

DIVERSITY BY DESIGN

Diverse leadership is critical for good governance and decision making. Studies have found that organizations with diversity at the top are more profitable, with benefits for consumers, shareholders, and citizens.¹ To anticipate both challenges and opportunities on the horizon in a fast-changing world, organizations need a diverse, balanced team offering a variety of perspectives. Yet, progress on this front over the last 30 years has been minimal, even as the pipeline of diverse candidates has greatly expanded. **WHY?**

The current criteria for inclusion in many institutions perpetuates “sameness,” where our sourcing, hiring and appointment practices are built on historically flawed systems that excluded women and people of color. When diversity is an afterthought rather than a part of the creative process to shape institutional policies and culture, we find ourselves with boards and executive suites that struggle to include diverse members because they don’t meet the “criteria.” If an organization can’t find diverse candidates to sit on its board or c-suite, it is time to **CHANGE THE CRITERIA**. That’s what intentionality and **DIVERSITY BY DESIGN** are all about. Diversity must start with structural changes made by those with power at the board and executive levels. Currently, diversity is often an add-on or an afterthought. Real inclusion will only come when boards and leaders restructure their organizations to address systemic biases.

Many of today’s diversity and inclusion efforts center on training women and people of color to be ready for leadership. Business and civic leaders need to do more. Our existing leaders need training too. They must examine their own biases and the role unconscious bias plays in business processes, hiring, and advancement.

DIVERSITY SNAPSHOT OF BUSINESS ADVOCACY ORGANIZATIONS

The WPG Initiative chose to focus on the 25 most prominent business advocacy organizations in Massachusetts because they represent the concentrated voice of the state’s business community. This 2019 Diversity Snapshot is intended to serve as a baseline for how women and people of color are represented among leadership of these groups. We use the term business advocacy organization broadly to indicate non-profit entities and associations that do research and/or conduct advocacy around business, tax, economic development, and other public policies that impact our capital city and state. These groups have outsized impact on the direction and growth of our economy, which

makes diversity among them paramount. They have the clout to not only drive change within their own bodies, but also to inspire action and motivate change in our broader community.

This research aims to be the beginning of a positive and public dialogue among these groups and the business community from which they recruit their leadership. We appreciate the partnership of those organizations that responded to our

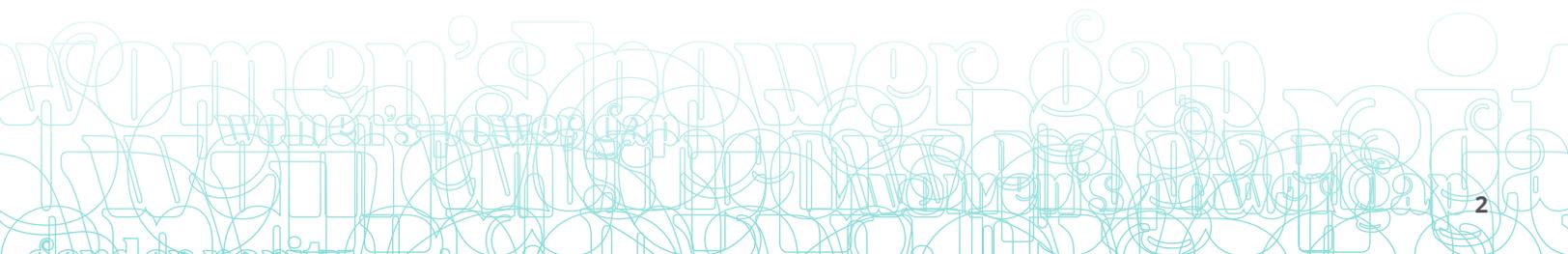
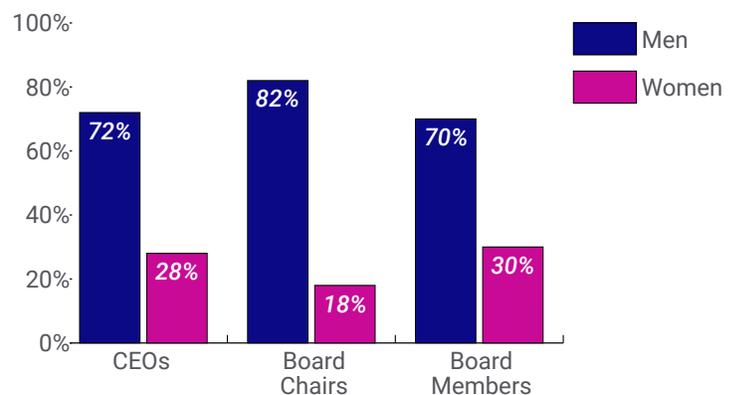
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data request and ask others to join the effort. Let’s work in partnership and move forward as a Commonwealth with bold and innovative change.

