

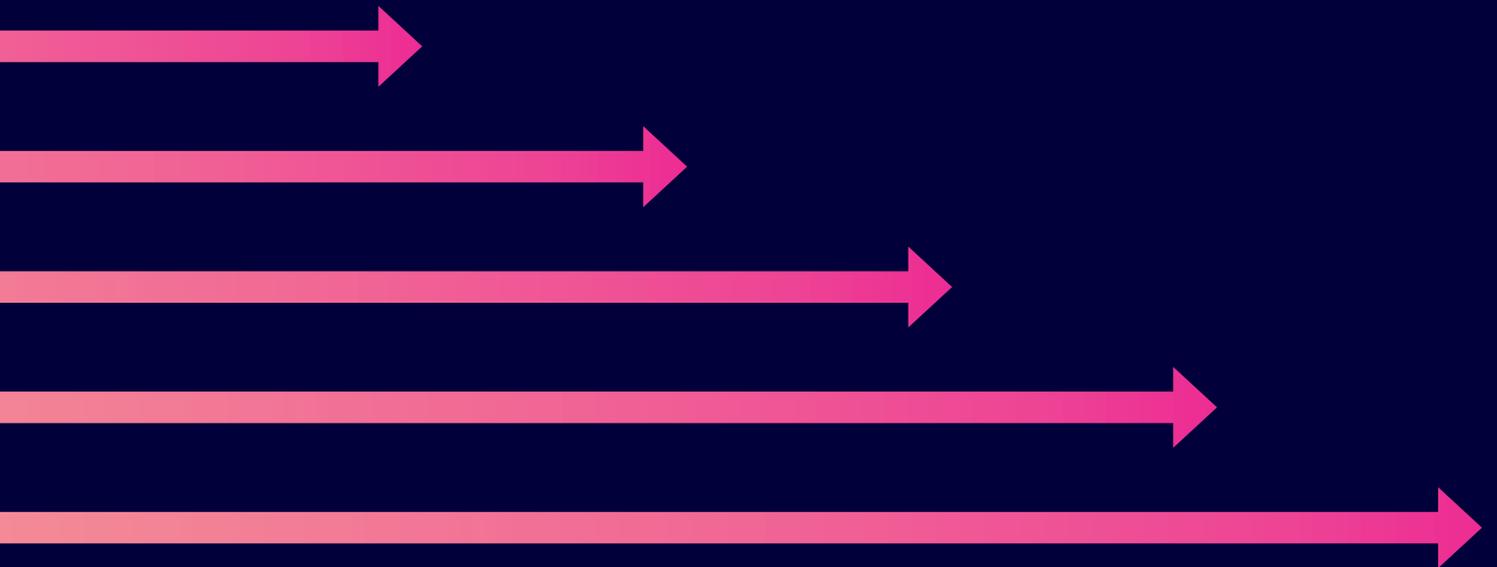


YWCA CANBERRA



# BRINGING ON BOARD

A GUIDE TO ESTABLISHING A  
DIVERSE BOARD THROUGH  
A TRAINEESHIP PROGRAM



## **ACKNOWLEDGEMENT OF COUNTRY**

YWCA Canberra proudly recognises the rights of Aboriginal and Torres Strait Islander peoples to own and control their cultures and pays our respect to these rights. YWCA Canberra acknowledges the need to respect and encourage the diversity of Indigenous cultures and to respect Indigenous worldviews, lifestyles and customary laws.

We extend our respect to the Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on country.

This land was never surrendered, and we acknowledge that it always was and will continue to always be, Aboriginal land.

## **ACKNOWLEDGEMENTS**

YWCA Canberra acknowledges all of the women who have served on our board since 1929. These positions have always been voluntary and our board members have devoted their time and efforts to improving the lives of other women and the community more broadly. We know that we are where we are today because of the work, dedication and commitment of these women and we thank them for their service.

We would like to thank our interview participants for their time and generosity in building an understanding of benefits to be found in establishing a robust Board Traineeship Program with a diversification agenda.



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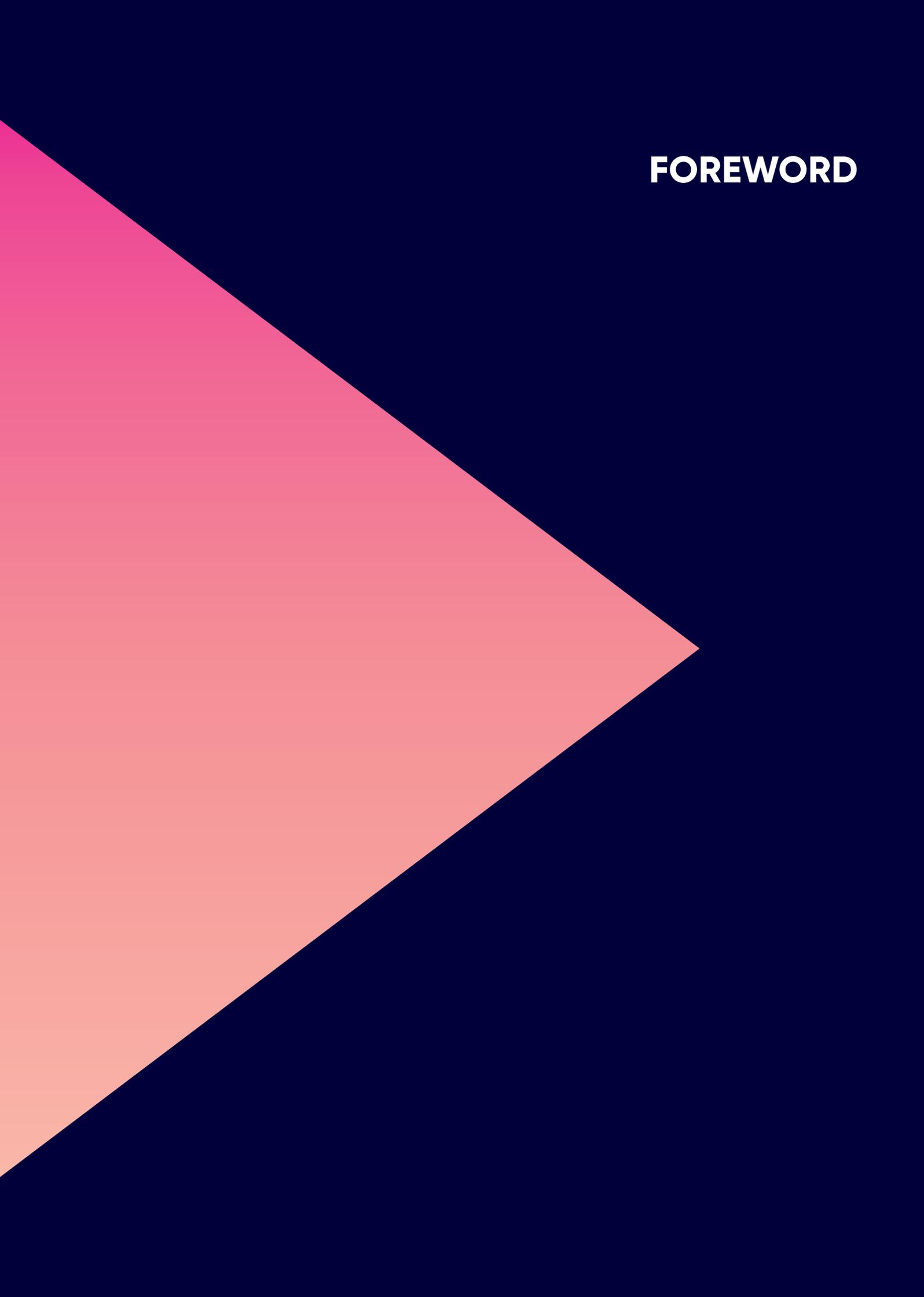




