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**Lack of Women on Corporate Boards:  
The Problem or a Symptom?**

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**Edward E. Lawler III**  
*Director*  
*Center for Effective Organizations*  
*University of Southern California*

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## **Lack of Women on Corporate Boards: The Problem or a Symptom?**

**By Edward E. Lawler III**

Britain is inching toward following other countries (including France, Spain, and Norway) in introducing compulsory quotas for the number of women on corporate boards. There is no doubt that in boardrooms around the world, women are in short supply. Clearly gender equality is a long way off, and there is only slow progress toward achieving it.

It is not hard to argue that an increase in the number of women on boards is long overdue and a potential positive. There have even been some research studies that have shown organizations perform better when they have women on their boards. But in many respects the problem is not the lack of women on boards; that's the symptom. The fundamental board membership problem is the lack of diverse voices on the major corporate boards in the United States and elsewhere in the world.

All too many boards essentially have multiple CEO voices on them rather than voices that represent different points of view and perspectives on social responsibility, management and the environment. Simply stated, the same types of people are on most boards. Yes, they are typically white males, but even more importantly they are typically executives who have been brought up in the culture of large corporations and have spent their lives focused on creating shareholder financial value.

Missing from most boards are members who represent stakeholders other than investors. No one represents the employees, no one represents the environment, and no one represents the communities in which the corporations operate. Because of the membership structure of most boards, many critical issues simply do not get raised and discussed. Among the perspectives that are needed are ones that are concerned about the environment, community and the workforce.

Simply adding women who have had corporate careers and experiences will not increase the diversity of the voices that are heard in the boardroom. That can only be achieved by placing individuals from more diverse backgrounds on boards.

It is proxy time, so shareholders are currently in a position to vote for new board members. Unfortunately, in the United States, the opportunity does not exist for shareholders to vote for members with different backgrounds than the typical corporate board member. Board members are nominated by the existing board and reflect their views on who should be on a board.

The best way to break the monopoly of CEO-minded board members with respect to board seats is not to mandate that a certain percentage of board members have to be women, as has been done in Europe, but to mandate true elections for board seats. There has been some movement in this direction in the United States over the last few years, but elections are still far from open elections that would make it possible for candidates who represent different backgrounds to appear on the ballot. This is where change is needed--- not in mandating that certain groups be represented on the board.