Top of Mind: ROBIN FERRACONE, Director, Trupanion, Oaktree Capital Funds, and Enlight

Description

As Americans look forward to the start of a new decade, it is an opportune time to reflect on the changes of the past 10 years. One of the most heartening developments is the increasing representation of women directors and other diverse directors on public company boards.

As a member of the board of directors for the national nonprofit campaign 2020 Women on Boards (2020WOB), I applaud our research noting that for the first time, as of June 2019, women now hold 20.4% of the seats at Russell 3000 companies. This milestone accomplishment is especially significant considering that women held only 16.0% of Russell 3000 board seats in 2017, and just 14.2% of Fortune 1000 companies in 2011, when 2020WOB began advocating for a benchmark of 20% women directors by the year 2020.

Savvy companies seeking favorable nods from institutional investors and shareholder proxy services are adding women to boards because of the business benefits when women and men solve problems together. According to the 2020WOB research, it is not necessary to wait until a man leaves his seat to add a woman to the board. Of the 793 Russell 3000 companies that changed the gender composition of their boards since July 2018, 64% did so by expanding the board to make room for a woman director. In fact, women gained a net total of 811 board seats from July 2018 through June 2019, compared to 469 seats in the same period 2017 to 2018.

Over 600 women joined Russell 3000 boards in the first six months of this year, and 52% of companies on the list have now met or exceeded 2020WOB’s 20% benchmark. We believe the natural next step for 2020WOB is to promote gender balance on all public boards, for the benefit of the company, its shareholders, investors and the general public.
Robin Ferracone is founder and CEO of Farient Advisors, a compensation and performance advisory firm, and author of the book entitled, Fair Pay Fair Play: Aligning Executive Performance and Pay. She is also a member of WomenCorporateDirectors, Committee for Economic Development, NACD, The Committee of 200, and the World Presidents’ Organization. For the past seven years, Ferracone has been named to the NACD Directorship 100, the prestigious list of the most influential people in corporate governance and the boardroom.