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# FOREWORD

## JUDE BURGER

### YWCA CANBERRA PRESIDENT

Greetings,

Diversity of thought in leadership is critical to the continuing success of companies today. Our world is increasingly fast-paced and complex, and traditional ways of managing organisations have been disrupted. Assessing an organisation's ability to manage in this environment needs to include consideration of the experience and skills of the board to lead amidst disruption and uncertainty.

We have all seen research showing that companies that focus on gender diversity on their boards have stronger financial performance. Some of this research is outlined in this document. Other research has also found that companies with a greater age range on their boards perform better than those without. Indeed, variety of all kinds brings the cognitive diversity to the boardroom that organisations require to perform optimally.

YWCA Canberra is a large and growing community services organisation with over 300 staff, working in children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy. The YWCA Canberra board has only ever had women non-executive directors, and our constitution requires 30 per cent of our board directors to be age 30 or younger at time of their appointment. I have no doubt that having diverse voices on our board (women of different ages, races, skills, backgrounds and abilities) has increased our capacity to effectively lead the organisation.

Starting in 2002, YWCA Canberra's one-year Board Traineeship Program (the Program) reflects our commitment to women's leadership and provides a pipeline of future leaders for the organisation. The challenges of managing a large not-for-profit organisation with a wide range of services within a tightly regulated environment gives trainees fantastic exposure to the role of a board director. To date the Program has given 65 women access to our board over the last 17 years.

I participated in the Program in 2005. I had completed YWCA Canberra's board governance training and wanted a 'trial period' of being a board director without having a full three-year commitment.

My values are deeply aligned with the YWCA movement and it was a great pleasure to work with the organisation in this capacity. I greatly enjoyed the experience provided by the Program and joined the YWCA Canberra Board as a non-executive director in 2006.

Now in my third year as President, and after three terms on the board in total, I have seen many women come through the Program. So many trainees have told me how much they have learned and how grateful they are for the existence of the Program. Some of these women have stayed on to join our board, and others have moved to other organisations, yet all have an increased appreciation for good governance and managing organisational complexities which will serve them well in their careers.

Despite the established benefits of increased diversity, and the recognition that targeted efforts are needed to bring underrepresented groups to the boardroom, the Program is one of very few in Australia designed to address this gap. I urge organisations to consider developing similar programs to increase variety on their own boards, whether the focus is on gender diversity or broader diversity targets.

More board traineeship programs in Australia will support representation in our boardrooms, with a resultant broader spectrum of ideas, experiences and opinions.

Now, go and build a better board!

Best regards  
Jude Burger, GAICD

President  
YWCA Canberra

## JULIE MCKAY

### FORMER YWCA CANBERRA BOARD DIRECTOR

No country in the world has achieved gender equality and, as such, there is no clear road map for countries to follow. However, it is indisputable that the key ingredients for a society where women and men are able to thrive is one where women have equal access to economic security, can live free from violence and are leaders in all fields.

YWCA Canberra is an organisation dedicated to the advancement of gender equality through investment in each of these areas. Targeted interventions to increase the number of women in leadership roles are necessary to drive change and, for this reason, I am incredibly proud to be involved in this report. Not only is it the 'right' thing to do, but increasing the gender diversity on boards makes good business sense. The Harvard Business Review (2012) found that:

- Fortune-500 companies with the highest representation of women directors on their boards reported a 42 per cent greater return on sales and a 53 per cent higher return on equity than the rest.
- Research shows that companies with women directors deal more effectively with risk - they better address the concerns of customers, employees, shareholders and the local community, but also tend to focus on long-term priorities.
- Research shows a strong link between the presence of women on boards and enhanced reputations.

The adage '*what gets measured, gets done*' is still true today. Targets and quotas continue to demonstrate that there is no shortage of talented and qualified women (something I suspect we all already knew). As the pressure on shareholders to meet diversity requirements continues to grow, we must continue to expand the talent pool and look for candidates that may not fit the traditional mould.

Women often approach career opportunities differently to men and can be reluctant to put themselves forward for opportunities until they are fully qualified, or even over-qualified. The value of programs such as YWCA Canberra's Board Traineeship Program cannot be underestimated. The role traineeships play in boosting the confidence of young women and fostering leadership capability benefits us all.

YWCA Canberra was core to my own leadership journey - my time serving as a Board Member and as Vice President helped me to hone my leadership and communication skills, and continued to build my professional confidence. I have no doubt that my time serving on the YWCA Canberra Board opened many doors for me both in my professional career and for other board positions.

I am extremely grateful for the opportunity that YWCA Canberra gave me, and I am proud that many other young women are given the same chance through the Board Traineeship Program.

Julie McKay  
Former Board Director (2008-2015)  
YWCA Canberra



# EXECUTIVE SUMMARY





Boards are critical to an effective organisation. As the governing body responsible for setting an organisation's strategic direction, the board and its directors are ultimately accountable for managing performance in respect of this strategic direction, for enhancing the performance of an organisation's workforce (its people), its financial performance as well as being a good corporate citizen.

The benefits of diversity in an organisation are well documented and appreciated.

