

## Simple Steps to Address Board Diversity

*Phil Kenkel*

*Bill Fitzwater Cooperative Chair*

In my previous newsletters I have discussed the benefits of board diversity. Boards with a healthy amount of diversity are more innovative and more strategic. Board diversity improves the perception of the organization. Research on Fortune 500 companies shows a clear correlation between board diversity and improved firm performance. Agricultural cooperatives trail every other cooperative sector, as well as most investor owned firm sectors, in the diversity of their boards of directors. In the case of gender diversity, which is probably the low hanging fruit for agricultural cooperatives, the cooperative's membership structure may be a barrier to female board members.

The point of board diversity is to expand the pool of highly qualified candidates, not to set any sort of formal or informal quota. There are some simple steps to addressing board diversity. First, consider your membership policies and think through how women could run for the board of directors. A simple solution might be to publicize board nominations in advance and establish a written procedure to express interest. That would allow you to get a membership application from potential female candidates. Another step is to have one or more females on your nominating committee. A women member is much more likely to be able to identify qualified and interested female board member candidates. A good election process with multiple candidates for every board seat helps open the door to diversity. A female candidate obviously has an uphill battle in a cooperative with a culture of re-electing every incumbent director in an unopposed election.

A final step, if your cooperative has implemented an associated board, is to appoint one or more female members to the associate board. The associate board is typically appointed by the board and CEO so that change can be implemented easily. Even though they do not have a voting role, the associate board brings new perspectives into the board room. The associate board is a great way to connect with members who may be unsure whether they want to commit to running for a board seat. It also grooms them for a possible role as board member.

I have published a white paper on this topic which is published on the *CHS Center for Cooperative Growth* at the link below. I also have a video and there are three outstanding videos from female board members at progressive agricultural cooperatives. One of the themes in the videos is why the individuals ran for the board. The recurring answer is that someone asked them. In some of our cooperatives we need to remove barriers keeping women out of the board room. In most, we just need to extend an invitation.

Center for Cooperative Growth:

<http://www.chscenterforcooperativegrowth.com/>

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