

# Diversity and boards

Christina Ahmadjian  
Hitotsubashi University  
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UNIVERSITY

# Situation in the US

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- Stronger representation as CEOs in “old” American companies: IBM, Xerox, GM, Pepsico
- Relatively low representation in Silicon Valley,
- 16.9% of board seats of public companies held by women
- Strong norm among large, public companies that at least one board member should be woman
- 51% of “managerial, professional and related” are women
- Very little debate about quotas



# Do women make for better boards?

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- Hard to find statistical relationship between board diversity and better performance.
- Hard to find statistical relationship between most features of boards and performance.
- But, probably a question of how diversity is managed. Badly managed diversity worsens performance.
- We know that diverse groups are more creative, ask better questions, prevent dangerous “group think”

# Do women bring a “unique” perspective?

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- Probably not
- Emphasizing “women’s point of view” or “women’s attention to detail” is not a step towards equality
- I hate to hear “this company needs women because it is in the cosmetics industry.”
- Women drive cars, use trains, benefit from power generation and special chemicals. ALL companies can benefit from women’s brains and capabilities.

# Board diversity shows that

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- A company values diversity
- A company is flexible
- A company is selecting the best talent

# Women insiders and outsiders

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- Research suggests that hiring women managers is a “secret weapon” that leads to successful performance among foreign companies in Japan and Korea
- These companies are selecting from entire population, not just half
- These companies value talent and results,
- Women outside directors are important and good, but insiders are even more important.