Much like the organisation it governs, a board that is diverse will function better, where its directors are making decisions with the full consideration of a broad spectrum of ideas, experiences and opinions that better reflect the workforce and society, and are benefiting from the robust discussions and different leadership styles that this diversity brings.



To this end, YWCA Canberra continues its work on achieving greater diversity on its board through a number of initiatives, including its Board Traineeship Program (the Program). The Program promotes greater access to leadership pathways for young women and opportunities to gain a first foothold of a board position.

The Program was established in 2002 to further YWCA Canberra's focus on achieving gender equality and to contribute towards the World YWCA goal of "transforming power structures to create justice, gender equality and greater inclusion of women".

The Program reflects YWCA Canberra's commitment to supporting women's leadership, provides a pipeline of experienced women to take on board positions in the ACT and also maintains its own board diversity.

Importantly, the Program provides an opportunity for trainees to gain a deeper understanding of board operations and governance, without the risk of a full director's responsibilities, giving women the opportunity to gain experience, support and mentoring to further their journey as transformative, bold and skilled leaders.

While YWCA Canberra recognises that diversity (and the pursuit thereof) is much broader than the inclusion of people of differing ages, the Program and its agenda fosters an intergenerational dialogue at the most senior leadership level of the organisation. It also provides women (particularly young women) with board experience and an opportunity to later nominate as a full member of the YWCA Canberra Board.

Recognising the barriers to women's board participation and providing opportunities is essential to improving gender equality and diversity in boards. There are many diverse candidates who are 'board ready' now but are either not putting themselves forward for consideration, are not perceived to have requisite board experience, or are not able to access opportunities to develop board skills in the first instance.

Without a deliberate policy or program to facilitate change, the absence of women in leadership roles, including on boards will largely remain unchanged. The absence of women makes it harder to overcome systemic organisational biases about their leadership abilities, and the status quo remains.

Further, research has shown that recruitment still favours a 'people like us' approach, often unconsciously, making it difficult for diversity to be introduced. The absence of female role models remains a longstanding barrier, with intergenerational consequences, preventing women from even considering themselves as leaders.

This system creates an environment where women are reluctant to pursue senior roles or opportunities for career promotion. Often, it is only when women are fully qualified or over-qualified that they will apply, rather than seeing the application process and the opportunity for feedback as a learning exercise in itself.

Unconscious workplace biases, perceptions around female capacity and recruitment practices that perpetuate the status quo leave women un-mentored, unprepared and questioning their own potential.

Programs that provide women with opportunities to observe board directors or participate as observers not only remove barriers that women and other underrepresented cohorts of the community face, but also provides immense benefits to the organisation in return.

Despite the benefits of these programs, very few organisations are taking action to provide these opportunities. This is true even where diversity and inclusion are strategic focus areas for organisations. Often resource constraints and confidentiality/legal considerations are cited as key barriers to adoption.

YWCA Canberra encourages organisations to consider how a board traineeship program could be used in pursuit of greater diversity, to better reflect the diverse lived experiences of the community and to empower future leaders.

This publication seeks to address and reduce barriers to organisations adopting a board traineeship program by outlining the key steps involved including:

1. defining the objectives of the board traineeship program
2. securing commitment from key stakeholders
3. considering any risks and how they could be mitigated
4. defining the elements of the program
5. defining the program selection criteria and conducting the application process
6. introducing a pilot (optional)
7. ensuring continuous program improvement.

Board traineeship programs provide a structured approach to increasing the participation of underrepresented groups at the most senior leadership level in an organisation. A board traineeship program that focuses on diversity of experience will allow participants to observe a board and understand where their individual skills, knowledge and judgement can benefit.

It's important to note that these programs are not a silver bullet for increasing board diversity. Candidates with diverse backgrounds who are suitably skilled and experienced may be overlooked due to structural or attitudinal barriers in an organisation. As such, a board traineeship program should not be the only pathway for these candidates to obtain a board appointment.

Critically, the success of these programs in increasing diversity is contingent upon buy in from key stakeholders within the organisation and on the implementation of board traineeship programs across multiple organisations. More board traineeship programs will drive the critical mass required to create a louder voice for underrepresented cohorts and a greater likelihood of success in agitating for change.



# CASE STUDY

## HANNAH WANDEL, 2014–15 BOARD TRAINEE

Hannah Wandel first came into contact with YWCA Canberra when she was awarded a Great Ydeas\* grant to help kickstart her own not-for-profit, Country to Canberra (C2C). Being new to Canberra at the time, Hannah was keen to upskill, broaden her network and give back to the organisation and community, so she applied to the YWCA Canberra Board Traineeship Program.

Through the Program, Hannah gained insights into the governance and financial aspects of a board and the Program allowed her to put her law background into practice. The skills and experience she gained from the Program provided her with the confidence to move forward in her career and access other board opportunities. Following her traineeship she was elected to the organisation's Board of Directors and undertook a three-year term.

Hannah found the Program very valuable and continues to be a strong advocate for the organisation. Hannah says the Program and initial Great Ydeas grant has supported her endeavours to where she is today. Hannah has continued her work with C2C as the founder, CEO and Chair, which provides passionate rural girls the opportunity to visit Canberra to motivate leadership potential.

Through the experience gained from the Program and the initial funding from the Great Ydeas grant, Hannah has built C2C to run five programs that educate young rural women about leadership, gender equality and self-empowerment. The Program also led her onto the CEO Advisory Panel at Commonwealth Bank.

Hannah is widely recognised as a social entrepreneur and gender equality advocate and was recently awarded the 2019 ACT Young Australian of the Year. Hannah also continues to have an unwavering commitment to the empowerment of young women.



“The YWCA Board Traineeship Program provided me with confidence in my own skills and further opportunities in my career and other pursuits.

The YWCA Canberra Board Traineeship Program definitely acted as a launching pad for me.”

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\* YWCA Canberra's Great Ydeas Small Grants Program provides funds to local women, including female identifying and non-binary people and girls, to pursue a professional development opportunity, pilot a project, kick-start a business idea, or address a need in the community.



# ACHIEVING DIVERSITY THROUGH A BOARD TRAINEESHIP PROGRAM

Although the benefits of diversity\* in an organisation are well documented and appreciated, there is no single solution to increasing diversity in an organisation or its board.

Quantitative targets are commonly used as a means for increasing diversity. In 2015, the Australian Institute of Company Directors (AICD) announced a voluntary target of 30 per cent of women serving on boards, with ASX 200 companies being encouraged to meet this target by 2018. Since this target was announced, there has been an increase in the number of women serving on and appointed to ASX 200 boards and 96 ASX companies reached the target by 31 December 2018 (AICD, 2018a).

