

The Goodbody logo features the word "Goodbody" in a white sans-serif font, preceded by a small icon of three vertical bars of increasing height.The BOARD MATCH logo consists of the words "BOARD" and "MATCH" stacked vertically in a bold, white, sans-serif font, enclosed within a white rectangular border.The background of the slide is a scenic photograph of a calm lake. In the foreground, a blue and white rowing boat is partially visible on the left. Further out in the water, another similar boat is floating. The far shore is a steep, green hillside under a cloudy sky. The water reflects the sky and the surrounding landscape.

Ireland's Not-for-Profit Boards

Catalysts | Challenges | Compositions





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The Not-for-Profit (**NFP**) sector in Ireland has gone through substantial **changes** in recent years, especially around **governance, compliance** and **reporting**. These measures will inevitably strengthen the sector and add transparency, ultimately changing how many NFP **boards operate**.

As the roles and responsibilities evolve, the sector is undoubtedly examining the breadth of skills required as well as training needs for board members or trustees. To support that reflection, Goodbody and Boardmatch have partnered to produce this inaugural research report into the challenges that NFP boards in Ireland face today, capturing the views of many existing and aspiring trustees.

Over several months, interviews were conducted, and a survey was completed by over 400 current, former, and aspiring trustees. The feedback that we received was rich, highlighting the many positives of being on a NFP board as well as the challenges. We were also able to capture sentiment about diversity, onboarding, recruitment and areas of opportunity for additional training - all themes which you'll find in this report.

Boardmatch is proud to co-author this report with Goodbody, as the leading charity for committee and board recruitment in Ireland. The organisation has always aspired to create an open space where those wanting to join boards and boards themselves could meet. Beginning in 2005, Boardmatch changed how many charities and NFPs recruit for their boards and committees. Boardmatch does this by encouraging organisations to undertake independent and transparent recruitment processes which in turn, improves board diversity.

And, as the largest independent advisory service provider in Ireland, the Goodbody dedicated NFP team has unique experience and understanding of the sector and the changing regulatory requirements, so we hope this study will be a useful benchmark for many organisations. Based on the learnings, Goodbody will also launch a series of informational workshops and resources in 2023 to support the NFP sector. We look forward to sharing that programme with you.



Simon Howley,
Head of Wealth Management, Goodbody



Eva Gurn,
CEO, Boardmatch Ireland

Goodbody



Goodbody is a leading financial services firm serving and growing client relationships for nearly 150 years. It is a full service, investment-led business offering wealth management, asset management and investment banking services. Goodbody serves as an investment advisor to NFPs across Ireland, providing expertise in the areas of governance, tax, investment policy and financial planning.

Boardmatch Ireland



Boardmatch Ireland is the National Irish charity for board and committee recruitment, the only charity that solely focuses in charity board recruitment. The organisation focuses on matching individuals that are looking to volunteer their time and skills at board level, with charities and NFPs that have board and committee vacancies. To date, Boardmatch Ireland has facilitated the appointment of over 3,000 individuals to the boards of NFPs. Boardmatch also offers a full suite of training and supports to assist boards, trustees and aspiring trustees.

Behaviours & Attitudes (B&A)



The research in this report was carried out by Behaviours & Attitudes (B&A). Over the course of several months, a survey and series of interviews were conducted with current and aspiring trustees* across Ireland. Both populations came from Boardmatch's database.

* Individuals on a NFP board or aspiring to be on a board will be referred to in this report as 'Trustees'. Trustees are people who exercise responsibility/control and can include both directors and officers.

Overall sentiment about **being a member of a Not-for-Profit (NFP) board** was very positive with **97%** stating it was a **good use of their time.**

Despite overwhelmingly positive sentiment about board participation, some areas of improvement have been identified for NFP boards to consider when reviewing existing processes including:

- Ways to attract more diverse pools of candidates;
- What makes onboarding effective for new trustees;
- What common training gaps exist amongst trustees.

