

Women expect numbers on corporate boards to increase

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Karen Gordon Mills, a partner at a private equity firm in New York, is one of an elite group of women.

She is among a small but growing number of women who sit on the boards of the nation's largest corporations. And she expects that number to keep growing.

"I think that there will be an enormous amount of progress in the next several years," said Mills, who sits on three public boards.

So far, the gains have been slow but steady. Women this year held 12.4 percent of all board seats at Fortune 500 companies, up a bit from 11.7 percent in 2000, according to a report released this month by Catalyst, a New York research and advisory organization that works to advance women in business.

There has been a similarly small percentage increase each year since 1993, the first year Catalyst compiled the numbers, when 8.3 percent of directors for the largest companies were women. Eighty-seven percent of Fortune 500 companies now have at least one board director, up from 84 percent in 1999.

The Fortune 500 and the larger, more recent Fortune 1000 come out each spring when *Fortune* magazine ranks, by annual revenue, the largest publicly traded U.S. companies by revenue. Familiar local names such as **Sprint**, **H&R Block** and **UtiliCorp United** regularly make the lists, along with the top agricultural co-op, **Farmland Industries**. But private companies are not tracked, so **Hallmark Cards** is not included.

While many, including those at Catalyst, are disappointed by the relatively low percentage of women on these boards, they hope that these figures will improve significantly in the next several years.

The reasons: companies are beginning to recognize the business arguments for diversity, and the pool of highly qualified women is getting too large to ignore.

"Changing cultures and attitudes is slow," said Katherine Tobin, director of research at Catalyst. "I think that the companies in the spotlight all the time are more likely to have gotten the message that to be competitive it is better to be diverse. You want to have the best minds at the table."

Sheila Wellington, the president of Catalyst, said the challenge is that "many company leaders tend to look around their immediate circle for candidates to serve on their boards, and women tend not to be there."

For their own business benefit, companies need to consider the gender of their consumers and their work force, Wellington said. Women managers and board members provide a different perspective.

"CEOs have to cast their nets a little wider," Wellington urged. "There are many, many women who are willing and able to serve. They just have to look for them."

Slow progress

In 1993, just 345 Fortune 500 companies had at least one woman director compared with 434 this year. The 500 largest companies "tend to have larger boards, and the refore, are more likely to have at least one woman director," said the report, which was based on data collected this spring.

Thirty of the top companies have boards with 25 percent or more women directors. Women of color, however, held only 2.6 percent of the board seats in the 409 companies for which racial data were available.

The companies ranked 501 to 1,000 have not made the same progress. Only 60.6 percent of these firms have at least one woman director, down from 62 percent in 1999.

In Kansas, 10 percent of board seats for its Fortune 1000 companies were held by women this year, and in Missouri the figure was 9 percent.

As of last spring when the numbers were collected, local companies **DST Systems**, H&R Block and **Yellow Corp.** each had one woman on their board. At the time, UtiliCorp United had two. Since then, one woman has gone on director emeritus status and another woman has resigned. But a third woman is scheduled to join the board in February.

Very few boards in Kansas or Missouri had more than one woman, and several, including Farmland Industries with 22 seats and Interstate Bakeries with nine seats, had no female directors.

For Farmland and Interstate -- whose products are marketed predominantly to female grocery shoppers -- a lack of women's voices at the top would seem to be a concern. Interstate declined to discuss the composition of its board, and Farmland said that although women had been nominated by its member owners, they had never been elected to the board.

Many measures

Linda Koch Lorimer, vice president and secretary of Yale University, is the only woman on the Sprint board. But the number of women directors is just one measure of how a company deals with diversity and women's issues.

"Sprint doesn't need a woman on the board to raise issues about women," Lorimer said. "It's already part of the culture."

She added that Sprint appointed its first female board member 20 years ago, and nationally 40 percent of its officers and managers are women.

She also is optimistic about the future. "I think there has been real progress as more members of boards and CEOs have worked with women leaders," she said.

Nationally, the Catalyst report noted, if the trend toward more women on big corporate boards continues at the same rate as the last nine years, "women will occupy a quarter of all board seats by the year 2027."

Wellington, the Catalyst president, said, "It's slow progress, but it is steady."

She and other women are hopeful that the numbers of female directors will increase significantly in the next decade.

Mills said that in recent years the biggest companies have embraced good corporate governance as a tenet. Though some CEOs continue to surround themselves with people they already know who will rubber stamp their decisions, many want the best minds to serve on their boards so that they can receive the best advice.

"I think having different perspectives is an asset," she said.

Another reason she expects the number of women board members to rise is that there are so many qualified women who have the experience and desire to serve. There is an enormous group of women, she said, overseeing billion-dollar departments who would make terrific board members.

"I am so impressed with the number of women and the quality of women coming up the line," she added.

How does someone position herself for a director slot? Catalyst recommends obtaining leadership experience. CEOs and nominating committees want directors with senior management credentials, especially profit-and-loss responsibility.

So, Catalyst recommends, a woman should be visible at her company and make a strategic plan that points toward line positions. Catalyst also recommends getting involved in professional organizations and serving on nonprofit or advisory boards.

Mills also advises potential candidates to serve on the boards of private companies. But how does someone get those positions?

"Ask," Mills said. "Say to the guys: I would like to be on a board. I'd like to have that experience."

Mills, who sat on many private boards in the 1980s and now sits on the board of three publicly traded companies, loves the work.

"I like the problems," she said. "I like being part of the interaction. I like helping a CEO think through the major financial and structural problems."

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