

Study associates women in corporate leadership with higher revenue

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While women hold only one in eight of the executive and board positions in California's top 400 public companies, an annual University of California, Davis, study shows incremental progress—the percentage of women in these top decision-making posts has increased, and the number of companies with no women executives and board directors at all is dropping.

Overall, women hold 10.9 percent of the highest-paid [executive](#) positions and board seats in the state's 400 largest public companies—a 1 percent increase over last year, according to the UC Davis Study of California Women Business Leaders. Together, the 400 companies represent more than \$3.4 trillion in shareholder value.

Two companies, organic food company Annie's Inc. of Berkeley and clothing retailer The Wet Seal Inc. of Orange County, have more women than men in top executive positions and board seats—a first since the study began in 2005.

Among the 400 public companies, the top 34 firms identified in the study with the greatest gender diversity among executives and board members were associated with earning three times more revenue and having 50 percent higher profit than the average company in the study with fewer women leaders.

The benchmark study of women in leadership has been published by the UC Davis Graduate School of Management for nine years.

"Having more women involved at the highest levels of California's large public companies may improve their performance," said Steven C. Currall, dean of the management school. "Much more needs to be done to diversify the top management of public corporations, so let's take this bit of momentum—this incremental progress—and build on it."

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 in a state resolution passed by both houses of 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 351 (87.8 percent) of the 400 largest public companies in California do not yet meet the resolution's goals for the number of women on their boards of directors.

Among the encouraging 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 107, or a little more than one-fourth. This figure is a new low, showing more women are being appointed to existing or new board seats and executive positions.
- More companies than ever before have at least one woman leader. All 12 of the public Fortune 100 companies in California have at least one woman director on their board. Two of the top 25 companies in the study, SciClone Pharmaceuticals Inc. and Williams-Sonoma Inc., have a majority of highest-paid executive positions, 3 of 5, held by women.
- Although a majority of the 400 largest public companies in the state still have no women among their highest-paid executives, more women than ever before are filling these ranks, from 8.9 percent last year to 10.5 percent this year. Women chief financial

officers are increasing, while the number of women serving as chief executive officers is holding steady at 13, or 3.3 percent. external recognition reflects our commitment to our values including our dedication to expanding the role of women in business."

Among counties with at least 20 companies, San Francisco County has the most women board directors (17.3 percent), and Alameda County has the fewest (9 percent). San Mateo County has the most highest-paid women executives (15.4 percent), and Orange County has the fewest (8.1 percent).

The study tracks the members of the boards of directors and the five highest-paid executives, also called "named executive officers," for each company as reported to the Securities and Exchange Commission. The study examined filing data available as of Aug. 31, 2013. 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 94 public companies that also appeared on the 2013 Fortune 1000 list. Ethnic representation is poor among directors of both genders, with about nine out of 10 directors being Caucasian—even though California is more diverse than the country as a whole. (Only 39 percent of Californians identify as Caucasian alone.)

Companies that appear in the study's Top 25 list for the sixth consecutive year are AMN Healthcare Services Inc., bebe stores Inc., BRE Properties, Deckers Outdoor Corp., and McKesson Corp.

Annie's Inc. and The Wet Seal Inc. tied for No. 1 with 54.5 percent women in these top positions. Both firms are led by male CEOs.

"Annie's is honored to be at the top of this prestigious list of public companies," said John M. Foraker, chief executive officer of Annie's Inc. "Annie's aims to support, promote, and develop highly capable leaders who can forward Annie's culture of equality and excellence. From Molly Ashby, chairman of our board, to Annie, our inspirational president, to key employees throughout our company, women play an integral role in the success and growth of our brand. This

John D. Goodman, [chief executive officer](#) of The Wet Seal Inc. said the company is proud to be recognized for the number of women in its top executive ranks and its board of directors.

"As a retailer of women's apparel, Wet Seal is committed to empowering, developing, and recognizing women whether they are our customers, employees, or members of the communities in which we operate," said Goodman. "Our people are our lifeblood and it's the rich diversity of our employees and customers that sets us apart—at Wet Seal we are passionate about creating opportunities for people at every level."

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

"There has been significant discussion recently about women 'leaning in' and an outpouring of executive leadership support for greater equality," said Marilyn Nagel, CEO of Watermark. "A new women's movement is emerging in which [women](#) advocate for one another and have the ability to influence at the highest levels."

More information: Read the study: viewer.zmags.com/publication/46e5e32c#/46e5e32c/1

Provided by UC Davis

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