DIVERSITY AND SKILLS MIX ON A CHARITY BOARD

Much has been written about Charity Boards and ensuring good diversity and skill mix. However a lot of the literature relating to this can come from an over-emphasis on the legal aspects of the role and responsibilities of the Trustee body.

Research by Denise Pavey *Slow Boat to Skype (*Masters dissertation published through Global Connections) found that the characteristics of the Boards of Mission Agencies within the Global Connections network are generally similar to those across the wider non-profit sector.

However there were four key areas which could be addressed to improve their effectiveness:
- Increasing the diversity and skills mix
- Having a wider recruitment pool
- Adopting a model leading to good governance practice
- Building in reflective learning

This paper will focus on diversity, skills mix and developing a wider pool for recruitment. These are key components in helping a Board be effective. Indeed the research by Denise also showed that Board felt they were most effective when:
- The Board had an average number of members of around 10
- Board members had generally served less than 10 years
- More diverse methods were used for Board recruitment
- Board members had a greater range of expertise and diversity

It is important to understand the skills and backgrounds needed to take your agency forward in the future, rather than be stuck in the past. We cannot just rely on the "old boys" network.

1.   Diversity on the trustee body

Denise's research contains some concerning information about the make-up of the Boards of GC members:
- Less than 25% of Board members were women
- Few had any representation from ethnic minorities or beneficiaries
- The vast majority of members were aged 45 to 74

In particular there also seems to be very limited representation, or attempts to understand, the views of beneficiaries.

> The research showed that the lack of diversity is more marked in the GC network than in UK charities generally and this may lead to some Boards having limited perspectives.

2.   Trustee length of service and recruitment

It is important to follow the governing document about trustee appointments, numbers and length of service. This may state how long trustee appointments should last, whether trustees can be reappointed after their term ends and how many times such a re-appointment can be made.

However there is a tendency in mission agencies for individual trustees to stay for a long time. While this can bring stability, it can also limit generative thinking about the future. It is therefore important that a Board develops a clear process for trustees moving on and attracting new trustees, even if the governing document does not say anything limiting length of terms.

Recruiting trustees can be time consuming for a Board and often it is tempting to take the easy route of approaching people already well known to the Board. Even if an agency has a stable body of experienced trustees, refreshing the trustee board is an opportunity to:

- bring in new ways of working with beneficiaries
- keep pace with developments in technology
- understand new ideas and be forward thinking

The rather 'closed' practice of Board recruitment in the GC network may lead to restricted insights, in particular in relation to strategic and visionary thinking.

3. Need for different skills

Undertaking a skills audit is vitally important. However charities are very diverse and often have different governance models. It is important that a charity develops a clear governance model so that trustees and staff know what is expected of them, and their different roles. More about governance models can be found in the paper Models of Governance and Board Effectiveness.

Sadly too often charity recruitment is based on criteria that:
a) Focuses too much on the legal and statutory aspects of the role
b) Does not differentiate between the skills needed within the Board itself as opposed to that needed with the wider organisation
c) Does not taken account that some skills are better run by using external professionals

As well as skills, consider if your trustees' background and experiences can help:
- bring different points of view to a discussion
- give insight into your beneficiaries' needs and experience
- make contacts in the community
- think of new ways of doing things

It is suggested that rather than just look at a basic skills list, a charity should ensure that the trustee body has the skills, experience and understanding to have input into:-
a) Statutory responsibilities - fiduciary areas such as compliance, finances, control mechanisms, reporting, policies etc. This mainly needs skills relating to addressing "what is wrong?"
b) Strategic responsibilities – direction setting, what impact is desired. This mainly needs skills relating to addressing "What is the plan?"
c) Vision and generative responsibilities –robustness for the future, sense making of change, future. This mainly needs skills relating to addressing "What is the question in a changing world?"

The rather formulaic approach to Skills Audits and the focus on statutory responsibilities can mean that an agency is well run, but is slowly dying as it gets stuck in the past.

4. Skills audit models

One major question is how to undertake a skills audit and to assess the skills of potential trustees. A clear model of governance and more detailed list of roles and responsibilities is a key starting point. It is hard to do a robust skills audit without them.

