

Kanye West Is Right About Black Board Seats

By Katie Abel

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Kanye West knows how to get attention on Twitter — and his latest post got people talking about an urgent topic for the fashion and retail industries.

Yesterday, the Yeezy creator tweeted that he didn't have a board seat at Gap or Adidas, his two big fashion partners. "Black board seats matter," West wrote.

While it's debatable whether the musician-turned-designer has the qualifications to sit on the boards of multibillion-dollar companies with complex strategies, the second half of his tweet is right on point. Black board seats matter — and there isn't nearly enough representation, reflecting the broader diversity problems across corporate America.

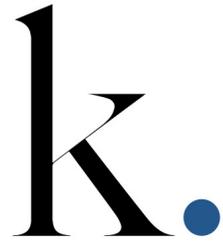
Both Gap and Adidas declined to comment specifically on West's tweet.

Black Enterprise data showed that in 2019, 187 S&P 500 companies, or 37%, did not have a single Black board member.

A shareholder complaint filed [this month](#) — by plaintiff Noelle Lee in the United States District Court for the Northern District of California — accused Gap Inc. of violating fiduciary duty because of the lack of diversity on the board and executive committee. It called for the company to replace two current members with Black directors. Gap told FN it reviewed the allegations of the complaint, and the company believes "they are without merit."

Regarding the board composition specifically, a spokeswoman said: "Over the last two years, we've made a concerted effort to change the makeup of our board, which now has six out of 13 members being women. Two of our current board members, Sonia Syngal and Jorge P. Montoya, identify as people of color."

Adidas, which has faced sharp criticism over racial disparities, this summer agreed to significantly up the ante on certain initiatives aimed at supporting Black employees and the



larger community. It did not outline specific goals about board seats, and the German-based company's website appears to show all white members on its supervisory board. Adidas declined to comment on its board makeup.

So how can other power players in the fashion industry move forward in a meaningful way? As companies address racial inequality and take action on diversity and inclusion initiatives, board goals must also be specific.

"The first and most important step is being more intentional about what we mean when we say diversity," said Kyle Rudy, SVP at Kirk Palmer Associates LLP. "The first part has to do with language. If gender parity is the goal, companies should say that. If increased racial diversity is the goal, they should say that. Underrepresented groups need to be specially targeted differently, and with understanding, so companies should lay out action plans for how they're going to increase representation in each area."

Equally as important are benchmarks to help measure what matters. "Goals such as, 'We are going to increase racial diversity on our board by 25% before the end of 2020.' That's measurable. 'The next person we hire for the board will be a Black executive.' That moves the needle," Rudy noted.

Because there's no term limit on board roles, it can be difficult for some companies to make moves quickly.

That's why when Reddit co-founder Alexis Ohanian made the bold move to relinquish his board seat this summer, it made serious waves. Ohanian asked to be replaced by a Black candidate, and the company immediately took action, appointing Y Combinator CEO Michael Seibel to the board.

"That's one way to get the job done," Rudy observed. "Unless a board position comes open or the group decides to add more board members, the limited number of seats around 'the table' constrains progress and will take time to address."

Ohanian's decision also went far beyond the performative statements that some companies and executives have been criticized for in recent months amid outrage over the killing of George Floyd and other Black victims at the hands of White police officers. "Stepping down from a board is a powerful action that an individual can take to create opportunities for underrepresented candidates who've been systematically left out in the past," Rudy said.