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There's a Known Shortage of Women on Public Boards, but What's Happening on Private Boards?

In both cases, not enough.

By [TARA DONALDSON](#)

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The Women on Boards Project is focused on getting more female representation on private companies' boards. MURAT TELLIOGLU/STOCK.ADOBE.COM

In what may come as a surprise to no one, there still aren't enough women on corporate boards.

Women now hold 28 percent of corporate board seats, and that number drops to 6 percent for women of color, according to the latest insights from advocacy organization 50/50 Women on Boards and its 2022 progress report.

If matters could be made worse, the report found the pace of bringing gender diversity to corporate boards is slowing.

In looking at the progress between June 2021 and June 2022, tracking the percentage of women on Russell 3000 Index company boards (the largest public companies in the U.S.), the uptick was just 2 percentage points, compared to 3 percentage points for the two prior years. The percentage of new board seats going to women dipped 8 percent in the first half of 2022 compared with the last half of 2021. And of the women joining, two-thirds were invited to sit in newly added seats, not replacing any men.

“At the current pace, U.S. companies would not reach gender parity or diversity on boards for another decade,” read the foreword of the report by 50/50 Women on Boards, which has set as its goal to reach 50/50 gender parity on boards (and of that 50 percent women, it wants 20 percent to be women of color), though those aims are not marked with a done-by date.

On the bright-ish side, public companies with three or more women on their boards, plus those with 50/50 parity, surpassed 50 percent for the first time, and those with no women on their boards fell to 2 percent, per the report.

But what's happening with smaller, private companies focused on consumer products — like many in fashion and beauty — that have no mandates on gender parity or no public scrutiny to advance in the area?

Similarly, and in many cases understandably, little. Which is where the Women on Boards Project has stepped in.

The nonprofit project bills itself as a “community of companies, investors and business leaders who have united to bring equity to private consumer company boards.”

It started as a question of frustration for cofounder Sheryl O’Loughlin, who was constantly being called for board positions and when asked by search firms to suggest other women, she would. But then the companies wouldn’t reach out.

“Why is this model so broken? We need more women on boards and then if I am on a board, I’m the only woman on the board. What is the catch here?” Brianna Rizzo, WOB Project board director, recounted O’Loughlin as saying.

As such, along with a small team that Rizzo joined early on, she said, “We got together and we were like, what if we put the ownership back on the VCs [venture capitals] and the PE [private equity] funds to really think through this as a business problem versus just thinking about it as an afterthought?”

While there’s no shortage of projects, organizations and initiatives aimed at getting more women into the boardroom, the lack remains apparent and the reasoning still comes down to box ticking.

“So much of this happens because companies are going public,” Rizzo said. “That’s been the common thread for these placements and a lot of these stories for the last couple of years. It’s like Goldman [Sachs] mandates one woman on your board, so it didn’t really fundamentally change until people started thinking through, ‘oh, well a bank is mandating it so if we want to go public we’ve got to do this, we’ve got to check the box.’”

But for companies, like consumer product companies whose exit strategies typically aren’t to go public, “they usually sell to a strategic [partner] and so the board construction conversation is suddenly not happening really,” she added.

To work around that and make sure women are being placed on boards with more regularity and companies are benefiting from a diversity of thought that has already proven to improve business and bottom lines, WOB Project — which counts sponsors like L Catterton and VMG Partners, and brand partners including The Honey Pot Company, Aden + Anais and Glo Skin Beauty — is making those conversations happen early.

“We want to kind of come back to square one and say, listen, there’s more opportunities at consumer brands for women to enter the chat because 80 percent of household goods and consumer products are purchased by women,” Rizzo said. “And we all want to see a little bit of

ourselves in the products and things that we consume, so why don't we actually put the consumer in the boardroom or the buyer in the boardroom? And that is a woman."

With its growing network of A-list women in business, WOB Project is helping to have them fill board vacancies, but is pushing up against excuses of capital constraints and "it's too early we don't need an independent board member" or "we're going to wait until our next funding round."

To that, Rizzo says: "You're missing so much opportunity because if you bring in someone who can actually really help and maybe even better the company ahead of a fund raise, that's even more attractive, like 'hey we want to fill this before we fundraise because we want someone incredible on the board to attract better VCs and better PE funds.'"

It may be a hurdle to get over for many, certainly. But what no one should look to fall back on is blaming a scarcity of qualified women.

"There isn't a pipeline issue," Rizzo said. "We have so many incredible women, it's really just connecting them with the right opportunities.

"What's interesting in early-stage consumer board searches that's quite different from some of the later-stage board searches is that when a company goes public, you're chasing the dollar on the stock market. It becomes about governance, you can't move as quickly," she continued. "The board members that we're working with for early-stage and privately held business, they're in it with these founders and they're giving them feedback on potential strategy and product and marketing...honestly it's an exciting time to be part of a private board because you aren't constrained by what the market is dictating that you have to do to increase your stock price. So being able to actually work closely with these founders and see your fingerprints on the magic, you get to scale the magic."

When it comes to what's held back scaling the overall percentage of women on boards, whether at public or private companies, it still comes down to bias. And what's the one thing Rizzo wants to do away with in an effort to see things advance in the right direction? Calling women "board-ready."

"If we could just eliminate that — it frustrates us so much when we hear the term 'board-ready.' Would you ever describe a man as board-ready? No, never. But yet women get deemed that we're not ready," she said. "We're ready, we're here. A lot of these women have had such incredible careers building these brands but they haven't had a board seat yet so it's like, well are they board-ready? Well, they've been trusted with multimillion-dollar marketing budgets

and PNLs [profits and losses] and hired 20 to 100 people across the team – what else do you want?”



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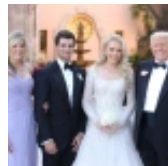
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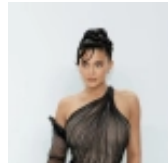
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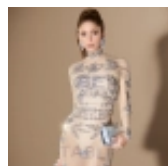
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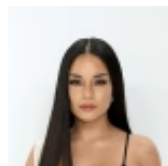
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