



Board Diversity: Literature Review and the Indigenous Experience

This two-part report comprises an extensive review of research on existing diversity practices, and insightful interviews with Indigenous people who have served on boards.

Gauri Subramani
Kalie Wertz



ESG Initiative

Gender and minority diversity in the composition of corporate boards of directors have varying degrees of impact on leadership outcomes, financial performance, social performance, sustainability/environmentalism, and innovation. The first part of this report summarizes the robust literature studying the drivers and implications of board diversity in firms. Following that is a case study featuring interviews with 11 Indigenous people who have served as board directors. While existing research does not examine the effect of Indigenous representation on boards – likely due to the small number of Indigenous directors – this work indicates that the demographics and diversity of board members have a significant effect on firm outcomes and social externalities through firms’ prioritization of social and environmental goals. For instance, Indigenous directors help refine governance structures and build environmental credibility with disclosures of environmental performance information. On their part, shareholders appear to be responsive to board diversity in their overall evaluation of firms.

The presence of women and minorities on corporate boards has increased in the past several years, with women holding 24.4% of corporate board seats in the Russell 3000 index as of March 2021. The proportion of Black board members has increased as well: Between July 2020 and May 2021, some 32% of newly appointed board members in the S&P 500 were Black ([Alliance for Board Diversity and Deloitte 2021](#)). However, women and minorities remain underrepresented relative to their population shares.

The increase in female representation is in part due to legal requirements regarding the presence of women on corporate boards in many countries, including France, Germany, India, Israel, and Norway. In 2018, California became the first state in the U.S. to mandate board gender diversity with a

law that each public company with its principal offices in the state has at least one woman on its board of directors by the close of 2019, and with more stringent requirements in the following years (Green 2020). In addition to geographic location, the composition of a firm and board can affect who gets appointed to a board of directors. The proportion of women on boards increases with firm size and board size, but decreases as the number of insiders increases (Carter et al. 2003).

Chart 1

Fortune 500 percentage of board seats by gender and minority status



Source: Alliance for Board Diversity and Deloitte (2021)

Chart 2

Fortune 500 board seats by demographic characteristics across time

	2010		2012		2016		2018		2020	
	#	(%)	#	(%)	#	(%)	#	(%)	#	(%)
Total men	4,607	84.3%	4,575	83.4%	4,340	79.8%	4,392	77.5%	4,321	73.5%
Total women	856	15.7%	913	16.6%	1,100	20.2%	1,278	22.5%	1,559	26.5%
Women and minorities	1,395	25.5%	1,468	26.7%	1,677	30.8%	1,929	34.0%	2,253	38.3%
Minority men	539	9.9%	555	10.1%	577	10.6%	651	11.5%	694	11.8%
Minority women	161	2.9%	176	3.2%	207	3.8%	261	4.6%	333	5.7%
Minorities	700	12.8%	731	13.3%	784	14.4%	912	16.1%	1,027	17.5%
Total board seats	5,463	100%	5,488	100%	5,440	100%	5,670	100%	5,880	100%

Source: Alliance for Board Diversity and Deloitte (2021)

Research finds that female and minority board members have different backgrounds from white male board members. For example, compared to male directors, female directors are more likely to hold advanced degrees and have more university degrees ([Hillman et al. 2000, 2002](#); [Carter et al. 2010](#)). Women had to be more qualified than men to be considered for directorships. About 68% of women directors (versus 51% of the male directors) were in a lead role, like CEO, president, or partner ([Groysberg and Bell 2013](#)). Interestingly, female directors receive less dissent from shareholders during director elections ([Mitra et al. 2021](#)).

Other work finds that female board members at Fortune 1000 firms are more likely to come from non-business backgrounds (for example, law, banking, or politics) and join multiple boards at a faster rate than white male directors ([Hillman et al. 2002](#)). Black directors are more likely to come from non-business backgrounds, are more likely to hold advanced degrees, and join multiple boards at a faster rate than white male directors. This effect was even greater for Black women in the sample, who joined their second board six times faster than white male directors ([Hillman et al. 2002](#)).

Once on boards, female and minority board members may have different experiences than white male board members in many ways. Female directors are more likely than male directors to sit on executive committees and more likely than male directors to sit on public affairs committees ([Peterson and Philpot 2007](#)). Female directors have better attendance records than male directors, and the increased presence of female board directors also affects male directors, as male board members have fewer attendance problems on more gender-diverse boards ([Adams and Ferreira 2009](#)). Some 87% of female directors reported facing gender-related hurdles

in the board duties, while male directors were largely oblivious to their female colleagues' experience in this regard ([Groysberg and Bell 2013](#)). The number of women on a board can affect the gender dynamics: Once a board includes three women, women are no longer seen as outsiders and can influence the content and process of board discussions more substantially ([Konrad et al. 2008](#)).

Minority board members also face different dynamics when it comes to making an impact on boards. The prior experience of minority directors in a minority role on other boards can enhance their ability to exert influence on the focal board, while the prior experience of minority directors in a majority role can reduce their influence. That is, the effect of minority status on influence becomes more positive as a director's prior experience in a minority role increases ([Westphal and Milton 2000](#)). Minority directors are more influential if they have direct or indirect social network ties to majority directors through common memberships on other boards ([Westphal and Milton 2000](#)).

In evaluating the effects of board diversity on firm outcomes, we have organized this study as follows: 1) leadership/CEO outcomes, 2) firm financial performance, 3) social performance, 4) sustainability/environmentalism, and 5) innovation.

1. Leadership/CEO outcomes

There is a significant positive relationship between the percentage of women on nonprofit boards and leadership's satisfaction with the board's performance ([Bradshaw et al. 1996](#)). However, CEO turnover is more sensitive to stock performance in firms with more gender-diverse boards

(Adams and Ferreira 2009). Deutsch (2005) finds that board independence, as measured by the number of outside (non-employee) board members has a positive systemic relationship with CEO turnover. Board independence is negatively related to CEOs' incentive pay expressed as a ratio of total compensation (Deutsch 2005). While not explicitly related to board members' demographic characteristics, these results suggest that board members with outside perspectives can affect leadership outcomes. There is also a positive relationship between board racial diversity (but not gender diversity) and firm reputation (Miller and Triana 2009).

