

Please note that the comments expressed herein are solely my personal views

Board of Governors of the Federal Reserve System
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Chris Barnard

22 November 2013

- **Docket No. OP-1465**
- **Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies and Request for Comment**

Dear Robert deV. Frierson.

Thank you for giving us the opportunity to comment on your notice of Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies and Request for Comment.

The Agencies¹ are proposing joint standards for assessing the diversity policies and practices of the entities they regulate. Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) directed the establishment of an Office of Minority and Women Inclusion (OMW Office) in each Agency. Each OMW Office is headed by a Director and is responsible for all Agency matters relating to diversity in management, employment, and business activities. Section 342(b)(2)(C) directs each Agency's OMW Director to develop standards for assessing the diversity policies and practices of entities regulated by that Agency. This proposed interagency policy statement (Statement) identifies these proposed standards and requests comment on all aspects of this Statement.

I support these proposed standards for assessing the diversity policies and practices of entities that you regulate. It is important that everyone is treated fairly, and that entities are always aware of the potential for unfair treatment, whether intentional or unintentional, explicit or implicit. These standards will promote transparency and awareness of diversity policies and practices within entities, which is a good thing. This is important, not just for US businesses, but will have an impact worldwide, especially when considered along with growing moves towards increasing diversity within the European business space.² For

¹ OCC, Board, FDIC, NCUA, CFPB and SEC.

² See European Commission Green Paper on The EU corporate governance framework, 5 April 2011, available at: http://ec.europa.eu/internal_market/company/docs/modern/com2011-164_en.pdf

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example, research and studies suggest there is a positive correlation between greater diversity in companies and boards and corporate performance.³ I therefore support measures which promote greater diversity in people and skills in companies and on boards, but without necessarily defining in detail what these people or skills should be.

I also agree with the approach that you have taken here, which is proportional and scalable. I agree that the standards should apply: "In a manner reflective of the individual entity's size and other characteristics".⁴ This will create buy-in from entities, and ensure that regulatory burden is optimized according to the individual entity's situation.

Yours sincerely

C.R.B.

Chris Barnard

³ See for example: The Multicultural Organization, Cox and Taylor 1991, in Academy of Management Executive; Women matter, McKinsey & Company 2007; Female Leadership and Firm Profitability, Finnish Business and Policy Forum - EVA 2007; Understanding and managing Diversity, Harvey 2012, New Jersey: Pearson Education.

⁴ See Statement, various places.