Key findings

Diversity



- The results of our survey highlighted that gender diversity is split evenly amongst men and women on Irish NFP boards – significantly outperforming corporate board gender diversity participation trends.
- Only 42% of NFP boards confirmed that they had a diversity policy in place.
- Differing opinions emerged amongst the existing trustee population as to the relative importance of recruiting for ethnic diversity versus diversity of skills and experience.

Recruitment



- Word of mouth/referrals are still used commonly for board recruitment, limiting the candidate pool and potential diversity of candidates.
- Nearly 40% of NFPs experienced an informal interview process, which may be a contributing factor to hindering greater involvement by minority groups.
- The application process can be improved for many roles, as more than half of all applications failed to be acknowledged or a reason for rejection wasn't provided.

Onboarding



- Nearly half of NFPs received moderate to low ratings for onboarding from current trustees.
- Many current trustees are unaware of their liabilities, duties and governance requirements, highlighting a gap that could be addressed during training, onboarding and induction phases.

Training



- Less than half of all trustees and aspiring trustees have undertaken trustee training.
- Trustees expressed a definitive need for financial and investment training.

Where are NFPs finding candidates?

When aspiring trustees are conducting searches for open board roles and wish to find out more about the duties and liabilities of NFP trustees, Boardmatch was noted as the first source of information. Amongst current trustees, Boardmatch is the third most used source.

Some aspiring trustees reported reaching out directly to current trustees/charities about potential board roles and were subsequently sent to Boardmatch directly to complete a formal application. This is reassuring in terms of NFPs ensuring a transparent, independent and fair process for all applicants.

For NFPs looking to attract board members, first contact through Boardmatch was welcomed, as it allowed for a no-commitment browse of all available candidates. 36% reported that their boards still rely on word of mouth recruitment and 33% reported referrals being an important part of their board's recruitment strategy. While 68% of current board trustees use Boardmatch's open access platform to attract candidates, the continued reliance on word of mouth and referrals raises concerns about diversity of candidate pools.

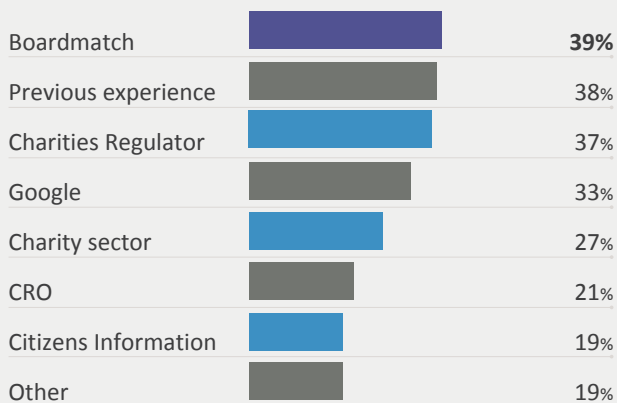
Communication during the application process left much to be desired for many aspiring trustees. **More than half of applicants claimed that their applications failed to be acknowledged or they were not given a reason for rejection.** This was a deterrent for some aspiring trustees, who said they're unsure about applying for future roles as a result. Aspiring trustees also commented that NFPs need to be clearer about what criteria applicants need to be successful.

When applying for roles, the majority of trustees reported that they went through a formal process of application, interview, and selection for their board role. 39% reported an informal process and 6% reported an alternative selection process, such as meetings or presentations. Many described the process as similar to a job interview. Research participants overwhelmingly favoured a formal process as it was viewed as more likely to deliver a fair outcome.

Source of information used: Aspiring trustees

Who or what were your key sources of information as to the duties and liabilities of a NFP trustee?

