

# Boardroom parity in the U.S. by 2022

*For gender diversity, that is. And yes, it can happen — without quotas. Here's how.*

BY JANICE REALS ELLIG AND KATHRYN S. WYLDE

**A** SEISMIC SHIFT is occurring in boardrooms around the world that will arguably have greater impact on how corporations are run than any other single development in the history of publicly traded companies. This shift: requiring more women on corporate boards.

This shift began in Norway nearly 10 years ago, and is now mandated in more than 16 countries. Through legislation or strong government guidelines, these countries are calling for 30% to 40% female representation on public company boards. In just five years Norway went from 7% to 40% representation. (See “It Happened in Norway,” the cover feature of the Third Quarter 2010 issue of *DIRECTORS & BOARDS* in which a Norwegian Minister offered a case study of the implementation of this program.)

Though women occupy only 16% of the Fortune 500 board seats, we believe that in the U.S. it is possible to achieve the goal of parity on boards within 10 years — with quality appointments, the commitment of the board, and without quotas. Norway did it (albeit with quotas) with a smaller pipeline of

female talent. Why not in the U.S. by 2022?

Here is how it can be done: by celebrating companies with diverse boards, creating a database of CEO-sponsored board-ready women, and filling new/vacant positions with qualified diverse candidates.

## Step One: Celebrating gender diversity of U.S. boards

Over 250 people spilled onto the floor of the New York Stock Exchange early on the morning of Nov. 2, 2011, to celebrate and showcase publicly traded Fortune 1000 companies in New York, New Jersey and Connecticut that have 20% or more women on their boards. Out of a possible 178 companies, 52 were honored (*see box on page 29*). This inaugural “Breakfast of Corporate Champions,” hosted by the Women’s Forum of New York, an organization of over 450 of New York City’s top women leaders, drew mainly board directors. Nearly 40% of attendees were men.

Each honored CEO/board chair submitted a quote, displayed at the breakfast, of why having women on their board was a “strategic business imperative.” (These quotes are now posted on the [www.womensforumny.org](http://www.womensforumny.org) website.) Such great tone at the top was not



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## 'You have more power than you think'

*Ed. Note:* Elizabeth Ghaffari's new book, *Women Leaders at Work: Untold Tales of Women Achieving Their Ambitions*, is a collection of interviews with 18 women at or near the top of their professions in a wide array of fields. The women reveal to the gifted interviewer the different roads each traveled in a quest for personal fulfillment, how they prepared and the obstacles they overcame.

Laura Roden, named as one of the "most influential women in Silicon Valley" by the *San Jose Business Journal*, was one of those interviewed. Roden is founder and managing director of VC Privé LLC, a boutique investment bank that has raised money for high-quality alternative asset funds such as venture capital funds, hedge funds, and distressed debt funds. Her firm specializes in marketing funds to private investors, including high-net-worth individuals, family offices, foundations, endowments, and independent financial advisors.

Previously, she was managing director of The Angels' Forum, a leading association of individual and corporate early-stage investors, and was president and CEO of the Silicon Valley Association of Startup Entrepreneurs, the largest nonprofit in Northern California dedicated to helping technology entrepreneurs. In 2011 she was appointed to the board of directors of Heritage Bank of Commerce and its parent corporation, Heritage Commerce Corp., headquartered in California. An excerpt from Ghaffari's interview with Roden follows.

**Elizabeth Ghaffari: How do you define success?**

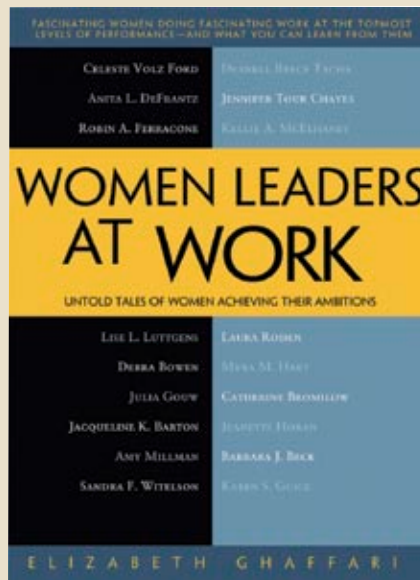
**Laura Roden:** If you feel satisfied with your accomplishments.

**How do you define your position as a leader?**

I think a leader inspires others to action, whether for profit or nonprofit, whether for my mission or their own.

**Would you do anything differently if you were starting out today?**

I would have taken voice lessons to improve the depth and gravitas of my delivery — a key weakness among many women.



**How do you advise women today who face the kinds of challenges you did? How can they work their way through or around them?**

Persevere, persevere, persevere. Do not allow yourself to admit the possibility of defeat. Stay fit and sharp. Try to think six steps ahead on every move — yours and others. Don't take your foot off the dock until you have identified a secure stepping-stone.

Absolutely everyone goes through very tough times, so empathize with them. Ask people's advice, but trust your own decisions. Share enough of your difficulties to solicit help, but not so much that it hurts your credibility.