According to the AICD, *“In 2018, 45 per cent of all appointments to ASX200 boards were women, which demonstrates that voluntary targets can be effective. Even more satisfying is that for almost half of these women it was their first ASX200 appointment, which is proof that boards are looking beyond the existing talent pool.”* (AICD, 2019)

While it is positive to see that these voluntary targets are influencing organisational change, and progress is welcome in this regard, the duplication of over half of these women across boards needs to be examined further and must be a continued point of improvement.

Similarly, other organisations have reported increases in the diversity of board candidature following the introduction of a target. For example, consultation with the Office for Women within the Victorian Government revealed the number of women newly appointed to paid Victorian public board positions increased from 40 per cent in March 2015 to 54 per cent in April 2019 (Victorian Government, 2019) since the announcement of a diversity target of 50 per cent of women for new appointments to paid public boards.

Although targets have assisted in the diversity agenda, a key question remains:

**How can we reach greater diversity on boards and provide a voice to underrepresented segments of the workforce or society where those people have difficulty finding board opportunities?**

**One method of solving this problem is through a board traineeship program that promotes a diversity agenda and facilitates board access.**

There are many candidates with diverse backgrounds who are 'board ready' but may be overlooked for board positions due to structural or attitudinal barriers in an organisation. As such, a board traineeship program is not the only pathway for candidates to obtain a board appointment. However, a board traineeship program focused on diversity of experience will give potential board candidates the opportunity to observe a board and understand where their individual skills, knowledge and judgement can be of benefit.

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\* Diversity refers to differences in gender, age, ethnicity, ability, class, sexual orientation, experiences and other aspects that distinguish between groups of people.

## WHAT IS A BOARD TRAINEESHIP PROGRAM?

Board traineeship programs provide an opportunity for people to gain informal experience in a formal board environment. Trainees are often provided with mentoring, education and board experience, which develops their skills and knowledge in areas such as governance, financial literacy, decision-making and strategic planning.

The role of a board trainee is to be an observer (without the formal election onto the board); however, a trainee may receive greater support (or different support) than elected directors do to facilitate their learning experience.

Generally, a board traineeship would incorporate:

- Training and education, including access to training programs or resources to develop relevant board skills or knowledge (such as governance, finance or leadership skills).
- Mentoring by an elected board member, such as a 'buddy system' where the trainee is encouraged to ask questions, seek advice and guidance.
- Being an observer on the board, which includes participating in board discussions. Trainees are not registered directors and are not afforded voting rights, but often attend board meetings and are provided with board papers.

Additionally, a board traineeship program may include access to networking events to provide opportunities for the trainees to connect with peers and elected board directors.

Although some organisations provide training programs and other resources for potential board applicants, research found that very few organisations offer a holistic board traineeship program that encompasses a practical element.



## **YWCA CANBERRA'S BOARD TRAINEESHIP PROGRAM**

Seeing a world where women are leaders in their communities, and participate in decision-making processes on a local, national and international level is at the heart of the work of YWCA Canberra. This commitment to supporting women's leadership begins in the boardroom.

YWCA Canberra established a Board Traineeship Program (the Program) in 2002 to support and nurture the leadership potential of women in the ACT. The Program forges leadership pathways and strengthens the skill sets of young women to become 'board ready' to maintain diversity on its board and develop a pool of skilled and experienced candidates for other boards in the ACT.

The Program is one strategy to meet our constitutional requirement that 30 per cent of our board members must be age 30 years or younger at the time of their appointment.

The Program has been recognised for its innovative approach to solving diversity targets and the impact it has made on Canberra women and the broader community, and has been acknowledged as best practice by bodies such as the AICD (YWCA Canberra, 2018).



**70%** on the job learning  
**20%** learning through others  
**10%** formal learning

The Program adopts a 70:20:10 learning model with a focus on on-the-job learning, coupled with learning through interactions with other board directors and peers and formal education. This model ensures a balance of experiences and learning for trainees.

YWCA Canberra board trainees are engaged for 12 months and up to four women are generally selected for the program each year. To meet our diversity objectives for our own board, the Program's selection criteria has greater weighting for women under 30 and young women with diverse backgrounds, experiences and skills.

The success of the Program hinges on Board Directors and Senior Managers engaging with trainees in a meaningful way and demonstrating a commitment to their development and participation. Feedback from trainees is considered and implemented through an evaluation and continuous improvement process to ensure the Program meets its objectives and the needs of participants.

Trainees are introduced to the organisation through a formal induction where they are provided with an overview of the board structure and operations (including board terminology and an explanation of board papers), key corporate documents, policies and procedures and the rules of engagement in the program.

Throughout the Program, trainees attain an in-depth understanding of the organisation and its purpose and contribute to the development of organisational strategy. Trainees also participate in an annual planning day, which sets or affirms the direction for the organisation for the upcoming year, and they attend all board meetings.

Although trainees are not provided voting rights, they are encouraged to provide their perspectives and ask questions during board meetings. Trainees are also encouraged to join board subcommittees and can provide insights from the board meetings to generate richer subcommittee discussions and informed referrals to the board.

To supplement their learning experience, trainees have access to informal mentoring opportunities with current YWCA Canberra board directors and are invited to participate in a range of operational events and activities. Trainees are also invited to participate in YWCA Canberra's She Leads Board Governance and Finance Workshops to hone their skills and knowledge. Upon completion of the Program, some trainees are successfully elected to the YWCA Canberra board, while others have leveraged their skills and experience to pursue other board or leadership opportunities.

Many trainees have progressed to an official board director position within the organisation. A notable example is Jude Burger, who was a trainee in 2005 and in 2019 is a board director and the President of YWCA Canberra.

The Program has not only increased YWCA Canberra's board diversity, but has helped break down institutional barriers through the injection of new skills and ideas. This, in turn, has directly influenced YWCA Canberra's strategic focus.



# CASE STUDY

## GINA ZHENG, 2015–16 BOARD TRAINEE

At 19 years of age, Gina Zheng was the youngest YWCA Board Trainee in 2015-16. Being passionate about youth empowerment and gender equality, Gina felt that YWCA Canberra's reputation for being a leader in the not-for-profit sector for gender equality aligned well with her passions.

When she first heard about the Program, Gina saw it as an amazing opportunity to become deeply involved with the organisation and was keen to gain insights into broader, higher-level strategic management and governance of not-for-profit entities.