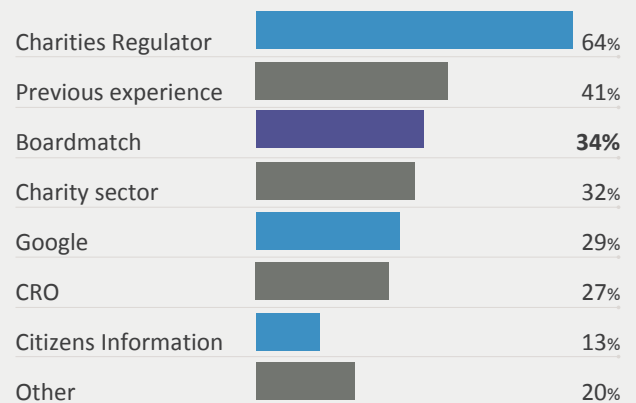
Base: 228



Source of information used: Current trustee

Who or what were your key sources of information as to the duties and liabilities of a NFP trustee?

Base: 205



NFPs without a formalised process for interviews and application status communication, may consider creating frameworks in these areas to ensure fair assessments, positive experiences and reputation management. Boardmatch have developed templates and guidelines in these areas to support NFPs further.

Learning the ropes: The onboarding experience

For most current NFP trustees, the induction they received was adequate with 54% of survey respondents rating their experience as very or fairly good.

Unsurprisingly, larger charities tended to receive higher marks as they're more likely to have a formal process in place that explains important elements about their organisations, offering new trustees the opportunity to get up to speed quicker. **CEOs were positively cited on several occasions for taking time to meet with new trustees as part of induction.**

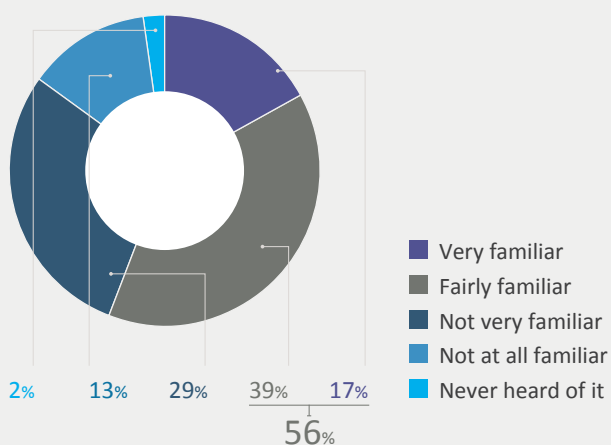
Despite generally positive or neutral sentiment about onboarding, the data revealed a clear knowledge gap, as many current and aspiring trustees are not aware of the potential personal liabilities when they join a board, with just under half reporting their knowledge of personal liabilities as per the Charities Act 2009 as either very or fairly strong. Similarly, many trustees end up on boards with limited knowledge of the duties that they have taken on, with 42% of current trustees proclaiming a 'Reasonable', 'Fairly weak' or 'Very weak' understanding of their duties. And in terms of governance, **only half of current trustees reported that they received formal training on the Charities Governance Code.**

Ideally, onboarding should not only provide clarity around the role of a trustee, the responsibilities involved, and the specific role of the board, but also information about personal liabilities, duties, and governance. This study's participants stated that a formal induction process that includes all of these components, is key to giving new trustees the best chance for success and puts them in a position to start contributing to the board quickly.

Charities Governance Code: Registered to find a role

How familiar are you with the Charities Governance Code?

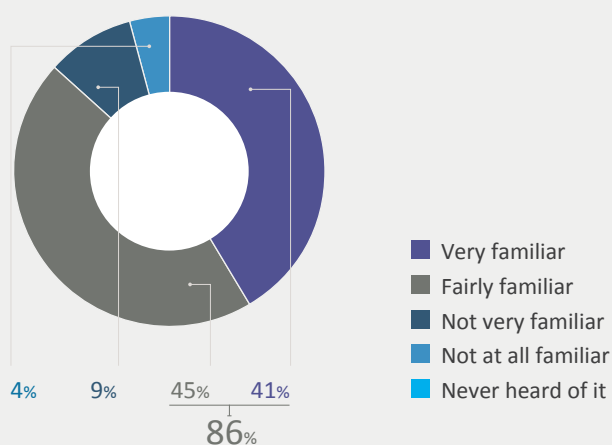
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Charities Governance Code: Current trustees

How familiar are you with the Charities Governance Code?