Very importantly: If you really can't afford the luxury of failure, there's a much higher chance you'll succeed.

Don't waste time. Use every moment, either for business or for pleasure, intentionally. Lose your TV. Lose the YouTube URL. Have your assistant update your Facebook with your vacation pictures.

Save *every* contact that is at all meaningful, with notes on when and how you met, any key points of common interest, etc., in a data-

base you can search by keyword.

If your spouse or partner is unsupportive, stop trying to fix them or blame yourself or deceive yourself or others as to why the relationship isn't happy. You need and deserve support. Make this the ultimatum: "Support me or lose me." You would, presumably, do as much for them as well. If you're not supportive of your spouse/partner, you're doing them an injustice.

**What advice, especially, do you have for young women?**

You have much more power than you think. Understand it, learn how to use it as quickly as possible, and find a female mentor who can train you in this.

**What do you see as the areas of greatest opportunity for young women professionals?**

Anything where you are indispensable. The easiest way to get power, money, and position is to do the jobs that other people can't do well — finance and sales. *Avoid* soft, non-measurable jobs like marketing, business development, human resources, PR, etc. You will be totally disposable and underappreciated. Management may love you now, but management is subject to change without notice, and unless the metrics are there, you are dust.



**Laura Roden**

From *Women Leaders at Work* by Elizabeth Ghaffari, copyright ©2011 by the author, published with permission by Apress ([www.apress.com](http://www.apress.com)). Ghaffari is president and CEO of Technology Place Inc., a firm she founded in 1989 to deliver strategic technology advisory services to U.S. and international business clients. She is the author of *Outstanding in Their Field*, a 2010 book on women directors, and her website, Champion Boards ([www.championboards.com](http://www.championboards.com)), is an authoritative resource on women's advancement to board service.

just talk — it was a call to action:

- Says William E. McCracken, CEO of CA Inc.: “Boards with women members simply perform better. Diverse viewpoints and experiences make for better dialogue and smarter decisions.”

- Says Klaus Kleinfeld, chairman and CEO of Alcoa Inc.: “Alcoa’s women board members — Judy Gueron, Kathryn Fuller and Pat Russo — have greatly impacted Alcoa’s success. Their broad experience and unique perspectives have distinguished them as outstanding leaders and valued role models at Alcoa.”

- Says Jeffrey R. Immelt, chairman and CEO of General Electric Co.: “There is an easy formula that should guide any organization wondering whether they need more women on their board of directors: representation equals results.”

At the event, a panel of six CEOs/board directors (four men and two women) discussed “Women on Boards: Why Now and How.” A few takeaways — confirmed by multiple studies — included: diversity inoculates boards against groupthink; more heterogeneous groups, even if less skilled, make better decisions; and companies with greater gender diversity on boards, on average, outperform those with fewer female board directors. Also, women tend to listen more, raise questions without assuming that they are right, and reach decisions by seeking out others’ opinions.

It is a strategic business imperative to tap into the existing rich pipeline of women and not ignore over 50% of the population. These women are the company’s customers, employees, shareholders, and citizens in the company’s communities.

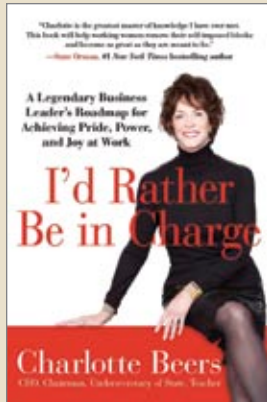
Companies should look below the CEO level to a broader pool for board members. While the pool of talented women exists, the panel noted that unless board members know these qualified women, they are less likely to be selected. Since many CEOs also want “top notch women” in their own companies to get board experience in order to broaden their competencies and to bring this expertise back to the company, this can be a win-win proposition.

### Step Two: CEO sponsorship of board-ready women — a new database

The “Breakfast of Corporate Champions” sparked a new initiative. The Women’s Forum of New York aligned with the Partnership of New York City to launch the first CEO-sponsored database of *board-ready* women executives. Led by Partnership Co-Chairs Ken Chenault, chairman and CEO of American Express, and Terry Lundgren, chairman and CEO of Macy’s, the Partnership reached out to its 200 CEO members asking them to identify and sponsor women candidates for board positions with public companies. Already these CEOs have nominated and are prepared to vouch for more than 40 highly qualified women, and more are being submitted. Additionally, the Women’s Forum is reaching out to other Fortune 1000 CEOs in the tri-state region of New York, New Jersey and Connecticut and accepting national and global nominations from all CEOs of corporate companies.