2. Firm financial performance

There is mixed evidence that the representation of women and minorities on corporate boards has any effect on firm financial outcomes, measured by both market performance and accounting returns.

Effects of female representation on boards: Several studies find no solid evidence of a significant association between female presence on boards of directors and firm performance (as measured by profitability and capital efficiency debt-to-equity ratio, return on assets, and solvency) across countries, regions, time spans, and samples (Carter et al. 2010; Chapple and Humphrey 2014; Gruszczynski 2020; Khatib et al. 2021).

Even so, Campbell and Minguez Vera (2010) find that the stock market reacts positively in the short term to the announcement of female board appointments, suggesting that investors on average believe that female directors add value. The authors work shows that just having one or more women on the board has an insignificant effect on the firm value, while the ratio of women to men on the board and diversity indices have a positive influence on firm value (as measured by an approximation of Tobin's Q).

That is, while just one female board member does not have a measurable effect, increasing the proportion of women on boards can affect firm value.

Work by [Ahern and Dittmar \(2012\)](#) finds that a Norwegian law that required a 40% quota for female board members led to younger and less experienced boards, increases in leverage and acquisitions, and deterioration in operating performance, consistent with less capable boards. This work suggests that the gender quota constrained firms' abilities to choose directors in a way that maximized firm values. The effects on firm performance are not necessarily due to new female board members, but could also be a result of changes in performance and behavior of male board members.

Effects of racial minority representation on boards: There is less research exploring the effects of racial diversity on boards than there is on the role of gender diversity. The results of this work are similarly mixed. [Carter et al. \(2010\)](#) find no significant relationship between the ethnic diversity of the board, important board committees, and financial performance of firms in the S&P 500. Earlier work, however, identifies significant positive relationships between the fraction of racial/ethnic minorities on Fortune 1000 boards and Tobin's Q ([Carter et al. 2003](#)). [Erhardt et al. \(2003\)](#) studies a sample of 127 large firms in the U.S. and finds that board diversity (as measured by the presence of women and minorities on boards) leads to higher returns on investment and returns on assets.

3. Social performance

Research examining the effects of board diversity on CSR and social performance has focused on the role of female board members. Firms with higher corporate social performance and CSR scores are more likely to have

women on their boards than those with lower corporate social performance and CSR scores (Byron and Post 2016; Cook and Glass 2018; Feng et al. 2020; Boukattaya and Omri 2021). Specifically, gender is marginally associated with CSR measures of employee, environment, diversity and product, and negatively but not significantly associated with community and governance areas (Feng et al. 2020).

However, female board directors have a stronger impact on reducing Corporate Social Irresponsibility” than in increasing CSR. Firms with low board gender diversity (below median) have higher Corporate Social Irresponsibility scores than firms with high gender diversity (Boukattaya and Omri 2021). When firms experience CSR legitimacy threats – shareholder concerns that a firm’s attributes are not “desirable, proper, or appropriate within some socially constructed system of norms, value, and beliefs” (Suchman 1995), – shareholders are even more lenient with female board members, and particularly so when there are fewer female board members (Mitra et al. 2021). This effect appears presumably because CSR legitimacy threats intensify the pressure on shareholders to exhibit CSR and regulatory compliance, and having female board members is perceived as a socially acceptable attribute. However, when directors themselves present agency threats (e.g., director attendance problems and non-independence), shareholders evaluate female directors more harshly than they evaluate male directors (Mitra et al. 2021).

4. Sustainability/environmentalism

A higher proportion of outside board directors is associated with more favorable environmental corporate social responsibility (ECSR) and higher natural environment ratings data from Kinder Lydenberg Domin, Inc. (KLD

scores). Outside directors are more concerned than inside directors about firm reputation and sustainability, and may recommend governance structures, build environmental credibility, and ensure the firm discloses environmental performance information (Post et al. 2011). The higher the representation of independent directors on a firm's board, the more likely the firm is to form sustainability-themed alliances. These alliances then also positively contribute to corporate environmental performance (Post et al. 2015). The presence of female board members is also related with higher sustainability scores. Firms with boards composed of three or more female directors (the critical mass to lend voice to women's issues) received higher KLD strengths scores (Post et al. 2011). Additionally, the higher the representation of women on a firm's board, the more likely the firm is to form sustainability-themed alliances (Post et al. 2015).

5. Innovation

There is a positive relationship between both board racial diversity and gender diversity, and innovation, as measured by Fortune 500 firms' R&D expenditures (Miller and Triana 2009). Tuggle et al. (2010) explore board-member demographic traits and find that tenure variance, firm/industry background heterogeneity, and the proportion of directors with output-oriented backgrounds are positively associated with a board's discussion/attention of entrepreneurial issues during board meetings, as long as demographic subgroups can relate to one another. While this study does not examine the role of gender or racial diversity, its findings suggest that variation in board members' characteristics can spur novel discussions regarding firm options and innovations.

Overall, existing research finds that the demographics of board members and the composition of boards have an effect on firm outcomes across various dimensions. This is due both to the effect of diverse board members on corporate decisions as well as variation in response and public opinion from stakeholders.

Perspectives on Indigenous Representation on Boards: A Summary

We supplement our review of the literature on the antecedents and effects of board diversity with 11 interviews with Indigenous-identifying individuals with board experience, conducted over three months. This goal of these conversations was to better understand the experiences of Indigenous people in board contexts, which is unexplored in existing literature.

We conducted these interviews through a combination of introductions and cold outreach via email and LinkedIn. We employed a “snowball sampling” technique in which we asked each interviewee for recommendations of other people who may be interested in speaking with us. Our final interview sample consisted of seven women and four men – three in Canada, one in Australia, and the remaining seven the U.S.. Members of this group identify themselves as Native American, Aboriginal Australian, Indigenous Hispanic, and First Nation people. Together, they have served as board members for non-profits, private companies, and public companies. Some of these individuals were open to quotes being directly attributed to them; in these cases, we have identified them by name. We have anonymized other interviewees as Participant 1, 2, etc.

