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SENATE RESOLUTION

2 WHEREAS, A McKinsey and Company study entitled "Women
3 Matter" showed that companies where women are most strongly
4 represented at board or top-management levels are also the
5 companies that perform the best; companies with three or more
6 women in senior management functions score more highly, on
7 average, on the organizational performance profile than
8 companies with no women at the top, and performance increases
9 significantly once a certain critical mass is attained --
10 specifically, when there are at least three women on management
11 committees with an average membership of 10 people; and

12 WHEREAS, An Oklahoma State University study found that
13 board diversity, including diversity with respect to gender and
14 ethnicity, is associated with improved financial value; the
15 study also found a significant positive relationship between
16 the fraction of women or minorities on the board and firm
17 value; and

18 WHEREAS, A report entitled "Women Directors on Corporate
19 Boards" found that gender diversity on corporate boards
20 contributes to more effective corporate governance and to
21 positive governance outcomes through a variety of board
22 processes as well as through individual interactions; that
23 women directors contribute to important firm-level outcomes as

1 they play direct roles as leaders and mentors, as well as
2 indirect roles as symbols of opportunity for other women, and
3 inspire those women to achieve and stay with their firms; and
4 that more recognition is needed for the valuable contribution
5 of women directors to firm value; and

6 WHEREAS, Credit Suisse conducted a six-year global
7 research study, commencing in 2006, of more than 2,000
8 companies worldwide that showed that women on boards improve
9 business performance by key metrics, including stock
10 performance, as demonstrated by the fact that companies with a
11 market capitalization of more than \$10 billion, whose boards
12 have women, outperformed shares of comparable businesses with
13 all-male boards by 26%; and

14 WHEREAS, The Credit Suisse report included the following
15 findings: (1) there has been a greater correlation between
16 stock performance and the presence of women on a board since
17 the financial crisis in 2008; (2) companies with women on their
18 boards significantly outperformed others when the recession
19 occurred; (3) companies with women on their boards tend to be
20 somewhat risk-averse and carry less debt, on average; and (4)
21 net income growth for companies with women on their boards
22 averaged 14% over a six-year period, compared with 10% for
23 those with no women directors; and

1 WHEREAS, According to the study entitled "Women Directors
2 on Corporate Boards: From Tokenism to Critical Mass" and a
3 report entitled, "Critical Mass on Corporate Boards: Why Three
4 or More Women Enhance Governance", attaining critical mass,
5 going from one or two women directors to at least three women
6 directors, creates an environment where women are no longer
7 seen as outsiders and are able to influence the content and
8 process of board discussions more substantially, and boards of
9 directors need to have at least three women to enable them to
10 interact and exercise an influence on the working style,
11 processes, and tasks of the board, in turn positively affecting
12 the level of organizational innovation within the firm; and

13 WHEREAS, The State of Illinois has seen a slight uptick in
14 the percentage of women on corporate boards; in 2013, 17.5% of
15 the corporate boards in the State included women, and in 2014,
16 that percentage rose to 17.7; therefore, be it

17 RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL
18 ASSEMBLY OF THE STATE OF ILLINOIS, that we acknowledge that the
19 body of evidence to date concludes that companies perform
20 better when their boards of directors and executive leadership
21 include women and that the State of Illinois has a significant
22 stake in protecting the shareholders of publicly held companies
23 as well as in setting policies that enable such companies to
24 perform better; and be it further

1 RESOLVED, That we encourage equitable and diverse gender
2 representation on corporate boards of directors and urge that,
3 within the next three years: (1) every publicly held
4 corporation in Illinois with nine or more seats on its board of
5 directors have a minimum of three women on its board; (2) every
6 publicly held corporation in Illinois with at least five but
7 fewer than nine seats on its board of directors have a minimum
8 of two women on its board; and (3) every publicly held
9 corporation in Illinois with fewer than five seats on its board
10 of directors have a minimum of one woman on its board; and be
11 it further

12 RESOLVED, That a suitable copy of this resolution be
13 presented to Judi Spaletto, Ph.D., Chicago Chapter Chair of
14 WOB2020.