

Women Severely Underrepresented In Fortune 500 Companies

News flash: Women are severely underrepresented in top corporate leadership positions.

This according to a study released last week by Catalyst, a nonprofit research and advocacy organization that studies women at work. Perhaps not so surprisingly, the numbers for women haven't gotten much better in the 10 years the statistics have been compiled.

In 2005, women held 16.4 percent of corporate officer positions (those appointed or elected by the board), up just 0.7 percentage points from 2002, according to the study, which counts the number of women in corporate officer, top earner and other executive positions in the Fortune 500. Catalyst measures the Fortune 500 companies because they have the top revenue in the country. Representation of women of color in corporate leadership positions increased only 0.3 percentage points from 2002 (1.8 percent) to 2005 (2.1 percent), the report said.

If things keep growing at the rate they have for the past decade (0.82 percentage points per year), it would take 40 years for there to be an equal number of women and men in Fortune 500 corporate officer ranks.

Tired yet, ladies?

Because there are so few women in top leadership positions, when a notable one -- Carly Fiorina of Hewlett-Packard, for instance -- vacates, the percentage of women in those ranks drops precipitously. In our own back yard, Judith McHale, chief executive of Discovery Communications, announced last week that she will step down.

Because women have held at least half of the managerial positions for decades, "that suggests something is holding women back," said Ilene H. Lang, president of Catalyst.

What might that be? Lack of access to informal networks inside the company, lack of role models and sex-based stereotyping, Lang said.

Not too many people argue that those problems don't exist. But what are companies doing about it?

Bonnie W. Gwin, president for the Americas at executive search firm Heidrick & Struggles, said her firm is focusing on the "up and comers" to fill its pipeline of female executive candidates. When a company comes looking for a new officer, Heidrick has a number of smart and driven women -- as well as men -- to fill the roles. Because women have few high-level female role models, the company has been hosting breakfasts in Brazil, Mexico and major U.S. cities for the past year in which female board members and hopefuls have shared their experiences and ideas about serving on boards.

The firm's Web site features a section about its Executive Women's Network, which links to findings that came out of the breakfasts, the new Catalyst study (of which Heidrick & Struggles was a sponsor) and a paper Gwin wrote about those breakfast discussions.

"We're a search firm that walks the talk," said Gwin, who was recruited from International Business Machines nine years ago by a woman who is now one of her mentors at Heidrick & Struggles. According to Heidrick, half of its principals are women, including the chief financial officer.

So why is it so difficult to get women into leadership positions? Gwin thinks the network for women has not been as strong as it traditionally has for men. "There are few women role models," she said. Ten Fortune 500 chief executives are women. "I wish there were a lot more." The path for women to get to the top of the top "isn't quite easy or clear," Gwin said.

In addition, Lang said, women are still judged differently than men, which keeps them from the higher positions. Companies have told Catalyst in research interviews that once they looked at their own behavior, they realized they had to change their thinking. For instance, companies found that women who are "good citizens" and are helpful to colleagues and clients are not given extra credit for that. Because they are women, it is assumed they will be good team players who help each other, Lang said. But women who don't act that way are penalized.

Meanwhile, men get extra credit for reaching out and helping colleagues and clients. But those who are less helpful and more aggressive aren't penalized. "Companies have an 'aha' moment over it, and that's what we're trying to do," Lang said. "So we tell them to evaluate the same way for women as you do for men. They have got to level the playing field."

Women are making some strides. According to a 2005 Catalyst Census of Women Board Directors of the Fortune 500, women held 14.7 percent of all Fortune 500 board seats, up from 13.6 percent in 2003 and 9.6 percent in 1995. But even that isn't such a rosy picture.

Catalyst has created a pyramid showing women's representation in the workforce. At the bottom is the general percentage of women in today's workforce: 46.4 percent. Next is the percentage of women in management, professional and related occupations: 50.6 percent. The Fortune 500 female corporate officers: 16.4 percent. Fortune 500 board seats occupied by women: 14.7 percent. Fortune 500 highest titles: 9.4 percent. Fortune 500 top earners: 6.4 percent. And finally, the Fortune 500 female chief executives: 1.6 percent.

Talk about lonely at the top.

Companies used to say that women weren't at the top because they didn't have the right experience or hadn't been "in the workforce long enough," Lang said. "They don't say that anymore. They recognize women have been in the workplace for a long time. They know this is about environmental and cultural barriers to women in the workplace. That doesn't mean it's easy to make change, but they understand that the workplace hasn't changed. And that the attitude toward executive women hasn't changed."

Rebecca Shambaugh, president and chief executive of Shambaugh Leadership, a consulting firm, thinks women sometimes keep themselves down. As I wrote in an earlier column, she thinks there is not necessarily a glass ceiling, but sometimes a sticky floor. "It's the fear of the unknown, the fear of getting out of the comfort zone," she said. "They don't test those assumptions or ask higher-ups how they do it."

However, she sees more women filling that vacuum -- just not so much in the Fortune 500. Rather, women are leading smaller firms or their own organizations. There were 6.5 million women-owned businesses in 2002, up 20 percent from 1997, according to U.S. Census figures released last year.

And if companies start listening to their boards and shareholders, perhaps they will work even harder to put more women in leadership positions. "In order to bring diversity and fresh viewpoints, companies need to bring those people to the table," Gwin said. "The public and shareholders are demanding diversity. . . . The demands have grown every year that I have been here to see more diversity at the corporate officer level."

Source: Washington Post 6 August 2006 by Amy Joyce