MEASURING THE WOMEN’S POWER GAP

Women and people of color account for 51.5% and 28%, respectively, of the state’s population yet are significantly underrepresented in leadership positions.² We define the Women’s Power Gap as the difference between the percentage of men and women in leadership positions. Among the 25 most prominent business advocacy organizations in Massachusetts, men and women comprise 72% and 28% of CEO positions, respectively, which equates to a power gap of 44%. Among board chairs, men and women count 82% and 18%, respectively, for a power gap of 64%. At the board level, men make up 70% of members and women 30%, for a power gap of 40%.

MEASURING THE WOMEN’S POWER GAP AMONG PROMINENT BUSINESS ADVOCACY GROUPS IN MA



EXECUTIVE COMMITTEES' GENDER AND DIVERSITY DATA

ORGANIZATION NAME	EXEC COMM MEMBERS	WOMEN EXEC COMM MEMBERS	POC EXEC COMM MEMBERS	WOC EXEC COMM MEMBERS
Boston Bar Association	11	5 (45%)	4 (36%)	3 (27%)
Greater Boston Chamber of Commerce	34	7 (21%)	9 (26%)	2 (6%)
Mass Municipal Association*	12	4 (33%)	N/A	N/A
Massachusetts Biotech Council	5	2 (40%)	N/A	N/A
Massachusetts Business Roundtable	26	7 (27%)	N/A	N/A
Massachusetts High Tech Council*	7	0 (0%)	N/A	N/A
Massachusetts Taxpayers Foundation	14	5 (36%)	1 (7%)	1 (7%)
Mass Tech Leadership Council	14	5 (36%)	N/A	N/A
NAIOP Massachusetts	21	10 (48%)	2 (10%)	2 (10%)

*This information was found through public/online sources.

RECOMMENDATIONS

Following is a list of recommendations for organizations to consider. It is important to note that most business associations (as opposed to non-profit organizations) are membership based with corporate members designating the representative for the board seat; this can make achieving diversity more challenging. The Women's Power Gap Initiative will compile, update, and publish this research annually. We ask our state's business advocacy groups to partner with us to provide access to the data and share strategies found to accelerate the pace toward gender and racial parity among their leadership.

- Organizations which have not achieved gender parity on their boards should fill immediate vacancies with women, and particularly, women of color until parity is reached. If necessary, they should change the criteria for inclusion to add more diversity.
- Organizations should look broadly at the composition of their leadership team, set gender

and diversity goals, and work intentionally towards balance.

- Organizations should elevate more women to serve as chairs and officers on their boards and executive committees when the next round of officers' terms expire.
- Organizations should routinely require "unconscious bias" training for boards, presidents, and other senior leaders to examine the role unconscious bias plays in hiring and decision-making.
- Individual leaders and board members can personally set goals around diversity. Both the Greater Boston Chamber of Commerce and MassBio will not run any all male panels, or "manels" in their programming, and the CEOs of these two groups won't participate on manels held by other groups. Board members could follow suit.

REFERENCES

1. Hunt, Vivian, Sara Prince, Sundiatu Dixon-Fyle, and Lareina Yee, "Delivering through Diversity." McKinsey and Company, January, 2018, www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity.
2. United States Census Bureau, July 1, 2017 estimate. <https://www.census.gov/quickfacts/ma>. Downloaded August 20, 2018.

