

**From the South Florida Business Journal:**

**<http://www.bizjournals.com/southflorida/print-edition/2011/10/28/get-diversity-in-the-boardroom.html>**

## Diversity

# Get diversity in the boardroom: Educate, advocate and network

**Premium content from South Florida Business Journal by Laura Marks, Guest Column**

Date: Friday, October 28, 2011, 6:00am EDT

### Related:

[Commercial Real Estate](#), [Human Resources](#)

The call to action is heard worldwide, not just from a governance platform, but from shareholders, consumers and investors: Bring diversity to the boardroom!

Statistics on the path to board service indicate that both men and women number almost equally in seeking board nominations, but it takes women a somewhat longer time to achieve the same seat – an average of two years for women versus 1.5 years for men. A recent **Harvard Business Review** sited several interesting statistics related to returns on equity, sales and invested capital. All showed companies with higher percentages of women board directors outperformed their competitors by at least 40 percent, and more than 65 percent in some areas. It remains enlightening and powerful to note that women comprise half the workforce, hold 75 percent of the buying power, and still hold only 15 percent of board seats in the U.S.

Calling on experienced board members, and experts in nomination and selection for corporate boards, we hear time and time again that infusing much-needed diversity into the boardroom and executive suites will help businesses attain these goals. Studies by thought leaders in board trends indicate that the dynamic of a diverse and balanced board can drive increased profitability and performance in a highly competitive economy.

### **Business imperative for diversity**

Women Executive Leadership (WEL) stands at the forefront of this dialogue, emphasizing the business imperative for diversity as companies address global market pressures to achieve corporate sustainability and return on investment.

The U.S., unlike many European countries, has not sought to mandate quotas. In Norway, where the call for 40 percent female representation went out as early as 2002, statistics show the impact to the more than 400 companies affected yielded numbers above the 40 percent mandate. Spain and the Netherlands followed suit, and more dialogue is under way.

Proposed strategies from subject matter experts cover a broad spectrum in diversifying the boardrooms of corporate America, including assessment of board performance and developing or updating protocols on board term limits, expanding the selection criteria beyond the traditional scope of qualifiers, building effective succession plans and bringing the consumer's voice into the boardroom. Yet, there is no widely recognized standard in place as companies continue to wrangle with widespread regulatory changes, the demand for increased transparency in policies advancing diversity in the boardroom and stronger oversight from the board. These trends have already resulted in changes to governance practices, specifically related to proxy disclosures regarding diversity in the selection process.

It is also important to note other drivers behind successful change in this paradigm, specifically that change must come from within. The advancement of gender diversity in the boardroom is driven by both tangible and intangible factors that cover perceived contributions to board effectiveness, alignment with corporate culture and strategy, a forward-thinking philosophy and a vision beyond the status quo.

### **Changes takes effort**

How does change happen? The key is heightened awareness and engagement. WEL's mission is to educate, advocate and its network provides a platform to board service for accomplished female executives in Florida. WEL's membership is reflective of executive women across Florida's diverse businesses and has a national voice through its membership with InterOrganization Network (ION). As agents of change, WEL is helping companies diversify their boards and increase their talent pool. It is helping female executives expand their influence within their respective business communities, and engage in other activities designed or intended to accomplish such purposes, increase their visibility by providing a forum where executive women can unite, network and leverage best practices within an organization of their peers.