In these conversations, we were specifically interested in understanding these individuals' trajectories to serving on boards, including the barriers they faced, as well as their experiences as board members and how they perceived their personal and cultural backgrounds affecting their board service.

The value of diversity on teams is beautifully captured in a Native American parable about the first game of lacrosse that was shared with us by Andrew Lee, a Seneca man with roots in the Allegheny Indian Reservation in New York state. The first game of lacrosse featured two teams: on one team were the four-legged animals, with the deer, the bear, and the turtle as team captains, and on the other team were the winged animals, with the eagle, the hawk, and the owl as captains. As the teams were being formed, the mouse and the squirrel asked the four-legged animals to join their team, but they were refused because the captains said they were not fast or strong enough. So, the mouse and the squirrel went to join the birds' team, which welcomed the opportunity to be creative. They created a pair of wings for the mouse, who then became the animal we know as a bat, and they helped the squirrel stretch out his legs to become a flying squirrel. They created animals that didn't previously exist, and because of their innovation, the winged animals ultimately won the first game of lacrosse. This tale still reflects Lee's belief that "diverse teams make better teams, and you don't have to be the fastest or the strongest or the smartest – there's always a role for you to play on the team if you get creative. When we talk about this origin story of lacrosse, it's fundamentally a story of diversity."

Getting onto boards: motivation and challenges

Interest in board service

Several of our interviewees cited their interest in board positions as deriving from personal career aspirations. One Indigenous Hispanic woman located in Canada with non-profit board experience (Participant 1) said, “One of the reasons why I wanted to participate on this [board] is that it can also be good for my own development. I haven’t been on an audit committee ever, so for me that was important.” Roger Carlile, a Cherokee man in the U.S. with private and non-profit board experience, spoke more broadly about the career that board service enabled him to have, saying “ ... if you are a person who wants to help, make a difference in organizations’ strategies, their value, work with management teams doing that, but you don’t want to be running a business day-to-day any longer, then a board is the is the best place to do that.” Similarly, Mary Smith, a Cherokee woman in the U.S. with public, private, and non-profit board experience stated that she “really enjoyed helping an organization grow and providing strategy [advice].”

Beyond direct career benefits, many individuals were interested in board positions because they believed they could provide a unique perspective due to their Indigenous backgrounds. A Cherokee woman in the U.S. with nonprofit board experience (Participant 4) said, “I knew I had integrity and could be trusted and didn’t just have the smash-and-burn mentality that some of my peers in school who would be in these types of positions had. ... I had seen this short-termism mindset in the business world since I was in college, with companies always focused on making this quarter better than the last quarter and not even thinking about regulatory aspects but more about shareholders’ perspectives. I was looking at environmental issues

which occur because of a lack of foresight; for example, polluting a creek and not understanding how much that creek matters to the estuary system. I had this broader perspective from my family, and because of our proximity to history and our ancestral background.”

Rebecca Adamson, a Cherokee woman with public, private, and nonprofit board experience, provided a similar example, saying, “I’d become very aware that Indigenous communities had different values, like we valued clean water, more than we valued Nestle bottling it and selling it. So the value piece was such a schism between what economies under western capitalism claimed to be success and how tribal communities viewed success.”

Additionally, more than one interviewee said they felt it was important to show both other Indigenous people as well as people outside of their communities that Native people could be in positions of influence and power. A Ho-Chunk woman who has served on public, private, and nonprofit boards (Participant 3) said, “It ‘became apparent to me early in my career that there were not many people that had my background, being native – this is what motivated me on the diversity front. I felt a tremendous responsibility to do well, to give back, to impart ‘an example to other Natives as well as educating the broader population that [Native people are] not what you read [about them] in kids’ books or history books.” Mary Smith said, “I like to say to younger people that even though you haven’t seen other Native people in these roles, if you are interested in becoming the CFO or the chief marketing officer of a Fortune 500 company, you should try to do it and think that everything is open to you.”

Another reason interviewees cited as driving their desire to serve on boards was to provide a voice for Indigenous communities. A woman who is a member of the Neskonlith Band in Canada with public and nonprofit board experience (Participant 2), said, “I go to work to make a difference in people’s lives, and to hopefully effect some changes in these Indigenous communities whose lives have been impacted so negatively over the generations, since the residential schools. I’m going to continue to do this work, because I’m making changes that will support the work of the communities in becoming self-sufficient, and hope that a lot of these communities will become self-governing as well, [instead of] relying on existing government systems that seem to be pushing down our people and our communities rather than lifting them.”

A board position was also seen as a way to elevate Indigenous values and principles. Rebecca Adamson said, “I saw an opportunity where I had a platform to explore this idea about the private market being part of the CDFI movement, and also applying Indigenous principles of connecting to the community. Economic distribution in our communities is for the widest [reach], and it would be wonderful if I can get into the private market like this.”

Challenges to Indigenous board representation

Interviewees highlighted the unique barriers that they encountered in joining boards as well as the challenges they have seen other Indigenous individuals encounter. They identified both demand and supply issues that contribute to the underrepresentation of Indigenous people on boards. First, several individuals cited racism, both explicit and implicit, from decision-makers within organizations.

“I tried very hard to network because that’s what everyone told me was the best way to make connections and be considered for board positions, and there was lots of interest from men in [her professional organization] to take me to lunch and talk. So I’d say yes and have a professional lunch, talk with them, and then eventually I realized they weren’t taking me seriously. They thought of me as this Native American Barbie they could take out for a date,” said Participant 4.

Participant 2 discussed the challenges she faced in gaining the insight and experience that would equip her to become a valuable board member in the future. When she worked with contractors at her organization, she described how they would refuse to engage with her, saying “You’re a woman and you don’t know anything about mining, and they would laugh right in my face. I faced a lot of racism and discrimination ... there were two companies’ whose managers refused to meet with me ... I would go in to the mine site, and I would wait outside their offices all day and they would just look at me and say, ‘I told you I’m not talking to you.’”

