

BOARD DIVERSITY FOR DESTINATION ORGANIZATIONS

“Recognize that diversity brings richness. Diversity brings new ideas. Diversity brings growth. Diversity brings dynamism. Diversity brings energy. And, lack of diversity means sameness, dullness, lack of growth.”

– Nonprofit Quarterly

SITUATIONAL ANALYSIS

The majority of Destination Organizations in America operate under the auspices of a nonprofit Board of Directors. Even those Destination Organizations that are divisions of Chambers of Commerce or operate within the confines of government typically engage with an Advisory Board.

Ostensibly, these Boards exist to represent their constituency and help guide the Destination Organization in its efforts to enhance the region’s visitor economy and, thus, the quality of life for residents.

In their initial incarnations, these Destination Organization Boards were often comprised of hoteliers. The managers of these properties were the ones responsible for remitting the hotel occupancy tax to local government and, thus, it was initially believed these individuals were best suited to guide the work of the Destination Organization.

Over time, it became apparent that a more diverse set of individuals needed to be at that table. Restaurateurs, retailers, attractions, and cultural and business leaders were recruited to better represent the community the Destination Organization was promoting.

Today, we realize a much broader diversification of the Destination Organization Board is needed; one that takes into consideration a more comprehensive understanding of those we represent through our work to enhance quality of place and life. A recent study out of Indiana University found that only 7.5% of nonprofit

Board rosters were made up of African Americans, when the black population of the United States is nearly twice that.

In a recent study by Searchwide Global, the leading executive search firm in the travel and tourism space, it was found that Destination Organization Boards were typically boomer-male dominated, and 65% of Destination Organization CEOs were dissatisfied with the ethnic diversity on their Boards. This absolutely needs to be addressed as we seat new leadership. Other findings from the Searchwide Global study:

- While LGBTQ representation has improved, it is still rarely addressed at the Board level.
- There are very few Boards that include those that are physically challenged in some way.
- Young professionals need to be better represented as the future leaders of their communities.

So, if the majority of today’s Destination Organization CEOs are dissatisfied with their Board composition, why have we not seen substantial progress to address this disparity? Historically, nonprofit governance models restrict the influence of the CEO in the nominating process, and for good reason. A CEO that “calls the shots” on Board nominations can easily drift into a habit of only pulling talent from their own networks. Alternative voices should not be denied access to the Board.

In other cases, state or local statutes dictate the make-up of a Destination Organization Board, often making

it impossible for the organization to place a diverse set of individuals in available seats. And, in situations in which all seats are appointed by investing governments or other organizations, the Destination Organization is completely at the mercy of the appointers.

As the nation increasingly recognizes its lack of diversity and inclusion in opportunities for minority communities, it is clear that change must begin at home. Destination Organizations must more accurately represent the community they serve, both internally (staff) and at the Board level, which may require a change in bylaws or state statutes.

Effective leadership is forged by a number of factors, including life experience. It's vital to have individuals of different backgrounds help guide the organization's future, whether those backgrounds were shaped by race, gender, sexual orientation, physical abilities or industry experience.

While Board members must share the same values and mission of the organization on which they serve, the best Boards are made up of individuals who have experienced different life paths from which they can share their unique perspectives on the challenges and opportunities ahead.

Without diversity, Destination Organization leadership will not be prepared to advocate for the interests of their community when speaking to legislators, community leaders or investors. Without Board diversity, it is unlikely that key diversity initiatives will remain a top priority for Destination Organizations and a consistent pillar in strategic plans. History has shown us that without diversity at the Board level, these conversations will, over time, become less and less important in the boardroom and, thus, be more likely to slip off the radar for the CEO.



However, with a balanced set of diverse voices on the Board, the CEO will have clear accountability and metrics to measure the impact and success of diversity on many levels, especially the areas brought to our attention by Black travel industry leaders in their open letter entitled, A NEW Vision for the TRAVEL Industry:

"We are...saddened by the deafening SILENCE from many of our peers and colleagues in this industry. To paraphrase civil rights activist Eldridge Cleaver, "If you are not a part of the solution, you are a part of the problem." Clearly, whether we realize it, admit it, or like it, all of our lives have been impacted and our world has changed. This industry must and will also change. HOW will be determined by the actions we take NOW. One thing is for sure, going forward, we can no longer "do business as usual."