The biggest value that Gina gained from the Program was exposure to the formalities of board operations that she had not had the opportunity to experience at her age. She also had the opportunity to attend sponsored AICD workshops.

Gina firmly feels that it is important for organisations serving young people to have young people as a voice on the board. She believes that the lack of youth inclusion on boards stems from the fact that opportunities are not often afforded to young people on boards, and the Program is a valuable initiative that addresses this barrier.

Since graduating from the Program, Gina has used her experience to pursue other opportunities including participating in YWCA Canberra's Finance and Governance subcommittees. She is the former ACT Director of Oak Tree and currently sits on the Programs and Influence Board Committee for Plan International Australia as a youth advisor.

The Program deepened Gina's understanding of the strategic analysis and considerations of not-for-profits and, more tangibly, provided her an incredible amount of insight into the financial operations of an organisation as well as best-practice governance procedures.



**“The YWCA Canberra Board Traineeship is a really valuable program because it provides young women and girls—whose voices are normally sidelined until the feedback or market-testing stage of the value chain—an opportunity to contribute directly and meaningfully to a programs and policy designs which intend to impact and benefit their demographic.”**

# THE IMPACTS OF A BOARD TRAINEESHIP PROGRAM

A diverse workforce stimulates broader inclusion and generation of ideas, greater innovation and work output, and commitment to the organisation where individuals feel that their unique contribution is valued (PwC Australia, 2016).

Accordingly, the diversity within our society should be reflected in the governing body that develops and steers the strategic direction of the organisation. In particular, a board that incorporates diversity mitigates the risk of 'groupthink' and can help break down barriers for new and diverse talent to access board positions.

Board traineeship programs can provide extensive benefits to an organisation by offering the ability to access new and wider perspectives in making decisions and the opportunity to test new skills on boards.

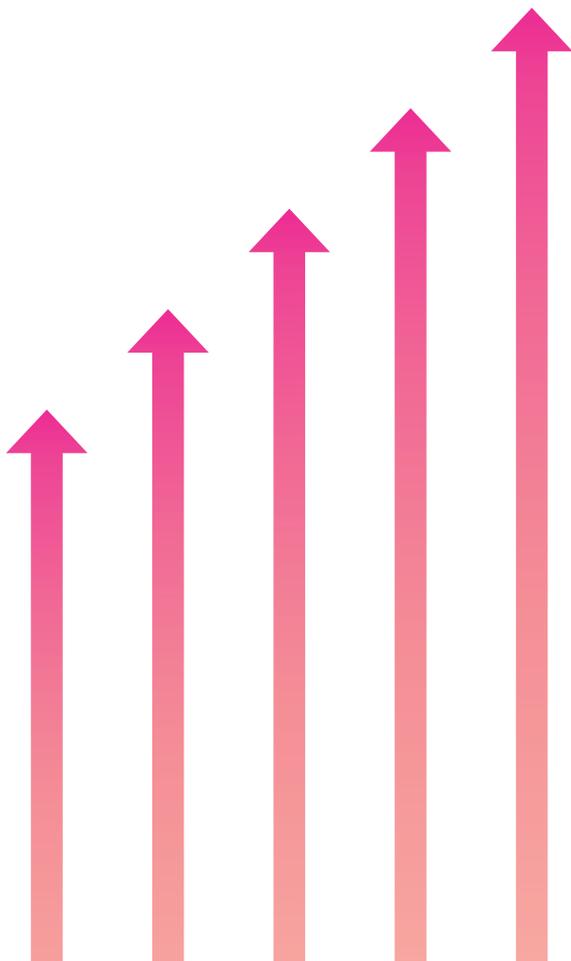
These programs can also support the development of future leaders, create a board director pipeline for an organisation, and unlock the strategic and financial benefits of diversity.

## OBTAINING NEW AND WIDER PERSPECTIVES AND AVOIDING 'GROUPTHINK'

Boards play a critical role in setting the strategic direction of an organisation and making key decisions. Much like the organisation it governs, a board that is diverse will function better and make decisions based on a broad spectrum of ideas, experiences and opinions.

In the short term, board traineeship programs provide an immediate opportunity for a board to access unique perspectives, enhance organisational reputation and demonstrate an inclusive company culture. In terms of cognitive diversity, trainees bring fresh perspectives and contributions to discussions. They are less likely to be predisposed to the board's historical ways of approaching problems and tendency to 'groupthink', promoting decision making that encompasses a greater range of perspectives.

Critically, board traineeship programs can provide a forum for underrepresented and diverse groups with little or no board experience to be productively involved in the strategy setting, decision making and governance of an organisation.



## TESTING NEW SKILLS ON BOARDS

Board traineeship programs can provide the opportunity for a board to test new and diverse skills, and allow organisations to assess whether these skills should be brought onto formal board appointments.

According to a study released by the AICD, when setting a strategy and looking to improve and future proof the performance of the board, the composition of its directors and the diversity of these people can be a source of strategic advantage. Boards will look to put forward an individual or several individuals that ideally bring a unique set of skills that can improve the board's performance through differentiated perspectives and experiences (AICD, 2018b).

For example, with the continued innovation and the emergence of technologies, digital disruption is a potential threat to many organisations and industry sectors. It is incumbent then on these organisations to have directors that are alive to the digital environment and can best develop the strategic direction that will serve the organisation. Younger trainees can bring non-traditional technology skills, such as social media and digital skills, which can complement the traditional governance and finance skills held by more established board members.

## SUPPORTING THE DEVELOPMENT OF FUTURE LEADERS

Longer term, board traineeship programs underpinned by diversity objectives provide underrepresented groups with unique opportunities, foster the development of the next generation of leaders and unlock the benefits of a diverse board.

Upon completion of a board traineeship program, participants are then equipped to formally nominate to join a board or participate on a subcommittee. This represents a significant advantage for organisations that adopt board traineeship programs, given graduates have a deep understanding of the organisation and existing relationships with board directors, and can immediately grasp and contribute to board deliberations.

Throughout a board traineeship program, participants develop valuable skills (including governance, business and financial management skills) through decision-making and leadership.

**Through this immersive experience, trainees often gain confidence and are empowered to pursue more formal board opportunities.**

Where graduates choose to join a board subcommittee (instead of the board), their organisational understanding enables them to contribute to the formation of more sophisticated and strategically aligned recommendations to be referred to the board.

Whether graduates continue within the governance of the organisation or not, they often become strong advocates for the organisation which often results in a range of mutual benefits.

