

TESTIMONY FOR SENATE BILL 301

BY Thelma Thomas Daley

To the distinguished members of the Education, Health, and Environmental Affairs Committee, it is an honor to offer support for Senate Bill 301 to enhance board diversity sponsored by Senator Sydnor.

My name is Thelma Daley and as a woman of color I have been fortunate to serve on a few rather key non-profit and corporate boards. Each experience made a difference for the dynamics of the board, the cultural issues addressed, and the approaches taken. All, in the end, benefitted the customers served who could not be at the table.

It is my belief that publicly held companies and the related corporate boards within this state with a very diverse population, should reflect a fair representation of the state's gender, racial, and ethnic diversity. According to research, Board diversity strengthens the effectiveness of the company's decisions which also improve their financial performance and the quality and variety of goods and services offered. All of these factors benefit the state.

Studies also reveal that workplace diversity catalyzes the best in teams; stimulates creativity and consideration of alternatives; and provides new perspectives. It allows board members to hear and consider the values, beliefs, situations, and conditions that otherwise would not have been on the table. Diversity in priorities and viewpoints is critical. Additionally, diverse representatives are the ambassadors to under-represented populations, the consumers of company products and goods.

An article by Lena Eisenstein, posits that a diverse board can be amicable and still take part in robust discussions where active listening, multiple perspectives, challenging ideas and asking hard questions rule the day.

In defining diversity, many variables come to mind, such as: age, race, gender, religion, ethnicity, disabilities, philosophies, life experiences, and competencies. Racial diversity has not been addressed to the degree female representation has been progressed.

Diversity reflects the real world. Businesses have diverse clients, customers, and stakeholders. New and broader perspectives make companies open to the needs of a wider array of groups to reflect the “real world”.

It should be noted that NASDAQ proposed a rule that is requiring its thousands of listed companies to have at least two diverse members of its board of directors.

Goldman Sachs announced it would not take a company public unless it had at least one diverse board member.

Governor Newsom of California signed a law that would require at least one minority member on the boards of all publicly traded companies based in California.

As documented in the Harvard Law School Forum on Corporate Governance, at least eleven states are considering or have enacted some requirements to enhance diversity on boards. Maryland has addressed female directors however, the question is for greater inclusion, especially racial equity.

From my own experience on The College Board, the Education Testing Services Board of Directors, the Saint Agnes Hospital Board, the Carrollton Bank Board, as well as the Baltimore City Architectural and Engineering Commission, my voice made a big difference. I was a voice they were not accustomed to hearing and the

results were evident in several expanded ways. The cultural context of my offerings is just one example that stretched the thought processes of my fellow board members in these, to some degree, “ smaller” arenas.

Different voices bring a new lens for recruitment practices; for increasing multiculturalism; expanding the pool of those considered; underscoring trust; and for sending a clear message to employees and consumers that the corporation is one whose underlying values, mission, practices, and cultural representation at the highest level are those tenets to which they can be proud.

Senate Bill 301 is plain timely, sensible legislation. It places Maryland in the forefront of the movement of states toward equitable and diverse representation on corporate boards. Data are not needed to articulate that the face of the TRUST it propels is immeasurable!!

To implement this legislation, companies do not even have to replace a current board member. Just add another chair.

As a proud native Marylander, I thank you for the opportunity to share my thoughts in support of SB301 to

continue this great state's moment for equitable corporate diversity.