Base: 205



Current trustees are largely more familiar with the Charities Governance Code than those who are registered to find a role.

NFPs may consider creating a guide for new and existing board members that outlines liabilities, duties and governance resources, as there is a lack of understanding amongst many aspiring and current trustees.

The knowledge gap: Training

While it was acknowledged that training exists for NFP board members, the offerings and adoption rate are limited. Aspiring and current trustees reported being aware of available NFP trustee training, but only two in five report having taken it.

Of those who have completed training, most have taken it with Boardmatch followed by other charities offering training in the sector. Trustees, current and aspiring need to recognise that training is a necessity for all new roles. Becoming a trustee carries a high level of responsibility and therefore should be treated with an equally high level of importance. Undertaking training to understand the role, liabilities and duties should be the first step trustees take to ensure that they are able to make meaningful contributions to boards.

The need for financial and investment training was highlighted universally as the study population felt that being on a board requires at the bare minimum, a basic level of financial responsibility, accountability and understanding of the organisation's financials.

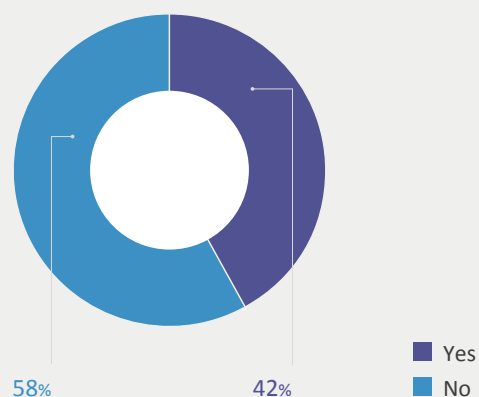
Survey respondents could not identify sources of financial and investment training in the Irish market for NFP boards. And currently, 60% of trustees report that their boards do not have an investment policies, while 20% are unsure and only 20% answered that their boards have investment policies in place. Of those who do have investment policies, just under half report that they are unsure how often they are updated or report they are updated every two years or longer. The implementation and regular review of investment policies may be attributable to both the lack of training and expert guidance when it comes to managing investments as **investment advisors were only confirmed to be working with 14% of NFP boards.**

“If there was a course that was an introduction to finance for board directors, so that they're not throwing their hands up in the air and saying, I don't understand finance, I think that would be useful.”

Training completed: All Boardmatch members

Have you completed any NFP trustee training?

Base: 443



Two in five have undertaken NFP trustee training.

These findings point to a clear need for greater awareness of existing financial governance training offered by Boardmatch, and the creation of investment training for the Irish NFP market.

Why join a NFP board?

Trustees and aspiring trustees reported that the strongest motivation in deciding to join a board is the opportunity to give back in a structured, professional capacity and to help promote a cause that they are passionate about.

Two unique 'types' of NFP trustees emerged while conducting research for this report. The first and most popular type, was the 'Altruist'. This type of trustee was motivated to join a board in order to give back in a professional/ leadership role. The second, and minority type of NFP board member is the 'Careerist' who view boards as a way to add to their CVs and build leadership skills.

Altruists - Majority



Both groups provide their expertise, time and commitment at the same level.

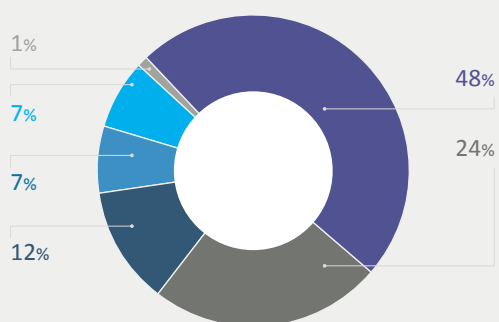
- Motivated by ability to **make a difference**.
- Confident **leaders**.
- Generally **50+**.
- More likely to come from a family who **volunteers**.
- Stronger **financial background**.