Several individuals talked about a “cookie cutter” image of board members that organizations have that Indigenous individuals often don’t fit into, as well as a lack of effort in searching outside of preexisting networks for potential board members. Mary Smith said, “The traditional biography of a board member was a white male who’s older and who’s been a CEO, and that’s definitely opening up. But they say 75% of board seats are found just through networking, so these Native women or even men are ‘not going to know the people who are looking for board members or [sit on boards], so that’s a big piece of it, too.”

Roger Carlile voiced similar thoughts, saying, “[Organizations are] looking for people that are capable, qualified and interact well. That’s where sometimes there’s discomfort because the cultures and the behaviors can be a little different, but by and large those boards do what’s the easiest. They have ‘a list of measurable qualifications and they go to someone and say, ‘Apply that against the easiest population,’ which is their current database of mostly people who look like them. So it becomes convenient.”

Even if there is a desire for diversity on boards, multiple people raised the distinction between meaningful ideological diversity and surface-level diversity. Rebecca Adamson explained, “On the diversity piece, they have ‘to get serious about the lens being tied to an experiential base. How many years [of experience does] this person have and exactly what have they done that’s very different than your average board member sitting around the table? ... If you haven’t bothered to find out the different experiences you want around that table, you’re not even trying to get to diversity. And I’m talking about life experience, [not] a degree. Give me a break! You know that’s not diversity.”

Ian Hamm, a Yorta Yorta man in Australia with private and nonprofit board experience agreed, saying, “Most boards are constructed so they see things through a narrow lens, or discuss your perspective point in a narrow view, whereas diversity brings a range of different perspectives. ... What we have now is if people are all from the same social and economic background, what’s the difference? There is not much. [But] if you’ve got a board with people who have a whole bunch of different life experiences and different

skills, that gives you a 360-degree view on the subject matter, not just a 20-degree view.”

Roger Carlile explained, “It feels a little bit not real sometimes, it feels like ‘Oh great, I want to know that we can check this box on the EEOC report.’ And so it [feels like] ‘Well, you didn’t care about that till I told you. I don’t know that you really care about it, but you think it’s useful.’ It probably is useful ... they write up their bios and they talk about all the diversity ... it feels better to me when somebody needs to know something where your experience adds value versus just saying: Can we check the box? ... and saying that we have this diverse group, and they all agree.”

Participant 2 described another dimension of the importance of Indigenous board members not simply checking a box, saying, “Although there is a push to get Indigenous people sitting on different boards, I think it’s also just as important to get the *right* Indigenous person sitting on that board. Someone with the right background, which doesn’t necessarily have to be education – because I sat on a few boards and didn’t have prior education – but someone that is bold enough to speak and ask questions without feeling intimidated by the knowledge and experience that’s already in existence.”

Another key limitation was the lack of understanding of the value of experiences in Indigenous contexts; for example, the fact that non-Native organizations do not view leadership positions in tribes as being akin to C-suite roles. Participant 4 explained, “I served as the Treasurer of [my tribe] and was in charge of a budget of over a billion dollars, and I also expanded our health care system and upgraded our bond rating. I was basically the CFO, but other people don’t understand that when they look at my CV.”

Mary Smith voiced a similar perspective, saying, “The very senior Native women that I know have been in roles like chairperson or president of their tribe or they’ve had a senior position in the federal government ... it’s just not traditionally the trajectory to get on a board.” Andrew Lee explained, “On the for-profit side, being Chief Executive of a tribal nation, that ought to count, but so often people don’t know enough about American Indian affairs. They don’t understand what the demands are on a tribal chairperson or a President of an Indian Nation; they don’t even know what that means.”

Several people also highlighted what they felt was a supply issue, as there has been an increase in interest in board diversity from organizations without a commensurate increase in the proportion of Indigenous people with experience that is viewed as relevant to boards. Roger Carlile explained, “In my entire family, I’m the only person I know that’s in business. Everybody is in some other type of civil service job; firemen, policemen, school teachers ... so you just have to build up the number of people who are qualified and diverse, and if you’re talking about Native Americans, that gets even more challenging. A lot of Native people are working on Native American issues or with Native American organizations, so they’re interacting with other Native Americans. But they’re not meeting other people that might put them on a board or be in corporate America.”

Mary Smith described how professionals who work in Native American affairs become siloed, saying, “Sixty to 65% of Native American attorneys practice Indian law ... work on Native American issues is so important, but then you’re only dealing with a lot of other Native Americans. That’s why we haven’t seen, until the Biden Administration, Native Americans become federal judges, because a lot of them are Tribal Court judges and that wasn’t

necessarily the pool from which they were picking judges.” Ian Hamm explained, “Interest in diversity has only picked up in the past decade, and everybody wants to have a diverse board. The problem is, though, you don’t get instant walking, talking, competent organizational directors; it took me 30 plus years working in government ... In the end, the bulk of aboriginal people have not been in the spaces where you build up the skills to be able to do [board service].”

These individuals had differing paths to board service; some had a key mentor who made them aware of the benefits and value of serving on a board, while others were exposed to boards during their careers. Andrew Lee, a Seneca man with private and nonprofit board experience, was encouraged to look out for board opportunities by a college professor. “He told me to start serving on boards early in your career. I thought that piece of advice was interesting because I had no idea what boards were or what they did.” Roger Carlile received advice early in his life that led to him being exposed to boards as professional opportunities. He explained, “I happened to be fortunate enough to be dating a girl at high school whose father was a banker, and he said, ‘Go be an accountant; you’ll never need a job.’ But I didn’t even know what a CPA was. It turned out I was pretty good at it, and after I graduated, I got a job at Deloitte. It started there and I’ve been in that business my entire career, always in professional services of one kind ... eventually in investigating disputes, turnarounds, restructuring, and the sort of business issues that tended to get to board level.”

Participant 1 explained how a friend’s nomination encouraged her to think of board service, saying, “When I learned about the nomination process for this association, my first thought was I’m going to nominate a friend or

somebody I know that it's representative of a different culture a different background, like myself, and a minority in this industry. And I did try to do that, and then this person actually nominated me, and said, 'Why don't you do it?' So it's funny because you don't think about yourself ... I found this need to do something, but also, I felt like it [should be] somebody else, maybe more experienced than me, older than me."