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Excerpt from the open letter: A NEW Vision for the TRAVEL Industry written by Black travel industry leaders

“Although it is not imperative for creating change, history has taught us that it is helpful for those concerned to fully recognize the NEED for changes to be made. So if we can at least begin by accepting that racism has no place in this country or our industry, perhaps a starting point for making things better would be to establish meaningful platforms to have open conversations to LISTEN to those in the industry, as well as the broader traveling public whose experiences are shaped by the policies and decisions made by those of us in positions of leadership.”

A 2017 McKinsey & Company analysis of over 1,000 Boards found that those corporations with an ethnically diverse roster had a 33% likelihood of outperforming on profitability than those that did not. While Destination Organizations are not generally focused upon “profitability,” the implications are clear. Operating with a more diverse Board sets organizations up for greater success than those who do not.

As Boards progress down this path, they must not be driven by tokenism or fulfilling a quota. Boards must be dedicated to diversifying the voices at the table to engender deeper and more reflective conversation and debate on those topics that matter most to the community.

As intentional as they may be, Destination Organization Boards will never achieve perfect diversity. Just as the pursuit of perfection is a journey and not a destination, so will our efforts be. Understand that absolute diversity would create a Board the size of which would become completely unwieldy and unable to effectively perform. But we can try, year after year, to get it right.

The “end game” is to leave no stone unturned in our effort to identify ways to bring more diversity to the conversation, and then “make it so.”

Our communities deserve no less.



STEP BY STEP

1. The uncomfortable conversation.

Is the Board and Organization willing, ready and able to address diversity, equity and inclusion in a meaningful way? If not, you can stop right here. But you know you shouldn't.

2. Perform an honest assessment of whether the Destination Organization Board represents the community it serves.

The Board must go beyond representing the hospitality community to ensuring diversity in race, ethnicity, age, gender, mobility, sexual orientation, etc. Ask what the Organization means when it says it supports diversity. Evaluate the culture of the Organization and the institutionalized rationales for how the present Board was selected and seated. Identify where Board diversity is weak and where success has been achieved.

3. Develop a public-facing statement regarding the Organization's unwavering support of diversity, equity and inclusion both internally and community-wide.

If you don't know where to start, there are scores of excellent examples from corporate America. Add it to your website, your Annual Report and have the Statement ready when clients or the media asks for the Organization's position.

4. Establish a standing committee dedicated to ensuring diversity, equity and inclusion both internally and community-wide.

Build the committee with a diverse cross section of the community that is well-connected within their unique networks. A large part of the reason diversity has not been realized on Destination Organization Boards is that nominating committees are often made up of existing Board members who call upon their peer network to fill open Board seats, inadvertently making it a closed club.

5. Establish goals for diversity at all levels of the organization (board, committees & staff).

Boards are more inclined to achieve goals than vague initiatives.

6. Create a Board Nominating Committee that includes community leaders that did not hold Board seats.

Include leadership from under-represented segments of the community to ensure that a more diverse set of candidates can be identified and considered. The CEO should be an integral member of this committee, as they likely have connections within networks the Board may not, and it is their job to identify the needs of the organization for the committee and Board's consideration.

7. Create a Board Development Matrix to guide the nomination process.

A matrix ensures that personal bias or friendships don't cloud decision making. Assign points for each important aspect each candidate brings to the table:

- Diversity (as outlined above)
- Influence within their network
- Influence in the community

8. Reach out to influential leaders within each target community for recommendations for future Board members.

We cannot rely on the Board's existing networks to achieve diversity. Develop new pipelines to engage underserved communities to attract future talent.

9. Upon seating the new operating year's Board, develop an intentional onboarding process prior to the first meeting of the year.

To ensure total Board engagement, an onboarding event should be scheduled prior to the first Board meeting of the year to ensure that all Board members are ready to meet the job at hand with a full understanding of the opportunities and challenges ahead. All Board members should attend; veterans should be there to both welcome new

members and benefit from a refresher course on the issues before the Destination Organization and Destination. This is also the meeting in which the ground rules are clearly established that assimilation of new Board members will not be tolerated. The best Boards want members that question the status quo and make it clear that dissent is valued as critical to future success.

10. **Develop a pipeline of future candidates to operationalize the process.**

Be purposeful in creating committees and task forces that are as diverse in representation as possible to ensure that your initial efforts in diversity, equity and inclusion are not “one and done.” If yours is a college town that offers an MBA program, consider a Board Fellows Program to add non-voting student Board members who are encouraged to participate in discussions and share their unique knowledge and perspective. These students could also be called upon to materially participate in Board projects and initiatives.