Careerist - Minority



- Motivated to **improve skills**.
- Looking for **smaller charities** to build experience.
- **Younger**, under 35.
- **Less likely** to come from a family who volunteers.
- **Lack of experience** in finance sector.

Most important motivation to become a trustee



- Give back in a structured, professional capacity
- Enhance career opportunities
- Help a cause I am passionate about
- Positive life experience
- Good way to grow my skills
- Expand my network

“Listen I like helping, that is the truth of it. If I can make a difference, I will make a difference. I thought I would probably be able to make a bigger impact if I was actually serving on a board, especially something that I was passionate about.” - Altruist

“There were a couple of reasons to be honest, my CV needs it. I don't really do anything in terms of professional development other than work, so I needed something for it. Also, I wanted the experience. I work with the CEO (of a charity) in my day job, so I have experience and insight into managing a board or the information that you would give to the board and that kind of stuff, but I wouldn't have any insight into what it is like to be on a board and receive that information.” - Careerist

Whether trustees are 'Altruists' or 'Careerists', they are equally committed to their board roles.

Older trustees



- 32% of aspiring trustees in the 65+ age bracket selected International Development and Business and Enterprise Development (tied) as their first choice of charity sector.
- Trustees in the 65+ bracket claim double the interest in Civil and Human Rights, Conflict Resolution, Support and Counselling and Poverty Relief than all other demographics.

Younger trustees



- The younger demographic (17-34), is most interested in the Business and Enterprise Development sector with 36% of reporting it as their top choice.
- Young aspiring trustees had significantly more interest in Sports and Recreation, Environmental Sustainability and Mental Health than their older counterparts.

Men vs. women



- Men are most interested in the Business and Enterprise Development sector with 43% electing it as top choice versus 22% of women.
- 28% of aspiring women trustees elected Children and Families as a sector of interest versus just 3% of men.
- Women were twice as likely to select organisations focused on disabilities, while men were almost twice as likely to want to work in International Development as women.