In general, the following may be helpful in developing the skills audit:
- The current trustees may have untapped skills and experience from previous trusteeships, work or voluntary activity. They need to be included in any skills audit before you seek to identify the gaps
- Learn from other people and talk to other agencies about their processes
- Take care that it is not too formulaic and does not only focus on statutory and compliance aspects
- Do not just use off the shelf documents and templates, but adapt them for the charity's needs, culture, values and model

The following are three suggestions for developing a skills audit:-

a) Skills mix example based on compliance, strategic and generative thinking
This example is in *Appendix 1 below*. It focuses on these three areas, and acknowledges that some expertise may need to be outsourced though using external professionals. It does not use a scoring system, but rather allows the trustee or prospective trustee to highlight their main areas of potential input to the Board.

b) Skills mix example based scoring
This example is in *Appendix 2 below*. It uses a scoring system and tries to differentiate between experience, skills and enthusiasm. Using a scoring system can be helpful in terms of comparisons and the scores can be easily analysed to indicate area of strengths and weaknesses across the whole Board.

c) Other resources
There are many examples of skills audits published by various bodies such as Reach Skills which is referred to on the Charity Commission website. The page on a skills audit lists many potential skills areas.

Other examples of skills audits can be found at:-
- Governance Pages – which publishes information on governance and management committees for community groups and small voluntary organisations
- Governance Code – which is supported by NCVO, ACEVO and the small charities coalition

Whichever system or structure you use, remember that it is only at best a helpful tool. Looking at areas such as:-
- Commitment to the vision, aims and ethos of the agency
- Diplomatic skills and tact
- Someone who listens to others
- Being a team player and able to take ownership of collective decisions
- Energy, enthusiasm, flexibility and a desire to learn
- Commitment to prayer

Having the right trustees is vitally important for the future of any charity and it is not a process that can be left to chance. It needs to be deeply rooted in prayer built around a robust system designed to ensure the charity has a trustee body that helps it to be as effective as possible.

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See below for two skills mix templates

Appendix 1

SKILLS MIX REQUIREMENTS

Indicate the areas where you feel you have most experience, skills and knowledge. Limit your assessment to a maximum of 5 areas (you can chose fewer) and don't rank these in any particular order.

NAME: **DATE:**

	Experience, skill and knowledge comments
1. ENSURING SOUND GOVERNANCE	
Governance frameworks	
Charity, Company and legal expertise	
Financial management including budgeting	
Performance and monitoring	
Policy development	
Employment law and HR best practice	
Risk management	
2. STRATEGIC AND ENERGISING THE MISSION	
Strategic development	
Overseas mission	
Cross-cultural mission in the UK	
Mission Theology and missiology	
Missional church leadership	
Mobilising for mission	
3. WINDOW ON THE FUTURE	
Visionary thinking	
Entrepreneurial organisational development	
Key issues affecting mission	
Key issues affecting the church	
Trends and interpreting the chaos of the moment	
4. OTHER SKILLS AND EXPERIENCE – please state	

SKILLS MIX ASSESSEMENT

Indicate for each area your experience, skills and enthusiasm. Please rate each area where 1 is low and 5 is high. Please leave blank or mark n/a if you feel that you have nothing to offer in that area. Please try to ensure that your key experience and skill areas are marked highly so that there is differentiation.

NAME: **DATE:**

	EXPERIENCE (rank 1 low to 5 high)	SKILLS (rank 1 to 5)	ENTHUSIASM (rank 1 to 5)
Financial area			
▪ Financial management including budgeting			
▪ Contemporary pension management experience			
Human Resources			
▪ Employment law and good practice			
▪ Member / pastoral care			
Legal and general governance			
▪ Contemporary Charity, Company and legal expertise			
▪ Risk assessment			
▪ Running organisations			
Marketing and communications			
▪ Media, public relations and marketing			
▪ Design			
▪ Social media and websites			
Administration			
▪ Developing operational processes			
▪ Project management			
Fundraising			
▪ Different fundraising models			
▪ Support relations			
Strategy			
▪ Developing organisational vision and setting direction			
▪ Drawing up and implementation of strategic plans			
Cross-cultural mission			
▪ Overseas mission			
▪ Cross-cultural mission in the UK			
▪ Mission Theology and missiology			
▪ An insider's view of the non-			

Western church			
Missional Church Leadership			
▪ Young people and youth cultures(s)			
▪ Church leadership in the UK			
▪ Mobilising for mission			
Outward looking			
▪ Developing mission in a church			
Visionary thinking			
▪ Seeing through the chaos of the moment and seize opportunities			
Observing trends			
▪ Research in mission and church trends			
▪ Understanding of the key issues affecting mission			
Other skills (please list)			