## UNLOCKING THE STRATEGIC AND FINANCIAL BENEFITS OF DIVERSITY

The benefits of diversity are extensive and represent an opportunity for an organisation to gain a competitive advantage as well as be a good corporate citizen. However, the realisation of these benefits is contingent upon having a board (and executives) that represent the organisation's workforce and the communities it serves.

A board traineeship program, particularly one grounded by a diversity agenda, includes diverse voices in the organisation's decision-making and governance processes, unlocking the benefits that this diversity brings.

From a business performance perspective, organisational diversity has been reported as a source of significant financial competitive advantage, measured in terms of increased profitability and longer-term economic profit.

**A study undertaken by McKinsey found that in 2017, companies that measured in the top quartile for gender diversity on their executive teams were 21 per cent more likely to outperform organisations that fell into the fourth-quartile for gender diversity in their executive teams.**

In terms of ethnic and cultural diversity, companies that were measured in the upper-quartile were 33 per cent more likely to perform higher than those that measured in the lowest-quartile (McKinsey & Company, 2018). As businesses and societies evolve and workforces become more diverse, arguably there is a need to reflect this evolution at the top.

Generally, board directors across the world are becoming increasingly aware of the need to better reflect and understand the diverse requirements and motivations of both its workforce and stakeholders.

Responses from PwC's *2018 Annual Corporate Directors Survey* show that a majority of current directors in the United States believe diversity brings unique perspectives to the boardroom (94 per cent), enhances board performance (84 per cent), improves relationships with investors (81 per cent), enhances company performance (72 per cent) and improves strategy/risk oversight (72 per cent) (PwC, 2018).

Board traineeship programs provide a structured approach to increasing representation (albeit informally and temporarily) of minority groups at the most senior leadership level in an organisation. Inclusion and consideration of a representative voice at this level will work towards breaking down the barriers to inclusion and ensure that cognitive diversity pervades throughout the organisation's leadership.

Critically however, the success of these programs in increasing diversity in organisational leadership more broadly is contingent on a broad uptake. More board traineeship programs will drive the critical mass and evidence required to create a louder voice for representation of diversity groups and a higher likelihood of success in agitating for change.

# CASE STUDY

## TAHLIA-ROSE VANISSUM, 2017-18 BOARD TRAINEE

Tahlia Vanissum was first introduced to YWCA Canberra through other volunteering initiatives she was a part of when she moved to Canberra. She was very passionate about the LGBTQIA\*, Aboriginal and Torres Strait Islander and disability communities and was eager to bring the perspectives of these communities to the board.

The Program helped Tahlia realise how her life experiences could benefit a board and provided her with the confidence to lead other initiatives amongst her peers. Through the Program, Tahlia developed relationships with two of the directors on the YWCA Canberra board who provided her with informal mentoring and additional support. She also found it very valuable to link in with the other trainees due to their diverse backgrounds, which enabled them to bring something different to the board table.

One of the highlights of the Program for Tahlia was the initial planning day, where she was able to provide input into the organisation's strategy and see a tangible plan as the output. In addition, Tahlia found that her attendance at board meetings meant that she was able to provide insights during subcommittee meetings and again drive tangible outcomes. On completion of the Program, Tahlia highlighted a need for further formal training for participants and this feedback has since been incorporated into the Program.

The Program has helped Tahlia apply a strategic level of thinking in her job, which has helped to advance in her career in the Australian Public Service. She is also currently part of the Youth National Reference Group for headspace National Youth Mental Health Foundation Ltd.

Overall, Tahlia noted that she had not seen a board traineeship program like YWCA Canberra's and found that it was a great stepping-stone for her in the early stages of her career. If she was given the opportunity to undertake another board traineeship program, Tahlia noted that she would definitely do it again.



# ESTABLISHING A BOARD TRAINEESHIP PROGRAM

Despite the clear benefits of board traineeship programs, YWCA Canberra's program is one of very few in Australia. While the organisation has had a successful record with the uptake and effectiveness of the Program, many organisations hesitate to implement a similar approach.

## BARRIERS TO BOARD TRAINEESHIP PROGRAM ADOPTION

Insights from organisations in the not-for-profit and government sectors consulted for this publication indicate there is a perception that establishing and operating these programs requires significant administrative effort and resources.

Other common barriers to adoption included concerns around the legal status of trainees (including consideration of the trainee's fiduciary responsibilities) and the management of confidentiality (given trainees will be privy to board papers and board discussions).

## BOARD TRAINEESHIP PROGRAM PATHWAY

The below framework seeks to address the barriers raised by organisations by providing a practical guide on how a board traineeship program could be developed and implemented, and suggestions on how the concerns could be mitigated.

Given that the structure of a board varies from organisation to organisation, this resource defines some of the key steps that should be taken into consideration when implementing a board traineeship program.

The broad pathway for the implementation and maintenance of a board traineeship program is outlined below.

- 1 Define the objectives of the board traineeship program
- 2 Secure commitment from key stakeholders
- 3 Consider any risks and how they could be mitigated
- 4 Define the elements of the program
- 5 Define program selection criteria and conduct application process
- 6 Introduce a pilot (optional)
- 7 Ensure continuous program improvement

## 1. DEFINE THE OBJECTIVES OF THE BOARD TRAINEESHIP PROGRAM

The development of a successful board traineeship program should be underpinned by a clear understanding of the outcomes to be achieved through the program: *what does success look like, and how is it measured?* For example, organisations should consider whether the board traineeship program seeks to address current or future diversity gaps within the board, or whether it would be used to support the organisation's mission or broader strategic objectives.

A clear definition of the targeted outcomes of the program will ultimately drive its design and development and ensure that the organisation derives benefit from it.

## 2. SECURE COMMITMENT FROM KEY STAKEHOLDERS

A key factor contributing to the success of YWCA Canberra's Program has been the high level of commitment and investment made by board directors and senior management.

To successfully implement a board traineeship program, it must have buy in from the organisation's executives and key stakeholders; the program should ideally be a board-led initiative. Without this commitment and engagement by key stakeholders, including the board members themselves, the benefits cannot be fully realised.

A business case outlining the intended benefits and outcomes of a traineeship program weighed against any risks or costs could assist in obtaining key stakeholder support.

## 3. CONSIDER ANY RISKS AND HOW THEY COULD BE MITIGATED

Any risks associated with implementing a board traineeship program should be carefully considered by an organisation as part of any best practice approach.

