

Women in top executive roles are not being promoted to the highest levels, earn less

December 5 2014, by Karen Nikos-Rose

The rewards of corporate leadership accrue faster for men. Not only do women hold just one in nine of the executive and board positions in California's top 400 public companies, an annual University of California, Davis, study shows that the women in top executive roles are not being promoted to the highest levels, and earn less than their male counterparts.

Overall, [women](#) hold 11.5 percent of the highest-paid executive positions and board seats in the state's 400 largest public companies—a 0.6 percent increase over last year, according to the UC Davis Study of California Women Business Leaders. The UC Davis Graduate School of Management has found an essentially flat trend line during the decade it has tracked the representation of women in these key decision-making roles. Together, the 400 companies represent more than \$4.5 trillion in stock market value, up more than 30 percent over last year.

Only two companies, organic food maker Annie's Inc. of Berkeley and upscale kitchen and cookware retailer Williams-Sonoma of San Francisco, have equal numbers of women and men in top executive positions and board seats.

"We cannot grow impatient. Not yet. The 'Lean In' movement has highlighted the need to encourage and assist more women to take a seat at the table," said Ann Huff Stevens, dean of the management school. "Careful and ongoing monitoring of firms' and women's progress can help sustain this momentum. Advocacy groups can provide women with

the skills and connections they need to be prepared for leadership roles. Education on and communication of the facts about the status of women in corporate America are critical."

Among the 400 public companies, the top 25 firms identified in the study with the greatest gender diversity among executives and board members reported annual revenue and net income more than double that of the average company in the study. Only two companies have appeared in the study's Top 25 list for eight consecutive years: AMN Healthcare Services Inc. and bebe stores inc.

Of the 400 companies, only 14 have women CEOs, up marginally from 11 in 2006. Among all highest-paid executives at the companies, the median value of annual compensation for men was nearly \$1.8 million. The median for women trailed by nearly half a million dollars at \$1.3 million, or about 74 percent that of men. The difference appears to represent more women serving in roles with lower compensation levels, rather than women receiving lower compensation in the same role. The positions with the highest median compensation among men and women—such as CEO, division CEO or president, executive director and president—show the lowest percentages of women.

The study is the only one of its kind to focus on gender diversity in the boardrooms and executive suites of corporate California. It was cited in September 2013 in a state resolution passed by the California Legislature calling for more women leaders in public companies, the first such resolution of its kind in the United States.

Senate Concurrent Resolution 62, authored by Sen. Hannah-Beth Jackson, is not binding, but sends a powerful message encouraging public companies to add more women to their corporate boards over the next three years. The UC Davis study shows that the percentage of the 400 largest public companies in California companies in compliance

with SCR-62 increased from 12 percent in September 2013 to 16 percent by the end of the latest fiscal year, December 2013.

Among the findings in this year's UC Davis study:

- Fewer companies are without women—the number of companies that have no women executives and no women board members has dropped to 101, or about a quarter. This figure is a new low, showing more women are being appointed to existing or new board seats and executive positions.
- Although still low overall, the percentage of women directors in California has risen steadily from 8.8 percent in 2006 to a high of 12.4 percent in 2014. A linear projection of the current rate would predict women holding 19.9 percent of California director positions in 2020 and 44.8 percent in 2040.
- A majority of the companies still have no women among their highest-paid executives. The percentage of women who are reported to be highest-paid executives has risen to 9.9 percent in 2014 from 7.8 percent in 2007, the first year those data were collected. Most notable overall: only three additional women are CEOs of large California companies than were in 2006, resulting in a minimal increase from 2.8 percent in 2006 to 3.5 percent in 2014.
- Among counties with at least 20 companies, San Francisco County has the highest percentage of women board directors (17 percent), and Los Angeles County has the fewest (10.7 percent), followed closely by Orange County and Santa Clara County (11 percent). San Mateo County has the highest percentage of highest-paid women executives (16.3 percent), and Los Angeles has the fewest (7.7 percent), followed closely by Santa Clara County (8.1 percent).

The study tracks the members of the boards of directors and the five

highest-paid executives for each company as reported to the Securities and Exchange Commission. The study examined filing data available as of Aug. 31, 2014. The 400 companies were selected based on market capitalization.

The study also looked at the race and ethnicity of women and men corporate directors at the 91 public companies that also appeared on the 2014 Fortune 1000 list. Overall, 73 percent of directors are Caucasian men. The ethnic breakdown of women directors is slightly less diverse than that of men directors, with 9.4 percent of women and 12.3 percent of men, respectively, being Asian, African-American, or Hispanic or Latino. The ethnicity data were provided by Microquest Inc.

To publish the study, UC Davis partners with Watermark, a Bay Area-based nonprofit that offers programs for executive women.

"What is different this year is that women are not quietly allowing these inequalities to continue without raising our voices both individually and collectively," said Marilyn Nagel, CEO of Watermark. "We are getting true support from male champions who recognize gender balance at the top and in the boardroom is a business imperative. Momentum is gathering, and collectively we are letting companies in California know that we will not be discounted or disregarded."

More information: To download the full study, including industry-by-industry and county-by-county statistics, and the UC Davis database of the 400 companies and executive compensation, visit the UC Davis Graduate School of Management's "Women in Business Leadership" website at gsm.ucdavis.edu/women.

Provided by UC Davis

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