



## An Opportunity For Urban Outfitters To Join The Ranks Of The Enlightened

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**The case for why Urban Outfitters should seize the day and add women and minorities to its board of directors.**



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Next Tuesday **Urban Outfitters** has a tremendous opportunity to exit the "Zero Club," those companies with no women board directors. At the May 17 national retailer's annual shareholders meeting in Philadelphia, it can step up and join the ranks of the enlightened organizations that recognize the power of the purse.

The catalysts for change are shareholder groups Calvert Mutual Funds and the treasurer of the Connecticut Pension Fund, which are proposing a resolution, Shareholder Proposal #4, to add women and minorities to the **Urban Outfitters** board. Even though it is not a self-directed mandate, it is an opportunity for the company to make a positive statement to its customers, employees and shareholders.



The worldwide movement has painted a very clear picture. Global quotas for women directors legislated in Norway and recently in France call for 40% female representation. Iceland, Spain and the Netherlands are following suit.

In the U.K. CEOs are warding off quotas that the British government has threatened if voluntary actions are not taken. These CEOs have supported the 30% Club initiative that Helena Morrissey of Newton Asset Management (a subsidiary of **Bank of New York Mellon**) launched to achieve that level of female representation by 2015.

Back home in the U.S., the CEO of Sonesta Hotels and Resorts, Stephanie Sonnabend, initiated "2020 Women on Boards." The media continues to highlight the lack of women on boards; two recent editions of *Directors & Boards*, a publication for that audience, featured recent cover stories: "It Happened in Norway: Gender Quota on Boards--Should it be Tried Here?" and "Are Boards TOO OLD?"

The business case has been made a number of times. McKinsey, Columbia University, the University of Maryland, CalSTRS, Calpers, Catalyst, Deloitte and others have shown through a variety of studies that there is a so-called "gender dividend"--less group think and better company performance with greater gender diversity. However, a 2010 Bain study revealed that, while men and women both support the idea of gender parity in the workplace, twice as many women as men see it as a "business imperative."

If this writer was to highlight the key obstacle, that is it. While CEOs and their teams may be criticized for not hitting ROE, ROI, ROA and other financial targets, there is no penalty for not meeting ROD, Return on Diversity targets, if they even have them. If there are no teeth in the rules, the rules are dismissed as not important. With so much at stake and so much talent waiting in the wings, companies now have an opportunity to listen to the global voice

calling for parity on boards and in the C-Suite. The economic advantage has been demonstrated. Greater diversity must be a strategic business imperative.

Why would any company avoid adding a women or minorities to their board when these are their customers? (Urban Outfitter's Anthropologie chain is notably marketed heavily to women.) Why would any company overlook the rich talent available to them? Why would any company not embrace the compelling changes that are occurring globally and for the right reason--better company performance?

It is a great opportunity for all companies to finally take it upon themselves to change the less than 16% female representation on Fortune 500 company boards as well as their C-suites, and set a goal to achieve parity: 50% by 2025. By setting targets now to achieve 30% by 2015 and 40% by 2020, parity can be reached. Only with that mandate from the top of every top U.S. company CEO and board will these objectives be reached for women and minorities. Only with meeting the commitment to this strategic business imperative of a target return on diversity will progress prevail.

Urban Outfitters can do it, along with other Fortune 500 and all publicly traded companies. As Sir Howard Archer, chief European and U.K. economist of IHS Global Insight in London, said, "Fred, Tom, Andy, Dennis, Eric, John, Stephen, Antonio and Paul ran the British banks that lost billions. ... You can argue that the men have made a right mess of it, and now the ladies should have a go." And Michael Lewis, author of *The Big Short* and *Liar's Poker*, said, "One of the distinctive traits of the financial disaster was how little women had to do with it."

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