

The Pace of Women Obtaining Leadership Positions in the Largest Chicago Public Companies is "Glacial"

By Jane DiRenzo Pigott

For the fifth year, The Chicago Network conducted a census of the fifty largest Chicago-area public companies ("the Chicago 50"), "The Chicago Network 5th Annual Census of Chicago's 50 Largest Companies" ("the Census"). The Census, begun in 1998, is based on the premise that what gets measured matters: if there is to be any appreciable change in the number of women in corporate leadership positions in Chicago, the Company's progress on this front must be measured and reported. Using publicly available data reported to the Securities and Exchange Commission in 2002 and 2003, the Census measures the number of women directors, top wage earners, and executive officers in the Chicago 50. While there was some good news in the Census, for the most part both the numbers and the trends are below expectations.

The good news is, for the first time in the Census' history, the Chicago 50 boasts female Chief Executive Officers ("CEOs"): Betsy Holden at Kraft Foods Inc. and Pamela Forbes Lieberman at TruServ Corporation. Since the publication of the Census, however, Betsy Holden lost her CEO position at Kraft (she is now president of global marketing and category development at Kraft).

The Census reported that there is only one company in the Chicago 50 in which women comprise more than 25% of its directors: Kraft Foods Inc. Among the Chicago 50 generally, the proportion of women directors remained the same in 2002 and 2003: 12.4%. The Census also reported that there are five companies among the Chicago 50 that still do not have any female representation on their boards: Ace Hardware Corporation, FMC Technologies, Old Republic International Corporation, Smurfit-Stone Container Corporation, and USFreightways Corporation.

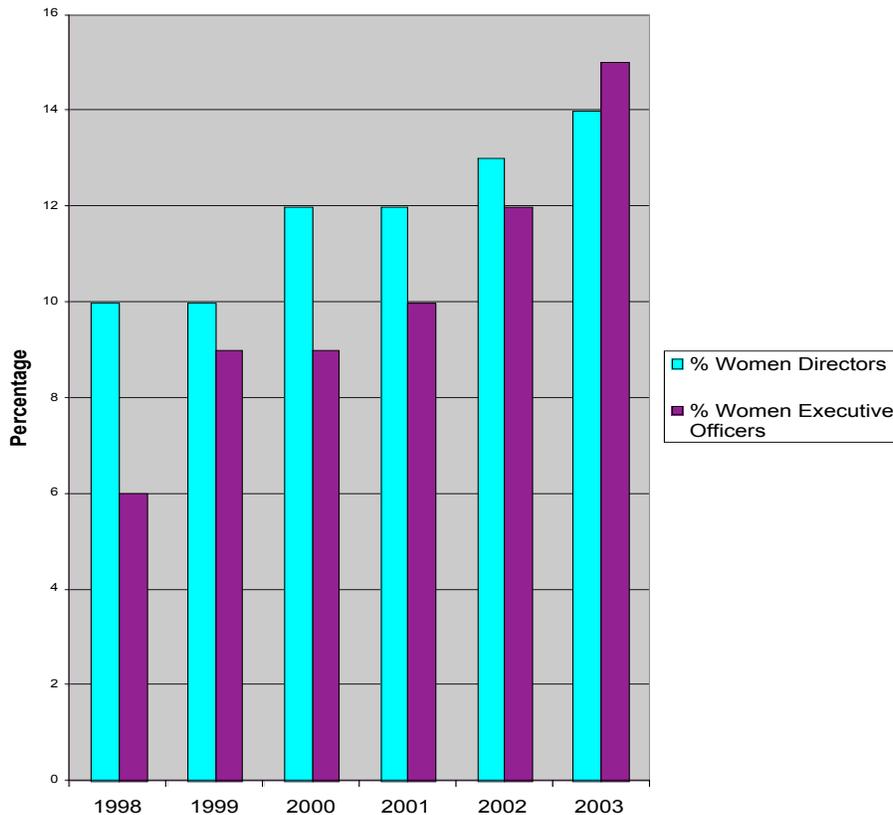
Nor was performance better with regard to women as top corporate wage earners, defined in the Census as the five highest compensated officers in a company as listed in its securities filings. Only three companies in the Chicago 50 listed women as more than 25% of their top earners. Thirty-four companies still had no female top wage earners in 2003. Overall, in 2003, women comprised only 7.9% of the top wage earners in the Chicago 50.

With regard to executive officers in the Chicago 50, women made up 13.7% in 2003, up from 11.4% in 2002. Only three companies in the Chicago 50 have more than 25% women executive officers. Only 25 of the Chicago 50 had more than one woman executive officer. Twenty percent (10 companies) of the Chicago 50 still had no women executive officers in 2003.

The Census examined the trends in this data since its inception in 1998 for the 23 companies that have been in the Chicago 50 each year since that time. The 6-year trends demonstrate gains since 1998, but at an unacceptably slow pace. The percentage of women executive officers moved from 6% in 1998 to 15% in 2003. These percentage gains are due mainly to the law of small numbers: if a company had one woman executive officer and added a second, it posted a 100% increase. The data shows, for example, that only six companies over

the last six years added more than one woman executive officer. With regard to woman directors, the proportion increased from 10% in 1998 to 14% in 2003. This average annual growth rate amounts to only 0.66% per year.

Women Directors and Executive Officers: Six Year Trends



The Census demonstrates that the numbers with regard to women in leadership positions are unacceptably low and are not improving at a rate that is material. The best practices delineated in this Census and past Census reports suggest that the single most important practice for appreciable progress on this issue is demonstrated and communicated commitment by the company's chief executive. Material and sustainable change can occur only with that level of commitment and systems that hold the executive officers accountable. Isn't it time, Chicago?

Ms. Pigott served as Chair of the Census Committee that produced "The Chicago Network 5th Annual Census of Chicago's 50 Largest Companies" (2003). The Chicago Network is an organization of metropolitan Chicago's most distinguished professional women. Founded in 1979, The Chicago Network's 330 members have influential roles in leading corporations, professional service firms, government agencies, health care companies, entrepreneurial enterprises, and the arts and social benefit organizations.