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Only 16% of region's board seats filled by women: Report

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The Forum of Executive Women released a new, expanded analysis of how well women are represented in the ranks of Philadelphia's corporate leadership on Thursday, and it had some good and some bad news to report.

First, the good. The percentage of women filling board seats at the top 100 public companies in the region increased by five percent over the past five years, and now stands at 16 percent.

The bad? That number is just 16 percent.

The annual Women in Leadership report, formerly titled Women on Boards, broke down the makeup of corporate leadership at those companies and, for the first time this year, extended its analysis into the C-Suite, corporations' top earners, the region's elected officials and specific industries. Companies assessed were part of the Philadelphia Business Journal's list of the top 100 public companies ranked by revenue – a report based on SEC filing data.

Across the data, one common theme stands out, said Deanna Byrne, managing partner at PwC which has collaborated with the Forum to build the report every year for the past five years.

“What we've seen over the years is consistent progress, but very slow progress,” Byrne said.

In the past five years, both corporate leadership positions and the number of women who filled them went up, from 828 overall board seats in 2011 to 870 in 2016 with women filling 94 in 2011 and 136 in 2016.

At the same time, the number of C-suite level executives overall rose from 609 to 625, with women in those roles also rising



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from 67 to 91, a four percent increase.

While women's representation at the top echelons of company leadership is increasing at what Byrne described as a “snail's pace,” another statistic showed even slower growth – women's paychecks. In 2011, just 48 out of 482 top earners were women, or 10 percent. Five years later, that number has barely moved, rising by 1 percent.

The pervasive nature of gender pay equity, in which women start out at lower salaries and remain a step behind for decades, likely plays a part, said Margaret

McCausland, president of the Forum of Executive Women.

“We have to start to fix the pay equity problem, generally, because what happens is it just carries through your entire career,” she said. “You keep perpetuating the discrepancy.”

It's key to address the unconscious bias that drives both employers and workers to perceive an assertive, outspoken man as ambitious and an assertive, outspoken woman as a troublemaker, she said.

While the report showed incremental successes, there was one metric that

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◀ *Having at least one female director on a board is a good start, Margaret McCausland said, but it can't be a stopping point.*

"I've been fortunate to have several great mentors. Beyond guidance around how to be a better audit professional, they focused on making me a better business professional. They provided guidance, delivered tough love when necessary and challenged me to look further ahead and pursue the path that was right for me. I'm forever grateful."

- Deanna Byrne, Assurance Partner, PwC



moved in a concerning direction. In 2015, 33 percent of 60 board openings were filled by women. That percentage dropped drastically in 2016 with women filling 17 percent of 76 board seats that opened.

"We can't get complacent about this issue. We have to stay focused on it because as soon as we get complacent, it gets too easy for people to just go back to the way things were," McCausland said.

Too often, the lack of women on boards is attributed to fewer women being qualified for the positions, she said, when really it's a byproduct of leaders choosing the path of least resistance. It's easier, for example, for a male director or executive to reach out to a buddy or professional colleague for suggestions when an open board seat or C-suite position becomes available, and it's likely he'll get names of other male colleagues in his circle.

"Until companies get really proactive and make a commitment at the top that this is what we're going to do, and make it clear that part of how you are judged as a leader is going to be based on 'What did you do to increase our diversity?' that's when you'll start to see some change," she said.

McCausland pointed to one sign of

progress. Five years ago, the majority of companies on the list, 58, had no female executives at all. That number has fallen to 43.

The amount of companies that have no women on their boards also decreased during the 5-year period, from 36 to 19, with four adding women in 2016. Last summer, software consulting company EPAM Systems Inc. brought on Jill Smart, an industry veteran who retired after 33 years in the business including a decade as Accenture's chief human resources officer.

"She's a great addition to our board, and not because she's a woman, but because she's a great addition to our board," said Larry Solomon, EPAM's chief people officer who worked with Smart for more than 20 years at Accenture.

Increasing diversity on all fronts is an active mission for the company, he said, and not just for the sake of it. Multiple studies have shown companies with diverse leadership perform better and bring in higher revenues.

"Inclusion makes sense for a business not only because it's the right thing to do but because it will foster the most innovative, exciting points of view for clients, and

that's what they want from us," Soloman said, adding they've also held roundtable discussions on the topic and regularly schedule female executives to give company talks that focus on their work, instead of the usual talk about women in business. "Lip service doesn't work anymore. That's been going on for the last 20 years. [Employees] want to hear real, practical, been-there-done-that stuff."

Having at least one female director on a board is a good start, McCausland said, but it can't be a stopping point. The ultimate goal is to have at least three women on a board, or 30 percent, to ensure a lone woman or duo aren't treated like tokens or get left out of important conversations.

Out of the 100 companies the report studied, just 11 hit the 30 percent mark. Only two had an even split or more, with Navient at 50 percent and American Water at 63 percent.

Byrne, of PwC, is hopeful more businesses will reach that threshold, especially given the inside look her firm gets at companies operations.

"There's still a lot of work to do," she said. "I think we should celebrate we are making gains, but not be satisfied with the results."