectors in Australia and the UK for ten years. With a keen interest and expertise in service improvement and governance, Danielle has held leadership roles in multiple high value projects including the commissioning of Fiona Stanley Hospital assuring policy and legislative compliance, and in the WA Health governance reforms to establish the Health Services Act 2016. Danielle possesses highly developed leadership skills and was recognised as a young leader with her acceptance into the Leading Collaboration Program directed by the Institute of Health Leadership. Danielle has since worked as a facilitator conducting workshops for multiple organisations including the Society of Hospital Pharmacists Australia. With experience chairing committees within WA Health and a long history of volunteering, Danielle aspires to use her skills and innate knowledge of the sector to serve her community through a Board.

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