

‘Women of color are left out’: California corporations lack diversity, study finds

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Latinas are underrepresented on California corporate boards of directors despite recent efforts to compel businesses to bring more women into leadership positions, according to a new analysis conducted by a Latino advocacy group.

The study found Latinas make up 3.3% of board member seats in a state where Latinos account for 39% of the state population.

The [analysis](#) of 662 California headquartered, public companies, conducted by the [Latino Corporate Directors Association](#), identified that 35%, or 233 companies, of boards are all-white boards, with no ethnic or racial diversity.

Of the 511 public board seats filled by women as of July 1, white women account for 77.9% of seats, followed by Asian women, 11.5%, and African American women, 5.3%. Of the 662 companies, 65% companies have at least one ethnic or racially diverse board member, according to the review.

“We see a lot of white women being appointed to boards, whereas women of color are left out,” said Kathy Jurado Munoz, advocacy and demand vice president for the Latino Corporate Directors Association.

The study follows California’s adoption of a 2018 law signed by former Gov. Jerry Brown that requires publicly traded corporations to appoint [women to their boards of directors](#).

Its critics refer to the law as a “women quota,” and conservative organizations have sued to overturn it. So far, it has held up in court with a federal judge in April dismissing a lawsuit filed by the Pacific Legal Foundation on behalf of a [shareholder in a security systems manufacturer](#).

“California lawmakers and corporate America must understand that gender diversity is not enough,” Linda Griego, former deputy mayor of Los Angeles said in a statement. “An all-white male and female board of directors is not diverse.”

Lawmakers have put forward a bill that would compel corporations to appoint more diverse boards of directors.

[Assembly Bill 979](#), jointly authored by Assembly members Chris Holden, D-Pasadena, and Cristina Garcia, D-Bell Gardens, would require a corporation to have at least one director from

an underrepresented community serve on its board by the end of 2021 . An underrepresented individual is defined in the bill as African American, Hispanic or Native American.

If a corporation's number of board directors is nine or over, the board would have to include a minimum of three directors from underrepresented communities by 2023, according to the bill. The bill would also require the Secretary of State to publish reports on its website on the boards of directors that are in compliance and fine those in violation.

It is awaiting a committee hearing.

"To have corporations headquartered in the state of California, and have boards that don't reflect the diversity of the state — it cries out for attention and there needs to be some action taken to reverse that," Holden told The Sacramento Bee.

In a statement, the bill's principal co-author Assemblywoman Eloise Gómez Reyes, D-San Bernardino, called the bill a "critical step."

"If we expect great policy to come from any group or organization we need to ensure that at the core, there is diversity in its members. Diversity brings perspective and insight that otherwise wouldn't be present," Gómez Reyes said. "If you don't have diversity you will never achieve great change."

While the Latino Corporate Directors Association isn't advocating for mandates to diversify California's boards, Jurado Munoz believes it's crucial that corporations be more transparent about the gender and racial make up of their board of directors.

"We absolutely believe that what gets measured, gets results," said Monique Navarro, manager of marketing and communications for the Latino Corporate Directors Association. "We want companies to be aware."

Ozzie Gromada Meza, director of membership and research at the Latino Corporate Directors Association, said the majority of placements on boards are done through a referral or through a recruiter's own network.

As ongoing protests continue over racial inequality around the country, Gromada Meza said it's more important than ever to have executives or board directors who are representative of its customer and employee base.

"We strongly recommend thinking outside the box and ensuring that they look at individuals that could be under the radar," he said.

Other methods to diversify a board, he said, include companies building diverse partnerships or working with search firms that focus on recruiting diverse candidates. The association is also focused on creating a pipeline of future diverse board directors.

College enrollment among U.S. Latinos is increasing, according to the [National Center for Education Statistics](#). Between 2000 and 2018, Hispanic enrollment increased from 1.4 million to 3.4 million students, or 148%.

“They’ve got the degrees, they’re working in these public corporations. There needs to be efforts made,” Jurado Munoz said.