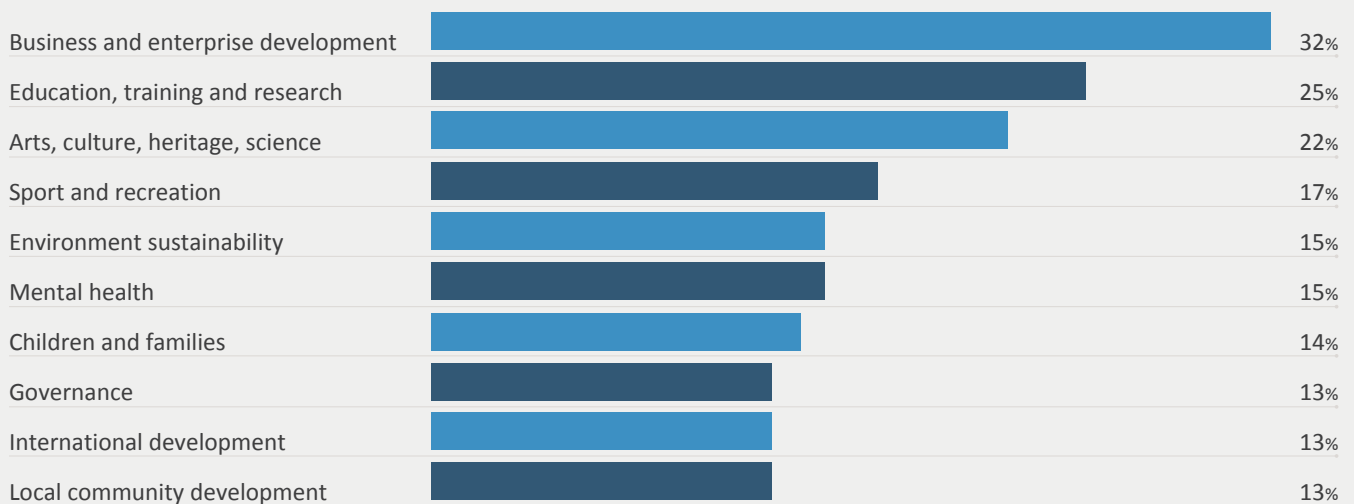
Other ethnicities



- Those who reported themselves as an ethnicity other than White, Northern European had significantly more interest in three sectors:
 - Mental health: 24% versus 13%.
 - Governance: 22% versus 11%.
 - Children and families: 20% versus 13%.

Top 10 preferred board types reported by aspiring trustees

Base: 228



There is at least fragmented interest in almost every board type albeit some are more niche than others, especially those dealing with religious or addiction services.

The findings on sector interest, showcase the demographic divide when it comes to interests, which may illuminate the reasons for limited candidate pools, lack of diversity on boards or knowledge of the size of the sector.

Embracing diversity

Board diversity is a pressing matter for many NFPs and as such, many have implemented a diversity policy. Surprisingly only 42% of NFPs in Ireland confirmed that their boards have a diversity policy, 29% were unsure, and another 29% reported not having one.

We know that the benefits of board diversity, include:

- Bringing unique perspectives to the boardroom;
- Strengthening relationships with all stakeholders;
- Enhancing board performance;
- Increasing strategy/risk oversight;
- Improving organisation performance more broadly.

The findings are more positive when it comes to gender diversity, which is good amongst NFP boards with a 50/50 split reported by all. Despite equal representation on boards, women may not be as engaged in financial roles as male counterparts, as they rate their financial skills significantly lower with 55% of current female trustees stating their skills are 'Very strong' versus 80% of men. Women also report significantly less experience in the financial sector.

Notably, there is significant drop off in participation by women on Irish NFP boards after age 45.

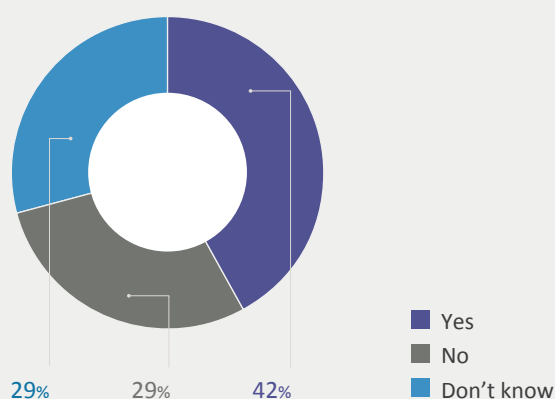
Women in the 45-54, 55-64 and 65-74 age brackets are not joining Boardmatch's database at the same level as men, with significantly less women registered in every age category onward starting from age 45. This may be connected to concerns about the time commitment associated with being on a NFP board.

In terms of fostering age diversity on boards, many existing board members are enthusiastic about recruiting young trustees and the energy, technology knowledge and social media experience that they bring to the table.

Inclusion of diversity: Current trustees

Does the board have a diversity policy?

Base: 205



Almost one third are unsure if their board has a diversity policy.

Many trustees did state that currently their boards are generally similar in social class, ethnic background, and age.

Attitudes about diversity, in terms of what it means, how it should be addressed and the urgency of addressing board diversity, are extremely varied amongst trustees, and many charities may benefit from implementing a diversity policy.

Trustees aged 65+ expressed aged based concerns, mainly around lack of experience that could create barriers to entry for young people looking to join NFP boards. Boardmatch believes that everyone has something to bring to the boardroom table no matter their age, but like any role, undertaking the necessary training is vital to success.

