

SPECIAL MESSAGES ON BOARD DIVERSITY



■ **Mr. Joseph Owolabi, FCCA**
Global Deputy President
ACCA
(Association of Chartered
Certified Accountants)

We are a world of 195 nations.

We are a world of 7,000 languages.

We are a world of 8 billion people.

We are a world of countless cultures, creeds and customs.

As the poet Walt Whitman said: We contain multitudes.

Yet everywhere we look on our planet we see people denied the chance of a full and happy life simply because of their gender, race or background.

My organisation – ACCA – was founded in 1904 to open up the chance of a fulfilling and useful career to men and women of all classes and all countries, without exception. It was a revolutionary idea at the time. And still, in too many parts of the world, it remains so.

That's wrong, and not just for moral and ethical reasons.

It's also bad for business.

There's now a growing acceptance that businesses which want to stay successful must be run by men and women who understand and reflect the lived reality of their community, their customers and their staff.

It isn't a nice-to-have, or a shiny claim to include in a glossy corporate brochure. Insisting on a diverse Board of directors is the only way forward-thinking firms can know they are connected to the people they need to fuel their growth – the paying public and their employees.

And in a world where it's getting ever-harder to recruit and retain the best people – why would any company shrink its potential talent pool by erecting artificial barriers?

It makes absolutely no sense – in whichever language you speak.

That's why ACCA continues to celebrate and champion diversity, in our own organisation, and across the world – just as we have done for 118 years. ■



■ **Ms. Punita Kumar-Sinha, Ph.D., CFA**
Board of Governors, CFA Institute,
and
Board Member, JSW Steel, Lupin,
Rallis and Embassy REIT

When I joined the Board of JSW Steel (my first Board in India) in 2012, most companies in India did not have women directors. Subsequently, the Companies Act mandated at least one-woman director in 2013. While India was not the first country, it was an early adopter for Board diversity amongst Asian countries. Now, across the world, we are seeing that governments are mandating increased quotas for diversity.

As operating environments become more global and complex, companies have to be able to address the needs of ever-more stakeholders. Consequently, boards also have to be much more diverse to understand and incorporate these varied requirements. Boards should avoid overly homogenous thinking since it leads to simplistic approaches and fragility. Boardrooms require robust discussions across multiple dimensions to meet stakeholder needs. As a result, boards have been seeking out varied perspectives, contrasting viewpoints, and skill sets.

As more boards adopt such approaches, we are seeing several boards with more than one-woman independent director. This certainly changes board dynamics and leads to a much better board culture. Our discussions are more inclusive, diverse perspectives get discussed, and decision-making is more robust.

While most diversity efforts have been focused on increasing gender diversity, we are now seeing more emphasis on other forms of diversity such as race/ethnicity, age, skill set and LGBT. With these excellent initiatives underway, I anticipate that boardrooms across the world will look a lot more like the societies that we live in. ■