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Boardrooms need more diversity

By Jerry J. Maginnis & Patricia A. Coulter
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One hundred years ago, the *Negro Business Directory* was published. It identified black-owned businesses and listed the sectors that employed sizable numbers of black workers in Pennsylvania.

In Philadelphia, the directory identified five black-owned insurance companies and an astounding 20 newspapers. It reported that more than 3,000 blacks were employed in "manufacturing and mechanical pursuits," and nearly 4,000 in "trade and transportation." It listed 30 black physicians, 16 lawyers, 11 dentists, and two druggists. The directory didn't survey corporate boards of directors, but it likely would have found no African Americans on them.

In the intervening 100 years, we've certainly made some strides, but not as many as you might think.

Today, the Urban League of Philadelphia and KPMG's Philadelphia office are releasing a survey of African American participation on the boards of public companies in our region, "Opportunity at the Top: Leadership and Diversity of Corporate Boards." The results are sobering.

While African Americans make up 44 percent of the population of Philadelphia and 20 percent of the region, they account for just 4 percent of the 678 directors of companies that responded to the survey. Twenty-six percent of the responding companies said they have one African American board member; less than 2 percent have more than one.

The business case for more diversity in the boardroom is simple enough. As Comcast executive vice president David L. Cohen wrote in the report, "Companies can only benefit from the better policy guidance they receive from diverse boards of directors. And the symbolic value - internally and externally - of diverse directors of high-profile companies also cannot be overstated."

Isaiah Harris Jr., the chairman of the board of Cigna and the only African American serving in that position in our region, wrote in the report that "any company that seeks to be relevant and competitive will see the importance of diversity. ..." Harris recommends that companies find diverse slates of candidates when seeking additions to their boards, adding, "High-quality, experienced diversity professionals are available. Identification is a matter of priority." Engage a search firm if necessary, he says.

Frank K. Ross, a retired KPMG partner who serves on two corporate boards and is African American, wrote that companies increasingly "see the correlation between quality board members and diverse candidates." Ross, who is also a professor of accounting at Howard University, says black professionals should look to enhance their skills so they're ready when a call comes "from a company looking not to just add diversity to the board, but to bring on talented professionals who will ... make the company stronger and ultimately more profitable."

We encourage the area's business and community leaders to read the report, and we hope it spurs conversations and actions that put more African Americans on corporate boards. Boards of directors set the tone and culture of the organizations they serve. They're important both symbolically and substantively.

It's been nearly 50 years since passage of the Civil Rights Act, and it's been a century since the National Urban League was founded to empower African Americans through the achievement of economic equality and power. It's past time for African Americans to make their mark in the boardrooms of corporate America. Let's start a dialogue to make that 4 percent figure as outdated as the *Negro Business Directory* of 100 years ago.

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