Other people were very deliberate in building their credentials to be well-positioned to serve as board members. Participant 3 said, "I was in boardrooms as a professional ... as a consultant if you will. Being able to see and understand more of the role of the board as a young professional made me say, this is what I would like to do, to be in a position to have a strategic mindset and a skill set that can add value to a company and its shareholders ... I was very intentional, I always wanted to serve in a governance capacity, and I wanted to retire a little bit early to give myself a little bit more runway to do that type of work, because I understood the responsibility of a board member." Mary Smith echoed this, saying, "I've been interested in serving on boards for about 15 years and I started doing some things towards gaining a board seat 15 years ago. Four years ago, I dedicated myself to it, treating it like a full-time job to gaining corporate board seats. I joined a lot of organizations ... and started networking, attending conferences, attending in-person events, and getting to know recruiters. It took three years, but I did get on a public company board last year and a private company board."

Multiple people said that they were very intentional about joining boards that they perceived as welcoming to Indigenous people. Lana Eagle, a Sioux and Saultaute woman in Canada with public and nonprofit board experience said, "When you look at a company and you click on their website and you see the

typical old gray haired guys in hard hats you wonder, can I really fit in here? Do I see myself on this board? Sometimes the answer is no. But I can honestly say part of the reason I joined Kodiak was because the company was making a presentation at an investment forum and without being questioned, they're talking about their relationship with Indigenous people and how important it is. And then I looked at the CEO and she's a young woman, very intelligent, very friendly. And then a colleague of mine joined the company as their manager of communications and I thought, why are these people, women, joining the board? That to me is a big part of everything; how people feel included. It's not just you know how inclusive they are to Indigenous people, but it's how inclusive they are to young people or to women as well." Participant 3 said, "I look at what environment I am going into, and if it's somebody that says we just want a board member who's Native American, I'm not really interested. What's the culture of the organization, what's the culture of the board, and what's the culture of the management team and around diversity, equity, and inclusion? I will say that I can be selective as well."

Indigenous voices on boards: novel perspectives and resistance

Novel perspectives from Indigenous board members

Across all of our conversations, people reported that they felt they were able to bring novel insights to the boards they served on, in part due to their personal backgrounds. Andrew Lee summarized a story he told his board colleagues to explain his perspective: "Among the Haudenosaunee people, we have what's called the principle of seven generations. It's very simple but it's a great leadership principle that I introduced to the full board. It goes like this: if you are in a position of leadership, you have a sacred

responsibility to think about seven generations. You think about the seven generations before you make a decision; you have to think about the wisdom of those who came seven generations before you. And you think about how your decision or organization is going to impact those to be born seven generations after. This is something that is ingrained in every Haudenosaunee kid; you hear about this principle of seven generations, and that was just a crystal clear example of something I could offer to the board.”

Indigenous board members were able to provide new perspectives in both macro and micro ways, both by broadening the lens through which the board considered topics and by providing information that was specifically relevant, often to Native communities.

Macro perspectives

Participant 1 described how she encouraged a broader shift in the way board meetings began. “In Canada, every time we start a meeting, we do a land acknowledgement; you acknowledge the land you’re sitting on as Indigenous as a part of our reconciliation with Indigenous people, we try to establish that. The last time we met, I realized, we never do that for our board meeting. So what I did was to ask the President, when he was just starting the meeting, and I said I have a question to ask: I was just curious [as to] why we’re not doing this land acknowledgement? He didn’t know how to answer; he was put on the spot and said well it’s not enforced, etc., etc. But even so, nowadays, you see it in every meeting. I like to think that I changed that.”

Rebecca Adamson described, “[Boards sometimes] decide they’re going to reorganize and want to go all the way back to a mission statement. And every non-Indian board I’ve ever been on, when they do a mission statement, they do it through building blocks: while we’re doing this program and we have this program, we’ll put that up program on top of this, and over and over. And they build it up from the building blocks of what they’re doing, and maybe what else they wanted to be doing. You have a bunch of Indians in the room, and you say let’s write a vision statement and they’re extremely conceptual and [do] systems thinking. They’ll go ‘Bam!’ and get you a vision statement like that, and then you get to build out. And from that vision statement, you build in your programs that are going to reach that vision. It’s completely different. And yet they’re both vision statements and that’s an example of diversity that really belongs in the boardroom. They need both ways of doing this, especially if they’re serious about getting the purpose right and long-term thinking right. They really need the visionary stuff now, more so than they ever have when they were allowed to get away with the highest rate of return as their answer and only thing they had to do. Those days are over, and there’s a case for diversity, because that singularity doesn’t work. We know that now we know it doesn’t work in nature and it doesn’t work in business.”

One topic that arose several times was the different perspective that Indigenous board members brought with regards to the relationship organizations should have with the natural environment and communities in which they operate. Ian Hamm explained, “One of the things of having Indigenous people on board is that [they bring] a different perspective of what you regard as important. It’s a more global one, an obligation to the Community and society we live in. That’s a really important point that a lot

of people don't get. What should be emphasized about having Indigenous people on boards is that the winner is not the Aboriginal person, but the board, as they get more out of it ... because boards can be pretty one dimensional." At the same time, he was clear that, "I don't represent the whole Aboriginal community on any of the boards I serve on, but clearly I come with a whole range of community experiences and background and family growing up, and all that which informs who I am." Andrew Lee explained his perspective by saying, "It's a totally different way of thinking from moving from short-term to long-term thinking and that's the real benefit of Indigenous participation on boards. Boards are the highest level of the organization; it's about strategy, and sometimes these pieces of ancient wisdom are totally relevant in thinking about organizational strategy."

Ian Hamm said, "A lot of organizations think about diversity as a cost. No, it's not a cost – it's actually an enhancement. Because if you just think of having lawyers and accountants and finance people and whatever else, yes, that's all very good and you do need those, but how many people are really long-term strategic thinkers, and how many people understand obligations to the society in which you live? How many people know what's going on with the ordinary people? Then that's the bit which boards lack, and that's what you get from diversity. So it's not dumbing down; it's actually scaling up and if you don't have it, your board gets left behind and therefore your organization gets left behind. It's looking at it through it's looking at a different landscape. It's not even a different perspective – it's taking a much wider view of the whole landscape, rather than the perspective of the same landscape."

