

Testimony of Barbara Smoot

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Ohio House of Representatives

Civil Justice Committee

House Concurrent Resolution 13

To encourage equitable and diverse gender representation on the boards and in senior management of Ohio companies and institutions

November 12, 2019

Good afternoon, Chair Hambley, Vice Chair Patton, Ranking Member Brown, and members of the House Civil Justice Committee. Thank you for the opportunity to provide testimony today regarding my support of House Concurrent Resolution #13.

My name is Barb Smoot and I am president & CEO of Women for Economic and Leadership Development (WELD). WELD's mission is to develop and advance women's leadership to strengthen the economic prosperity of the communities it serves. WELD is a national nonprofit founded and headquartered here in central Ohio with. One of the key reasons WELD was founded was to move the needle forward for increasing the number of women in top leadership in our companies – from the C-suite to the corporate board table. Our programs, events and annual national leadership conference help facilitate women's leadership and equip women with the skills to advance in their careers and businesses. Further, we support corporations with their internal leadership development strategies as well.

WELD strongly supports the purpose and desired outcomes of HCR 13. The business case for gender diversity on public company boards has been well-proven, well-documented and broadly communicated. There have been growing

calls from shareholders and other stakeholders and organizations for boards to expand diversity beyond gender to also include age, race, ethnicity, background, industry experience, expertise, and perspective. These growing calls are having a favorable impact on the numbers. According to the 2019 U.S. Spencer Stuart Board Index, of the 432 independent directors in the 2019 incoming class added to the S&P 500 boards over the past year, a record-breaking 59% include women and minority men. It is critical to build on this momentum by making it clear that board diversity is important for Ohio's economic development and performance. HCR 13 as drafted meets this important criterion.

The approach of HCR 13 is consistent with what companies do routinely to realize key organizational goals. Having a documented, thoughtful strategy to increase board diversity and inclusion - and backing it up with tactics that get implemented and monitored - is the same treatment given to any other business imperative critical to the success of a company.

Since its inception, WELD has been at the forefront of advocating for increased diversity on for-profit company boards and in the C-suite, for equipping women with the skills and knowledge to become board-ready and for helping board-ready women expand networks vital to obtain board seats. WELD's experience has been that women have been very vocal and active in trying to obtain seats on public company boards. There is no shortage of board-ready women or women nearing that capacity.

Each year, WELD provides corporate board training at its national leadership conference hosted at Otterbein University. This training focuses on board bio development, pathways to the boardroom and expectations in the boardroom. Faculty consists of sitting public and private company directors from companies both in and outside the state of Ohio. Participants are exposed to strategies to obtain advisory board seats at for-profit companies, board seats on mutual fund company boards and board seats on public and private company boards. They can connect with sitting directors who obtain copies of board bios submitted by attendees.

Formally urging public and private companies doing business in Ohio to enhance company performance by increasing board diversity helps avoid the situation of having board-ready women “all dressed up with no place to go.”

We applaud the fact that HCR 13 as drafted also recognizes and addresses the pipeline issue that is a key challenge to making progress. Public and private company boards draw heavily from the C-suite for director positions. The pool of board candidates shrinks if the C-suite lacks diversity. However, it is also important that boards do not overlook executive-level candidates who are not CEOs. Many men who have not occupied the CEO role are board directors. The same criteria that allows non-CEO C-suite males the opportunity to join boards should be readily applicable to women in the C-suite who are not the CEO.

WELD’s philosophy is that it is never too early in a woman’s career to consider board service of some kind. Through our partnership with Otterbein University, we are helping their female students prepare for nonprofit board service. WELD collegiate programs focused on developing women leaders are also being launched at Ohio Dominican University with plans for additional collegiate chapters in 2020 and beyond. WELD has been leading the way helping women prepare for and understand the application and appointment process for boards and commissions at all levels of government. Just this year, we launched a certification program for those aspiring to serve on government boards and commissions.

Ohio - and our nation - have an “embarrassment of riches” of female talent. When women and men are at the table together, economic benefits and financial results have been proven. HCR 13 will move us forward in encouraging companies to tap into this talent at even greater rates.

Thank you for the opportunity to provide testimony on HCR 13. I am happy to answer any questions.