



**THE INTERORGANIZATION NETWORK  
STATEMENT ON  
CORPORATE BOARD DIVERSITY**

***Gender diversity on corporate boards promotes value creation  
in companies and the economy.***

The InterOrganization Network\* (ION) vigorously promotes increasing gender diversity among corporate directors in the United States. We strongly encourage companies to adopt an open, merit-based approach to selecting the best directors possible, with due regard to gender diversity.

The time is now for companies to effect change by setting measurable milestones and timeframes to achieve a gender diverse board that meets their needs.<sup>1</sup>

A bias for immediate action is compelled by the following considerations:

1. SEC-mandated disclosures in proxy statements of United States companies reveal that management and directors overwhelmingly value diverse boards.
2. Academic research on the relationship between board diversity and external measures of board and company performance finds that diversity and, in particular gender diversity, increases board effectiveness in terms of both company oversight and assessment of long-term economic value.<sup>2</sup>
3. Boards of directors are the “accountability” link between a company’s management and its shareholders - many of whom are women. Having a critical mass of women on a company’s board helps ensure that it meets shareholder expectations.
4. Today’s boards are driving value creation in their companies. In order to perform this critical function, boards must be strategically attuned to the changing global environment in which their companies compete. Women are a significant and growing segment of the market for both business and consumer goods and services. Having a critical mass of women on a company’s board helps ensure that it identifies, anticipates and takes advantage of trends in the global marketplace.

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<sup>1</sup>While ION does not endorse quotas as the preferred means to increase board diversity, we do advocate gender diversity that includes at least a critical mass of women.

<sup>2</sup>The Corporate Library, Beyond the Boilerplate: The Performance Impacts of Board Diversity (July 29, 2010). Available at <http://www.thecorporatelibrary.com/reports.php?reportid=327&keyword=>

5. Having the right people around the table is key to functioning as a high performing team. In addition to a combination of appropriate skills, experience, independence and knowledge, gender diversity is an attribute of a high performing board. Companies with gender diverse boards are more innovative and improve the quality of their problem solving abilities.
6. The strongest possible pool of candidates for board positions must include the untapped talent of accomplished women. Companies and their stakeholders benefit from a focus on function and experience rather than simply title and on capability rather than on prior acquaintance. Major contributors to high performing boards can be found in the leadership ranks of private companies, government, academia, professional service firms and business-oriented not-for-profit organizations as well as in public companies.

ION urges companies to take the following actions to ensure optimal gender diversity on their boards:

- Adopt a policy to consider women for every board search.
- Develop a board diversity profile that includes a critical mass (three or more) of women.
- Publicly disclose the board's diversity profile; the milestones and timeframe for achieving the profile, if it does not represent the present state of the board; and the steps taken and planned for achieving its diversity goals.
- Establish clear procedures to encourage and consider board nominations of qualified women from long term shareowners and other interested parties.
- Make the chair of the board or nominating committee available to meet to discuss potential women candidates and at shareholder meetings to answer questions about management's slate and the board's diversity policies and goals.
- Reach out to many sources, including ION, that can identify significant numbers of qualified women candidates.

\*The InterOrganization Network (ION) ([www.ionwomen.org](http://www.ionwomen.org)) consists of 13 regional organizations located across the United States, all of which work to advance women to positions of power in the business world, primarily to boards of directors and executive suites. These executive women's groups join together as ION to combine their energies, to leverage their strengths, and to maximize their individual and aggregate influence in order to increase the number and percentage of women who comprise the leadership of corporate America. Annually, ION publishes research data collected by its members, benchmarking and tracking women directors and executive officers of public companies based in their respective regions. ION is available as a resource for information and best practices on gender diversity in corporate leadership as well as for qualified women board candidates.