Micro perspectives

Some individuals we spoke with were able to effectively act as bridges between Native communities and the organizations where they served on boards. Ethan Schutt, an Athabascan Alaskan native man with public, private, and nonprofit board experience said of his board service on a nonprofit serving at-risk youth, “My personal experiences of extended family were definitely valuable to understanding how the program services worked, and where the kids came from, or how they may have ended up in the situation of needing homeless youth services in Anchorage.”

Participant 3 described her experiences, saying, “When I was on the board of the planetarium, when we were talking about the sky, I asked, ‘How are we engaging Indigenous people in this dialogue? I was asking those questions where audiences may not have been able to fully participate because nobody’s asking the right questions. When I was on the board of the Girl Scouts, I made it a point to go up to Alaska to visit some of the native areas, and that did influence our programming. Certainly it mattered on the NGO boards, where your role is governance, but you also can provide more feedback and input than on a public company board.”

Mary Smith described her experiences serving on the board of a museum: “[The museum] has a Native North American hall that’s going to tell the story of Native Americans. The past exhibit they had on Native Americans was rooted in the 1950s and was not prepared by Native Americans and this exhibit has had a lot of input from Native communities, particularly in Chicago. At one point, a comment was made that ‘the Indigenous community would expect a certain thing’ and that’s why they were planning to do. I said, ‘I don’t think they’re expecting that.’ And I think they went

back and realized, hopefully, [that] my comments [were] for them to take a walk and they realized that they were making an assumption about what the Native community in Chicago wanted. I didn't think that is necessarily what they wanted. As is the case for most museums, the way that they've gotten a lot of their artifacts from Indigenous peoples has not been the best and it's rooted [in] white supremacy; there's actually a repatriation committee which I'm on. I do think that my voice is important because no one else is Native on that board, and I have raised a couple things that I think others have not raised and I know the staff does reach out to me to ask my advice on certain things."

Rebecca Adamson described her time on the Calvert Social Investment Fund, "This didn't have to be Indian on this particular lens, but it helped because poverty is so common. There's not a lens in the private sector on poor people ... when I gave this speech to our shareholders, the title of my speech was 'Poor People Are Credit Worthy.' I'm not sure they had ever met a poor person, but they were very, very interested in hearing from one. And so the stories I could tell about Emma Naunek and how she got \$225 a month and had a family, she was single mom with eight kids and how she made sandwiches at the BIA, and it went up to \$625 a month because we could lend to her. I mean, those stories came alive for them. That direct connection into poor people's lives and a willingness to see if they could be part of the solution ... the private sector is there, I just think there are not enough bridges."

These real-life experiences were relevant to organizations' bottom lines in some situations. Ethan Schutt explained, "In Alaska there's a business case for participation by Alaskan natives, in both for-profit and non-profits or

advocacy groups, on all of the kinds of classifications of boards. There's a real business case to have that representation, because the Alaska Native corporations are such large employers and such an important piece of the Alaskan economy at this point. [NovaGold, for instance], owns half of the equity of the Donlon gold project in Western Alaska. It's a very large and at this point known deposit of gold, but it's so far from everything that the development timeline, costs, risks and everything [else] are very, very high. They looked for someone from Alaska, especially an Alaskan Native person specifically to try to understand the role of the project in the region, its benefits, and some of the pitfalls of trying to do the late-stage development. So that perspective has been actively sought in my participation on the board and it's a key reason that I was invited to join that board and ultimately appointed to the board. Even if it's not the region that [I'm from], I have some exposure professionally and personally ... I still travel a lot in rural Alaska including way off grid stuff. Understanding the reality of the logistics and the reality of river travel and things like that has been a real asset for the board."

This perspective also enabled some board members to identify new avenues for growth. Andrew Lee spoke of his experience serving on the board of USA Lacrosse, saying, "Among the Haudenosaunee, lacrosse is our game. It's more than a game. When you're born, as a little tiny baby, you're given a wooden lacrosse stick, and when you die, you're buried with a lacrosse stick ... Lacrosse is an interesting moment right now, because it's a Native game, but I think in the minds of most Americans it's a wealthy white person's game ... there's so much room for growth. And if we're going to grow the game we've got to reach out to new communities, communities that have traditionally not been served by lacrosse, communities of color, for example.

That’s how we’re going to grow the game, so bringing that perspective to the board is helpful for the organization and it’s great for the rest of the country too, because we’re getting more and more kids with sticks in their hands.”

Indigenous experiences with board service

Several individuals we spoke with described challenges they experienced while serving on boards or resistance they encountered from other board members regarding increasing diversity, which we explain in more detail below. Some individuals had uniformly positive experiences on boards, while others reported more mixed experiences. Most individuals described being the only Indigenous person on the boards they had served on, unless the board was for an organization that was focused on Indigenous peoples.

Lana Eagle described the resistance she has faced, saying, “Initially, every board that I’ve been invited to is always with the idea that somehow I’m going to change the world and make things happen. But then when it comes down to it, and it comes to ‘Let’s do things differently,’ they’re not quite prepared to move in that direction. So it leaves me wondering, why am I here?”

Rebecca Adamson said, “The barrier [to diverse opinions being heard] is a very routine board meeting. If you have ever been in a board meeting with these guys, the most important thing to them is to finish on time. Creativity doesn’t really happen on an agenda. If you really want to blow it open and begin to think out of the box, they need to schedule time for it and they need to make a commitment for it. And then, they need to look around the table. I sat on a board where the old people didn’t say a word. I was the

youngest one on the board and they didn't say a word until board terms came on the agenda and then every one of them talked, you can't even get a word in edgewise, they never said a word about another policy, though it was all about extending their board terms. There's such self-interest inside those boardrooms, and it has to be broken up because you get paid a lot of money."