## ‘Sexy as a Mack truck’

*Ed. Note:* The following passage is from the new book *I’d Rather Be in Charge* by Charlotte Beers, copyright ©2012 by the author, published by Vanguard Press ([www.vanguardpressbooks.com](http://www.vanguardpressbooks.com)). Beers has been a leader of several prominent advertising agencies, served in the Bush administration from 2001-2003 as Undersecretary of State for Public Diplomacy and Public Affairs, and is a director of Martha Stewart Living Omnimedia Inc. She conducts seminars for women throughout Europe and the U.S., teaching them the tools for transforming themselves into managers and leaders in the many industries they represent. Her new book is subtitled *A Legendary Business Leader’s Roadmap for Achieving Pride, Power, and Joy at Work* ([www.charlottebeers.com](http://www.charlottebeers.com)).



But for this story, she got a little sensationalistic, pressing the people she interviewed about whether or not the star women she profiled, myself included, used their feminine wiles, good looks, or sexual fire to get an extra edge in the workplace. I wanted to kill her. We women have conquered vast, sometimes hostile territories at work with qualities like bravery, brains, and resilience, and I didn’t want our accomplishments to be reduced to sex appeal.

In fact, Ed Artzt, the chairman and CEO of Procter & Gamble, called me after being interviewed by Pattie. “Your friend Sellers called,” he said roughly. “She asked me if you were sexy.”

I held my breath as Ed paused.

“I told her you are about as sexy as a Mack truck,” he said.

I’ll take the woman who delivers with the strength and drive of a truck any day over the one who is seen flirting her way to the top. I wouldn’t mind adding to my list of titles the descriptor “sexy as a Mack truck.” Here’s what I believe is sexy at work: being strong and committed and confident, being precisely who you are and in hot pursuit of the goals and ideas you believe in so much they captivate and inspire others.

**I**n 1996 I was on the cover of *Fortune* magazine, framed by a gigantic headline, “Women, Sex and Power.” No wonder it was a bestselling issue. That’s a triple power cocktail — women and power and sex. I knew and admired Pattie Sellers, the author of this groundbreaking article. Pattie passionately believes that women have a vital role to play in improving the workplace.

## Women's Forum of New York 'Board Champions'

The following 52 publicly traded Fortune 1000 companies based in New York, New Jersey and Connecticut were celebrated by the Women's Forum of New York for having women represent at least 20% of their board composition. The event took place in November 2011 at the New York Stock Exchange.

### PLATINUM (50% or more women)

Avon Products Inc.

### GOLD (40% or more women)

Ann Inc.

Estée Lauder Companies Inc.

Macy's Inc.

New York Times Co.

### SILVER (30% or more women)

Aetna Inc.

Alcoa Inc.

American Water Works Inc.

AOL Inc.

Barnes and Noble Inc.

Dun & Bradstreet Corp.

Frontier Communications Corp.

International Flavors & Fragrances Inc.

Interpublic Group of Companies Inc.

Liz Claiborne Inc.

PepsiCo Inc.

Warnaco Group Inc.

Xerox Corp.

### BRONZE (20% or more women)

ABM Industries Inc.

Aéropostale Inc.

Avis Budget Group Inc.

Broadridge Financial Solutions Inc.

CA Inc.

Cablevision Systems Corp.

Campbell Soup Co.

Celgene Corp.

Children's Place Retail Stores Inc.

Coach Inc.

Colgate-Palmolive Co.

Covanta Holding Corp.

Cytec Industries Inc.

General Electric Co.

Harman International Industries Inc.

ITT Corp.

JetBlue Airways Corp.

Johnson & Johnson

Jones Apparel Group Inc.

Medco Health Services Inc.

MetLife Inc.

Pall Corp.

Pfizer Inc.

PVH Corp.

Pitney Bowes Inc.

Praxair Inc.

Prudential Financial Inc.

Quest Diagnostics Inc.

Saks Inc.

Scholastic Corp.

Tiffany & Co.

Travelers Cos.

United Technologies Corp.

Wyndham Worldwide Corp.

The Women's Forum of New York will host this database of board-ready women candidates with expertise across all sectors. This information will be available to nominating committee chairs and search firms free of charge. (See contact information at end of article.)

### Step Three: Tapping into the pipeline — the 2022 challenge

Every year Catalyst produces its Census of Fortune 500 Women Board Directors, and every year the analysis shows the painfully slow progress of women being recruited to boards. According to the 2011 Catalyst Census of the Fortune 500, 56 companies had no women on their boards, and nearly 84% of all Fortune 500 board seats were held by men. By our calculations, at this glacial — less than

1% — annual average rate of increase, it will take 60 years to reach parity.

With an already existing pipeline of board-ready women, a new initiative of CEOs sponsoring qualified women, and a 10-year action horizon, we believe that boards can reach parity in 2022. Then, DIRECTORS & BOARDS can have a cover pronouncing "It Happened in the U.S. — Without Quotas!" ■

*Ed. Note:* To learn about the next 2013 "Breakfast of Corporate Champions," how to sponsor a woman for a corporate board, or to use the Women's Forum of New York database to find a corporate CEO-sponsored board candidate, contact the Women's Forum executive director, Rita Crotty, at ceosponsorship@womensforumny.org or by telephone at 212-447-9107.



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