

Corporate boards: Still a white male club

Corporate boards still are overwhelmingly dominated by white males, despite years of efforts to change the situation.

But a new study shows that, between 2004 and 2010, women and minorities also overall have lost ground when it comes to board representation.

White men added 32 corporate board seats at Fortune 100 companies, while African-American men lost 42 and women saw a meager gain, according to a study by the Alliance for Board Diversity, a group of five organizations seeking to enhance shareholder value by promoting inclusion of women and minorities on corporate boards.

Among Fortune 100 companies, white men increased their share of board seats, from 71.2 percent in 2004 to 72.9 percent in 2010. Women gained 16 seats, with seven occupied by minority women, with an overall, underwhelming 1.1 percent increase.

Drilling down further, African-American women held 2.1 percent of seats; Hispanic women .9 percent; Asian Pacific Islander women held .5 percent; African-American men held 4.2 percent; Hispanic men held 3.1 percent; and Asian Pacific Islander men held 1.7 percent.

For the first time, the study also included companies in the Fortune 500. The results were even worse. Men held close to 85 percent of all board seats and white men held 77.6 percent. White men held 94.9 percent of board chair positions. There was not a single Latina lead director of board chair. About half of company boards were composed of 20 percent or fewer women and/or minorities.

Aside from any other considerations, these results have major implications for company performance. Research from Catalyst, for example, has shown a connection between better financial performance and more diversity on boards. A recent study by Heidrick & Struggles and WomenCorporateDirectors of 400 directors--I wrote about it not long ago--found that women board members are more open to new approaches and to challenging the status quo than their male counterparts.

Meaning: A lack of such directors produces more in-the-box thinking. That's exactly what companies don't need now.