Participant 1 explained, "In my particular case I'm not only the only Latin American woman, but I'm also younger than most of the directors as well, so they're looking at you like, 'Huh you don't know what you're talking about, I've been around for 30 years' or something [like that]. So it's that feeling, and you try to speak up, but then, when you feel that there's no response, there's a point where you think, why would I even talk if nothing is going to happen here? And then I have to remind myself there's a reason why I'm here and there is a reason why they selected me, and I need to do this even though it's not I feel as if I'm welcome. But I guess it's that cultural aspect of being their friend." She also described the pressures she felt as a minority on the board, saying, "I feel guilty, sometimes, and I think I should have said more, I should have put more emphasis, I shouldn't care what they think ... and then you feel like I don't know it happens to every other director of a different [background], feeling like you are representing this entire group of people, even though you're not really, right? I feel like I'm representing all women of color or something and feeling that pressure."

Participant 3 described the reactions she had received from other board members when she discussed her Native American heritage, particularly earlier in her career. "My father was a full blooded Ho-Chunk Winnebago, and so it gave me an opportunity to tell the story. I did have to have a little

bit of thick skin, because some people don't understand, and they would try to use humor and you'd have to correct them. I tried to use things as an opportunity to educate. I have heard things like 'Oh my God, don't mess with her, she knows how to use a tomahawk.' That's insulting! But it was like okay, very funny ha ha ... I would always try to defuse things ... I would use them as opportunities to engage ... I thought I was doing a good job of educating people, this is really what a Native American woman looks like and what she's capable of doing that, breaking down those stereotypes ... I found the more comfortable I was to talk about things, and the more inquisitive people became."

Multiple individuals described a gendered dynamic as well, in which they felt that their voices were not heard as clearly as [those of] their male colleagues. Lana Eagle said, "Sometimes I'll say something as an idea or for something we should be considering, and poof! Dead, no response. Then a male colleague will come along and will say the exact same thing I was, and it's like 'Oh my God! Sliced bread. Whoever thought of that!' I have a couple of really good friends that I might text you know, during a meeting and I'll say, 'Oh my God, I was just mansplained again!' And they might groan and send me some emojis, but it's always with the intent of a reminder to keep your head high, so it's learning how to deal with those little things." Rebecca Adamson echoed this, saying, "Women would all resonate, and their heads would probably bob up and down, but you put those ideas out there and they just fall flat until some guy picks them up and repeats them. So you need to understand that's a dynamic and you probably would serve yourself better to build those allies on the board."

Many participants were optimistic about the future and felt that things are moving in a positive direction with respect to interest in and appreciation of diversity and specifically Indigenous peoples' inputs. Participant 2 said, "There may be people on the board that have no willingness to understand the Indigenous aspect of it. But they will more often than not take the time to listen and consider the perspective and that's getting a little bit further ahead than it was a decade ago where they were few refusing to listen ... at least today within the diversity on boards, there's some willingness to at least listen and that gets us a little bit further along in advancing community engagement and a lot of these initiatives that we're working towards as Indigenous people." Participant 1 explained, "It's a fascinating shift to see because I still see that traditional [men] are in control, right now, I still think they're calling the shots, but I think it's moving. [The environment] is open to the other side and I have hope that the next election will bring new and hopefully younger people, more women and more diverse."

References

Renee Adams and Daniel Ferreira. 2009. Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics* 94, 2 (2009), 291– 309.

https://econpapers.repec.org/article/eeejfinec/v_3a94_3ay_3a2009_3ai_3a2_3ap_3a291-309.htm Publisher: Elsevier.

Kenneth R. Ahern and Amy K. Dittmar. 2012. The Changing of the Boards: The Impact of Firm Valuation of Mandated Female Board Representation. *The Quarterly Journal of Economics* 127, 1 (2012), 137–197.

<https://www.jstor.org/stable/41337208> Publisher: Oxford University Press.

Alliance for Board Diversity and Deloitte. 2021. *Missing Pieces Report: The Board Diversity Census of Women and Minorities on Fortune 500 Boards, 6th edition*. Technical Report. The Alliance for Board Diversity. 44 pages.

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/center-for-board-effectiveness/missing-pieces-fortune-500-board-diversity-study-sixth-edition.pdf>

Sonia Boukattaya and Abdelwahed Omri. 2021. Impact of Board Gender Diversity on Corporate Social Responsibility and Irresponsibility: Empirical Evidence from France. *Sustainability* 13, 9 (2021), 1–14.

https://econpapers.repec.org/article/gamjsusta/v_3a13_3ay_3a2021_3ai_3a9_3ap_3a4712-_3ad_3a541677.htm Publisher: MDPI, Open Access Journal.

Pat Bradshaw, Vic Murray, and Jacob Wolpin. 1996. Women on boards of non- profits: What difference do they make? *Nonprofit Management and*

Leadership 6, 3 (1996), 241–254.

<https://doi.org/10.1002/nml.4130060304> eprint:

<https://onlinelibrary.wiley.com/doi/pdf/10.1002/nml.4130060304>.

Kris Byron and Corinne Post. 2016. Women on Boards of Directors and Corporate Social Performance: A Meta-Analysis. *Corporate Governance: An International Review* 24, 4 (2016), 428–442.

<https://doi.org/10.1111/corg.12165> eprint:

<https://onlinelibrary.wiley.com/doi/pdf/10.1111/corg.12165>.

Kevin Campbell and Antonio Minguez Vera. 2010. Female board appointments and firm valuation: short and long-term effects. *Journal of Management & Governance* 14, 1 (Feb. 2010), 37–59.

<https://doi.org/10.1007/s10997-009-9092-y>

David A. Carter, Frank D’Souza, Betty J. Simkins, and W. Gary Simpson. 2010. The Gender and Ethnic Diversity of US Boards and Board Committees and Firm Financial Performance: BOARD DIVERSITY AND FINANCIAL PERFORMANCE. *Corporate Governance: An International Review* 18,5(Sept.2010),396–414.

<https://doi.org/10.1111/j.1467-8683.2010.00809.x>

David A. Carter, Betty J. Simkins, and W. Gary Simpson. 2003. Corporate Governance, Board Diversity, and Firm Value. *Financial Review* 38, 1 (2003), 33–53. <https://doi.org/10.1111/1540-6288.00034> eprint:

<https://onlinelibrary.wiley.com/doi/pdf/10.1111/1540-6288.00034>.