INITIAL OPPORTUNITIES FOR THE NEXT BOARD TO CONSIDER

1. **Develop organizational procurement policies that ensure a percentage of purchases and professional services are from Black and/or minority-owned businesses.**

PHL Diversity has found that many minority business owners, while successful in their own neighborhoods, are not aware of the opportunities available to bid on contracts for the Destination Organization, event clients and other typically non-minority business opportunities. Destination Organizations need to be intentional in making these opportunities known and available in these communities.

2. **Establish a standing committee of diverse representatives to review all marketing and sales materials, images and campaigns to ensure messaging is accurate and speaks to diverse and targeted audiences.**

As much as Destination Organizations say they portray a diverse image of their communities, the reality is that many don't. A standing committee to review and suggest imagery, video and messaging should be viewed as a blessing to Marketing Departments that are desperate to “get it right.”

3. **The Board is to direct the CEO to ensure that the Destination Sales Team dedicates itself to assisting convention and event clients in diversifying their**

program and local procurement from diverse speakers and vendors.

Our clients are just as interested in doing the right thing when it comes to diversity, but they are even more unaware of how to do it in a town in which they do not live. The Destination Organization can be the destination consultant who suggests adding a keynoter from the community that can both welcome and inspire and may come from a diverse background. Or, for that after-hours event, connect the planner to non-traditional caterers or event planners to broaden business opportunities for companies that have not typically been engaged with the Destination Organization.



TIMELINE

All Destination Organizations operate under their unique calendars. Some work within operating years that are on a calendar basis (January through December), some are fiscal (July through June) and others follow other formats.

WHAT TO DO RIGHT NOW

At your next Board meeting, begin asking the hard questions in our step-by-step process to achieve Board diversity. If the answers to Step 1 is “yes” and the answer to 2 is “no,” entertain a motion to change the bylaws, if necessary, to immediately add ex-officio seats to the Board to achieve an initial level of diversity. This will signal to under-represented communities that the Destination Organization is serious about inclusion and equity and will, at the same time, add diverse voices to the larger conversation of achieving long-range and sustainable diversity.

If your Destination Organization does not control a majority of the seats on the Board, schedule conversations with the entities that do and impress upon them the urgent need to reimagine how the Board is seated, focusing on this moment in time as an opportunity to achieve meaningful changes in how business is conducted in the community.

FIRST QUARTER

The Board Chair and CEO will name members of the Nominating Committee (preferably referred to as the Board Development Committee) that bring diverse voices to the table. The suggested roster would include the immediate past Board Chair as the Committee Chair and one member each from target talent pools. A suggested model would include one representative from each of the following: hotels, hospitality, corporate, and the arts and culture community.

The Board Development Committee should identify the organization's upcoming needs. Ask questions like:

- Who is stepping off the Board?
- What industries or constituencies do they represent?
- What skills do we need to replace or add to the mix?
- How can we increase the diversity of the Board?
- What areas do we need to augment, given the Board's stated goals over the next two years?

SECOND QUARTER

During the second quarter, the Committee moves from needs assessment to candidate identification. Each Committee member should arrive at the next meeting with a first- and second-choice candidate for each of the "needs" identified during the first quarter.

The goal for the Committee should be to develop a list of potential candidates that is at least double the number of available seats to be filled. In this way, the Committee will have flexibility should a candidate decline the invitation or emerge to be not as qualified as originally presumed.

THIRD QUARTER

This is the step that few Board Development Committees undertake, but can be exceptionally valuable. We recommend that the third quarter be reserved for one-on-one interviews with Board candidates. Questions about the Board and the Destination Organization can be answered in a conversational environment. There's no pressure. This is a "look-see" opportunity for both parties.

But, up front, this first meeting should lay out the bare minimums for Board Member involvement:

- Attendance at all Board meetings
- Active participation in assigned Board Committees or Task Forces
- A willingness to advocate for the organization and the destination
- An adherence to a Board Ethics Policy

FOURTH QUARTER

The Board Development Committee makes its decision, voting on the candidates who best match the Board needs that were identified in the first quarter. And the candidates who emerge from that vote are forwarded to the full Board as the Board Development Committee's recommended slate of new directors.

The final slate represents the best, the brightest and the most capable individuals for the growth of the destination and the organization at that point in time. And the Board can be sure that it's getting the best because of the thoughtful process used by the Board Development Committee, instead of the harried proceedings that characterize most selection processes and typically limits new Board members to the "usual suspects."