

Black corporate board seats decline

Written by
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Washington, D.C. - The release of a corporate board census by the Alliance for Board Diversity (ABD) on May 2, 2011 reported a surprising decline in the combined number of seats for women and minorities on the boards of the nation's leading corporations. The largest decline was among Blacks. This year's report found that in the Fortune 100 between 2004 and 2010, African Americans lost over 40 board seats while white men increased their presence on corporate boards, adding over 30. Overall, women did not see an appreciable increase in their share of board seats.

The Executive Leadership Council (ELC), an independent, non-profit 501(c)(6) corporation founded in 1986, is a founding partner in the Alliance for Board Diversity. ELC members are African American senior executives of Fortune 500 companies and equivalents. Considering the hundreds of board seats that became available during the six year period, ELC sees the combined decrease for all underrepresented groups and the steep decline for blacks as disconcerting.

"It is troubling groups already severely underrepresented on corporate boards have collectively experienced a decline over the last six years," ELC president and CEO Arnold W. Donald remarked in his assessment of the available data. "Most business leaders recognize that inclusion and the diversity of thinking that results from it creates real value. Shareholder value for most of the companies listed in the census is being compromised by the lack of board diversity. A decline in any single group of minorities or women is not good, a collective decline is troubling."

The ABD has worked collaboratively for more than six years to encourage corporations to increase the diversity of their boards. Catalyzed by sponsoring companies Altria and Kraft, the ELC has recently begun its own Corporate Board Initiative. ELC identifies and offers development opportunities to its members who are "board ready" and those who are nearly ready to assume the rigors of corporate board responsibilities. The organization has assembled an elite cadre of members prepared for board leadership and has worked with leading search organizations such as Heidrick & Struggles to prepare candidates and match them with opportunities.

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ABD Corporate Board Census

Recent U.S. Census data shows that women and minority men comprise 66 percent of the U.S. population. Yet the ABD report indicates that more than 325 of the Fortune 500 have less than 25 percent representation, nearly 100 have less than 10 percent, and 37 companies have no women or minority representation whatsoever.

"Few will debate that inclusion and the diversity of thinking that it brings to business challenges creates real shareholder value," further stated Mr. Donald of ELC. "That's why the decline in the collective presence of underrepresented groups on the boards of America's largest corporations as reported in this study is more than a little concerning. We at ELC, together with our ABD partners, plan to make a meaningful contribution in helping America's corporations address this missed opportunity."

Corporations interested in increasing board diversity may contact ELC or any of the partners in the ABD for access to the most qualified diverse candidates available for corporate board service.

Founded in 2004, the Alliance for Board Diversity is a collaboration of four leadership organizations: Catalyst www.catalyst.org, The Executive Leadership Council www.elcinfo.com, the Hispanic Association on Corporate Responsibility www.hacr.org, and Leadership Education for Asian Pacifics, Inc www.leap.org. The Prout Group Inc. www.proutgroup.com, an executive search firm, is a founding partner of the alliance and serves as advisor and facilitator. The groups have a common goal to enhance shareholder value by promoting inclusion of women and minorities on corporate boards. More information about ABD and access to the full "Missing Pieces: Women and Minorities on Fortune 500 Boards - 2010 Alliance for Board Diversity Census" is available at www.theabd.org.