

Apple pledges to broaden diversity in the boardroom

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By [Erin E. Harrison](#) January 9, 2014



In anticipation of a proposal from two investor groups, Apple has vowed to pursue the recruitment of more women and minorities to its board of directors. The technology giant has recently come under fire for its lack of diversity in the boardroom. Apple's eight-member [board](#) currently has one woman, former Avon CEO Andrea Jung, who is also the only current director with a minority background.

In the company's preliminary [proxy statement](#) filed with the SEC, Apple notes it recently agreed to add language to its nominating and corporate governance committee [charter](#) saying that it is "committed to actively seeking out highly qualified women and individuals from minority groups to include in the pool from which board nominees are chosen."

In addition to a lack of female presence on Apple's board of directors, Carlos Orta, president and CEO of the Hispanic Association on Corporate Responsibility, recently [chided](#) Apple and other industry leaders for entirely excluding Hispanics from their boards.

"Companies such as American Express, Apple, ExxonMobil and Sears should be embarrassed their boards exclude Hispanics despite a demographic of 60 million consumers with a buying power of \$1.3 trillion," Orta said in a [statement](#). "The lack of Hispanic inclusion doesn't bode well for shareholder value given the U.S. Hispanic consumer is the 14th largest economy in the world."

As we approach the 2014 proxy season, diversity in the boardroom is one of the bigger issues that shareholders are starting to consider. Among U.S. and Canadian companies, there were 11 shareholder proposals calling for board diversity voted on during the 2011 proxy season, three in 2012 and nine in 2013, according to governance research firm GMI Ratings.

Diversity in the boardroom goes far beyond filling quotas or creating a board that just looks good to the public — [diverse boardroom composition](#) is also good for business. This is the contention of many executive coaches and recruiters.

The best boards are often the most diverse boards, according to Patricia Lenkov, founder and CEO of Agility Executive Search, who recently said they can "offer a depth and breadth of insight, perspective and experience to CEOs that non-diverse boards simply cannot."