Diversity on the board
By Lauren Berry

If diversity at the top leads to new ideas and viewpoints, North Carolina's largest companies may be missing out.

The number of women and minorities in North Carolina's boardrooms continues to lag the national average, according to a study released this week.

You can see in this document that there has been positive change but it's not much and not enough, said Lissa Broome, director of the UNC School of Law's Director Diversity Initiative, which conducted the study.

The survey found that women make up 11 percent and minorities make up 6 percent of North Carolina's boards of directors. For Fortune 100 companies, a nationwide list, 17 percent of board members are women and 15 percent are minorities.

The study measured diversity among directors of the 50 largest North Carolina companies, based on market capitalization, as of Sept. 30, 2006. The Fortune 100 list ranks companies based on revenue.

Broome said diverse membership at the board level can help a company make better informed decisions and improve public image.

Women and minorities may bring different ideas to the table to allow for more constructive dialogues and have a better insight into different employee and consumer groups, Broome said.

Despite being home to 15 companies with women or minorities counting for at least 25 percent of board members, the state average was weighed down by 17 companies with no female or minority board members. Local firms with all white male boards were car retailer Sonic Automotive, motorsports entertainment company Speedway Motorsports, shipping and logistics company Horizon Lines, engineering manufacturer EnPro Industries, fashion retailer Cato and healthcare company MedCath.

Broome said the most common reason given for a lack of females or minorities among boards of directors is that there are few qualified applicants.

Certainly diversity ought not to be the only factor, the what does the company need at this time to forward should be, Broome said. But when that is met, diversity needs to be looked at.

She also said once companies add the first woman or minority board member, they are more likely to add others.

Speedway Motorsports officials were unavailable for comment Wednesday. Public relations representative Scott Cooper said he believed all executives to be en route to a race in California.

Progress Energy led the N.C. list with three women and two minorities making up 36 percent of the company's board.

Diversity among our board members is a critical component of our efforts to create an inclusive, high-performing workforce that is able to successfully meet the future needs of our customers, said Bill Johnson, chief executive for the Raleigh-based utility.

Matthews-based bargain chain Family Dollar and steel company Nucor were the top Charlotte area companies with women and minorities accounting for 29 percent of each of their boards. Bank of America was among the top 10, with 28 percent.

Joshua Braverman, public relations manager for Family Dollar, said the board's varied experiences and backgrounds provide the leadership that helps Family Dollar achieve our continued growth and success.

Scott Silvestri, spokesman for Bank of America, said all levels of employees have the opportunity and responsibility to create and sustain a diverse and inclusive work environment.
Female board members increased in North Carolina, from 4 percent in 1992 and 10 percent in 2003, to 11 percent in 2006. The percentage of minority board members also rose from 2 percent in 1992 and 5 percent in 2003, to 2006’s 6 percent.

The increasing presence of minority and female board members is a good sign, said Broome. She added that boards need to find creative ways to find different people.