



Defining Diversity

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In a 2003 interview in Australia's Sunday magazine (published with the *Sunday Herald Sun* and *Sunday Telegraph*), Reddy explained:

"I couldn't find any songs that said what I thought being woman was about. I thought about all these strong women in my family who had gotten through the Depression and world wars and drunken, abusive husbands. But there was nothing in music that reflected that. The only songs were 'I Feel Pretty' or that dreadful song 'Born A Woman.' (The 1966 hit by Sandy Posey had observed that, if you're born a woman, "you're born to be stepped on, lied to, cheated on and treated like dirt. I'm glad it happened that way.") These are not exactly empowering lyrics. I certainly never thought of myself as a songwriter, but it came down to having to do it."

In 1971, I was a five-year-old girl. Happily for me and so many women (and the men who love and respect us), 45 years following Reddy's signature achievement, the world has changed in many, many ways. Women add value on so many fronts. So why do we — as a corporate society — largely keep them out of the boardroom?

Diversity on boards has been a topic of conversation worldwide for many for years, and, yet, while the stats in the United States are increasingly better, they are still pathetic.

But maybe, just maybe, the fight is gaining traction. Mary Jo White, Securities and Exchange Commission (SEC) Chairman, has seemingly taken a page from Reddy's songbook and, in what is likely to be her final full year at the helm of the SEC, is laser-focused on a range of initiatives that include boardroom diversity. News outlets have reported that Ms. White, speaking at a securities conference in Coronado, California, in late January, announced that

she is concerned that existing disclosures may not provide investors with enough information and that she has instructed her staff to review existing company disclosures and give her recommendations on whether the agency should require companies to provide more specific information about the racial or gender composition of their boards.

SEC rules adopted in 2009 currently require companies to disclose whether diversity is considered for management-backed director candidates who appear on corporate ballots, but questions linger. What does “diversity” mean in that context? (Yes, I am a corporate lawyer — defined terms mean something to me.) Diversity, evidently, like beauty, lies in the eyes of the beholder. At least currently. But should it? Many investor advocates (besides me) have said that companies have not provided shareholders with sufficient information about the makeup of their boards, in part because the rules leave it up to the companies to define “diversity.”

Perhaps Ms. White and the rest of the SEC should consider the model adopted by the Ontario Securities Commission in January 2014, which requires that companies listed on the Toronto Stock Exchange (TSX) talk about diversity or risk being delisted. Evidently, TSX-listed companies must detail the representation of women on their boards and in executive officer positions, as well as disclose any plans to boost their numbers. This “comply or explain” approach is not a quota, but a system designed to increase women’s leadership roles over time. In other words: Let the shareholders define beauty. Not the board.

Any potential SEC diversity disclosure rule would have to be proposed and subject to public comment before adoption. With one year left in her tenure, that might be difficult for Ms. White and her streamlined staff to complete. But not impossible.

Roar, Ms. White. Roar. To read more on this topic, please [click here](#).

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