

Women's progress remains 'glacial'

Study notes lack of change at top

By Barbara Rose

Tribune staff reporter

Fewer than 15 percent of corporate directors at Chicago's biggest public companies are women—a number that has barely budged in the last five years.

The picture is slightly brighter in local executive suites, where women have been gaining an average 1 percent representation annually but still make up less than 15 percent as well.

At this rate of progress, it will take 25 years before women make up 40 percent of Chicago's corporate directors and officers—a benchmark that women's advocates say is one of the hallmarks of top-performing companies.

These are among the findings of an annual study that tracks women's progress in senior roles at the area's top 50 public companies.

"The trend is upward, but our progress continues to be glacial," said Erin McInerney, executive vice president at Harris Bank, who chaired the annual study by The Chicago Network, a group of prominent professional women. "We think there's a much bigger opportunity here," she said.

The key to expanding the ranks of women in the most senior executive posts is a commitment from male CEOs and directors to promote change, the group maintains. "It's not about a shortage of talent," McInerney said.

The most dramatic change since the 2003 report is the loss of two highly visible female chief executives: Betsy Holden, who was demoted in late 2003 from co-CEO at Kraft Foods Inc., and Pamela Forbes Lieberman, who was replaced late last year as CEO of TruServ Corp.

As a result, women no longer run any top local public companies, The Chicago Network's report notes.

McInerney declined to comment on the changes at Kraft and TruServ, but said, "Our hope is that women would be held to the same standard as men both for recruitment to these top positions and retainment in them."

The progress of women in local boardrooms last year was scant. They represented 13 percent of local corporate directors—up less than one percentage point since 2003 and little changed since 2000.

Women represented 14.4 percent of local executive officers last year, up by less than 1 per-

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centage point compared with 2003.

Thirty-two of the area's top 50 local companies had no women at all among their top earners.

Two companies—FMC Technologies Inc. and USF Corp.—had no women directors, executive officers or top earners, according to the report.

A spokesman for FMC in Houston declined comment because the company hadn't seen the report. A call to USF was not returned.

The Chicago Network's report cited six companies as top performers last year, with composite scores of 20 percent or higher based on the percentage of women among directors, officers and top earners.

The six included CDW Corp.; Sears, Roebuck and Co.; Bank One Corp.; Kraft Foods Inc.; Hewitt Associates Inc. and Alberto-Culver Co.

In making the case for promoting women, the group cited research showing that companies with the highest numbers of women in senior roles deliv-

ered 35 percent higher returns than companies with the lowest numbers of women executives.

The findings are from a 2004 study of 353 Fortune 500 companies by New York-based research and advisory group Catalyst.

"There is a unique opportunity for some of our business leaders to step up," said Deborah L. DeHaas, vice chair and regional managing partner at Deloitte in Chicago.

"That tone at the top is exceptionally important," DeHaas said. "When there is clear linkage of diversity to how key managers are evaluated and compensated, those are the organizations where you start to see progress."

Diversity consultant Jane DiRenzo Pigott said change is led from the boardroom.

"This is not change that occurs from the bottom up," she said.

The Chicago Network identified "forward-thinking CEOs" who believe that promoting women to senior roles is good business.

They cited CDW Corp. Chairman and CEO John Edwardson, Abbott Chairman and CEO Miles D. White, and R. Eden Martin, president of the Civic Committee of the Commercial Club of Chicago.

The three are featured in the group's report, which will be available as early as Monday at www.thechicagonetwork.org.