The AICD provides guidance in relation to the duties and responsibilities of an individual when holding a board position, including whether a trainee can be considered a 'de facto director' that has the same legal and fiduciary responsibilities as an elected board member (AICD, 2013). Additionally, as trainees have access to board papers and are privy to board discussions, confidentiality must also be considered.

In the case of boards where elected directors receive remuneration for their role, organisations may need to consider whether trainees should also receive remuneration and what impact this may have on the fiduciary responsibilities of elected directors or the trainee (where they may be considered a 'de facto director').

Strategies to mitigate some of these risks could include ensuring that the traineeship program is supported by documentation or an agreement that formally outlines any 'de facto director' responsibilities that trainees may have.

Organisations may also ask trainees to sign a confidentiality agreement regarding the non-disclosure of information provided during board meetings. As these considerations are also relevant for elected board members, existing agreements and documentation used for elected board members could be reviewed and reframed for traineeship purposes.

As part of its Program, YWCA Canberra has sought to limit the liability and risk to the organisation and program participants through robust documentation and agreements and by formally raising awareness of these considerations to trainees through the induction process.





## 4. DEFINE THE ELEMENTS OF THE PROGRAM

The elements of the program should be developed in accordance with the organisation's objectives while also bringing value to trainees. An organisation should consider its resources and capacity, focusing in the first instance on incorporating elements that can be quickly and easily implemented while creating the most impact.

Similar to the YWCA Canberra Program, a 70:20:10 model should be considered as a way to optimise learning for trainees and reflect a best practice approach.

### **70 per cent on-the-job learning:**

Trainees should attend board and/or subcommittee meetings as non-voting members to gain an understanding into the functions and operations of boards and the roles and responsibilities of board members. This enables trainees to gain exposure to board decision-making processes and develop valuable 'board ready' skills. This on-the-job learning could be easily incorporated with minimal resources.

### **20 per cent learning through interactions:**

Mentoring and networking opportunities are powerful enablers for progression and for accessing board positions. Mentoring provides an opportunity for trainees to learn from the rich experiences of elected board members and obtain support where they have any questions (AICD, 2018b). Incorporating formal, structured mentoring relationships within a board traineeship program could remove some of the barriers trainees might face in accessing mentoring, particularly where trainees do not feel confident in seeking informal mentoring. Networking sessions could provide opportunities for trainees to connect with peers and board directors from other organisations.

### **10 per cent formal education:**

Formal learning should be incorporated into any board traineeship program to ensure that fundamental skills and knowledge are provided to trainees.

This could comprise:

- An induction day to provide trainees with an understanding of the organisation's culture, values and mission, as well as an overview of how the organisation's board operates. The induction could also incorporate training on basic practical board skills (such as an explanation of board papers and board minutes) and outline the roles and expectations for trainees throughout the program.
- Formal technical and soft skills training, such as workshops which outline the fundamentals of board governance and board finance matters or training on leadership and problem-solving skills. Where an organisation does not have the resources to provide this training, it could consider referring trainees to external sources of formal training.
- Training resources or documentation, such as guides or handbooks. Where an organisation has already developed an on-boarding pack for its elected directors, it could also be deployed to trainees.

Organisations should also consider the number of trainees they are able to support through the program. One option would be to appoint board trainees for the period from one annual general meeting to the next to align with existing processes.



## **5. DEFINE THE PROGRAM SELECTION CRITERIA AND CONDUCT THE APPLICATION PROCESS**

The selection criteria for a board traineeship program should reflect the outcomes that the program aims to achieve. For example, an organisation seeking to increase participation of culturally diverse members on their board may include diversity of cultural background as favourable selection criteria or have a dedicated traineeship stream to address this target.

Similarly, organisations wanting to attract people with specific skills onto their board may specify those skills as key selection criteria for the program. Where several outcomes are targeted by an organisation, a number of weighted selection criteria can be used to achieve these outcomes.

Once selection criteria have been defined, the application process should commence. To reach a diverse group of potential applicants, the board traineeship program should be promoted through multiple channels. Organisations should consider using channels that are appropriate to the targeted trainee demographic to ensure that it receives applications from the best candidates.

YWCA Canberra does this by promoting the program both internally and externally through owned YWCA Canberra channels (website, social media and e-news), engagement with the community sector, and via media engagement and public relations.

A selection panel should be formed to assess applications and ensure that applicants with the best abilities, skills and knowledge to meet the organisation's objectives are awarded the traineeship positions. This process could be integrated with an organisation's existing board application process for simplicity.

## **6. INTRODUCE A PILOT (OPTIONAL)**

Where an organisation is uncertain whether a board traineeship program could be beneficial, it could introduce a pilot program to test the feasibility of the program. The pilot program can be implemented with fewer trainee numbers, program elements, a shorter timeframe or made available only to selected candidates.

This would enable an organisation to assess whether a board traineeship program could achieve its targeted outcomes, allow for testing and for improvements to be identified. A pilot could also help board members and key stakeholders become familiar with the concept before a full traineeship program is offered.

## **7. ENSURE CONTINUOUS PROGRAM IMPROVEMENT**

Once the traineeship program (or pilot) is implemented, a program evaluation process should be incorporated as part of a best-practice approach. This provides the opportunity for candidates to reflect upon their experiences and provide feedback to drive continuous program improvement.

Ideally, there should be regular opportunities to review trainee progress throughout the traineeship period to ensure that the value of the program is recognised by both the organisation and participants.

Over time, the benefits of the board traineeship program should continue to grow as the program improves and evolves to meet an organisation's strategic and diversity objectives.