Larelle Chapple and Jacquelyn E. Humphrey. 2014. Does Board Gender Diversity Have a Financial Impact? Evidence Using Stock Portfolio Performance. *Journal of Business Ethics* 122, 4 (July 2014), 709–723. <https://doi.org/10.1007/s10551-013-1785-0>

Alison Cook and Christy Glass. 2018. Women on corporate boards: Do they advance corporate social responsibility? *Human Relations* 71, 7 (July 2018), 897–924. <https://doi.org/10.1177/0018726717729207> Publisher: SAGE Publications Ltd.

Yuval Deutsch. 2005. The Impact of Board Composition on Firms' Critical Decisions: A Meta- Analytic Review. *Journal of Management* 31, 3 (June 2005), 424–444. <https://doi.org/10.1177/0149206304272185> Publisher: SAGE Publications Inc.

Niclas L. Erhardt, James D. Werbel, and Charles B. Shrader. 2003. Board of Director Diversity and Firm Financial Performance. *Corporate Governance: An International Review* 11, 2 (2003), 102–111. <https://doi.org/10.1111/1467-8683.00011> eprint: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/1467-8683.00011>.

Xiaochen Feng, Alexander Groh, and Yin Wang. 2020. Board diversity and CSR. *Global Finance Journal* (Oct. 2020), 100578. <https://doi.org/10.1016/j.gfj.2020.100578>

Jeff Green. 2020. California Finds at Least 43 Companies Failed to Add Women to Boards. *BloombergQuint* (March 2020).

<https://www.bloombergquint.com/onweb/california-finds-at-least-43-companies-failed-to-add-women-to-boards>

Boris Groysberg and Deborah Bell. 2013. Dysfunction in the Boardroom. *Harvard Business Review* (June 2013).

<https://hbr.org/2013/06/dysfunction-in-the-boardroom> Section: Boards.

Marek Gruszczynski. 2020. Women on Boards and Firm Performance: A Microeconomic Search for a Connection. *Journal of Risk and Financial Management* 13, 9 (Sept. 2020), 218.

<https://doi.org/10.3390/jrfm13090218> Number: 9 Publisher:

Multidisciplinary Digital Publishing Institute.

Amy J. Hillman, Albert A. Cannella, and Ira C. Harris. 2002. Women and Racial Minorities in the Boardroom: How Do Directors Differ? *Journal of Management* 28, 6 (Dec. 2002), 747–763.

<https://doi.org/10.1177/014920630202800603> Publisher: SAGE Publications Inc.

Amy J. Hillman, Albert A. Cannella, and Ramona L. Paetzold. 2000. The Resource Dependence Role of Corporate Directors: Strategic Adaptation of Board Composition in Response to Environmental Change. *Journal of Management Studies* 37, 2 (2000), 235–256. <https://doi.org/10.1111/1467-6486.00179> eprint: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/1467-6486.00179>.

Saleh F. A. Khatib, Dewi Fariha Abdullah, Ahmed A. Elamer, and Raed Abueid. 2021. Nudging toward diversity in the boardroom: A systematic

literature review of board diversity of financial institutions. *Business Strategy and the Environment* 30, 2 (2021), 985–1002. <https://doi.org/10.1002/bse.2665>

eprint:

<https://onlinelibrary.wiley.com/doi/pdf/10.1002/bse.2665>.

Alison Konrad, Vicki Kramer, and Sumru Erkut. 2008. Critical Mass:: The Impact of Three or More Women on Corporate Boards. *Organizational Dynamics* 37 (April 2008), 145–164.

<https://doi.org/10.1016/j.orgdyn.2008.02.005>

Toyah Miller and Maria Del Carmen Triana. 2009. Demographic Diversity in the Boardroom: Mediators of the Board Diversity–Firm Performance Relationship. *Journal of Management Studies* 46, 5 (2009), 755–786.

<https://doi.org/10.1111/j.1467-6486.2009.00839.x> eprint:

<https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1467-6486.2009.00839.x>.

Arjun Mitra, Corinne Post, and Steve Sauerwald. 2021. Evaluating Board Candidates: A Threat- Contingency Model of Shareholder Dissent Against Female Director Candidates. *Organization Science* 32,1(Jan.2021),86–110.

<https://doi.org/10.1287/orsc.2020.1386> Publisher: INFORMS.

Craig A. Peterson and James Philpot. 2007. Women’s Roles on U.S. Fortune 500 Boards: Director Expertise and Committee Memberships. *Journal of Business Ethics* 72, 2 (May 2007), 177–196.

<https://doi.org/10.1007/s10551-006-9164-8>

Corinne Post, Noushi Rahman, and Cathleen McQuillen. 2015. From Board Composition to Corporate Environmental Performance Through

Sustainability-Themed Alliances. *Journal of Business Ethics* 130, 2 (2015), 423–435. <https://ideas.repec.org/a/kap/jbuset/v130y2015i2p423-435.html>
Publisher: Springer.

Corinne Post, Noushi Rahman, and Emily Rubow. 2011. Green Governance: Boards of Directors' Composition and Environmental Corporate Social Responsibility. *Business & Society* 50, 1 (March 2011), 189–223. <https://doi.org/10.1177/0007650310394642> Publisher: SAGE Publications Inc.

Mark C. Suchman. 1995. Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review* 20, 3 (1995), 571–610. <https://doi.org/10.2307/258788> Publisher: Academy of Management.

Christopher S. Tuggle, Karen Schnatterly, and Richard A. Johnson. 2010. Attention Patterns in the Boardroom: How Board Composition and Processes Affect Discussion of Entrepreneurial Issues. *Academy of Management Journal* 53, 3 (June 2010), 550–571. <https://doi.org/10.5465/amj.2010.51468687> Publisher: Academy of Management.

James D. Westphal and Laurie P. Milton. 2000. How Experience and Network Ties Affect the Influence of Demographic Minorities on Corporate Boards. *Administrative Science Quarterly* 45, 2 (2000), 366–398. <https://doi.org/10.2307/2667075> Publisher: [Sage Publications, Inc., Johnson Graduate School of Management, Cornell University].