

Study: Top California company leaders dominated by men

December 6 2012

(Phys.org)—The 400 largest companies headquartered in California, representing almost \$3 trillion in shareholder value, still resemble a "boys' club" with women filling fewer than 10 percent of top executive jobs, a University of California, Davis, study has found.

The Graduate School of Management's eighth annual UC Davis Study of California [Women Business Leaders](#)—a yearly benchmark for the Golden State's lack of progress in promoting women business leaders—paints a dismal picture for women in leadership during fiscal year 2011-12. Some of the best known among these top companies, or the California 400, have no women leaders.

The survey is the only one of its kind to focus on gender equity in the boardrooms and executive suites of corporate California.

This year, for the first time, the survey also looked at ethnicity among the 85 [Fortune 1000 companies](#) in California, and only one [company](#) in this subset of businesses had an ethnic woman as the CEO. Furthermore, only 13 had any ethnic women directors.

"To compete in today's [global marketplace](#), successful companies need leaders from a variety of backgrounds, skills and experience to make critical strategic and operations decisions, but the lack of women in these California public companies is anything but forward-thinking," said Steven C. Currall, dean of the UC Davis Graduate School of Management. "There are many talented, highly qualified women for

these top leadership positions, yet every year we see the same figures and little improvement."

The survey featured one statistical bright spot: The percentage of women directors year-to-year jumped a half percent, the highest annual increase in four years. For the past few years, the figure climbed only 0.2 percent annually.

"This is a slight increase, but not nearly what we should be seeing," Currall said. "We challenge the business community in California to improve on its past. Women, by far, make the most purchasing decisions in certain industries, for example, and they are nearly 50 percent of the U.S. workforce. So, it's vital that we have that diversity of thought and experience in the leadership of these companies. More and more research is showing that having more women in top management and on boards actually improves company performance."

Among the key findings of the study:

- There is only one woman for every nine men among directors and highest-paid executives.
- Only 13 of the 400 largest companies have a woman CEO.
- No company has an all-female (nor gender-balanced) board and management team.
- Almost half (44.8 percent) of California's companies have no women directors; 34 percent have only one woman director.
- Among counties with at least 20 companies, San Francisco County has the greatest percentage of women directors (16 percent), and Orange County has the least (8.7 percent). Alameda County has the most highest-paid women executives in the study.
- By industry, firms in the semiconductor and software industries and those located in the Silicon Valley (Santa Clara County)

tended to include fewer women on the board and in highest-paid executive positions. Firms in the consumer goods sector had the highest average percentage of women directors and highest-paid executives.

- Of the best-known companies in California—Apple, Google, Intel, Cisco, Visa, eBay, DIRECTV, Yahoo!, and PG&E—none of their highest-paid executives at fiscal year-end were women.
- The Silicon Valley companies—representing nearly half the shareholder value of the companies on the list—showed the worst record for percentage of women executives, consistent with past years of the study. Only 6.6 percent of their highest-paid executives are women.

The study looked at the five highest-paid executives for each company, also called "named executive officers," as reported to the Securities and Exchange Commission. The study examined filing data available as of Oct. 1, 2012. The 400 companies were selected based on market capitalization.

For figures on ethnicity, study authors used a database that tracks Fortune 1000 companies nationwide and other sources, including company websites and SEC filings.

The company with the best gender balance in this year's survey was San Francisco-based Williams-Sonoma, Inc. The home furnishings and cookware company reported that women held nearly 47 percent of their highest-paid executive and board director seats.

"Williams-Sonoma, Inc. is proud to be a leader in diversity and consider this to be at the core of our business practices. We work to create an environment that attracts great talent, and we seek to motivate, inspire and recognize high performance among all employees," says Laura Alber, president and chief executive officer, Williams-Sonoma, Inc.

Williams-Sonoma was ranked ninth in last year's study, with 31 percent of its executive and board member seats filled by women, and it has been in the top 25 companies in the list three years consecutively.

The highest ranking company two consecutive years previously, bebe stores inc., dropped to second place in the latest study while maintaining 40 percent women in its top positions.

UC Davis partnered with Watermark, a Bay Area-based nonprofit that offers programs for executive women, to complete the study.

"Companies today know they need to increase innovation," said Marilyn Nagel, CEO of Watermark. "They need talent on top that is tuned into customer needs. They need directors and executives who are strong, capable, qualified leaders in every sense.

"However, while so many are bemoaning the lack of these qualities in candidates for their top positions—they are overlooking the women right in front of them who can deliver all of these qualities in spades," Nagel added.

More information: www.gsm.ucdavis.edu/census

Provided by UC Davis

Citation: Study: Top California company leaders dominated by men (2012, December 6) retrieved 26 June 2024 from <https://phys.org/news/2012-12-california-company-leaders-dominated-men.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.