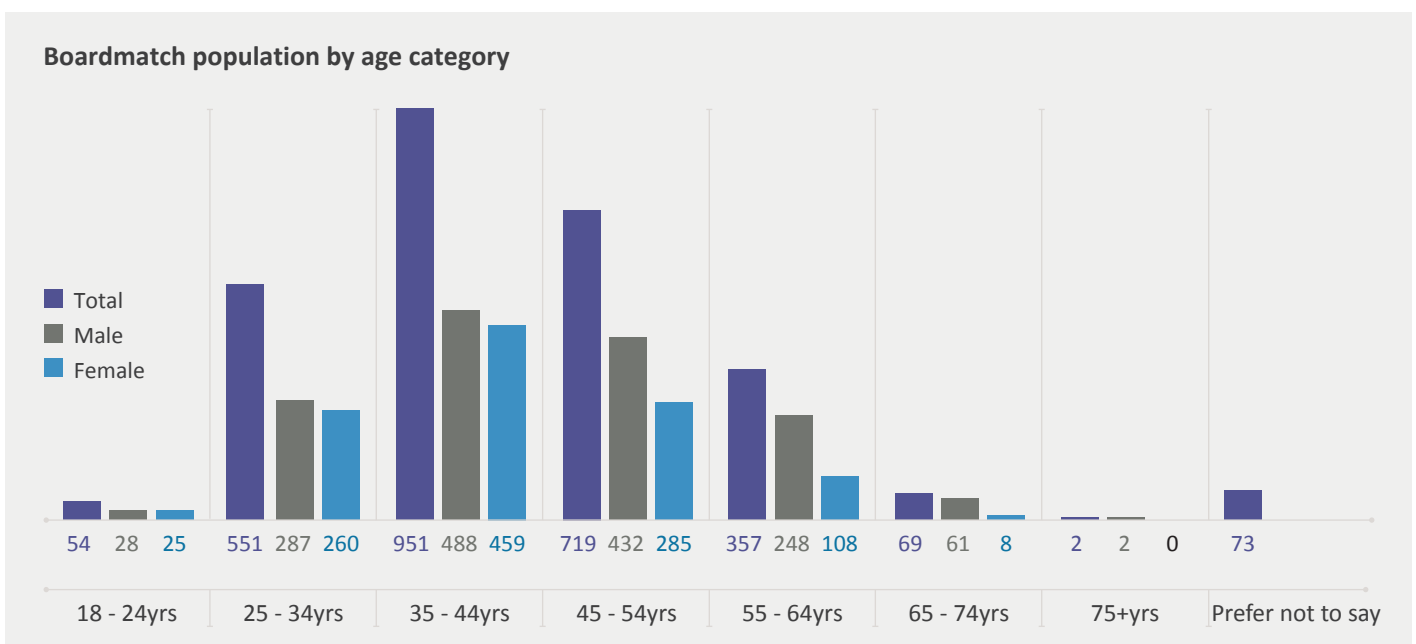
In terms of ethnic diversity, many felt that as Ireland becomes more multi-cultural, trustees will naturally become more diverse but until then, NFP boards should recruit the best skills, regardless of ethnicity, to ensure success.

Many trustees did state that currently their boards are generally similar in social class, ethnic background, and age.

To encourage applications from diverse backgrounds, the recommended approach was to publicise the availability of board roles across more channels, especially social media to reach younger people and those from minority groups in Irish society. One current trustee mentioned the importance of representation and education for the trustee population:

“ We had the Irish Centre for Diversity give a 3-hour training course to our board on the benefits of inclusion and diversity, as opposed to you having to do this or else you won't get funding. It was very much – what does it add to an organisation if there is a diverse board and if the people at the top, making the decisions, are very visible, then it means that at the volunteer level they will go wow, if she is able to get there, I can be there too.”

Many recommended a formal interview process be put in place for all NFP boards, using a system like Boardmatch to ensure the application process is transparent and fair. A number of interviewees mentioned that quotas or targets could potentially be used to accelerate diversity.



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