# CASE STUDY

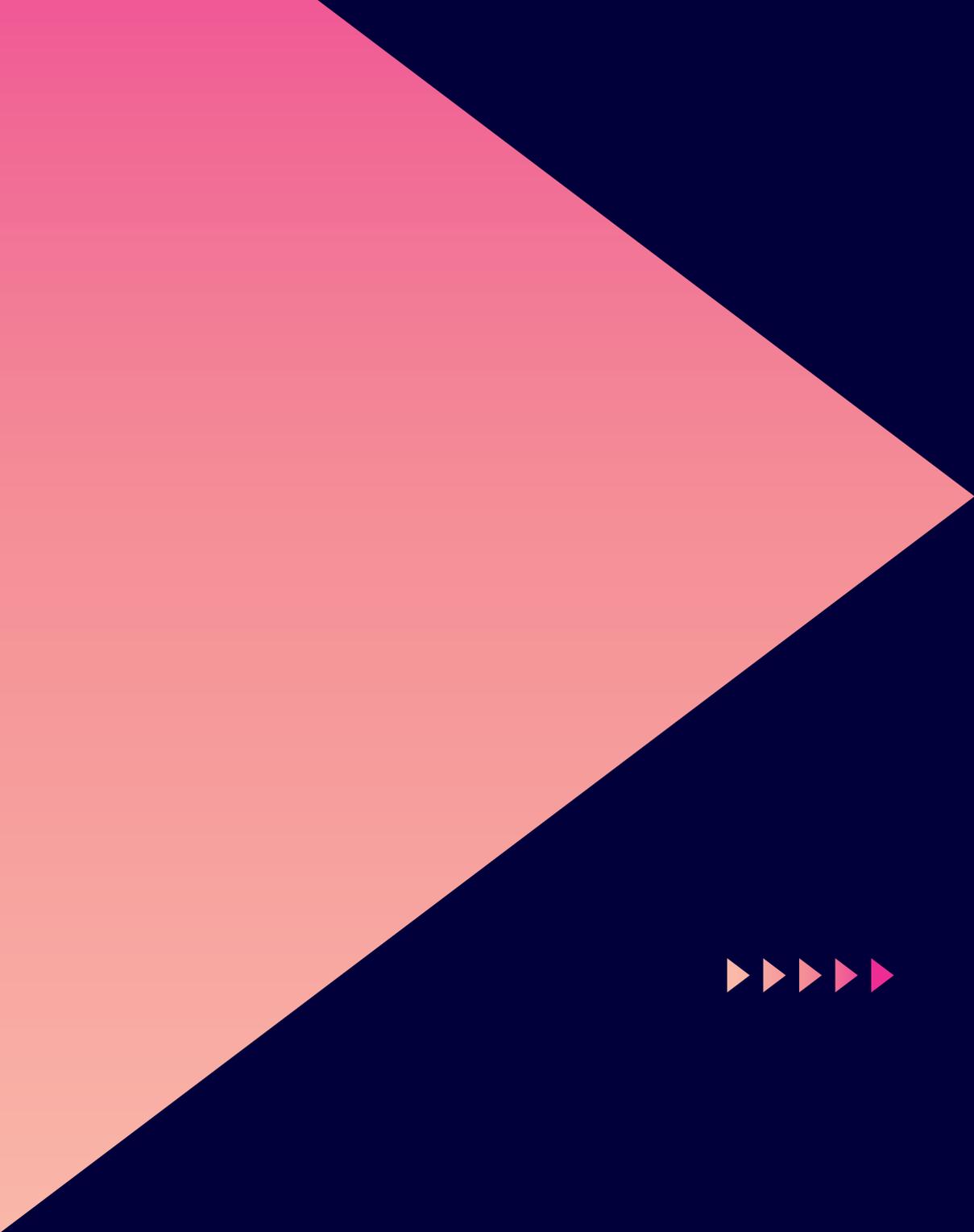
## **AMY SMITH, 2018–19 BOARD TRAINEE**

Coming into the Program, Amy Smith had no previous board experience but was motivated by her passion for non-for-profits and gender equality, and was specifically interested in helping women at risk.

Amy wanted to bring her life experiences to the board table, as well as understand how a board operates, how decisions were made and how governance was applied. Amy saw an opportunity in applying these learnings through her work and leadership.

Through the Program, Amy made strong relationships with the other trainees as well as Directors of the YWCA Canberra board. She has been provided with informal mentoring and the opportunity to attend the She Leads Board Finance and Governance Workshops, which provided great value to Amy and has demystified the board process for her.

As a result of the Program, Amy has gained confidence in herself as well as in her career, and has opted to pursue a Master of Business to upskill in an area that she had not previously considered.



# CONCLUSION

Diversity in an organisation and within its board provides a wide range of benefits that will result in improved decision making and a better functioning board.

However, without a deliberate policy to facilitate change, the absence of diversity in corporate leadership or board representation over time is accepted and becomes the norm. This inhibits an organisation's ability to grow and consider a broad spectrum of ideas, experiences and opinion.

**YWCA Canberra believes that we cannot wait passively for this lack of diversity to be corrected.**

We must take action to ensure a diversity of perspectives are heard, and the subsequent benefits felt, at board tables across Australia. Meaningful and purposeful conversations about board diversity and the mechanisms that drive it should be a priority for all organisations.

Follow the recommendations within this guide to implement a board traineeship program in your organisation or contact YWCA Canberra to learn more about its program.

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## ABOUT YWCA CANBERRA

YWCA Canberra is a feminist not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929.

Our mission is 'We strengthen communities by supporting girls and women through our services and advocacy' and our vision is 'Girls and women thriving'.

We provide essential, quality services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy.

We are externally accredited against the Quality Improvement Council (QIC) Health and Community Service Standards (7th Edition). Accreditation against the QIC standards support us to improve client and community engagement, diversity and cultural appropriateness, management systems, governance and service delivery, while committing to a cycle of continuous quality improvement.

In addition to the QIC standards, we are accredited against the following external client related service standards for our key areas of work:

- Community Housing Standards
- National Quality Standard for Early Childhood Education and Care and School Aged Care
- National Regulatory System for Community Housing
- Registered Training Organisations Standards.

Through its national Affiliate Association with YWCA Australia, YWCA Canberra is part of the World YWCA network, which connects 120 countries across the globe.



# DISCLAIMER

This publication is intended to provide general information for company directors, not-for-profit executives, board executives, potential board candidates and the public. The views expressed in this publication are not necessarily the views of YWCA Canberra.

This report is based on high-level desktop research and limited consultations with previous YWCA Canberra board trainees and other organisations with board training programs (research and consultations were completed in July 2019). The outcomes of this research were used to develop an evidence base for the development of this publication, including a practical guide on how to establish, implement and maintain a board traineeship program as part of a best practice approach to diversifying board candidature.

The information, statements, statistics and commentary (together the 'information') contained in this publication has been prepared from publicly available material and from discussions held with stakeholders at the direction of YWCA Canberra. It does not express an opinion as to the assumptions made by the parties that provided the information or any conclusions reached by those parties.

This publication is based on information received or obtained from the sources noted throughout the publication. The preparers of the report have relied on the accuracy and completeness of the information provided and any procedures to validate or verify the completeness or accuracy of such information was not undertaken. Therefore, YWCA Canberra does not accept any responsibility or any liability arising from the inaccuracy or incompleteness of any information provided.

This content is for general information purposes only and should not be used as a substitute for consultation with professional advisors.





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